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## ARTICLE IV.

## MONOPOLIES IN THE ANCIENT ORIENT.

BY WILLIAM NOTZ, PH.D.,  
WASHINGTON, D. C.

THE great economic problems of to-day arising out of private and state monopoly of trade are by no means phenomena which are characteristic exclusively of our time. We find striking parallels in the earliest historical documents of man. Among the Babylonians, the Assyrians, the Egyptians, the Jews, — and, in fact, throughout the Ancient Orient, — prototypes can be pointed out of those phases of modern commercial and industrial organization and business practices which are commonly known by the comprehensive term of trusts and trade monopolies. This need not seem surprising in view of the high development of commerce and trade among peoples whose genius was directed preëminently towards commercial pursuits. The monuments of ancient civilizations, which the pick and the spade of excavators and archæologists unearthed in recent years in the valleys of the Euphrates and the Tigris, the Jordan and the Nile, furnish abundant evidence of the fact that the Semites concentrated their racial tenacity and adaptability with remarkable success upon commerce and trade.

Particularly interesting examples of monopolistic business practices are met with in the Hellenistic era, during the reign of the Ptolemies, and in the times of the Talmud, as well as in ancient Greece and Rome. Indeed, the very word “mo-

nopoly" was coined, it seems, at that time. Aristotle discussed the subject of monopolies at some length in his *Politics*. A reflex of these conditions among the nations surrounding the Jewish people of old is noticeable in different parts of the Old and the New Testament. Examined together, as a whole, and from this new perspective, these Bible passages shed a wealth of new light on our knowledge of economic conditions in Bible times.

Furthermore, additional interest attaches to the subject here discussed for the reason that certain economic measures and policies of a monopolistic nature, to which several European states have taken recourse since the outbreak of the present world war, and which at the time were looked upon by many as entirely new and revolutionary in character, can be shown to have analogous parallels away back in the days of the Old Testament. Economic problems, similar in many ways to those with which our modern statesmen are constrained to wrestle, confronted the rulers of the ancient empires of the East. It is a significant fact that, in the days of Joseph in Egypt and of the writer of the *Apocalypse*, problems arising out of a scarcity of food supplies were solved along lines which were substantially the same as those adopted by several European governments at the present time.

The buying up and cornering of food supplies for the purpose of artificially raising the prices of these necessities of life were not unknown to the Jewish Talmudists. Notable instances are recorded in the Old Testament, where the prophets of ancient Israel raised their voices in condemnation of similar conditions. It is interesting to observe, in the light of present-day economic developments, how government control and regulation invariably were resorted to as the most effective means of protecting the public against ex-

ploiters and usurers. Several instances are extant in ancient history of government regulation of the supply and the prices of foodstuffs, in order to protect the citizens against speculators and rings. In Greece and Rome cases are not lacking where even such radical means of self-help were employed as in the days of the French Revolution, where the stringent provisions for the suppression of price agreements, detrimental to the public interest, which are contained in the French penal code, had their inception.

Ancient Babylonia furnishes an example of monopolistic control of interstate commerce; and in the same country there was a noticeable tendency towards concentration of business, for instance of the banks, into the hands of a few small groups, which in many respects was similar to modern conditions in business life. In the New Testament we find an interesting reference to government restriction of production, in order to prevent a ruinous sinking of prices of a commodity resulting from overproduction. Government monopolies, such as exist in several modern countries with regard to tobacco, oil, alcohol, etc., were hardly less frequent in the leading countries of the Ancient Orient. The ancient rulers fully recognized what a rich source of revenue this form of monopoly involved, and utilized it to its fullest extent.

Unfair competitive methods in business life constitute one of the chief abuses of monopolistic power. Complaints against practices of this nature, so detrimental to fair and honest business dealing, are increasing in number throughout the world. In response to requests for protection, quite universally voiced, remedial legislation has been enacted quite recently in the United States and in several foreign countries. Even international agreements to this effect have been

established. History shows that unfair competition is as old as business itself, and laws for its suppression date back many centuries. Raising prices by artificial means, price cutting, enticing a competitor's customers or disparaging his goods, false advertising and similar devices calculated to injure a competitor's business occupied the minds of the ancient lawmakers, philosophers, moralists, and theologians apparently quite as much as those of their modern colleagues.

#### BABYLONIA AND ASSYRIA.

The thousands of business documents and other historical monuments unearthed during the past century by archaeologists in the ruins of ancient Babylonia and Assyria furnish incontrovertible evidence of the advanced development of business life which flourished there many centuries before the Christian era. To what extent commerce and trade constituted the life element of Babylonia may be gathered from the fact that Jewish and Greek writers designated Babylon "the great merchant city." And the prophet Nahum, in addressing Nineveh, said: "Thou hast more merchants than are stars in the heavens."

Of the two peoples, the Assyrians were more a warring nation, while the Babylonians, on the contrary, were essentially a nation of traders. During the Neo-Babylonian era the city of Babylon became the center of the world's trade. The many business documents dated in that time illustrate the operations of some of the large trading firms located in that ancient metropolis. Surrounded by such big private commercial houses as the Egibi firm, the royal bank was located on a high terrace overlooking the city. Here big business was centered, and from here its influence radiated not only into all the nooks and corners of the empire, but over

the international trade routes to distant markets in foreign lands.

In examining the business and legal documents found in the archives of the Egibis of Babylon, whose history can be traced from the reign of Nebuchadnezzar to that of Darius, of Murashu and Sons of Nippur, and others, we find evidences here and there of the shrewd business practices of those Babylonian captains of industry. Thus a group of old Babylonian tablets containing loans apparently contains a veiled reference to grain speculation.<sup>1</sup> The debtor acknowledges the receipt of a sum of money "ana shipkat eburim" (for sowing), and obligates himself to give in return for it at harvest time grain at the quoted price. The debtor does not receive money but grain for sowing to the value of the designated sum, and in return therefor has to deliver grain at the regular, much lower, rate prevailing at harvest time.

Among the Babylonians trade and religion were very closely allied. A wide sphere of influence and power, political as well as commercial, was exercised by the Babylonian temples. Its main source was the temple treasure, which in a way constituted a monopoly of the respective god. The immense stores of valuable metals and agricultural products and large landholdings placed an immense economic power into the hands of the priestly temple communities. Especially the money business seems to have been concentrated there. Frequently, however, this power was abused, and the city kings of the time of Hammurabi were constantly obliged to fight against abuses of revenue privileges by the priests, and against attempts of the latter to deprive the poor people of their possessions. Brokers charged from 20 to 50

<sup>1</sup>Cf. *Kritische Vierteljahresschrift für Gesetzgebung u. Rechtswissenschaft* (1914), pp. 402 ff.

per cent on loans of money and grain. The temple was a commercial institution of high efficiency. Their accumulations of all sorts of raw products were enormous. These were let out or advanced to the poor as a charity, to their tenants as part of the system of tenure, to slaves who lived outside its precincts, and to contractors who took the material on purely commercial terms. The return was expected in kind, also in made-up material.

As was the case throughout antiquity, numerous commercial and trading privileges were monopolized by the rulers. Indeed, most of the great commercial enterprises and trade expeditions were due to the initiative of the reigning monarchs rather than to private enterprise, excepting, of course, the priestly communities. In southern Babylonia the interstate commerce at the mouths of rivers was thus monopolized by the city kings of that part of the country.

In Hammurabi's time we find evidences of government regulation of prices. It seems that the royal and the temple storehouses also brought their influence to bear in this direction. Of individual rulers Gudea seems to have been exceptionally interested in various trade ventures. Belshazzar likewise was interested in business enterprises, and was a wool merchant on a considerable scale. In Assyria, during the reign of King Sargon, the price of corn and sesame was regulated by the royal storehouses, and under Assurbanipal the sale of cattle captured in war was subject to a price schedule fixed by the king. One of the earliest evidences of this practice is found on an inscription which dates from the time of the empire of Sumer and Akkad. King Singashid of Uruk there says that a maximum price had been fixed by him for corn, oil, wood, and copper.<sup>1</sup>

<sup>1</sup> Cf. Ed. Meyer, *Geschichte d. Altert.* vol. 1. part 1. p. 512.

## EGYPT.

From historical records, especially the rich papyrus discoveries, it appears that the institution of government ownership and that state monopolies obtained more generally in Egypt than in other countries of the Ancient Orient. In the time of the Ptolemies we find the economic freedom of the individual restrained and encroached upon to a considerable extent by numerous monopolies. A great many trades connected with the production of some of the most necessary articles of consumption were almost exclusively in the hands of the State. The latter not only monopolized production and distribution, but also exercised a certain control over consumption.<sup>1</sup>

Some interesting facts concerning the Ptolemaic oil monopoly, a forerunner, in its way, of our modern oil trusts, are contained in a papyrus document which was discovered in Egypt several years ago.<sup>2</sup> In the so-called Revenue Papyrus of Grenfell, which is dated in the reign of King Ptolemy II. Philadelphus, there is contained a decree of this ruler in his twenty-seventh year relating to an oil monopoly. The latter represents one of the most notable examples of a monopolistic combine in ancient history. By means of this Government monopoly the production as well as the sale of oil was controlled. Private competition was excluded. The temples alone were permitted to manufacture sesame oil, but only for their own use, and subject to rigid regulations. Two months constituted the maximum limit during which the manufacture of oil was permitted. Thus a limitation of production or output was brought about, a policy employed by many

<sup>1</sup> Cf. B. Frese, *Aus d. Gräko-Ägypt. Rechtsleben* (Halle, 1909); Maspero, *Les Finances de l'Égypte sous les Lagides* (Paris, 1905).

<sup>2</sup> Cf. Mittels u. Wilcken, *Grundzüge u. Chrestomathie d. Papyruskunde*.



of the so-called *Kontingentierungen* — cartels of modern times. The priests were not, however, allowed to sell the oil, so that the state had a complete selling monopoly.

The monopoly of production included sesame, kiki (our castor oil), pumpkin seed and linseed oil. Whether olive oil was included remains uncertain. The cultivation of plants which yielded monopoly oil was under rigid control of the king. On the basis of official statistics regarding the oil consumption in Alexandria and in the country districts, it was accurately computed how many *arurs* were to be planted with oil plants in each district. Each year, when the ground to be leased was advertised, a tabular survey of the oil-plant area in the country districts was published, together with a statement as to the quantity that was to be delivered at Alexandria. Similar regulations are in vogue in France, Austria, and Japan the present day with regard to tobacco, camphor, and other products that form a state monopoly in those countries.

In Egypt the farmers were obliged to deliver the raw products exclusively to the king, at prices fixed by the latter. The work of seeding as well as of harvesting was continuously supervised by royal officials and by the monopoly guards. In the royal factories the oil workmen, notwithstanding that they were free men who did contract work, were restrained in their freedom in the interest of the monopoly. Workmen once assigned to a certain district were forbidden under heavy penalties to leave it again. The sale of manufactured oil was handled in such a way that in the cities as well as in the country the right to sell was leased out to small dealers who had to deliver the proceeds to the manager (*oikonomos*), a government official.

The king annually fixed the prices at which the different

kinds of oil were to be sold in the retail trade. The dealers, however, frequently procured unlawful advantages for themselves by exacting prices from the public that were in excess of those fixed by the Government. The latter issued instructions to the dealers each month. The oil taxes were not added to the purchase price, but were collected separately. In order that the king might realize the returns desired from the monopoly, foreign competition was prevented. Adulterations incurred liability for heavy penalties. Importation of foreign oils was prevented by confiscation of the goods and by means of large fines. Importation for consumption was permitted on payment of a duty amounting to 25 per cent of the value of the best domestic oil. If smuggling was suspected, or in case of illicit production, the monopoly guards and their employees had the right of search. Smuggling was of frequent occurrence.

The Government exercised such a complete control over the whole oil production that even the cultivation of the oil plants was carried on under Government supervision. The oil was manufactured in Government presses, and was finally sold at auction to the retail dealers in each village by Government officials. In Egypt, just as in Babylonia, the temple communities were the biggest commercial factors next to the trade establishments of the king. Strabo states that, as a result of a private monopoly, papyrus almost disappeared from commerce. It has been suggested that this "corner" in papyrus was due to an effort to prevent the library of Pergamon from procuring large quantities. On an inscription discovered in Asia Minor an imperial freeman is mentioned who bears the title of a procurator at the head of such a monopoly. The scarcity and high price of paper which is making itself felt at present in the United States appears to

be partly due to monopolistic manipulations of producers similar to those mentioned by Strabo. It appears that a papyrus monopoly at one time existed also in Palestine.<sup>1</sup>

Thus far it has not been fully established which industries were wholly monopolized by the king, and in which ones he participated only in competition with the others. At any rate it is clear that he was the leading "captain of industry" and big merchant of the country. He participated in one way or another in the production and the sale of the most important food products used by the people, such as salt, oil (which took the place of butter), honey (taking the place of sugar), fish (the most important article of food of the poor man), and beer. Besides, the king was interested in the manufacture or trade of linen and woolen goods, paper, bricks, natron (which served as substitute for soap), articles of luxury, such as jewelry, perfumes, ointments and of silphion, a popular vegetable and leading export article of the neighboring Cyrenaika. Salt and natron were wholly monopolized. Of spices, so popular in the Orient, a fixed price was determined for myrrh by the king. Bathing establishments also seem to have been monopolized, the temples enjoying special privileges. Wool weaving was a royal monopoly. The cloth factory of Cleopatra, which was managed by the Roman senator, A. Ovinius, became famous. The extensive lumber and mining resources of the country were under Government control, and even the felling of trees on one's own property was permitted only on special permission from the king.

According to the Revenue Papyrus, the banking business in the time of the Ptolemies was wholly in the hands of the king. Temple banks or private banking concerns are not mentioned. An inscription from Lycia makes mention of a

<sup>1</sup>Cf. Schlatter, *Zur Topographie u. Gesch. Palästinas*, p. 182.

ferry service which was owned and operated by a certain municipality. Similarly a number of ancient inscriptions reveal the existence of maritime monopolies along the Mediterranean coast. In Egypt the cultivation of flax was controlled by the king just as that of oil plants. He regulated the production and fixed the prices of the raw as well as of the manufactured products. The manufacture of the finest cloth was reserved to the temples, but they were not allowed to sell. Certain artisans, who possessed a special technical training, were permitted by the king to weave goods, with the stipulation to sell exclusively to the king and at prices to be determined by him.

#### PHŒNICIA.

Of all the nations of the Ancient Orient the Phœnicians became known in history as traders and merchants *par excellence*. Their unscrupulous and selfish business practices became a byword among other nations. In Homer's *Odyssey* (xlv. 288) the epithet "deceitful" is applied to them. In the Amarna letters we read of several rulers of Phœnician cities noticeable for their crafty and scheming intrigues. The Old Testament sources frequently refer to the business proclivities of the inhabitants of Tyre and Sidon. The agreement between Hiram of Tyre and Solomon is a noteworthy example of a commercial treaty. The sordid commercialism and arrogance of the Phœnician merchants brought down upon them the righteous wrath of the Old Testament prophets Isaiah (xxiii.), Ezekiel (xxvi.-xxvii.), and Zechariah (ix.). Phœnicia is perhaps the best illustration of a state the sum and substance of whose policies consisted in an effort to develop and retain a monopoly of the world's trade. In pursuing their aims in this direction, the Phœnicians applied their mer-

cantilistic, exclusive commercial policy with a severity that was unequaled even by the commercial powers of the Middle Ages.<sup>1</sup>

In later years Carthage, following the lead of her Phœnician ancestors, established and developed a commercial supremacy on the high seas which was little short of a maritime monopoly. Her ruthless policy of driving her competitors off the seas, of selfishly exploiting other nations, and of monopolizing trade and commerce, finally culminated in the Punic wars. Foreseeing this struggle for life and death between Rome and Carthage, Cato uttered his memorable words: "Ceterum censeo Carthaginem esse delendam."

#### THE OLD TESTAMENT.

Any discussion of monopolistic institutions and of unfair competitive practices in commerce, trade, and industry, as reflected in the literary monuments of the nations which once played a leading rôle in the history of the Ancient Orient, would be wholly incomplete without taking into consideration the literature of the ancient Jews. Though scattered here and there in the Old and the New Testament, as well as in the Talmud and other extra-Biblical sources, this material, if analyzed and examined from the common viewpoint expressed by our theme, will prove a rich source of unique and valuable facts regarding an epoch in the economic history of the world that has not as yet been treated in a manner commensurate with its importance.

Fully to appreciate commercial life and customs among the ancient Jews it is primarily necessary to bear in mind the fact that the entire economic life in Israel was based on the Mosaic code of laws. Religion formed the axis around which the life

<sup>1</sup> Cf. Movers, *Die Phönizier*, vol. II. p. 39.

of the individual as well as of society revolved. And right here it must be pointed out that the customs and practices which governed the business life of the Jews differed fundamentally from those of other nations. For whereas considerations, chiefly of selfishness and expediency, appear to underlie the commercial legislation, customs, and practices of the Babylonians, Egyptians, Phœnicians, and other nations of antiquity, the laws of Moses set up a strict code of ethics which was to govern the Jewish trader and merchant. It finds its expression in a succinct form in Lev. xix. 35, 36: "Ye shall do no unrighteousness in judgment, in meteyard, in weight, or in measure. Just balances, just weights, a just ephah, and a just hin, shall ye have: I am the Lord your God, which brought you out of the land of Egypt." The Book of Deuteronomy in particular contains a considerable number of provisions dealing with fairness and honesty in trade, and, what is especially significant, also some very broad principles encouraging business expansion on a large scale. For instance, international banking is apparently provided for in Deut. xv. 6, where the promise is given to Israel that it shall 'lend to many nations, but shall not borrow.' All those tendencies which the world over have led to monopolistic control of trade are covered by the sweeping prohibition of the last commandment of the Decalogue (Deut. v. 21): "Neither shalt thou covet thy neighbour's house, his field, or his manservant, or his maidservant, his ox, or his ass, or any thing that is thy neighbour's." In a limited way we can picture to ourselves the potent influence which these words must have exercised upon the Jewish people, and how in all likelihood they transcended the daily life of the nation, if we recall that, concerning the Decalogue, Israel was commanded: "And these words, which I command thee this day, shall be in thine heart: and

thou shalt teach them diligently unto thy children, and shalt talk of them when thou sittest in thine house, and when thou walkest by the way, and when thou liest down, and when thou risest up" (Deut. vi. 6 f.).

Two provisions of the Mosaic code merit particular attention in this connection, viz., the institution of the year of release (Deut. xv.) and the law relating to usury (Deut. xxiii. 19 f.). Above all others they were calculated to obviate the evils giving rise to or growing out of monopolism and unfair competition. At the end of every seven years the Jew was bound by the law to make a release. The manner in which this release was to be made is described as follows: "Every creditor that lendeth aught unto his neighbour shall release it; he shall not exact it of his neighbour, or of his brother; because it is called the Lord's release. Of a foreigner thou mayest exact it again: but that which is thine with thy brother thine hand shall release; save when there shall be no poor among you." The far-reaching effect of this institution upon the whole economic life of the Jewish nation can hardly be overestimated. It was meant to serve as the great regulator, that would equalize any changes or transfer in land ownership, prevent the centralization of real estate into the hands of a few persons, and constitute a safeguard against increasing impoverization of the middle class and of the poor people. The law against taking interest, on the other hand, was a measure which, if rigidly enforced, would have prevented the rise of a capitalistic class, with all the concomitant evils.

In the following we shall observe to what extent these laws were obeyed, and how, after they had once fallen into disuse, the whole commercial and economic life of the nation was changed.

The Old Testament contains two interesting accounts of

monopolies. In Gen. xli. 33 ff. we are told how Joseph, at the behest of the Egyptian Pharaoh, organized a Government grain monopoly, prior to the approach of the seven years of famine which the Pharaoh had foreseen in his dream. By gathering a sufficient quantity of corn during the seven years of plenty and storing it up in the cities, Joseph was able to tide the country over the seven years in which the crops were a failure. Joseph was food dictator of Egypt in every sense of the term. This account of Genesis, which bears all the marks of trustworthy tradition, is all the more interesting at the present time in view of the fact that measures of a similar nature are being advocated and have been put into operation quite recently in several European countries. In one case, as in the other, extraordinary circumstances were necessary to safeguard a nation's food supply by regulating distribution and by curbing excessive food prices under Government supervision. An account of another monopoly is contained (1 Kings x. 28 f.) in connection with King Solomon's trade activities. It will be discussed further on.

Deuteronomy xxxiii. 19 contains what appears to be an allusion to a natural monopoly, i. e., the exclusive control of a certain natural resource, by the tribe of Zebulun. It is contained in the blessing of Moses, who there promises to Zebulun "the abundance of the seas, and of treasures hid in the sand." To what these words referred can only be conjectured. Perhaps, in the latter case, the glass sand found along the coast of Palestine from Acco to Tyre was meant. It was shipped chiefly to glassworks in Phœnicia. According to the paraphrast Jonathan, 'the wealth of the sea' related to the catch of the *tres*, a certain species of sardel, and of the *tola*, the worm from which purple dye was made. These constituted natural monopolies, and the tribe of Zebulun unquestionably



derived big revenues from the exploitation of these natural resources.

Prior to the time of the kings, agriculture and cattle raising were the two well-nigh exclusive pursuits of the Jewish people. The gradual change from an agrarian to a commercial state came in the days of the monarchy. Samuel, the seer, outlined in advance a program of this new course of events (1 Sam. viii. 11 ff.). And, indeed, during King David's rule, the Israelites concerned themselves with commercial life to a greater extent than at any previous time. Up to that time trading among them had been almost exclusively in the hands of the Canaanites. The circumstance that in David's time the first mention is made of the 'weight of the king' (2 Sam. xiv. 26), is significant, for it seems to indicate that commerce was regulated, and that business matters in general began to receive closer attention at the hands of the Government than before.

It was, however, with the advent of Solomon's long reign of peace and security that the actual development of trade and commerce began on a large scale.<sup>1</sup> This shrewd and enterprising ruler, who possessed exceptional administrative talent, opened up his country to the intellectual and commercial intercourse with the surrounding nations. More than this, he went so far as to inaugurate a pronounced trade policy of his own. For agriculture now became a secondary factor. It was subordinated to the requirements of commerce and trade. One of the first important measures which the king undertook for the promotion of business was the introduction of a uniform system of coinage. Later on, Jerusalem also had a bourse of its own. Various elements concurred in establishing and adding to Jerusalem's commercial influence and importance.

<sup>1</sup> Cf. L. Herzfeld, *Handelsgeschichte d. Juden d. Altertums* (Braunschweig, 1879).

As the seat of the temple, it became the religious center of the whole country. The multitudes that journeyed thither in annual pilgrimages, and congregated there on festival occasions, brought on a steady flow of money and business towards the capital, and turned it into an immense market or fair. The cosmopolitan atmosphere prevailing there may be gauged from the statement (Zeph. i.) that Phœnician merchants and traders settled in Jerusalem and formed a colony by themselves, the *maktesh*. In other parts of the ancient world the reputation for business integrity of these Phœnician *kapeloi* was not of the best, and we may not be wrong in assuming that their example had a baneful influence on Jewish commercial life. Later Ahab procured from Benhadad a franchise to establish a similar trading quarter in Damascus (1 Kings xx. 34).

At the same time the court life, which was centered at Jerusalem, proved a powerful stimulus to luxury and splendor such as surrounded the courts of Oriental potentates. Both factors combined in making Jerusalem the leading commercial metropolis of the country, where merchants congregated from near-by and from distant countries. Conditions analogous to those obtaining at Mecca, Nijni Novgorod, and similar sanctuaries or fairs in our days must have existed in Jerusalem of old. That Solomon recognized these advantages is evident from the fact that he negotiated international trade alliances, and embarked in trade expeditions to distant lands. In this he was aided by the geographical position of Palestine, which gave him the control of the highways of Asiatic commerce. He developed his trade policies in a systematic and farsighted manner. Conjointly with Hiram of Tyre, a trading fleet was dispatched to Ophir every three years, which brought back large and valuable stores of foreign products. In this way an immense amount of gold and silver flowed into the country,

the economic effect of which became apparent only too soon.

Another important phase of Jewish business activities at that time was the grain business. Palestine had become the granary of Phœnicia. It has been estimated that the value of the annual exports of wheat and barley to Phœnicia amounted to about six million dollars. The large dimensions attained by the export of grain, coupled with the development of foreign trade on land and sea and on an international scale; the large building enterprises, as well as the close contact with foreign nations, cannot but have served as a training school for Jewish merchants in the methods of big business. The small peddler and trader was superseded by men of broad vision, whose interests extended even beyond the boundaries of their own country into distant markets. The king himself was foremost in this new movement. Apparently he not merely had a large share in the business enterprises of his country, but controlled some of the largest and most remunerative undertakings. According to 1 Kings x. 28 f., Solomon had a monopoly of the trade in Egyptian horses and chariots, for which there was a general demand among the neighboring Hittite and Syrian rulers. He held the key to this traffic in his hands, and had it conducted by his own merchants. The latter were bound to deliver up the profit to him for a fixed salary. The net profits on a war horse amounted to one hundred and fifty shekels and on a chariot with its three horses to six hundred shekels. There is a difference of opinion among commentators as to the significance of these two sums. Some consider them as representing average prices. This would presuppose that the horses were sold on the basis of wholesale contracts, without regard to quality and value of the individual animal. Others, again, maintain that these sums represent export duties. Whichever view may be correct, the fact remains

that this particular royal monopoly constituted a lucrative source of income to the king.<sup>1</sup>

A further business undertaking of the king, which seems to have been conducted along similar lines, was his vineyard at Baal-hamon (Song of Sol. viii. 2 ff.), and according to 2 Chron. i. 16 the king's merchants seem to have bought linen yarn in Egypt at a fixed price, perhaps on the basis of a price agreement. Solomon appears also to have had exclusive control over other commodities, among them dates and the far-famed balsam of Gilead. The latter was famous throughout the ancient world for its healing properties, and Solomon must have derived large revenues from its sale. It has been conjectured that he exported the two commodities in exchange for the products brought back by his trading vessels and caravans from Ophir and elsewhere. The wealth and prosperity of the country became proverbial. It is characterized in the following words: "And Judah and Israel dwelt safely, every man under his vine and under his fig tree, from Dan even to Beer-sheba, all the days of Solomon" (1 Kings iv. 25). Even if we regard as a hyperbole the statement of 1 Kings x. 27, that silver was as plentiful as stones, sufficient evidence still remains to substantiate the fact that this new era of commercial enterprise, of trade expansion at home and abroad, had brought more or less good fortune to all classes.

By and by, however, various undesirable features appeared. Prices began to rise, especially in connection with things most needed by the common people. Forced exportation of grain to foreign countries resulted in a scarcity of foodstuffs at home, and actually brought on famines. The large profits in the grain trade made it an object of speculation. The peasants, who for generations back had been accustomed to a life

<sup>1</sup> Cf. Ed. König, *Geschichte d. Reiches Gottes* (Berlin, 1908), p. 219.

of patriarchal simplicity and probity, now were lured by the opportunity of becoming rich, and turned into shrewd, profit-seeking grain dealers. Instances of the wildest kind of speculation on the part of corn dealers were not infrequent. The prophet Amos (viii. 4), in describing some of the shady sides of commercial life, draws a vivid picture of this type of insatiate usurers. He excoriates the men who make bread, the article of food most needed by the poor man, an object of their execrable speculation and lust for profit. He tells how these grain monopolists were hardly able to await the passing of the new moon and of the sabbath, when business was supposed to be suspended under the law, in their burning desire for grain, in order to unload their inferior goods upon the poor, and to defraud them of their money.

Old English common-law recognized as crimes the buying up and hoarding of provisions and other products for the purpose of obtaining a monopoly, and selling them at an enhanced price. These practices were known as forestalling, regrating and engrossing. Similar manipulations of necessary commodities for the purpose of selling for grossly extortionate prices are obviously referred to in Proverbs xi. 26: "He that withholdeth grain the people shall curse him; but blessing shall be upon the head of him that selleth it." Though written centuries ago, these words appear all the more forceful at this time in view of the recent food riots in New York and elsewhere.

As the nation's wealth increased, there grew up a class of idle rich, of unscrupulous large landowners, while the large class of the common people constantly grew poorer, and in increasing number became the victims of brutal, egotistic capitalists and exploiters. In direct violation of the Mosaic law, a system of latifundia developed. Land began to be concen-

trated into the hands of a few. Equality of landownership disappeared. Conditions of this kind impelled Isaiah to cry out: "Woe unto them that join house to house, that lay field to field, till there be no place" (v. 8), and Micah to lament: "Woe unto them that covet fields, and take them by violence; and houses, and take them away: so they oppress a man and his house, even a man and his heritage" (ii. 2). Under such circumstances it seems but natural to find labor exploited most unscrupulously, and the laboring man gradually becoming a quasi-slave of the all-powerful land magnate.

The Mosaic law being once broken with regard to two such fundamental provisions as the statute relating to the year of release and the law concerning usury, the legal provisions regulating minor economic matters obviously received little serious attention. Faith and credit in business matters fell more and more into desuetude. Dishonesty honeycombed the whole social fabric. Practices among business men that were unfair to competitors, as well as detrimental to consumers, were on a rampant increase. The prophet Hosea illustrated this state of affairs, when he said of Ephraim: "He is a merchant, the balances of deceit are in his hand: he loveth to oppress" (xii. 7). There was a crying need for reform, and it made its voice heard in unmistakable words. For, while these serious evils were, like a cancer, eating into the economic life of the people, clarion notes of warning rang through the land. This cry of protest and alarm emanated from a small group of men, who had the real needs and the welfare of their fellow men at heart,—the prophets of Jehovah.<sup>1</sup> These sincere, staunch patriots stood up fearlessly among their people, and, like pilots, strove to guide them with a strong arm through the

<sup>1</sup> Cf. F. Walter, *Die Propheten in ihrem sozialen Beruf u. d. Wirtschaftsleben ihrer Zeit* (Freiburg, 1900).

surf that threatened to engulf them. Fearlessly they tackled the social problems of their day, and with merciless words exposed and grilled the covetousness and selfish manipulations of the usurers, monopolists, and exploiters, who, vampire-like, sucked the lifeblood of their own brethren. They insisted that the primary requirements of justice be observed (Ezek. xlv. 10 ff.); that brutal egotism should not constitute the propelling force in economic life, and that the aspirations of selfish capitalism must be curbed and subjected to ethical and legal standards.

Then and there those two antagonistic philosophies of life, idealism and commercialism, clashed in hostile combat over questions that have retained their significance throughout the intervening ages up to the present day. Criticism, however, constituted only one phase of the program advocated by those ancient Hebrew prophets. They stood for a constructive policy of reform as well, as they looked towards the future, and pointed out certain economic and social ideals, which Israel was to realize in the days to come. The prophet Amos, probably a woolgrower and seller himself, and a particularly acute observer of the social and economic conditions of his time, drew attention to such a time. He characterized it as an era when property would be secure, when every one can enjoy the fruits of his labor in undisturbed peace, when the sphere of rights of the small man will be protected, and when he will not so easily become the prey of usurers nor be ruined by greedy capitalists (Amos ix. 2 ff.; also Isa. lxxv. 21 f.).

#### THE TALMUD.

A wealth of interesting material relating to business practices among the Jews of Palestine as well as of Babylonia is found in the Talmud, for the Talmudic era contained elements that proved to be unusually stimulating to the development of

trade. Dispersed as they were, far and wide over the earth, the Jews were during that epoch brought into closer contact with commerce and trade than ever before in their history. The very fact of their being dispersed made it all the easier for them to establish and maintain trading relations with foreign nations.

At that time the spirit of Hellenism was dominant, and business seems to have moved mainly along Greek channels. The Greek language served as the international vehicle of commercial intercourse, and the current use of such a term as "monopoly," or the fact that most imported goods are known by Greek names in the Talmud, indicate that the Jews had become international traders. In fact, only since the advent of the Hellenistic era did trade assume more noticeable dimensions among the Jews of Palestine. The Book of Sirach, written at that time, makes the first mention of big merchants, and the social and economic position of the latter may be gauged by the fact that the Talmud speaks of them as "princes." They remind one of the petty Arabic potentates, whose monopoly of the incense trade procured for them a considerable sphere of political power, and of the king of the Gebanites, who had the exclusive right to trade in cinnamon.

A large part of the teachings of the learned rabbis concerning business matters centers around the question of usury. It is characteristic of these rabbinical discussions that the guiding policy underlying them all is honesty and fair dealing in business.

The word "monopoly," which does not occur in the Bible, is used in the Talmud (J. Demai v. 4), and a definition is there given of it. In answer to the question "What is meant by a monopolist?" the following answer is given: "The disciples of Rabbi Jannai said: If of nine sellers and ten



bakers, eight of the former buy from eight of the latter, while one of the former buys loaves of bread from two of the latter [the bakers] for the purpose of selling them." According to this, not only a wholesale but also a retail dealer who buys twice as many loaves as the others is considered a monopolist. Obviously the learned rabbi intended to convey the impression that a monopolist is one who buys up supplies in order to control the market.<sup>1</sup>

In this connection the question of manipulating prices, in so far as the interests of the people were thereby affected, received much attention at the hands of the Talmudic authorities. They treat it from the viewpoint of the consumer, whose daily needs required that the prices of foodstuffs be within his reach. The interests of the producer, frequently selfish and unscrupulous in nature, were looked upon as being subordinate to the interests of the consumer. According to the Talmud a "corner" in foodstuffs during hard times brings down a curse upon the price received for the commodity. Speculating in futures seems not to have been an unknown practice. In *B. Mezia v. 7* it is specifically prohibited to make contracts for future delivery of goods, whose price has not yet become definitely fixed on the market. However, the villages in the vicinity of Tiberias were permitted to follow this practice, as soon as the prices had become established in the latter city. Raising prices by artificial means is strongly censured (*B. Batra 90*), and it is forbidden to buy up necessary foodstuffs, such as wine, oil, flour, and St. John's bread, for the purpose of hoarding them, and selling them later on at a higher price, or to export them from Palestine. Seeking to derive profit out of the trade in the necessities of life was considered wrongful *per se*. According to tradition Rabbi Zeira cursed

<sup>1</sup> Cf. S. Krauss, *Talmudische Archäologie* (Leipzig, 1912), vol. II. p. 93; J. Perles in *M. G. W. J.*, 1892, pp. 36, 64.

a person who, on seeing another man about to purchase something, drove up the price (J. Kidd. 31, 63, 20).

A story is told of a certain Rabbi Jonathan, who was in the habit of procuring his supply of lentils through a relative residing in a neighboring town, where lentils were cheaper in price. One day when his relative was not at home, the merchants of the town told the visiting rabbi that lentils were not to be had at the reduced price, and offered to sell him wheat instead. When the relative returned home, and the rabbi complained to him, the former answered: "You should have asked for wheat first. Then they would have offered you lentils. For they are false." This and other similar examples go to show that certain towns had a reputation for cheap, others for low prices. With regard to grain speculation, a person is held guilty of usury who lends out a measure of wheat to-day according to the present market price, in order to have it returned as soon as the market price has risen (B. Mezia 60).<sup>1</sup>

The ethical standards for trade and commerce, as recorded in the Talmud, contain some striking points of similarity to certain provisions in modern laws for the suppression of unfair competition. We are reminded of the modern custom of giving away trading stamps, coupons, and premiums of various kinds, when we read in the Talmud that a certain rabbi held that it was unfair competition if a merchant gives roasted grain and nuts to children in order to win their trade by such means. The law against unfair competition recently enacted in Denmark contains a similar provision which prohibits the giving of a so-called "tilgift." Rabbi Jehuda maintained that it was not permissible for a merchant to cut prices for the purpose of drawing away the customers of a competitor.

<sup>1</sup> Cf. E. Cohn, "Der Wucher im Talmud, etc.," in *Zeitschrift f. Vergleichende Rechtswissenschaft*, 1905, p. 37.

Other rabbinic authorities, however, did not accept this theory. Excessive profits were held to be unlawful. In the case of foodstuffs the profit was not to exceed one-sixth of the value. If the prices charged were too high, the contract was void. To safeguard the interests of the public, and to curb unscrupulous business dealings, official market inspectors were placed in control of the imports and the sale of corn and other foodstuffs. They also inspected the weights and measures of merchants and regulated prices. Just as, during the Middle Ages, cities along the Mediterranean and Baltic seas, and elsewhere, leagued together for commercial, trade, and also political purposes, what seems to have been a similar coalition existed at this time in Palestine. The Decapolis appears to have been a Hansa on a small scale. The aims of this federation of cities to all appearances were more of a mercantilistic than of a political nature, and gave evidence of a decided tendency towards monopolistic aggrandizement. According to the Talmud, *Aboda Zara* 1, 4, and *Kid. Jer.* 2, 4, Scythopolis, next to Damascus the largest city of the Decapolis, made a specialty of exporting a superior grade of linen, and the dates of the Decapolis had a reputation for excellence that extended as far as Rome. Certain evidence also points to the existence of a coinage agreement among the cities belonging to this commercial league.

#### THE NEW TESTAMENT.

In the New Testament the searchlight of analysis and criticism is turned a number of times upon such economic problems as the evils resulting from concentration of property and the baneful effects of commercialism upon a people. The money lenders and the publicans appear as a discredited class. Their unfair and usurious practices had become so general and had

assumed such notorious proportions that they became a byword for sinners.

Jesus himself, on several occasions, discussed these very questions, and they furnished him with numerous illustrations for his messages. His sayings are full of appreciation of the importance of business as a factor in human life. At the same time, however, his warnings are many against covetousness and other evils that were current in the commercial circles of the Jews. He publicly took the Pharisees to task in an effort to offset high food prices when on one occasion he said: "But woe unto you Pharisees, for ye tithe mint and rue and every herb, and pass over justice and the love of God" (Luke xi. 42). Of his native province, Galilee, he said it was a place where one might gain the whole world and lose one's soul. The sum and substance of his views on the relations between man and man he expressed in the golden rule, "Thou shalt love thy neighbor as thyself."

In the life of the apostle Paul an episode occurred, which showed the existence of what appears to have been a guild of silversmiths at Ephesus (Acts xix. 23 ff.). The manufacture of silver shrines for worshiping the goddess Diana had brought them considerable wealth, and it seems that they monopolized this particular trade. As a result of Paul's preaching, their business suffered considerably. Finally a certain Demetrius urged his fellow craftsmen to take joint action in their common interest. The importance of this trade combination as a factor in the commercial life of Ephesus can be seen from the stir and commotion which their acts of protest called forth. A rather interesting parallel occurs in the New Testament to a policy which in recent years has been applied by a number of states in order to safeguard their natural resources or some important domestic industry against ruinous competition and

exploitation. We have in mind such measures as the compulsory curtailment of the production of potash in Germany, of sulphur and citrus products in Italy, of coffee in Brazil, and particularly the measures taken by Greece for preventing an overproduction of currants by compulsory destruction of a certain number of vines.

The French archæologist S. Reinach has pointed out<sup>1</sup> that in Apocalypse vi. 6 the writer referred to a situation in the wine industry of Asia Minor about the year 90 after Christ, which has many points of similarity in common with the economic conditions obtaining in the aforementioned countries at the present time. In the year mentioned a wine crisis had developed throughout the Roman Empire. The number and size of vineyards in Italy, Gaul, and Asia Minor had been increased to such an unwarranted extent that the Italian wine market had become glutted, and prices had taken a ruinous fall. On the other hand, the area devoted to the cultivation of wheat and barley had been diminished at the expense of the increased wine acreage. The scarcity in grain resulted in the extraordinary rise in the price of wheat and barley alluded to in Apoc. vi. 6. According to M. Reinach's computation the prices mentioned in that passage amounted to an increase of four and six times the normal prices in Rome.

To remedy this situation the emperor Domitian, in the year 92, issued an edict which provided that "no one shall plant new vines in Italy and in the provinces, and that one half of the vineyards then under cultivation should be destroyed." It seems that a "wheat ring" brought pressure to bear upon the Government to curtail the cultivation of grapevines, not only in order to increase the production of grain, but also, as was maintained, because the use of wine gave rise to disturb-

<sup>1</sup> Cf. *Revue Archéologique*, Nov.-Dec. 1901.

ances of the public peace. Domitian's edict, however, was not enforced in all its provisions. A movement, backed by the "Association of Wine Growers of Asia Minor," had resulted in sending the rhetor Skopelianos to Rome as its representative, and succeeded in having Asia Minor excluded from the terms of the edict. Thus the plea of the writer of the Apocalypse, "And see thou hurt not the oil and wine," was granted, at least in so far as his native country was concerned.

In concluding, we summarize some of the more salient facts that have appeared to us in the foregoing survey.

In the first place, it is a striking fact that history records numerous examples of trade monopolies throughout the Ancient Orient, as far back as the time of the rulers of Sumer and Akkad in ancient Babylonia and of Joseph in Egypt. They constituted an important factor in the economic, social, and political life of the nations of those days.

In nearly every instance we find the monopolistic control of trade or commerce resting in the hands either of the state or of the church. The kings and the priests were the two classes that almost invariably succeeded in getting exclusive control of special commercial privileges and trade rights. Only here and there do we find a private party or a business firm exercising a dominant control in some particular line of business. The ancient rulers were frequently engaged in extensive business enterprises, and, as in the case of King Solomon of Israel, monopolized certain lines of trade. Over against the kings the importance of the temple communities as business factors made itself felt more and more. This was the case especially at the large cult centers, where worshipers congregated periodically in large numbers, and where in course of time large fairs grew up. With their immense wealth, and being

the centers of culture and learning, these priestly communities possessed extraordinary advantages over private merchants and competitors, which they used to strengthen their financial and commercial supremacy. Not unlike some of the monastic communities of the Middle Ages and even of modern times (we have in mind the monks of Chartreux, the manufacturers of the famous Benedictine), the priestly communities of antiquity wielded fully as powerful an influence, relatively speaking, as our modern trusts or capitalistic combines.

Regarding the form of organization and the methods and business policies employed by these "special interests" of old, a large variety of types can be pointed out. Simple price agreements, regulation of distribution, curtailment of production, division of territory to avoid competition,—in fact a prototype for nearly every kind of modern monopoly can be shown to have existed in the Ancient Orient.

The policy of the State towards "special interests" and monopolies constitutes one of the leading problems of our time. This was not the case among the ancient Oriental nations with the exception of the Jews. It is a significant fact that in Israel alone do we find rigid legal provisions for the suppression of unfair business practices and for the protection of the people against exploiters and usurers. Not even the Code of Hammurabi contains anything parallel in this respect to the laws of Moses, and particularly to the Decalogue. Wholly unique and unparalleled, finally, are the ethical standards which are to govern trade and commerce according to the teachings of the New Testament as they are epitomized in the golden rule of Jesus Christ: "Thou shalt love thy neighbor as thyself."