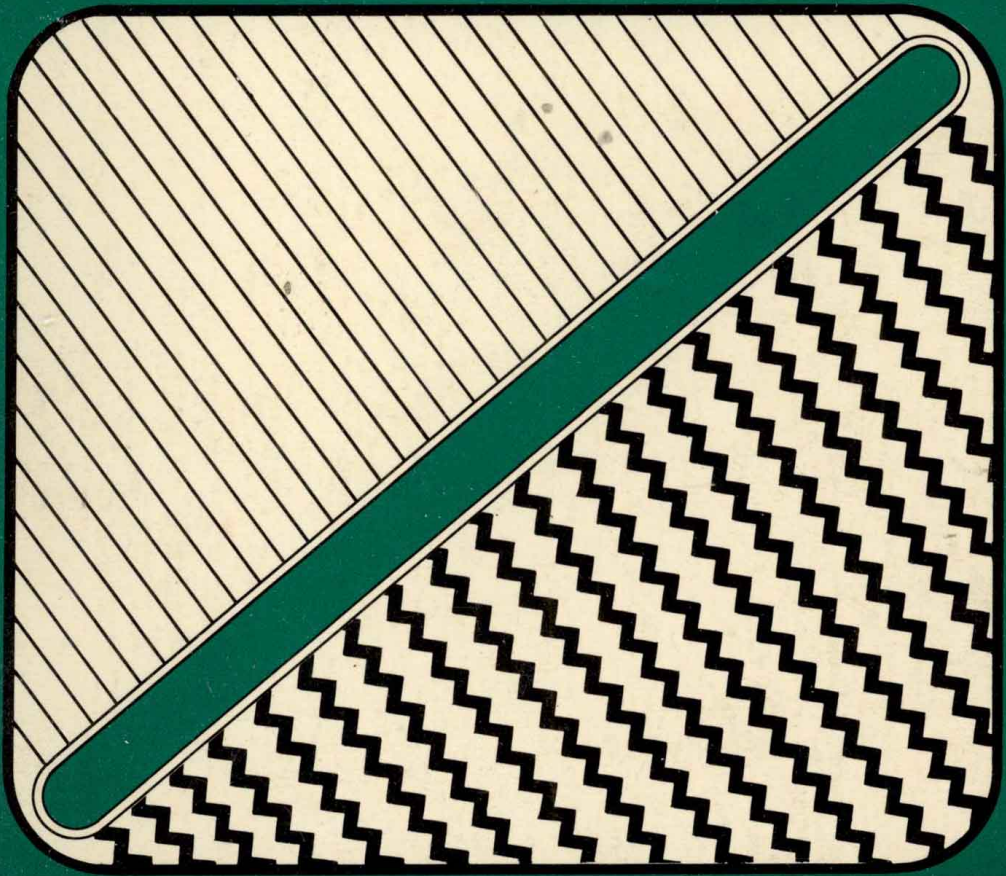


# **Economics**

## **An Introduction to Traditional and Radical Views**

**Fourth Edition**



**HARPER INTERNATIONAL EDITION**

**E.K. Hunt and Howard J. Sherman**

# **ECONOMICS**

## **An Introduction to Traditional and Radical Views**

**FOURTH EDITION**

**E. K. Hunt**

University of Utah

**Howard J. Sherman**

University of California, Riverside



1817

**HARPER INTERNATIONAL EDITION**

**HARPER & ROW, PUBLISHERS, New York**

Cambridge, Hagerstown, Philadelphia, San Francisco,  
London, Mexico City, São Paulo, Sydney

*Sponsoring Editor:* John Greenman  
*Project Editor:* Pamela Landau  
*Production Manager:* Willie Lane  
*Compositor:* TriStar Graphics  
*Printer and Binder:* Halliday Lithograph Corporation  
*Art Studio:* Vantage Art Inc.  
*Cover Photo:* DeWys

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## **Library of Congress Cataloging in Publication Data**

Hunt, E. K.

Economics: an introduction to traditional and radical views.

Includes bibliographies and index.

1. Economics. I. Sherman, Howard J., joint author.

II. Title.

HB171.5.H83 1981 330 80-24296

ISBN 0-06-043008-7

Harper International Edition

35-03513

Cover design by Lorna Laccone

# Foreword

At last! Beginning economics students have for too long been denied a thoroughly critical analysis of the society in which they live. Hunt and Sherman have now provided them with such a critique, and at the same time they have supplied professional expositions of traditional economic theory. Other authors of elementary textbooks have presented this aspect or that of traditional theory as well as or even better or more fully than Hunt and Sherman have, good as their treatment generally is, but no authors, to my knowledge, have given elementary economics students a truer picture of modern capitalism in its national and world dimensions. There are many ways to present traditional economic theory, and each instructor undoubtedly has his or her favorites, but the theory presented in this book is by social critics rather than by apologists for the system, and that should make all the difference to students who truly wish to gain a deeper understanding of what is going on in the world today.

Radical economists are dissatisfied, to put the point gently, with the conventional approach to economics, which takes the capitalist system for granted, considering it more or less eternal, and so skimps on the history of both the system and its ideology. Accordingly, conventional textbooks serve capitalism

to the students on a platter, as though there was nothing else in the kitchen or ever would be. Hunt and Sherman break with that approach, right off the bat, by devoting Part One of their book to the evolution of economic institutions and ideologies. Joseph Schumpeter once wrote that “nobody can hope to understand the economic phenomena of any, including the present, epoch who has not an adequate command of historical facts and an adequate amount of historical sense. . . .” The authors of this book have taken those words seriously.

There is another reason for discontent with the conventional approach. It distorts reality by assuming harmonies of interest throughout society, ignoring the deep class conflicts that prevail in our society. Such sweetness and light enable conventional economists to refer to “the general interest,” “the public welfare,” “the common good,” and other equally soothing expressions and to assume that the state represents everyone’s interests. Hunt and Sherman, I am pleased to say, look upon their discipline as “political economics” rather than economics in the narrow sense, and so throughout the book they study economic problems within the context of ruler-subject relations—always sensitive to the fact that there are pervasive relationships of domination and servitude throughout our society. That this makes a difference can easily be seen by comparing their analyses of income distribution, discrimination, economic waste, international finance, and development of poor countries with corresponding treatments in other textbooks. Hunt and Sherman come out on top because their conception of the world—which includes power, conflict, and disruptive change within a historical setting—is more accurate than the paradigms used by bourgeois economists.

Do we have to put up with the misinformation in the thin and slanted chapters in one elementary textbook after another, which are supposed to pass for serious analyses of socialism, communism, and Marxism? Not any longer. I do not mean that Hunt and Sherman have given us glowing accounts of the supreme joy of living in the Soviet Union and China, for they have not. What I mean is that we now have a serious discussion of alternative economic systems by experts who have more than their share of critical faculties. The five chapters that make up the last part of the book will inform and stimulate a large number of beginning economics students.

Radical economics still has a long way to go, as Hunt and Sherman well know, before it can sweep away most of the rubbish in present-day bourgeois economics. This book is an excellent contribution toward that end.

JOHN G. GURLEY



# Preface

This book is very different from the traditional elementary economics text. Although we do present the traditional economic theory, we present radical critiques and radical theories as well. In the traditional economics category we include economists who are generally classified as liberal as well as those generally considered conservative. The traditional view rests on Adam Smith's notion that in a market economy the forces of supply and demand act as an "invisible hand" to guide resources into their most efficient uses and to distribute the proceeds of the productive process in a reasonably fair manner.

Most economists realize that the forces of supply and demand do not always maximize social welfare. In some circumstances they might even be pernicious. In these instances it is necessary for the government to intervene in the market to ensure a socially acceptable outcome. Varying assessments of the extent and significance of these "special cases" differentiate liberals and conservatives. Liberals believe that promoting the society's welfare requires relatively frequent government intervention into market processes. Conservatives believe that these interventions should be relatively less frequent. Neither liberals nor conservatives seriously question the basic institutional framework of the private property, market capitalist economy within which the forces of supply and demand operate.

Radicals, however, subject these institutions to critical scrutiny. In this book we shall use the term *radical* in its traditional meaning. Traditionally, the adjective *radical* has referred to “leftist” or “socialist” criticisms or actions, and the noun *radical* has referred to these leftists and socialists. In recent times, particularly since the 1964 U.S. presidential election, references have been made to the *radical right*. Included in the radical right have been various political conservatives, reactionaries, and assorted cranks. We do not refer to these right-wing radicals when we use the term. We mean only radicals of the left.

Thus, in this book we shall be concerned with radical criticism of the fundamental institutions of capitalism as well as the orthodox views on how the market capitalist system functions.

## A HISTORICAL APPROACH

In Part One we introduce economics by way of a history of the great economists (some of them wild and wonderful). We present their ideas as set within the context of the institutions of their times, and therefore we sketch an economic history.

There is no easier and more pleasant way of learning economics than to follow the evolution of the main ideas of the great thinkers in the field. This will also impress upon the reader, as nothing else could, that there are at least two (and usually more) views on every subject in economics.

It is interesting to see how our modern economic institutions slowly evolved from feudal times. The usual textbooks start off cold from the present situation. We believe it is much more meaningful to witness all of the curious zigzags and the fighting that occurred in the development of our present institutions. How things developed in the past gives us a key to understanding the present and, hopefully, the future.

The history of economic ideas and the history of economic institutions are not totally independent of each other. In reality, they are very closely related, each affecting the other at all times. Thus, we shall see that the specific problems and interests of various groups gave rise to very specific economic ideologies and that these ideologies served as an excuse for the status quo or as a call for drastic change. For example, we shall see in the first few chapters that the dominant ideology in the medieval period fully supported the feudal economic system as just and correct and eternal. Eventually, however, the contrary ideas of the new groups of merchants and industrialists were reflected in new economic ideologies, which then helped overturn the old restrictive feudal order.

## TEACHING ECONOMIC THEORY

The traditional approach concentrates on explaining how the consumer may maximize his or her satisfaction from spending, how the businessperson may

maximize profits, and how the government may aid private business to maximize growth. This approach is often dull and mechanical. We include these usual and somewhat mechanical subjects, but to a lesser degree, focusing on the more exciting present-day social and political issues. In fact, ours is more of a political economics textbook than a purely economics textbook.

Thus, in Part Two we discuss the traditional microeconomic problems of the individual consumer and the individual business firm. We also investigate often neglected problems—for example, poverty, racism, sexual discrimination, monopoly power, unequal education opportunities, and tax loopholes.

Similarly, in Part Three we discussed the usual macroeconomic problems of the economy as a whole, including the basic questions of inflation and unemployment. In addition, we examine such problems as pollution and waste, population, war spending, the underdeveloped countries, and imperialism.

## **OBJECTIVITY**

Some traditional economists will complain that we do not present the conservative or traditional views completely enough. We do try, especially in the historical presentations of Part One, to state both the traditional and radical views as impartially as possible. Of course no one is impartial, so we undoubtedly state the radical view somewhat more effectively. In Parts Two and Three we again state the traditional views first, before giving the radical view, but our sympathy with the radical view will be quite apparent.

Some radical economists who have read this book before publication have complained of the opposite. They said that we sound too impartial between the conservative and radical views, especially in their historical presentation.

Other radicals have complained that it is not necessary to state the orthodox views at all because they are wrong. We believe, first, that students should be acquainted with all views. Second, present radical views can be understood only in their historical context, which definitely includes the traditional theories, criticism of which led to the radical theories. Third, we do not like a know-nothing radicalism of the type that says, "Poverty and racism are bad, so we should just go out and demonstrate against them and toss tomatoes at their defenders." On the contrary, we believe that one must put some hard study into political economics in order to understand the causes of poverty and racism and other evils and their possible cures.

## **A COMPARATIVE APPROACH**

In Part Four we take the reader on an excursion through some of the countries that call themselves socialist, particularly Russia, China, and Yugoslavia. Various chapters examine their historical development, current institutions, and current problems. Their development and institutions are compared with those of the Western capitalist countries. This does not merely give us an idea



of what the rest of the world looks like. It is also important because the comparisons bring out more clearly many of the features of the Western capitalist countries. For example, in studying the market process of the United States, it is very interesting and helpful to compare it with the planned nonmarket economics of eastern Europe.

## SOME OTHER SPECIAL FEATURES

The usual elementary economics text is filled with nothing but graphs and mathematics. We have used graphs only where necessary to illustrate a point, but we have always explained them first in ordinary English and have kept the graphs as simple as possible.

For the convenience of students, summaries are provided at the end of each chapter. *Warning:* No summary can explain a chapter; it may merely remind you of the most important points. *Another warning:* No summary can be very accurate because it is too short to include all the necessary qualifications.

For instructors accustomed to standard textbooks, we have presented most theory in its usual order and covered the usual topics. In a few places that is not so. For example, international trade is sometimes placed in the microeconomics part, even though it always contains many macroeconomic observations. Because we found that the macroeconomic issues in international trade are the most interesting, we have emphasized them and put the discussion in that part. (It is independent enough of the surrounding chapters that it can be used at a different point.) Also, we have omitted production functions, a traditional topic, because we approach the subject differently and believe recent theory has shown this approach to be based on indefensible assumptions.

## HOW TO USE THIS BOOK

This book has been designed so that it may be used as the main text for a one-year course, but with plentiful use of supplements. Many good collections of readings are available. It may also be used for a one-semester or one-quarter course if one wishes to cover the material somewhat lightly or emphasize particular areas.

Most instructors prefer to teach macroeconomics before microeconomics. That is understandable because microeconomic theory is usually especially dull and lifeless in most texts. This book is so arranged that the instructor may, if he or she wishes, teach the macroeconomics first, even though it comes second. In other words, the two parts are sufficiently independent, even though they refer to each other at the appropriate points.

After some heated discussion between the authors, we decided to put the microeconomics part first. For one, we believe our microeconomics section is much more interesting than the average. We go through the usual supply and

demand graphs, though as simply as possible. But the section also emphasizes the radical views on poverty, government behavior, and racial and sexual discrimination—all of which, we believe, the reader will find exciting. We also present the usual graphs on monopoly theory but give a great deal more attention than most books to the history and facts of monopoly in the United States. We believe the material on income distribution and monopoly is particularly important in understanding the later macro material on waste and cyclical unemployment in the United States. (But, again, we emphasize that the instructor could conceivably teach Part Three ahead of Part Two if he or she so desired.)

Finally, the book may be used in special ways in one-quarter or one-semester courses emphasizing only one aspect of economics. First, in a macroeconomics course we suggest that Part One on history be assigned so as to be read lightly in the first few weeks. (The chapter on Keynes could be emphasized.) Then jump to Part Three on macroeconomics; this is a lengthy part and will give plenty of meat, although a supplement could certainly be used as well.

Second, in a course on microeconomics we would again suggest beginning with Part One so that the student sees how microeconomics developed through the history of thought (particularly emphasizing the chapters on the neoclassical economists and on Marx). Part Two will then follow naturally. Since Part Two is fairly short, you may have time for the comparative material of Part Four, which examines several microproblems in the context of economic planning. You should also have time to include a supplement.

Third, some courses emphasize history and institutions and de-emphasize theory. We believe our book is better suited for such a course than any other available complete textbook. All of Part One could be emphasized. In Part Two the chapters on price and value theory could be omitted. On the other hand, the chapters on the labor movement, monopoly power, government, and discrimination are mainly institutional. In Part Three, the chapters on national income accounting and income determination could be omitted. The other chapters in Part Three are mainly institutional, although certain sections and appendices might be omitted. In Part Four all of the chapters are heavily historical and institutional.

## SUGGESTED READINGS

Three journals contain numerous very useful and very interesting articles on every subject mentioned in this book. One is the *Review of Radical Political Economics* (Union for Radical Political Economics, Room 201, 41 Union Square West, New York, N.Y. 10003. The second is *Monthly Review* (62 West 14th Street, New York, N.Y. 10011). The third is *Dollars and Sense* (342 Somerville Avenue, Somerville, Mass. 02143).

Three excellent collections of radical readings covering all areas of eco-

nomics are: (1) Richard Edwards, Michael Reich, and Thomas Weisskopf, editors, *The Capitalist System* (Englewood Cliffs, N.J.: Prentice-Hall, 1978); (2) David Mermelstein, editor, *Economics: Mainstream Readings and Radical Critiques* (New York: Random House, 1978); and (3) David Gordon, *Problems in Political Economy: An Urban Perspective* (Lexington, Mass.: D. C. Heath, 1977).

Other suggested readings on specialized topics are included at the end of appropriate chapters.

## ACKNOWLEDGMENTS

We are profoundly grateful to those whose teaching or direct help made this book possible: Professors Sidney Coontz, William Davisson, Douglas Dowd, Robert Edminster, David Felix, John Gurley, J. W. Hanks, Kiyotoshi Iwamoto, Robert Lekachman, Lawrence Nabors, Andreas Papandreou, Lynn Turgeon, Benjamin Ward, Thomas Weisskopf, and Stephen Worland. Extensive research help, for which we express our thanks, was furnished by Maryanna Boynton, Faris Bingaradi, Brian Bock, William Harnett, Kathleen Pulling, and Michael Sheehan.

We also wish to thank various publishers for giving us permission to use certain materials from our previous books: Hunt, *Property and Prophets* (Harper & Row, 1978); Sherman, *Elementary Aggregate Economics* (Appleton, 1966); Sherman, *The Soviet Economy* (Little, Brown, 1969); Sherman, *Profit Rates in the United States* (Cornell University Press, 1968); Sherman, *Radical Political Economy* (Basic Books, 1972); and Sherman, *Stagflation* (Harper & Row, 1976).

For later editions we gratefully acknowledge the extensive but constructive criticism of several reviewers: Professors Norris Clement, James Cypher, Richard Edwards, Clint Jencks, Ross La Roe, John Pool, Larry Sawyers, Jim Starkey, Howard Wachtel, and Rick Wolff. We warmly appreciate the typing and clerical help of Shirlee Pigeon.

For the future we invite any useful ideas for improvements in the book. Please write to us and we will take your suggestions very seriously.

E. K. HUNT

HOWARD J. SHERMAN

# Introduction

This is about traditional and radical economics. It may surprise you to learn that there is no single *truth* in economics but, rather, two or more conflicting approaches to it. That is, however, the sad fact in economics and in all the other social sciences. In studying society there is no important point that is noncontroversial; on every important issue there are a range of opinions from the most conservative to the most radical. Certainly there are some facts that most economists agree on, and there are some tools that most economists use—but we differ over what the important problems are, how to approach them, and how to interpret the findings.

One basic area of disagreement concerns the possibility of changing things. Radicals contend that society can and should be drastically changed. Conservatives contend that nothing can ever change because our behavior is rooted in an unchanging human nature. This basic difference is shown in an amusing imaginary dialogue between an old, conservative cannibal named Wowzy and his young, idealistic, and radical friend, another cannibal, named Bongo:

BONGO: Human beings should not eat each other.

WOWSY: Good Gooley Gow! You can't dictate to people what they're going to eat and what they're not going to eat. Men have always eaten each other and always will. It's natural. You can't change human nature.

BONGO: I love my fellow men.

WOWSY: So do I—with gravy on them.<sup>1</sup>

The conservative economists, like Wowzy, argue that people are born with certain ideas—such as eating people, or holding slaves, or being a com-

<sup>1</sup> From a newspaper column by the radical satirist, Mike Quinn, *Daily Peoples World*, 1936.

petitive capitalist—and that there is no way to change those ideas. Since these ideas are held by everyone, our behavior is determined by these ideas and cannot be changed. Where do they come from? Some conservatives say God gives us our ideas. Others claim that certain ways of living are just “natural” and obvious, so everyone naturally knows they are best. Others, like Freud, simply say we are born with innate, inherited drives—for example, all men are aggressive and domineering; all women are passive and like to be dominated.

Similarly, conservatives in the South before the Civil War said that slavery was natural, that the blacks were happy only as slaves, and that the whites were natural slave owners. The clergy added that slavery was divinely ordained by God, that keeping slaves so that they would be happy—and whipping them occasionally for their own good—was the Christian white man’s burden.

In the Middle Ages conservative religious leaders and social thinkers held that serfdom was natural and reflected human nature. The serfs were happy working for landlords because that was a serf’s nature. The landlords were happy directing serfs, judging them, and even executing them (but only when necessary) because that was a landlord’s nature. Thomas Aquinas contended that some prices are normal and natural and that it is a sin to buy or sell at more or less than these prices. Chapter 1 will explore medieval economic views more fully.

During the Industrial Revolution, a school of economists known as the classical school preached that capitalism is natural and eternal, earlier economic systems being “unnatural.” They claimed that it is the natural proclivity of every person to be greedy, to compete relentlessly, to calculate rationally every purchase and every other economic activity. These views are further explored in Chapter 4 of this book.

Finally, most traditional economists of today (called neoclassical economists) take as given at birth all the preferences of individual consumers. They seem to think that we are born with a certain order of preferences for Cadillacs or TV sets. In Chapter 8 we shall see that these natural consumer preferences constitute the heart of their economics.

## THE RADICAL VIEW

By contrast with conservatives, radical economists believe that all ideas and preferences—such as our desire for Cadillacs—are shaped by the society in which we live. Consumers are influenced not only by obvious means like advertising but also by more subtle and pervasive means like family upbringing, religion, education, and the mass media. Similarly, it is no coincidence that the dominant view or ideology under slavery supports slavery, that under serfdom supports serfdom, and that under capitalism supports capitalism. Social scientists are human beings like everyone else and thus have their own ideas and preconceptions shaped by society.

Since our ideology is determined by our social environment, radical

economists contend that a change in our socioeconomic structure will eventually change the dominant ideology. For example, before the Civil War most Southerners (including their social scientists) declared that slavery was natural and good; but after 100 years of capitalist socioeconomic institutions, most Southerners (including their social scientists) declare that capitalism is natural and good. So the dominant ideas are not given by human nature but are shaped by socioeconomic relations and can be changed by changes in the underlying relationships. There is thus hope for a completely new and better society with new and better views by most people.

This does not mean that ideas are unimportant in the process of social change. The ideas of at least a large number of people must change before a revolutionary social change is possible. The point is only that our ideological views are not God-given and do not change at random. New views—such as the revolutionary ideology of liberty, equality, and fraternity—appeared and caused the French and U.S. revolutions only because they reflected underlying social conflicts. The needs of most people (farmers and workers and industrialists) came into conflict with the old socioeconomic relationships (the French feudal monarchy, British colonialism). These conflicts caused social thinkers, such as Voltaire and Tom Paine, to present new ideologies. The new ideologies caught on because they reflected most people's needs and desires. This led to political revolutions, which changed socioeconomic structures. The new structures reinforced the new ideas and made their ideological conquest complete. This circular process is charted in the figure below.

*Economic forces* are defined here to include all the labor that workers do, the tools and machinery with which they work, use of known natural resources, and use of the available level of technology. *Economic relations* are the relations among people doing economic activity—for example, the relations between slaves and slaveowners, workers and capitalists, debtors and creditors. In Chapter 6 we shall find that Karl Marx said that economic forces and relations, defined in this broad matter, form the *base* or foundations of society; on this base is built a *superstructure* consisting of institutions and ideologies. The social and political *institutions* include the family, government, organized religions, all the laws, the educational system, and the media of communication. *Ideologies* include philosophy, much of the social sciences, religion, and all folk customs and biases (such as white or male supremacy).

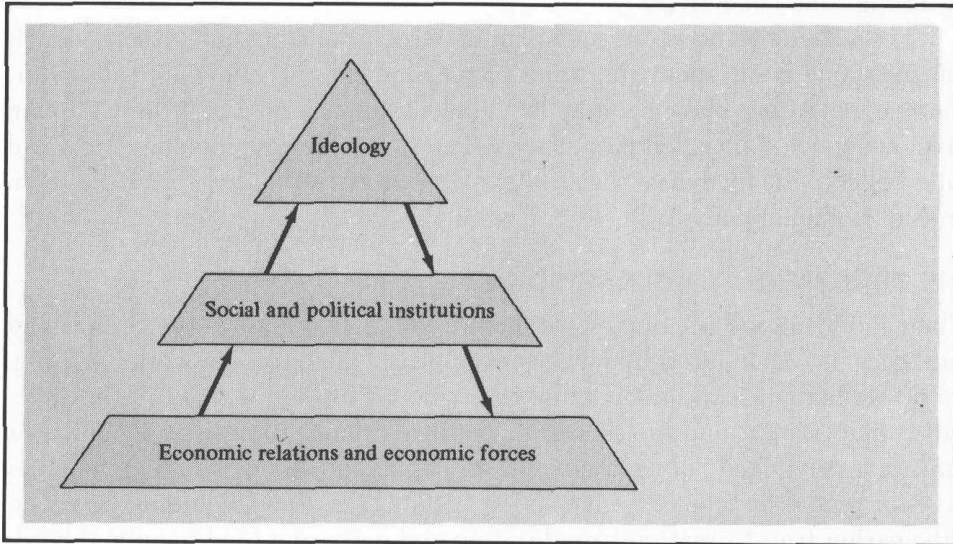
In any nonrevolutionary period, all the elements of this system reinforce each other. Suppose the economic forces consist of a fairly low level of technology in isolated agricultural estates, and the economic relations are those of feudalism, of landlords ruling over serfs. The political institutions reflect feudal relations in a hierarchy of power up the largest landlord, the king. The ideology reflects this hierarchy, claiming that the whole system—especially the king—is divinely ordained. So the ideology reinforces the existing institutions, which reinforce the existing economic relations.

In the rare revolutionary situations, conflicts (which are always there to some extent) suddenly become very evident among the elements of the sys-



tem. For example, over a long period in feudal Europe commerce and industry slowly replaced agricultural economic activity. As a result, a new economic class of capitalists and merchants appeared. There was conflict because the old feudal lords had control of the political institutions and did not want to surrender any power to the upstart capitalists. Eventually, these conflicts led to revolutionary new ideologies, new institutions, and new relations.

### Ideas and Economics



### PRIMITIVE ECONOMIES

As an example of the various economies that have existed, let us examine the so-called *primitive* type. One British archaeologist lists the characteristics of most areas of human settlement in our first half-million years or so as follows: (1) very small communities; (2) communities quite isolated, self-sufficient, with little or no trade; (3) no writing; (4) a homogeneous group of people; (5) no full-time specialists; (6) the economic unit is the family or extended family of kinsmen; (7) relationships personal and status hereditary rather than economic; and (8) little or no political institutions.<sup>2</sup> There is one still-existing primitive community where even today "there is no private property in productive goods, and whatever the hunting band manages to kill is shared out among the members of the group."<sup>3</sup> In general, the most primitive societies have no market exchange, no money, and no economic competition in the modern sense. It is true that even the most primitive peoples known to anthropologists usually own their weapons, tools, and ornaments as individual private property; but the basic means of production at this stage are the hunting grounds, and these are owned collectively.

<sup>2</sup> V. Gordon Childe, *Social Evolution* (London: Watts, 1951), passim.

<sup>3</sup> Manning Nash in George Dalton, ed., *Tribal and Peasant Economies* (Garden City, N.Y.: Natural History Press, 1967), p. 3.

The point cannot be overstressed that in primitive societies men are not hired for jobs; they are not paid money; and purely economic relations do not prevail in any area (nor is force used in most cases). Rather, "men work together because they are related to each other, or have social obligations to one another."<sup>4</sup> Furthermore, work is done collectively and the results are shared collectively. Or, as another anthropologist writes, "with qualifications such as the special shares locally awarded for special contributions to the group endeavor—the principle remains . . . 'goods collectively produced are distributed through the collectivity.'"<sup>5</sup>

The striking thing about such primitive societies from our present view is that everyone is on about the same plane of economic and political power. There is no ruling class, such as the ancient Roman or Greek or Egyptian slave owners, and no ruled class, such as the slaves in those societies. How did some collectivist, primitive societies evolve into class-divided societies—as in Greece, Rome, and Egypt?

### THE TRANSITION TO CLASS SOCIETY

When "civilization" became established in the Middle East in the Bronze and Iron Ages, it was marked by large communities, taxes, public works, writing, use of mathematics and astronomy, internal and foreign trade, full-time specialists like farmers and metallurgists, political organization beyond family or kinship, a privileged ruling class, and an exploited class of workers, whether slaves or feudal serfs or peasants paying tribute. The key revolution, however, is the earlier transformation from hunting and gathering food to animal herding and agriculture.

How did the agricultural revolution occur, and how did it end the primitive classless societies of these areas and bring about class rule? We know there was a slow expansion of technical knowledge and improvement of tools over hundreds of thousands of years. Then, in a few particularly fertile areas—perhaps more or less independently in China, Mesopotamia, Egypt, Mexico, and Peru—people discovered how to tame and breed animals and how to grow the most edible plants. This "revolution" did not occur in a momentary flash of insight to some individual. Rather, it seems to have been a very gradual process over thousands of years.

Recent work presents a detailed picture of this process in Mesopotamia and the Aztec areas of Mexico.<sup>6</sup> First, communities became more permanently settled, intensively collected food, and hunted in a smaller given area than previously. Second, the New Stone Age saw better tools being produced, including improved bows, drills, digging tools, and even boats and nets. Third, some crop—wheat, for example—that was already growing in the area might be moved to different areas as desired, protected by such means as removing

<sup>4</sup>Daryll Forde and Mary Douglas, in *ibid.*, p. 17.

<sup>5</sup>Marshall Sahlins, "On the Sociology of Primitive Exchange," in Michael Barton, ed., *The Relevance of Models for Social Anthropology* (New York: Praeger, 1965), p. 142.

<sup>6</sup>See Robert Adams, *The Evolution of Urban Society* (Chicago: Aldine, 1965), pp. 39–43.

any weeds, and eventually selected so as to obtain the desired food characteristics. Similarly, hunters of goats or cows might begin to follow one particular herd, protect it against its other enemies and finally feed and shelter it at times. All these changes could take thousands of years.

Once the pastoral-agricultural revolution is well under way, several important changes occur as a direct result. Obviously the level of productivity per worker increases. The first consequence of this fact is a much higher population density; herding and agriculture can support many people per square mile, whereas hunting and gathering require several square miles per person. At the same time, agriculture means that the population must settle in one place rather than moving here and there around the country. Such large, settled agglomerations mean the founding of permanent villages and, eventually, towns and cities in the most favored places.

There is enough economic surplus over immediate needs so that the economy may support various specialists, such as carpenters, shoemakers, and the like. Specialization, in turn, calls for exchange of products between individuals and between groups. Moreover, the higher productivity makes available wealth in the form of cattle and gold as well as consumer durables. Then the specialization and exchange slowly destroy the collective use and possession of property, so some individuals come to own more wealth than others.

With this increase of private property and larger, more permanently located groups of people, there is a need for a broader and stronger political structure to replace the family unit. At first, in both possession of private property and control of political power, the families or clans retain the semblance of unity and direction. Individuals slowly accumulate private property as there is more of it; so, too, do individuals slowly accumulate more political power as politics grows more complex.

A war chief may be elected from time to time as a result of small tribal conflicts; the post is likely to become a lifetime one or even hereditary as larger armies come into being. The area and intensity of wars increase because wars for economic motives are used by advanced agricultural societies for obtaining cattle or slaves. Most large-scale introductions of slavery seem to follow as the effect of a war of conquest. Yet such wars seem to occur only as the effect of new technology high enough to be profitable to keep a slave (because he can produce a surplus). Slavery and wars of conquest are thus intertwined as cause and effect at a certain level of economic evolution.

To oversimplify a bit: Better technology following the agricultural revolution led to higher productivity per worker. The higher productivity, in turn, meant that a society could for the first time “afford” to have some nonworking individuals (such as slave owners, landlords, priests, full-time warriors). Conversely, until product per worker passed the point at which one worker could just keep himself alive, there could have been no surplus left for the ruling classes. Before that point, slavery or serfdom could not pay—hence prisoners were simply killed or eaten.

A similar increase of power may accrue to those in charge of public