

Import-Export Business Operation in Early Mesopotamia

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Even before the dawn of civilization, trade was important to the inhabitants of Mesopotamia. In the southern part, where the first cities were built, the only natural resource of importance was dirt. With proper care and irrigation, the dirt could produce what was, for its time, an impressive crop yield. The results of this were twofold. First, people had time to devote to pursuits other than that of obtaining food. Second, the agricultural surplus gave the people something to trade to neighbors. Archeological evidence indicates that even in neolithic times (5000 B.C. and earlier) many objects obtainable only in other areas were in everyday use in Mesopotamia [5, p. 12]. Flint from the Arabian plateau and obsidian from Armenia were used for cutting and scraping tools. These tools were sometimes secured to handles with bitumen from Hit. The bitumen was also used for calking boats. Lapis lazuli for decoration was procured from Afganistan. Timber was brought from as far away as Lebanon. The first large city to develop was Sumer and from its beginnings, it was tied by trade to most of the then known world [2, p. 44].

Several technological and intellectual advances facilitated the expansion of trade. As people in Asia Minor discovered sources of metal and developed the ability to refine, alloy, and work metals, the volume of trade expanded. No one place had all metals naturally occurring and with the exception of the extreme northern part, Mesopotamia had none of them. Metals could therefore only be acquired by trade. By 3500 B.C., metals commonly brought to the area included copper and tin (and their alloy, bronze) as well as silver and gold. Later, iron was also imported. By the middle of the second millennium B.C., silver was commonly used as money, even though coinage was not to exist for another thousand years. It was accounted for by a system of weights, the smallest unit of which was the se. Three hundred and sixty se were equal to one shekel, 60 shekels were equal to one mina (a mina is equal to approximately 1.1 pound), and 60 minas were equal to one talent.¹ As one may gather from the weight relationships, the numbering

system employed used a base of 60. The large base had the advantage of being divisible by a sufficiently large number of whole numbers as to make easier the use of fractions. This was of considerable benefit in computing and recording rates of exchange for various commodities.

Possibly the greatest advance of the time was the development of writing. The ability to record and transmit (without likelihood of change) is of obvious benefit to a trading operation. Forms of organization can be larger and more flexible if all those involved in ownership and management can record partnership agreements, instruction, loans, and transactions. A probable result of this was the development of large-scale, continuing businesses involved in import-export trade. Originally developing in southern Mesopotamia, this trade was later carried on by the Babylonians of central Mesopotamia. It reached its peak under the Assyrians in the North during the latter part of the second millennium and the first part of the first millennium B.C. The traders made considerable use of the writing system available and it is from these records and other archeological finds that this paper is drawn.

The records are in the form of clay tablets written upon with a wedge-shaped stylus which produced the writing known as cuneiform. Such tablets have survived and been recovered in large numbers and translators continue to develop knowledge of the languages involved. While persons from such fields as medicine, law, mathematics, and astronomy have worked with translators to learn more of the early history of their subjects, relatively little interest has been shown by accountants and business and economic historians. Thus, while a majority of the available records are economic in nature, less is known of the economic and business systems than is known of some other areas of interest.

TRADE ROUTES AND TRADE GOODS

The trade routes linking Mesopotamia with the surrounding world were primarily land routes and for the most part were travelled by donkey caravans. Some use of water transportation was made within Mesopotamia, primarily on the Euphrates River and some irrigation canals large enough to carry barge traffic. There was also some trade on the Mediterranean Sea which in later years became fairly extensive under the Phoenicians. Since most of the cities supplying products to Mesopotamia were inland, overland trade accounted for the majority of transport. Camels were not domesticated until approximately 900 B.C. and even after that, except in the Syrian desert, donkeys were the primary beast of burden used by the caravans [3, p. 15].

The apparent limits of the trade routes were Egypt in the West and the Black Sea in the North [1, p. 64]. To the East routes extended to the Indus Valley and eventually to China. Silk was

exported westward from China as early as the middle of the second millennium B.C. and in 128 B.C., following an extended period of trade, official trade relations with Parthian kings and the Chinese empire were established [6, p. 253]. Routes extended to several cities on the Eastern Mediterranean coast. Most of these cities were sources of desired goods but some were valued also as stopover points on the route to Egypt and as ports for the sea trade routes. Trade to the South was limited by the Arabian Desert and to the Northeast a similar restriction was imposed by the Zagros Mountains. Few people with whom to trade lived in either of these rather desolate areas.

The trade route discussed in this paper is that between the Mesopotamian city of Assur (also spelled Ashur) in Assyria and the city of Kanish in Cappadocia (or Anatolia) in what is now Turkey. The route covers a distance of approximately 500 miles over arid and hilly terrain.

Merchandise carried by the caravans included metals (copper, tin, bronze, gold, silver, and iron), chemicals (mostly dyes for textiles), foods (wine, honey, and grains), and fibers (wool, cotton, silk, and linen). Fibers were traded both in the raw state and as textiles. Also carried in smaller quantities were resins, lapis lazuli, and other precious stones and packages.

The packages are of interest in that they evidence a sort of "Wells Fargo" service provided by the caravans. Apparently the caravans were considered secure enough and the caravan masters trustworthy enough that private individuals sent sealed packages of undivulged contents to the caravan's destination. An example of a "bill of lading" listing such a shipment is "8 boxes with copper reinforcements, whose contents have not been established" (6, p. 237].

The largest shipments, by both weight and volume, were those of metals and textiles. The trade between Kanish and Assur is representative of this. Assur received tin from Iran and textiles from Babylon. The merchants in Kanish shipped gold and silver from Cappadocia to Assur for the purchase of tin and textiles. The tin and textiles were then sold in the area both on a wholesale and a retail basis. The tin was used primarily to manufacture bronze and secondarily as money.

PERSONS AND ORGANIZATIONS INVOLVED

Small businessmen wishing to take part in the caravan trade contracted with caravan masters and included their money and goods with those in the caravan. Although records of such shipments have been found, they are not complete and we cannot determine the costs to the shipper. It may be that such costs were paid directly to the caravan master and that this constituted income that he did not have to account for to the initiator of the caravan. Such small

businessmen were apparently not an important part of the caravan trade and shipping documents and records of taxes paid do not often list them.

The major portion of the caravan trade between Kanish and Assur was carried on by Assyrian families living in Kanish. Such businesses might have several local employees, agents in other cities, and traveling salesmen working in others. The family businesses were passed from father to son and some were in continuous operation for over 100 years. The documents used as examples in this study are part of the recovered records of such a family business. Translated records of this business extend over three generations and almost 100 years.

A caravan might also be initiated by a *karum*. A *karum* might be likened to a board of trade, a partnership, and a chamber of commerce. Most of the Assyrian merchant families living in Kanish lived in an area outside the city walls called Karum-Kanish. In this area they also had their warehouses. *Karums* in other cities seem to have operated much like the one at Kanish. The *karum* had the authority to collect a tax from caravans passing through their area. They also paid taxes and had treaties with the local authorities.

Karums initiating caravans did so on a shares basis on behalf of their members. Since the *karum* operated a central accounting office for its members, called a *bit-karim*, a caravan could be commissioned and the appropriate charge made to each participant's account. If such a charge caused his account to be overdrawn, he would not be permitted a share in the profits until the overdraft was corrected. Each merchant house apparently had an account in the *bit-karim* and we have evidence of transfers from one account to another as well as deposits to and withdrawals from the accounts of others when done on written authority -- a type of checking account system. Translators have used several names for the *bit-karim* and in the example notifying message (see Appendix) the translator has used the words "merchant-office." In this example, we see another service of the *bit-karim*. Along with the services of scribes, it provided a kind of auditing function in that there were persons available to observe the weighing of metals and to witness documents.

Governments were also involved in the caravan trade. They were interested primarily from the standpoint of collecting taxes and protecting the trade routes. Several types of taxes were collected and some of these are mentioned in the example documents. The most common (and largest) of these were the *nishatu-tax* and the *suddu'utu-tax*. The latter was an export tax paid in the city from which the caravan departed. It was paid in advance and was so shown on the example transport contract. The *nishatu-tax* was paid en route, usually when crossing borders, and was a kind of customs duty. Other, usually rather small, taxes were sometimes collected en route and these were usually paid by the caravan master and

accounted for in the caravan account. There were close ties between governments and local temples. The temples sometimes collected on arrival tax on goods in the form of a tithe.

When there are taxes, it must be expected that some will attempt to evade them. Smuggling did exist but it is difficult to determine on what scale. Some documents relating payments to smugglers have been discovered, but they are rare. Probably the scale of smuggling was small, since it would have been difficult for a caravan of size to pass undetected on such a long journey. The possibility of smuggling small shipments in sealed boxes may have been good, since customer inspectors seldom opened such. Evidence suggests that smuggling, while not rare, did not account for an appreciable portion of the import-export trade [8, p. 318].

CARAVAN DOCUMENTS

The documents used in the caravan trade were relatively standardized and remained constant for many years. There were three main documents: the transport contract, the notifying message, and the caravan account. Examples of these documents are given in the Appendix.

The transport contract was a legal document. The Assyrians had legal codes similar to the Code of Hammurabi, law 123 of which states
If he gave [it] for safekeeping without witnesses and contracts and they have denied [its receipt] to him at the place where he made the deposit, that case is not subject to claim [7, pp. 149-51].

It was not necessary to have such a document for the return trip, since that trip was included in the transport contract. The transport contract stated the amount sent by the caravan, who sent it and for whom, who the caravan master was, and what he was expected to do. Being a legal document, it was witnessed.

The notifying message was addressed to the shipper's agent or agents in the destination city. It restated the amount sent and instructed them as to the actions required by the sender.

The caravan account was the caravan master's financial accounting of the expedition. It was a detailed listing of each expenditure made by him or the agents with him. It included expenses of the journey as well as the goods bought and the taxes paid by him.

COSTS OF SHIPPING

Despite the number of documents available, the costs of operating a caravan are not easily determined. Many expenses are shown in the caravan accounts but for the most part, they are not consistent in appearance or amount. Some explanations and determinations are possible, however.

The actual cost of wages is difficult to determine from the caravan account. While in some cases we find the caravan master had taken some of the money for himself, in other cases he had not. We must conclude that the caravan master (who was in some cases an employee of the shipper and in other cases an independent transporter) was paid directly by the shipper. Some of the employees of the caravan were paid a wage and this was recorded. Other employees received what the translator has termed "working-capital." This was essentially an interest-free loan made for the duration of the journey. The employee was allowed to specify what goods were to be purchased for him with the "working-capital" and upon the completion of the round trip he received the profit from the sale of those goods. Additionally, clothes and food were sometimes furnished to employees and these were part of the expenses of the trip.

Apparently, donkeys could be sold at either Kanish or Assur for between 16 and 20 shekels. Therefore, the price paid for donkeys (and also harnesses) was an investment that could be partly, if not fully, recovered. Fodder, of course, was an expense.

One Assyriologist has estimated that reported expenses of transport averaged about 15 percent of the value of the shipment for textiles and about 8 percent of the value of the shipment for metals. While there were some differences in taxation for metals and textiles, the apparent determining factor was the difference in bulkiness. A donkey load of textiles weighed at most one talent while the standard weight carried by a donkey when the load consisted of tin was two talents ten minas. This provided explanation for most of the transport expense difference [4, p. 147].

Since the *saddu'uttu*-tax was paid in advance and averaged about one percent of the value of the shipment this amount should be added to the reported expenses to figure the total expenses of the trip. Similarly, a tithe (or 10 percent tax) was usually extracted by the local temple upon the caravan's return and the local palace sometimes took as much as 10 percent. Also, some addition must be made for the caravan master's wages or fee.

Other taxes, some possible bribes, and the expense of maintaining warehouse and sales facilities further reduced profits, but even so it was usually estimated that the Assyrian merchant roughly doubled the money invested in a caravan. Due partly to transport time but mostly to the time spent in purchasing and selling, the investment extended over an approximate one-year period. Even if the merchant had borrowed the money for the venture at the usual rate of 30 percent per year he might expect a reasonable return.

APPENDIX

Transport Contract

The 30 minas of silver--its *nishatu*-tax added, its *suddu'utu*-tax paid for--which Dadaja entrusted to

Kukkulanum, son of Kutaja and which he carried to the city for buyings--[that] silver belongs to Enlil-bani. From here it will cross the country in the name of Enlil-bani. Goods will leave the city and cross the country in the name of Enlil-bani again. The goods will arrive at Kanish and Enlil-bani will receive them.

Witnessed by Bazija,
son of Ili-kurub,
Witnessed by Asutaja,
son of Ememe,
Witnessed by Assur-idi,
son of Kurub-Istar

Notifying Message

Say to Pilahaja, Irma-Assur, Mannum-balum-Assur, Kikkulanum, and Assur-lamassi; thus Enlil-bani; 30 minas of silver--its nishatu-tax added, its saddu'-utu-tax paid for--with my seal and the seal of Kukkulanum, Kukkulanum is bringing to you. In the silver my hand has been laid. Here, in the merchant-office, I have been noted as the warrantor of Kukkulanum and in the 30 minas of silver I have laid my hand. There place yourselves at the side of Kukkulanum and let him buy textiles for [one] half of the silver, tin for the [other] half of the silver [in] what according to his estimate is a profitable way for him--then have it sealed and with your seals entrust it to Kikkulanum. You are my brothers--as I have laid my hand in the silver here [so] must you there in the towngate, representing me, lay your hands in the goods and entrust them to Kukkulanum and let Kukkulanum lead the goods to me.

Caravan Account

Thus Pilahaja, Irma-Assur, and Mannum-balum-Assur; say to Enlil-bani and Kukkulanum: 30 minas of silver--its nishatu-tax added--with your seals Kukkulanum has brought. We checked the silver and [found] 2/3 mina of silver missing. Thereof: 114 linen-cloths, their [price in] silver: 7-1/2 minas 4-1/2 shekels; 2 talents 15 minas of sealed tin [at the rate of] 13-1/4 shekels each; 40 minas of sealed tin, moreover, 8 minas of sealed tin [at the rate of]

13 shekels each--its [price in] silver: 13-5/6 minas 3-3/4 shekels. 6 black donkeys cost 2 minas 8 shekels of silver together with their fodder. 16 shekels of silver: their harness; 37 minas of hand-tin [at the rate of] 13 shekels each--its [price in] silver; 2-5/6 minas 2-1/6 shekels; 1 mina of silver; the working-capital of 2 harnessors; 4 shekels; their clothes; 7 shekels of silver we added to the working-capital of Nabi-Sin; 12-1/2 shekels; "additions"; 2-1/2 shekels; of the sa'udum; 15 shekels; departure toll; 6 shekels of silver we paid on the account of Assurmalik; 5/6 mina of silver Kukkulanum had taken, thus [he said]: "If the tamkarum will not let silver reach me here I shall take it from this silver!"

NOTE

1. Shekel and talents as used herein are weights and should not be confused with the same words which were later applied to coinage in the Middle East.

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