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Rollercoaster Economics

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ROLLERCOASTER ECONOMICS

“And so great was the prosperity of the church, and so many the blessings which were poured out upon the people, that even the high priests and the teachers were themselves astonished beyond measure.” (Helaman 3:25)

The ups and downs of Nephite economy readily catch the attention of most first-time readers of the Book of Mormon. From one year to the next, the Nephites could go from abundant riches to abject poverty, and just as quickly they could rise again from humiliating poverty to wealthy prosperity. Why was their economy so volatile?

A chart of the economic swings of the Nephites looks like a rollercoaster. Its cycles are erratic, and its fluctuations are often rapid and extreme, ranging from eras of turbulence and turmoil to extended periods of peace and prosperity. For example, the fifteenth year of the judges saw extreme war (see Alma 28:2); while the sixteenth and seventeenth years, profound peace (see Alma 30:5). The sixtieth through sixty-second years saw the Nephites lose half of all their holdings (see Helaman 4:10–12); yet the sixty-third year was exceptionally prosperous for what the Nephite historian considered a “long” time (Helaman 6:9, 17); nevertheless troubles again developed already in the sixty-seventh year, and only five years after that there was extensive famine and poverty (see Helaman 11:4–5).

Triggering these swings were many shifts in the righteousness and wickedness of the people; but behind the

scenes, several other conditions accompanied and exaggerated this economic instability. Among the many factors that might be considered and explored are the following:

1. The Nephite economy had a very simple agricultural base. Modern people easily forget how exposed and vulnerable ancient farmers were. Plows and other implements were primitive to nonexistent, farmers had no commercial fertilizers or pesticides, and crop rotation was rare, so soils soon became depleted. With limited irrigation, crop success depended on the weather from season to season. Thus, when Abinadi issued the following curses in the name of the Lord, he raised serious threats of constant concern: "I will send forth hail . . . [and] the east wind; and insects shall pester their land" (Mosiah 12:6); and when Nephi closed the heavens in the seventy-second year of the judges, this immediately started a severe four-year famine (see Helaman 11:3–6). In small, simple agricultural villages, putting seed into the ground each year was an act of faith, for the harvest was always an uncertainty.

2. The Nephites, like most ancient people, apparently had little ability to store food or to produce an excess of basic commodities. Food storage requires such things as durable containers, refrigeration or preservatives, and a surplus of food. Grains keep, meat can be cured, and fruit can be dried, but most other food stuffs are perishable. On one rare occasion the Nephites retreated into a fortified position with provisions for seven years (see 3 Nephi 3:20–4:4), but when they finished they had only livestock, grain, and precious metals left (see 3 Nephi 6:1–2). After a short period of occupation by Lamanite soldiers, the food supply in the city of Antiparah was apparently soon depleted, for provisioning was a major factor in the military strategy around that city (see Alma 56:29–31). So we

get the picture that food storage was probably difficult, further increasing the vulnerability of the economy to change.

3. The Nephite economy usually functioned with limited trade. Extended commercial contacts between the Nephites and other groups of people were the exception, not the rule. When the Nephites and Lamanites were finally able in the sixty-fourth year of the judges to travel and trade freely, immediate prosperity resulted (see Helaman 6:9), but it did not last. Travel was generally discouraged, especially into the land northward. Transportation was limited; trips often meant hunger and hardship (see Mosiah 9:3). Under such conditions, surplus could not easily be shipped from one area to another to relieve destitution or crop failures.

4. Ancient economies were heavily beset by the ravages of war. Most ancient cities lived in constant fear of being overrun by invading armies or harassed by robber bands. Zarahemla was no exception: at one point the city was easily conquered in a single invasion (see Helaman 4:5). Fighting for one's very existence in sustained campaigns placed heavy strains on these already fragile economies. Besides costing time away from planting and harvesting crops, wars claimed the lives of scarce workers and leaders. The deaths of captain Moroni, Pahoran, Helaman, and Shiblon in rapid succession at the end of the war years against Amalickiah (see Alma 62:52–Helaman 1:2) left the city of Zarahemla without an obvious leader in Helaman 1.

5. The small size of the Nephite population during the first century B.C. further extended its susceptibility to economic pressures. There was no cushion to absorb the immediate demands that inevitably arose. To show how disruptive even small political elements could become, the case of the king-men is instructive: in the end, a group of only four thousand men were able to set the Nephite

capital city in disarray and nearly topple its government and economy (see Alma 51:19).

6. Obviously, the government did little to regulate the economy in Nephite society. The currency was relatively simple; as in most ancient economies, it took a king's decree to establish a system of weights and measures (see Alma 11:4), and they could be arbitrarily changed under each new government. There was no central power or bureaucracy to organize and protect the accumulation of wealth, except perhaps for the benefit of a few corrupt groups. No economic indicators were monitored, no economic forecasting was available. No one had the ability to monitor or manipulate supply and demand, no national debt existed to take up the slack. No banks, Federal Reserve Board, or other institutions were there to stabilize and protect the economy. Superstition about good days and bad drove economic decisions far more than business sense.

7. Moreover, under these circumstances it must have been extremely easy for a few to get a monopoly on certain precious commodities. The main items with trading value were scarce but transportable: the text mentions such things as gold, silver, pearls, costly apparel, and fine cloth. As fashions shifted, the few people who happened to have the most desirable commodities were suddenly considered very rich. That is not to say that those people stayed rich, however. If there is one lesson economists believe they have learned, it is that it is nearly impossible for monopolies to exist for very long because there is hardly anything for which a substitute cannot be found. As the price of the good in short supply increases, people start looking more intently for substitutes, and they almost always find them. This merely adds to the fluctuations of the markets. Similar developments are taking place in the highly volatile and unstructured economies in Eastern Europe today.

8. Nephite society seems to have placed great economic value on things with little intrinsic or practical value: gold, silver, precious stones, pearls, and fine fabrics. What drove the highest price were consumables and tangible personal property. Never, however, is land mentioned as the basis of wealth in the Book of Mormon. Perhaps because land was plentiful it was therefore of little commercial value, or perhaps it was basically inalienable, being a lineage or village possession; moreover, the people probably considered land as belonging to God or to the entire community, not to private individuals, and thus it did not distinguish the upper class from the poor. This, however, meant that wealth could be easily lost or destroyed, devalued or rendered useless, moved or stolen, buried up in tombs, or consumed in ritual celebrations—leaving the people without those markers of wealth and contributing again to the volatility of their economy.

9. During the period of the judges, Nephite society became quite fluid. Subgroups organized rather easily. Some, like Alma's group, formed a religious coalition to aid and support one another, but most others sought political (i.e., economic) advantage. The Zoramites broke away to Antionum and created a new society deeply divided in its class structure (see Alma 31:3; 32:2–3). Nehor's group, as well as the dissenters who tried to desert from the city of Morianton, the kingmen, and many other subgroups formed. Each of these groups became relatively self-contained and exclusivistic. Such social conditions further breed economic instability and recession, for social uncertainty leads people to place less importance on long-term economic growth, and fragmentation reduces the number of trading parties available to those who have specialized in the production of particular commodities.

10. Finally, the religious views of the Nephites strongly discouraged the accumulation of wealth or "getting gain." Leaders and prophets such as Nephi (see 2 Nephi 28), Jacob (see Jacob 2:11–22), Benjamin (see Mosiah 4:13–28), Alma the Elder as well as his son, Alma the Younger (see Mosiah 18:24–29; Alma 1:26–33), Abinadi (see Mosiah 12:29), Samuel the Lamanite (see Helaman 13:28–39), and many others spoke out strongly against the hoarding of wealth. While generosity can actually increase the total wealth of a community, as Lindon Robison has recently demonstrated, favorable economic effects of generosity occur only to the extent that the entire community shares basically the same ethic of care and generosity toward each other.¹ If they do not, then the Nephite attitudes toward giving liberally to the poor tend to dissipate the wealth of the righteous, while concentrating the remaining economic power in the hands of the unrighteous, thus contributing further toward volatility and the inevitable collision of values in the larger society.

These and probably many other factors help us to understand why and how the Nephite society was so highly susceptible to the economic fluctuations that came as blessings or punishments from the Lord. These were the result of many causes, both the result of conscious choices on their part, and of other factors beyond their control, let alone their awareness. People in modern societies, on the other hand, find themselves insulated in many ways from the vicissitudes of the simple economies of ancient societies, which probably makes it harder for modern readers to understand the Nephite condition and to appreciate all of the influences that impressed them to be dependent spiritually upon the Lord.

Research by John W. Welch, 1993; discussed at a FARMS brown bag lecture.

NOTE

1. See Lindon J. Robison, "Economic Insights from the Book of Mormon," *Journal of Book of Mormon Studies* 1/1 (1992): 35–53. In a letter to the author, Robison wrote: "Still, religious tenets regarding wealth did not vary and thus cannot be used to explain cycles unless one is referring to the cycles of religious adherence to the religious tenets. . . . The wickedness of the people produced many of the observed causes including the failure of governments, the reduction of trade, the subdivision of the population into groups without caring or respect for each other, and under investments of public goods. But for all of these, the underlying problem was an absence of charity" (p. 4).