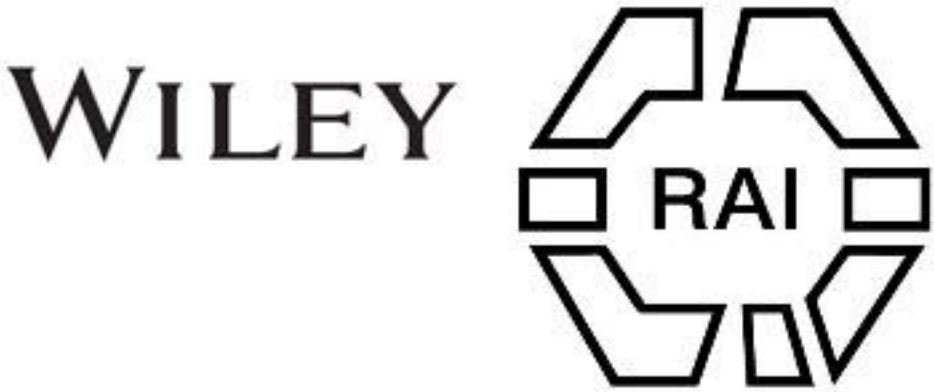

GIFTS AND THE U.K. ECONOMY

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Social anthropologists sometimes make the didactic point that Mauss's rules of reciprocity apply as much to our own society as they do to primitive ones. True, they piously refrain from citing the Master's own examples ('. . . ingenious innovations like the family funds freely and enthusiastically provided by industrialists for workers. . . .' 1954: 65 sqq.), and they emphasise rather the embarrassment, said to be a common experience, of receiving a Christmas card or present out of the blue.[1] The immediate stimulus for this article was a desire to reinforce those didactic good intentions with hard data. Other preoccupations underlie this aim, however. One is to suggest that the way to compare economic systems is to compare the relation between the sub-systems of given economies rather than to speak of one mode of transaction 'predominating' over others. To speak of the sub-systems of any total economy is of course to operate with fairly low-level generalisations and not to assume that some economies or some sub-systems are ultimately not susceptible to economists' analysis. Sub-systems are identified merely by the rules which govern transactions within them, and it is always a matter for empirical verification whether or not particular high-level generalisations may be made about the performance of any substantive economy.

For present purposes I find it necessary to posit the existence of only four sub-economies in the United Kingdom. The market sub-economy is governed by laws of commercial trading, employment, labour relations and so on, and includes all transactions in services and commodities. The redistributive economy is governed by laws of taxation and welfare and state expenditure. The domestic economy is governed ultimately by family law, but more immediately by customs and expectations, more or less idiosyncratic, about the relations between members of a family. It includes all productive activities which are not mediated by a market—making and mending, food-processing, and so on—as well as the greater part of consumer activities.[2] The gift economy is governed by rules of reciprocity, and includes all those transactions which we call giving a present, making a gift, and so on.

It would be quite easy to add further sub-economies, and salutary too, because much confusion seems to result from pan-transactionalist assumptions. To cite only a recent example, Professor Bailey's recent book (1971) includes the word 'gift' in its title, but in fact discusses a variety of transactions, from commercial to redistributive, from 'symbolic' to exchanges of labour and gossip. Are we really to assume that these are all governed by the same sort of rules—are the same sort of transaction? And if so, which rules are they? One of the contributors remarks that his aim is to apply 'the approach of micro-economics to the whole of social life' (F. G. Bailey 1971: 276, n. 8). I think it is a positive response to that statement,

to say that it is insufficiently discriminatory, particularly because the level of generality at which the fieldwork is reported is a low one. We might label these further sub-economies 'symbolic 1', 'symbolic 2' and so on, and try to work out by what rules sexual favours are transacted against compliance, say, or votes against patronage. We are quite likely to find that all economic transactions have some symbolic value such as conferring prestige on the transactors; and indeed one reason for being interested in gift transactions is that the symbolic values are slightly clearer than they are in market transactions: one can buy or sell many things, but some of them are inappropriate gifts, or are appropriate only in certain relationships or on certain occasions. My second underlying preoccupation then is a desire to establish whether the transactions discussed by McCall, Simmons, Homans, Blau, Barth and Bailey fit a market model, or a reciprocal model, or one or more particular models. In this article, however, I do no more than offer the interim prophylactic of discrimination between economic sub-systems, and ask to which set of rules transactionalists' transactions are supposed to conform.

The first section of the article discusses some of the problems involved in making the calculations in the appendix, summarised in section three. The calculations simply underestimate the flow of goods from the market sub-economy into the gift sub-economy; they exclude all goods which enter the gift economy from the domestic economy, or from other sources such as theft and pilferage. There is no account of what goes on within the gift economy because this is not known. The fourth section is concerned to identify the relations between the gift economy and the market economy; and the fifth suggests that the differences between the U.K. whole economy and such economies as those of the Hausa and Siane are not so much in the 'amount of reciprocity' but in the relation of the various sub-systems. The conclusions are tentative: there are some hard data to back up the didactic point, that we are as much obliged by rules of reciprocity as primitive peoples are; but otherwise I am chiefly concerned to open discussion, to establish a *prima facie* case which can be elaborated in a second instance.

Problems of making the measurements

This article relates three sorts of figures: consumer research figures of what proportion of goods are bought by people who do not consume them themselves, but who give them away; production figures which show the value of manufacturers' sales price (m.s.p.) of these products and which enable us to calculate the labour force and wages bill for the production of the goods; and retail figures which provide us with the value of sales of these products to the consumer. By applying the consumer research proportions to the production figures we arrive at an estimate of the integrative force of gift-giving; by applying the consumer research proportions to the retail figures we arrive at an estimate of the proportion of personal income allocated to purchasing gifts in the U.K.

However, none of these sets of figures is entirely suited to this task. Thus the 1968 Census of Production results have been published only in summary form (*Board of Trade Journal*, vol. **197**, 3798, Dec. 1969, pp. 1758–69), which does not allow us to distinguish sales of particular products by an industry among its total sales

(including side-lines, by- and waste-products). I have broken down the 1968 gross output by calculating the incidence of sales of particular products (lower case in the appendix) on the sales of the whole industry in 1963 (census of production) and by applying that proportion to the figures for 1968. Nor can we identify, for example, the value of toys ('characteristic products' of the toy industry) produced by firms classed with other industries: e.g. toy perambulators are made by firms classed with the real perambulator industry; rubber balls by the rubber industry, and so on. I have used the 1963 census figures to calculate the incidence of sales of characteristic products of the industry by firms classed with other industries in 1963, and applied that proportion to the 1968 gross output figures. Both these exercises result in error. The census of services and distribution does not use the same classifications as the census of production, so that the retail figures have to be calculated from the production figures, adding on wholesalers' margins, purchase tax and retail margins. These resulting sums are likely to be inaccurate, though I think they are overestimates only for goods such as domestic electrical appliances, where discounts are commonly given.

The crux, however, is the set of figures from consumer research reports. There is no doubt it is not wholly satisfactory to have to rely on information collected by a variety of people, by a variety of methods, over a period of years. The research is done from time to time as it is commissioned; wherever there was a choice I have taken the figures nearest to 1968. Quite often there was no choice, however, and the consumer research figures I have used refer to surveys carried out over a period from 1964 to 1970. If consumer behaviour has altered, then the figures are inaccurate. In some cases, in fact, manufacturers have made determined efforts to make their goods ordinary items of consumption, rather than gifts. But such evidence as there is—and it is very slight—indicates that for established gift-goods the proportion which is given away remains constant. For newer gift-goods, as we shall see, the case is slightly different.

The variety of researchers and methods is a drawback; but its importance may be overestimated by anthropologists who are accustomed to complete information collected by one person. There are fairly standard procedures for conducting consumer research, and the methods of analysis are becoming increasingly sophisticated: it is no more misleading to set one consumer research report beside another than it is to compare two anthropological monographs.

Consumer research reports do not cover all commodities or, if they do, they have not all been published. There are, therefore, many goods which we know nothing about. In some cases I am so sure that the goods are given away that I have included an estimate for them. But the list is still incomplete: we know quite a lot about toys and deodorants and electric kettles; we know next to nothing (no more than that they *are* objects of reciprocity) about most non-durable consumer goods —food, flour and sugar confectionery—or about motor cars, houses, cash. In order to indicate the likely incidence of these goods I have included an estimate for beer and spirits. The somewhat complex calculation which results in a percentage of 60 per cent. of beer and 30 per cent. of spirits is described in the notes to the Appendix (col. 6, *a*, *b*). Gifts of beer account for 69 per cent. of manufacturers' sales of goods which are then given away. Since by the canons of common sense this is too high a proportion, we might be led to say that less beer than that is given away

—this would diminish the incidence of gifts of beer on all gifts. On the other hand, I am inclined to argue that the disproportionately high incidence of beer is the result of our ignorance about other sorts of goods: if we could include these, then the total value of gifts would increase, and the incidence of beer would decrease correspondingly.

A final difficulty is that we do not know that the consumer researchers' category 'gift' corresponds to that of the anthropologist. What consumer researchers appear to do is to ask their panels of informants 'do you have an *x* in the house?' and if the answer is yes, then—sometimes—they ask how it was acquired: if the informant says it was a present, or was given, then that is how it is reported.

Quite often the reports of consumer research inquiries say that the objects are given between spouses. There are conceivable arguments against including some of these: in particular, presents which are prearranged between them, and which consist of useful household articles. The argument goes that these are not true presents since they are of mutual benefit, and because they are things which the spouses might buy anyway. Not the jewellery which a husband gives to his wife—for that is useless, and therefore a gift. Nor these same goods—say, washing machines, food mixers—if they are given by a daughter or a father-in-law. Nor things such as electric shavers and hairdryers, which are not normally of equal utility to each spouse. Of course, food mixers and washing-machines are primarily used by one spouse; and it might be said that even such machines as Goblin 'Teasmade' teamakers, 60 per cent. of which are given by one spouse to another (*Campaign*, 1970, October 16), relieve only one spouse of the labour of going to the kitchen. They are nevertheless things which we tend to see as given to a household by a member of it and they are often pre-arranged, and thus also lack that element of fantasy and surprise and of loving ingenious forethought for another's delight which—failing all else—might qualify them as gifts. It is possible that we find it difficult here to use an anthropological perspective: mere utility of things given never stopped us calling them gifts in primitive societies. In our society, however, the humdrum suburban banality of useful gifts—and the way in which they may be associated with claims to prestige—create problems of definition for us who struggle for prestige in a purer atmosphere than that of electric cocktail-shakers. But in any case I want to include them because they are often given on gift-giving occasions: to some extent the occasion may stimulate the expenditure; and calling the acquisition a 'gift' may mark it as exceptional, and be taken to indicate that the couple do not thereby commit themselves to an equivalent level of expenditure on other goods.

Clearly, as anthropologists or sociologists we would ask different questions about gift-giving from those asked by consumer researchers: we would want to distinguish the relationships involved; we would want to know about the symbolic value of gifts. But it cannot be emphasised too strongly that this article is preliminary: my interest is to measure the flow of goods from the market economy to the gift economy and I make an interim resolve to accept what the researchers say. Moreover, in the fourth part of this article (pp. 413–418) I consider the question, what consequences the use of commodities as gifts may have for the manufacturers who produce the commodities. Here, what is important is not the anthropologists' categories and interest: if the manufacturer believes that his products may be used

as gifts, that is enough to affect his behaviour, and what becomes important is the information at his disposal—what the consumer researcher tells him.

Some excluded gifts

The word gift has a slightly wider usage in our language than the word present. We talk of gifts to charity, of free gifts used in commercial promotions, of business gifts. I have retained the word gift because it has an eminent anthropological ancestry, but I have excluded these three sorts of gift, and it may be as well to say why. The gifts I wish to study are things which, once they have been purchased in the market, are then involved in further exchanges. Promotional gifts, self-liquidating offers and free gifts, which were estimated to have a value of £250–£340m in 1967 (*Retail Business*, **124**, June 1968, p. 16), are clearly not commonly involved in these further transactions. Business gifts are excluded partly because they too are so closely associated with the market—they are a selling technique like advertising; partly because we know very little about them. Firms were thought to buy 5 per cent. of all greetings cards in 1960 (*Retail Business*, **34**, Dec. 1960, p. 1028) 'though some commentators think that is rather high'; business entertainment was estimated at £70m (*Retail Business*, **107**, Jan. 1967, pp. 3–5). The volume of business gifts is said to be lower than it is in the U.S.A. (*Management Today*, July 1971).

Gifts to charities are excluded. Colonel Lewis Wells is reported (*Financial Times*, 1971 Sept. 27) as estimating the Charities' total receipts from donations at £275m 'annually', of which £46m is given by companies. I am inclined to regard these not as gifts in any anthropological sense because they are not given to specific individuals. The altruism of the donations disqualifies them from consideration. While Titmuss (1970) seems to claim that only these are true gifts I am inclined to see them as uncoerced redistribution: as voluntary prestations made for the good of the community, and less like a Maussian *do ut des* than like paying taxes with a joyful heart.

The value of British gifts

The appendix section A gives details for the production and retailing of gifts in Britain, covering forty-one products or sorts of product: their value in manufacturers' sales is £659·7m or 1·8 per cent. of all manufacturers' sales. Together with imported goods and some others (section B) they are bought by donors for £1,140·8m, which is 4·3 per cent. of all consumer expenditure. About 120,000 people are employed to produce the British-manufactured goods; they are paid £115·7m to produce them; and the goods they process to make the gifts cost £193·2m. Even though these figures are underestimates, and cover only part of the total supply of gifts, they are considerable: the value of manufacturers' sales of gifts is greater than sales by the shipbuilding and marine engine industry, and approaches the total sales from coal mining. In this sense gifts are five times more important in the economy than all nuts and bolts and screws; forty-five times more than cement; eighty-six times more than glue. In short, the apparently small percentages conceal really quite important magnitudes. Reciprocity, too, occupies a significant place in our allocation of personal income: a fifth of what we spend on food; a third of what we spend on housing, a half of what we spend on clothes.

TABLE 1. Summary of estimated value of some gifts, manufacturer's sales price (m.s.p.) and retail price.

			100 (i)/(ii)
1. *Manufacturing* (Section A)			
Col. 7	(i) Est. value m.s.p. of gifts:	£659·7m	1·8%
	(ii) All m.s.p.:	£36,892·9m	
Col. 8.	(i) Est. labour force for gifts:	119,072	1·5%
	(ii) All manufactg. labour force:	8,077,300	
Col. 9	(i) Est. wages bill for gifts:	£115·7m	1·4%
	(ii) All manufactg. wages bill:	£8,056·6m	
Col. 10	(i) Est. raw materials for gifts:	£193·2m	1·0%
	(ii) All raw materials:	£18,909·1m	
2. *Expenditure* (Column 12)			
	Total section A:	£1,103·0m	
	Total section B:	£37·8m	
	(i) Grand total	£1,140·8m	4·3%
	(ii) U.K. consumer expenditure:	£26,694·0m	

The manufacturer and gift-giving

The importance of gift-giving for the economy as a whole is, I think, established by these figures. It is quite legitimate in the present state of our knowledge to argue that these goods would be produced and sold even if there were no reciprocity in our society: there is no evidence to suggest that the gift-economy integrates production which would not otherwise occur, although there is some evidence (e.g. Christmas Clubs) that people do save in order to achieve exceptionally high levels of expenditure at Christmas. And, of course, the production of home-made gifts and greetings cards is integrated by their place in reciprocal exchanges (but these productive activities are not counted as part of national production). Readers are entitled, if they wish, to say that goods of a similar value would be produced, a similar labour force would be employed, if there were no obligations to give and to receive in our society. The fact remains that at the time of writing these obligations do exist, and that goods are produced for us to meet them.

There is some evidence, moreover, that the fact that goods are transferred from the market economy to the gift economy has consequences for what happens in the market economy. Clearly, gift-wrapped goods are not intended for immediate domestic consumption, without further exchanges. And increased advertising and sales at Christmas suggest that manufacturers are selling their goods to be used as gifts. But the argument can be taken further than this: I am inclined to think that the production of gifts forces or enables the manufacturer to behave in ways which are different from the ways in which he behaves when he is producing ordinary consumer goods.

Producing gifts is a business—or bits of several businesses—like many others. The fact that a particular product may be given as a gift has consequences—for example—for the type of advertising. But the skills used to manufacture and market the sherry glasses you get for a wedding present are the same as the ones used to produce the sherry glasses you do not. Even industries whose product is mostly

given as gifts may use people at all levels whose skills are transferable from one industry to another: when Lines Bros., a toy manufacturer, found themselves in trouble they sought to improve matters by introducing a vigorous new management:

> Old Walter Lines began as a boy carving rocking-horses. New chief executive Peter Thrower is Unilever-trained, highly successful at running brèweries in Africa . . . His latest signings (i.e. *recruits*) include a Colgate-Palmolive man and a finance expert from Consolidated Goldfields.
> (*Daily Telegraph*, 1971 Jan. 25)

The generic problems of gift-producers are largely problems of seasonality: manufacturers have to keep large stocks of finished products in order to meet seasonal demand, and the production cycle is a long one. Moreover, relations with outlets tend to be complex: specialist outlets are hard to find because retailers, too, like a steady turnover. So, toys are sold through department stores (6·1 per cent. of turnover); tobacconists' (1·9 per cent. of turnover), boot and shoe shops (1·1 per cent.), furniture shops (0·6 per cent.) and so on. This makes distribution complex—small quantities of goods to a large number of addresses—and costly. The more specialised an outlet may be, the more tricky its credit relations with the manufacturer.

The toy industry has therefore attempted to decrease the incidence of gifts on its products. In particular, die-cast models in metal and plastic have enabled them to overcome—to some extent—the seasonality of sales, and to eliminate gift-purchases. The models are cheap, they arouse collecting mania in children, and they are said to have such 'detail and realism' that adults collect them too (*Retail Business*, **96**, Feb. 1966, p. 33). A comparable development is the production of dolls which are sold naked, and whose various outfits of clothes can be collected over a year or so. Manufacturers have long recognised that the expensive end of the market—e.g. electric train and car-racing sets—has play-value[3] for adults as well as for children: but although these goods are sometimes bought and used by adults, it is a very small part of the market, worth about £0·5m. In the light of the manufacturers' efforts to spread sales, it is useful to compare the seasonal indices for different sorts of toys.

TABLE 2. Quarterly manufacturers' sales of various toys 1969.

		Quarter			
	£m	1st	2nd	3rd	4th
All toys	78·5 = 100	15·5	19·5	31·25	33·75
Soft toys	4·6 = 100	11	15·5	33	40·5
Metal die-cast	22·8 = 100	19·6	22·4	29	29

Note: D.T.I. *Business Monitor P Series* begins only in 4th Q. 1968.

Although there is seasonality in all sales it is clearly less marked in the metal die-cast part of the industry. The second prong of the manufacturers' attack on seasonality was to set up chains of retail shops to sell die-cast goods and to meet the steady demand for birthday and occasional presents. When these are owned by the manufacturers some of the distributive and credit difficulties may be overcome. But the chains have not been judged successful[4] and it is still the case that most sales are through non-specialist outlets, at Christmas.[5]

Greetings cards are another sort of product suffering from seasonality. They have the unique characteristic, too, that they can only be given away: at least, a manufacturer could not, I think, rely on purchasers consuming his product, as a way of spreading sales and strengthening his market position. Competition to the Greetings Card manufacturers came from charities, from about 1959,[6] when nineteen big charitable organisations formed 'The 1959 Group' to organise the production and distribution of Christmas cards. For Charity cards are of course mostly Christmas cards: by 1964 it was thought they had £5·2m of the Christmas market at £40m (*Daily Telegraph*, 1970 Dec. 21). The manufacturers responded in various ways: they introduced flippant cards with often suggestive jokes on them—an innovation which could not be taken up by the charities, dedicated to the seemly. They also set up departments which provided a service to the charities in producing and marketing cards[7]; and they produced cards for other occasions than the traditional birthdays, St Valentine's Day and Christmas. Cards 'from my budgie to your budgie' are available (*Retail Business* **34**, Dec. 1960, p. 1027); and the pressure from charity has led the commercial manufacturers to discover and invent a series of occasions on which people feel obliged to send a message, but have no very clear idea what to say. As one manufacturer commented: 'inarticulateness on the part of the sender is an important factor in greetings card sales. The verse must express what the sender wants to say . . .' (*Retail Business* **34**, Dec. 1960, p. 1028). The 1959 Group has been countered with an organisation called The Special Days Promotions Committee, which is composed of representatives of the greetings card, cosmetics and florists' Trade Associations. It is this committee which has inspired the dedication of the second Sunday in October to Grandmothers (from 1970)[8]; and I suppose that in a few years we shall have to worry whether our parents' mothers will expect to hear from us on that day, or not, and whether we can really say what we feel, or had better leave these ladies to make their own interpretations of conventional tokens of esteem, capable indeed of being put on display.

Greetings card manufacturers are in a peculiar position: of course, as patterns of housing and settlement alter, and kin are scattered over a wider area and see each other less frequently, there will be a growing market for formal expressions of the love and affection demanded by ascribed relationships. But since cards can only be given away, the only method to increase sales, and to overcome the problems of seasonality, is to increase the number of occasions on which greetings are expected.

The florists and cosmetics manufacturers also attend the Special Days Promotions Committee, but they are not bound in quite the same way since their goods can be consumed by the purchaser. So, while they too support the invention of new festivals, they also try to promote direct consumption of their goods. The mid-1960's, for example, saw a determined effort to increase sales of men's cosmetics to men, who were thought not to buy the products for fear of being thought effemin-

ate. If men could be persuaded to buy their own cosmetics—instead of waiting to receive them as presents and instead of using their wives' and mothers'—they would do so as they needed them, not at particular seasons; and they would spread their sales over the year. Moreover, distinctively masculine lines—different from the ordinary run of women's goods—could be sold at higher prices. So, brand names were changed, to *Brut*, *Mennen*, *12-Bore*, to suggest masculinity; and one company (Mennen) arranged parties for girl shop assistants in the course of which they were instructed in the dangerous task of advising strange men how to make themselves more attractive. It was thought that by 1967 these policies had had some effect: the gift-element had fallen from 85 to 70 per cent. of the £9m market, although 50 per cent. of all sales were still for Christmas presents, and 10 per cent. for Father's Day (*Retail Business* **117**, Nov. 1967, pp. 12–15).

These three industries—toys, greetings cards and men's cosmetics—are ones which find heavy gift-purchasing troublesome and costly. They are businesses like any others: they use transferable skills to make profits, they raise capital, go bankrupt, employ market researchers. But the fact that they produce gifts is crucial for them: they can try to reduce the gift-element in their sales, or they can try to increase the emphasis on gifts and to spread the gift-giving occasions over the year.

Let us now consider small electrical appliances, where gift-purchasing plays a rather different role—in short, where manufacturers welcome the gift element. The firms which produce them are particularly liable to fluctuations in sales on their costly items—refrigerators, washing machines, television sets—because government economic regulators affect sales and rentals considerably: in particular, sales of such goods are susceptible to changes in hire-purchase rules. To compensate for fluctuations in this market, manufacturers diversify into small appliances—food mixers, toasters, teamakers, shavers, toothbrushes—and all these sorts of goods rely heavily on the gift market for sales, as can be seen from the Appendix.[9] What happens is that newly introduced appliances are advertised as ideal things to give away: their very newness is exploitable for, on the one hand, the gift-purchaser can be fairly sure that the intended receiver of the gift has not already got one of that sort of article; on the other hand, the electric version of a utensil of everyday utility has an air of superfluity about it, which makes—say—a toothbrush or potato peeler appear more luxurious and less mundane than a simple description of its use would lead one to suppose. So, when a market has to be created *ex novo*—as it did for electric toothbrushes—advertising makes quite explicit approaches to the gift-purchaser. The potential giver and receiver of the gift have to be persuaded that the general sort of article is an acceptable gift; the potential buyer and giver has to be persuaded additionally to buy a particular brand. The result is, typically, a picture of an electric toothbrush with a slogan at the top—'You owe it to your teeth to give them an electric toothbrush'—and another one at the bottom: 'They'll love you all the more for giving them an X' (*Audit*, July 1971, pp. 8–9).

New goods are generally introduced to the middle-class and middle-aged; but once they are established the selling techniques are varied. Goods which have been accepted by a particular social category become essentials rather than luxuries, and the manufacturer has a steady replacement market as the original gifts wear out; some replacements may be gifts, and new households set up by members of the category may get the goods as wedding presents.[10] Goods which have been accepted

by the well-to-do as necessities can be sold to the lower classes as luxurious gifts. So, for established goods such as electric razors, poor people have a higher proportion of them as gifts (28 per cent.) than rich people do (23 per cent.). By 1970 electric teamakers (80 per cent. are gifts) were thought to have saturated the AB market, and the pre-Christmas advertising campaign was planned to emphasise their suitability 'for all social groups'.[11] Advertising for appliances which are established necessities for some, and luxuries just within the grasp of aspiration for others, again follows a clear pattern: electric razors are advertised as acceptable gifts on television in the pre-Christmas period; while advertising for new sorts of razor, incorporating alleged improvements and technological advances, is placed in magazines and newspapers throughout the year (*Retail Business* **120**, Feb. 1968, p. 31). Of course, this is partly a consequence of the greater cost of television advertising, and of the difficulty of making complicated statements about technological advances in the few seconds available. Nevertheless, the manufacturers clearly do not think that pre-Christmas advertising is wasted.[12]

What we are observing in this case is the use by manufacturers of known obligations to give and to receive—obligations which exist for the purchaser—as a hedge against deflationary regulation by government. This use of the population's reciprocal relationships contrasts strongly with the efforts we have observed earlier, to escape from the burdensome consequences of being a manufacturer of toys or greetings cards or cosmetics: but in each case it is a response to the fact that the product is given away, which creates opportunities for some, trouble for others.

The behaviour of the domestic appliance manufacturers opens up another line of inquiry which we may pursue, at least speculatively. If—as I have argued is the case—the sale of gifts can be a hedge against deflation for the manufacturer, does this imply that the sale of gifts is independent of the broad fluctuations in demand which affect food or clothing or refrigerators or motor cars? There is some evidence which might be seen as indicating that this is so. The level of expenditure on toys for children, for example, has increased at a steady 7 per cent. per annum since 1961: there was a slight tendency for sales to level out in 1967 following devaluation, but the compound rate of 7 per cent. was unaffected by the restrictions of 1964, 1966, 1968 and 1970 (Tustain & L'Estrange 1969; D.T.I. *Business Monitor P. Series*, for 1970). Sales of greetings cards similarly continue to increase, from about £30m in 1959 to £120m in 1969, in spite of rising costs of postage. We read in the daily papers of quite extraordinary sales of consumer goods at Christmas, even when the country is in financial and economic crisis. So *The Times* reported in 1966, 'It is going to be another bumper Christmas in spite of the freeze' (1966, Dec. 16, p. 18). In 1967, a fortnight after devaluation of sterling and the imposition of severe restraints in the economy, the Co-operative stores and the John Lewis partnership were predicting record sales for Christmas and *The Times* commented: 'Britain's consumers are currently indulging in a spending spree' (1967, Dec. 5.) In 1970 sales by department stores rose as much as 25 per cent. over the previous year from November onwards (*Financial Times*, 1970, Nov. 10), and new high levels of sales were recorded in a period of acute inflation. In part, these high levels of expenditure in times of crisis can be accounted for by saying that consumers are anticipating new restraints or continued inflation: so, there is often a rise in purchases of the more commonly controlled goods before the budget each year. So,

to the astonishment of the business journalists, the 1967 post-devaluation and pre-Christmas retail boom continued after Christmas into the new year, with large increases in hire purchase sales. But the prudent anticipation of restrictions does not wholly account for the phenomenon. To a certain extent different sorts of goods are implicated: while the manufacturer may regard hairdryers as alternatives to cookers, the purchaser does not. It is true that purchasers of goods for giving away may shift to the cheaper items in difficult periods (e.g. *The Times*, 1966, Dec. 16, p. 18), and that sales of luxury and frivolous items fall. Nevertheless increased sales of relatively unregulated goods cannot be attributed to the anticipation of regulations. Hire purchase sales do go up when it is commonly expected that the regulations will be tightened (see, e.g., *Board of Trade Journal*, Aug. 15, 1970, pp. 107–9), but I am inclined to think that people do not buy presents on hire purchase.

In summary, then, the production of gifts is a significant part of all production in the U.K. In many respects it is business, just like any other business, but it has some peculiarities because it supplies goods which people use to meet their social obligations to give. On the one hand, it suffers problems related to the seasonality of sales, with connected difficulties in financing retail distribution: the manufacturer can either attempt to decrease the incidence of gifts on his product, or he can attempt to increase the number of gift-giving occasions, and to spread them throughout the year: cosmetics manufacturers try both methods. On the other hand, supplying gifts gives some sorts of manufacturer protection against government control of the market for his main products: when restrictions are applied, he can retire into the relatively unrestricted area of gift goods. One reason why this is possible—apart from the fact that the gift-goods are cheaper than white goods—may be that sales of gift goods are relatively independent of general market conditions. That is an utterly tentative suggestion which perhaps merits further investigation.

Comparisons with non-industrial societies

I think there is a *prima facie* case that there are transactions in Britain which may be called 'the gift-economy', having rules and customs different from those of the market economy. Goods are transferred there from the market, from domestic production, and in some cases from the proceeds of pilfering and theft. We arrive at an underestimate of 4 per cent. of all consumer expenditure to indicate the value of goods transferred from the market and subject to further non-commodity exchanges. The anthropologist may immediately wish to compare this with other societies, even if only to realise the difficulties of making such a comparison. The proportion of goods distributed by reciprocity clearly varies even within the category of primitive societies. So, Forge (in press) points out that Melanesian societies with marked harvest seasons have greater gift-exchanges of goods than other Melanesian societies which have continuous harvests. Hunters and gatherers pool game, but do not have significant institutions of reciprocity.

The task of comparison is also difficult because we do not often find sufficiently precise figures for primitive societies: the British figures are unsatisfactory, the

anthropologists' figures are often worse. When they are presented, however, there is a further difficulty. For example, Smith (1965) allows us to present the following table:

TABLE 3. Hausa income and expenditure.

Hausa:	(i) Sources of Income* (Smith, 1965, p. 176)			
	Cash (from trading, etc.):		46%	
	'Subsistence':		43%	
	Customary exchange:		11%	
	(ii) Sorts of expenditure* (*ibid.*, p. 148)			
	(*a*) Cash: Sullah:		4·1%	
	Gifts to and on behalf of women:		4·25%	
	Other cash gifts:		2·25%	
				10·6%
	Tax		2·6%	
	(*b*) Kind: Gifts	£2·31	?	
	Ceremonial	£0·96	?	

* Different families were surveyed in each case.

What is immediately striking is that there is probably not such a great difference as we may have imagined in the proportion of goods circulating as gifts in Hausa society and our own. The difficulty is in the significance of the market in the two societies: nearly all our subsistence consumption is mediated by the market—we buy our food, houses, fuel, while a Hausa mostly produces it: 43 per cent. of his income is stuff he produces and then consumes. We can say, then, that although there may not be much difference between the proportions of income allocated to gifts in the two societies, the context of reciprocity in each case is markedly different and it is likely to be so, whenever we get figures of this sort.

When primitive societies have marked spheres of exchange it is particularly difficult to produce a figure for total incomes or for total expenditures. The Siane (Salisbury 1962), for example, have three classes of goods which are more or less distinct: valuables, luxuries and things of no account. Since they have come into contact with a labour market they have begun to acquire a certain amount of cash: pound notes, shillings and coppers. The Siane identify pound notes as valuables, shillings as luxuries and coppers as of no account. While a European might think he could measure the cash-in-hand of the Siane by adding up the cash they have, the Siane do not do this: their spheres of exchange are separate, and the goods which circulate in each sphere are incommensurable—one cannot get change for a pound note or a shilling (p. 130). For the most part, the same applies to pigs, salt, vegetables and so on. Salisbury's great merit is that he presents data on the allocation of time between various activities, and these data allow us to calculate the relative 'worth' of finished products—pigs, food, ornaments—in terms of the time taken to produce them. Even though Salisbury does not give complete data, we may present the following table.

TABLE 4. Very crude calculation of the incidence of gifts on Siane economy.

Type of goods	*Given as gifts*	*Steel technology*	
		Time spent on production of all goods of class (% of all time spent)	
		Men	Women
'of no account' (i.e. vegetable food):	2·5[a]	38[b]	51·25[c]
luxuries:	?[d]	?	?
valuables (i) pigs:	54[e]	—	20·5[f]
(ii) other:	?[g]	12[h]	10·25[i]
		50	82·00
	Other	50	18
		100	100

Notes

[a] Calculating average daily consumption of food (pp. 80–81) Salisbury says that festive consumption, averaged out, adds one-twentieth (5%) to normal daily consumption. On half of these festive occasions a village is a guest in another clan village: so own consumption of own produce on festive occasions amounts to one-fortieth (2·5%) of own produce and an equivalent amount is given. This figure is an overestimate, since it includes some pork (included under 'valuables'). In real, vegetable, terms it works out at rather more than 85 tons of mixed vegetables for a village of 200 people.

[b] p. 108, table 2: sum of clan and lineage work; cp. the rubric (p. 217) to table II (p. 219) where it is made clear that this sort of work includes some housebuilding and hunting. It is therefore an overestimate.

[c] p. 108, table 1: sum of 'garden work', 'collecting crops' and of half 'cooking and crafts'.

[d] No precise information is given. (i) individuals (MB or ZS) may help in harvesting roi palm oil and pandanus nuts, and get 'liberal entertainment during a prolonged stay' plus 'large quantities' of the crop—'two or three' bundles of nuts or gourds of oil. (ii) nebulously allied clans may visit for a week—up to 30 men, 15 women, 15 children—to help with the harvest and processing of a crop. Ceremonial presentations to individuals are made, half-disguised as presentations to clans. Salisbury calls these akin to barter.

[e] The pig population of one village was 123 (including 31 from recent litters), p. 92. Every three years a clan kills between 150–200 pigs for its Pig Feast (Salisbury (1962: 80) works on the basis of 60 pigs per annum, average). If guests consume as much as hosts, an average of 30 pigs a year is given away. In addition to these pigs, the village received 37 others for various *rites de passage:* assuming exact reciprocation, the total of pigs given away is 67, or 54% of the pig population.

[f] p. 108, table 1.

[g] I assume 54%—as for pigs. It is an interesting coincidence that table 3 (p. 129) allows us to calculate that a man returning from indenture gave away 54% of the goods he brought back with him.

[h] p. 108, table 2; cp. p. 217; Category C includes 'some idling'; also, not all craft activities produce valuables. (While some valuables are not produced by craft activities.) 'The production of all these valuables was extremely small' (p. 91). Twelve per cent. is thus probably an overestimate.

[i] p. 108, table 1. Half of time devoted to cooking and crafts. See note h.

If we weight these figures by the amount of time spent on the various productive activities, and by the sex ratio (men: women, 51:49—from totals given on p. 215) then we can derive 'time values' of goods given away in the Siane economy. So, if 100 is the total time available, pig-gifts are 'worth' 5·4; gifts of other valuables

are 'worth' 6·0 and food is 'worth' 1·1—a total of 12·5. This is an overestimate for those goods which we are able to include in the table.

So, the problem presented by the existence of spheres of exchange is that we are forced to use scales of value other than exchange value to calculate the incidence of any particular product on all production. To put this another way: if all goods are divided into classes, and any particular member of a class can be exchanged only for another member of it, then goods of different classes have no exchange value relative to each other. This creates difficulties for us because it makes it impossible to sum the values of goods in different classes. If we then invent some other common measure, we have to be careful to remember always that the natives do not use it; and we should also remember that some measures have different properties from others: with a measure of exchange-value we can increase or decrease total wealth by manipulating exchange rates; with a measure based on time-value this is not possible, since time is limited. Moreover when time values change—as they did in Siane society when stone tools were partly replaced by steel ones—cheap time-value goods do not become less valuable. So, the comparison with the Siane is fraught with difficulties, and the figure of 4·2 per cent. of expenditure (U.K.) and 12·5 per cent. of time (Siane) is merely indicative.

The point seems to be that, if we were able to measure more accurately, we might find that there is not much difference between Britain and some primitive societies, in the proportion of goods circulating in reciprocal exchanges. But we would not be able to say that these economies are 'the same' as our own. First, because our calculation of the value of a primitive gift economy may require us to create a scale of values which is not indigenous. Secondly, because the relation of the gift-economy to the market and to the domestic economy varies: 'the difference', indeed, may lie precisely in the various ways in which gift, market, redistributive and other transactions are related to each other, rather than in a simple quantitative account of what proportions of goods circulate in each of the various ways.

Further speculation

We all know, from our own experience, that there are numerous exchanges in our society which are subject to rules of reciprocity: I have suggested that we might identify these transactions, which are discounted by economists, to be part of 'the gift economy'. We know that the goods which enter the sphere of reciprocity from the market have a considerable market value. And we seem to perceive the pale reflections of the performance of the gift-economy in the workings of that part of industry which supplies it with goods: the ways in which producers are affected by the use of their products in non-commodity exchanges and the possible tentatively suggested relative independence of gift purchases from general market trends both incline me to this usage.

This article is so tentatively preliminary that I hesitate to draw conclusions. There do seem to be, however, some appropriate targets to draw a line on. First, we need to know more about the occasions and types of gifts: when are they given, to whom, and what sorts of goods are they? What is their provenance? Shurmer (1971) is stimulating but incomplete. Secondly, we need to know more about the mechanics of reciprocity: how similar are the basic rules and consequences to those

observed in primitive societies? Comparisons have of course been made before (e.g. Veblen 1918); but a meticulous account might enable us to distinguish the redistributions of welfare (Mauss 1954; Titmuss 1970) from gift-giving. Thirdly we may know more about the symbolic value of gifts: any consumer good can be given, and most are. But we know from experience that people can give inappropriate gifts; and some figures seem to suggest that some gifts are more appropriate for weddings and others for birthdays or Christmas (see note 10). Fourthly and finally I think that exchange theory may be leavened by increasing the complexity of the 'economic'[13] notions currently in use: when all is said and done, it often seems that a transactionalist or exchange theory account of social behaviour is no more (though that is quite a lot) than a witty and insightful application of a cost-benefit metaphor. There is a case, I think, for saying that the careful study of the exchange of gifts, of domestic goods, of market commodities—of things which have different symbolic meanings, and of transactions which have different institutional settings—may enable us to give a more distinct account of exchanges of material against immaterial goods, and even of 'symbols' with no material attachment.

NOTES

Preliminary versions of this article were read to staff and graduate seminars at the University of Kent, the London School of Economics, the Central London Polytechnic and University College London. Cogent criticisms were made at these meetings, and I have gratefully incorporated some of them. I am also deeply indebted to Robin Murray at Sussex University for his generous help.

[1] One of the awkwardnesses we have created for ourselves is the rule that Christmas presents should be exchanged simultaneously—'Not to be opened before December 25'—with the consequence that it is necessary to make fine judgements about relationships at the fringe of intimate sociability. Shurmer (1971) suggests that gift exchanges are therefore likely to be initiated at times other than Christmas.

[2] It is quite common to hear it said that when a man marries his housekeeper G.N.P. falls because the lady's domestic labour is no longer paid for: the labour is not a commodity. Similarly, part-processed foods (cake-mixes, peeled potatoes, shelled peas) can be seen as an attempt by manufacturers to capture some productive activities from the domestic economy, and to bring them into the sphere of paid labour, taxation, profit and entry in the national accounts. However, the case for positing a domestic sub-economy does not rest merely on the fact that domestic economic activities do not appear in the National Income Blue Books. I am inclined to insist that, say, the transactions involved in carving and distributing a leg of mutton are not market activities; yet they clearly are transactions, and are clearly regular and regulated by custom and expectation. The labour of do-it-yourself manufacturers can only be accounted by some of them as a reward, and not as a cost, which would otherwise be prohibitive. The same used to be said of the household labour of women.

[3] Play-value is a term of art. It is the cost of a plaything divided by the time it will hold a child's attention. *Retail Business* **96**, Feb. 1966, p. 30. I do not know how the latter value is assessed.

[4] *Financial Times*, 28 February, 1971. Finlay's 'Playbox 2000' chain has 13 shops; Maynards' 24 'Zodiac' shops have a turnover of slightly more than £1m Lines Bros.' 60 'Youngsters' shops have a turnover of £2m. and 'the stage of development . . . is one of decline.'

[5] e.g. *Financial Times*, 20 August, 1971. Selfridges took on ninety extra sales staff for toys for the six weeks before Christmas 1970, and achieved a £0·5m turnover in that period.

[6] The 1959 Group was founded 'to put the charity back into Christmas' by nineteen big charities. By 1964 there were 114 charities producing Christmas cards. In 1965 the Save the Children Fund sold 5m. cards and made a net profit of £70,000; UNICEF sold '3,714,311' cards and made a net profit of £129,926. Proposals by the Customs and Excise commissioners in 1966 to revise the notional wholesale price of charity cards on which Purchase Tax is calculated, led a *Times* reporter to announce that 'buyers of (charity) Christmas cards . . . will be

contributing almost as much to the Exchequer as they will to autistic children'. A correspondent was provoked by this to write that 'when I give to Charity I don't need to send the receipts to all my friends'; eliciting the reply that such a 'slur on the motives of [Charity Christmas card senders] is uncharitable' in the extreme (*The Times*, 16 November, 1964, p. 13; 18 November, 1966, p. 15; 26 November, 1966, p. 10; 8 December, 1966, p. 13; 13 December, 1966, p. 11). Charity Christmas cards are included in the calculations because they are produced in Britain, and because they are given: only part of their retail value is 'uncoerced redistribution'. Any expenditure of course may be foregone and donated to charity, as is clear from the increasingly common announcement, that a person will not give Christmas cards this year, but will donate the money saved to some charity. The earliest such statement I have come across is by the Bishop of Blackburn in his diocesan newsletter in 1964: 'When one considers the extravagance in food, drinks, presents, cards and parties . . . then surely it is incumbent upon us to do something to relieve the crying need of those in want.' The money he would save by not sending Christmas cards he would donate to Church Aid (*The Times*, 24 November, 1964, p. 14). The next development is to be charity gift tokens: a donor buys a certificate and sends it to the recipient who then selects the charity which is to benefit (*The Times*, 12 December 1971, p. 1).

[7] The firms which did this are: J. Arthur Dixon, Gordon Frazer, Royle and Webb Ivory. *Daily Telegraph*, 21 December, 1970.

[8] The advantage of grandmothers over mothers, at least from the manufacturers' point of view, is that some people have two.

[9] The major appliance manufacturers are Hoover, Thorn, Phillips, Tube Investments ('Simplex' products); and British Domestic Appliances, the company controlled by the consortium of G.E.C., A.E.I., E.E., and E.M.I. (*Times* Business News, 25 November, 1970).

[10] So food mixers, still relatively rare goods in 1969, were more often given as ordinary presents (29 per cent. of all owners) than as wedding-gifts (17 per cent.). For established appliances the proportions are reversed: kettles, 26 per cent. wedding-gifts, 16 per cent. other; toasters, 38 and 21 per cent.; irons, 21 and 17 per cent. (*Audit*, July 1971, pp. 8–9). I am inclined to think it is the length of time an appliance has been established which determines these distributions; but the writer in *Audit* attributes it to the fact that 'givers don't like too much sex to be associated with their wedding benefices.'

[11] *Campaign*, 16 October, 1970. The downward seepage of appliances is not inevitable, however. *Retail Business* **122**, April 1968, p. 35, reports that electric coffee mills were well-established in certain London postal districts, and that it had proved impossible to extend sales farther afield: British manufacturers had discontinued production; sales were so negligible even a 20 per cent. increase in demand would not justify British manufacture.

[12] Ronson's pre-Christmas advertising campaign in 1970 cost £287,000 (*Campaign*, 9 October, 1970).

[13] For a discussion of P. M. Blau's economic ideas see Heath (1968).

[*see tables following*

APPENDIX

GIFT GOODS	1 Total sales 1968	2 Incidence of gift-good sales on total sales of industry 1963	3 Incidence of gift-good sales by firms classed with other industries 1963	4 Goods exported 1968	5 Estimated m.s.p. of gift-goods to home market 1968	6 Given as gifts	7 M.S.P. value of gifts	8 Estimated labour force to produce gifts 1968	9 Estimated pay-roll 1968	10 Estimated expenditure raw materials 1968	11 Retail price of gift-goods 1968	12 Retail price of gifts
DTI No.	£m	%	%	£m	£m	%	£m	'000	£m	£m	£m	£m
SECTION A												
231 BREWING & MALTING	735·4											
Beer		90	—	3·3	658·6	60[a]	395·2	52·1	56·2	69·2	1069·3[a]	542·1
239 SPIRIT DISTILLING etc.												
Spirits	502·6	90	—	189·6	262·7	30[b]	78·8	5·9	7·5	56·7		
273 TOILET PREPARATIONS	122·3											
Women's					10·3[a]	48[c]	4·9				23·6[b]	11·4
Men's					8·6[a]	70[d]	6·0				19·7[c]	13·8
339 REFRIGERATING MACHINERY	37·5											
Domestic fridges		68	—	4·3	21·2	7[e]	1·5	0·4	0·4	0·7	63·1	4·4
352 WATCHES & CLOCKS	27·0											
Clocks		32	8	1·5	8·0	45[f]	3·6	5·7	5·1	5·0	26·9	12·1
Watches		50		1·6	13·2	70[g]	9·3				57·9	40·5
365 BROADCAST RECEIVING & SOUND REPRODUCING EQUIPMENT	187·8											
Wirelesses		5[a]	2	0·2	9·2	27[f]	2·5	2·7	2·4	6·6	44·9	12·1
Gramophones		4[a]		0·3	7·4	30[h]	2·2				12·0[c]	3·6
Tape-recorders		2[a]		0·9	3·0	20[i]	0·6				11·4[d]	2·3
Turntables		11[a]		17·0	3·6	5[j]	0·2				10·8	0·5
Gramophone records		16[a]		5·0	25·6	20[k]	5·1				82·5	16·5
368 ELECTRICAL APPLIANCES PRIMARILY DOMESTIC	260·6	(78)	(16)									
Cookers		8		0·9	23·3	4[e]	0·9				30·3	1·2
Kettles		1·3		0·1	3·8	42[f]	1·6				9·6	4·0
Toasters		2·0[b]		0·2	5·6	59[f]	1·2				14·1	8·5
Teamakers				0·3		80[l]	2·2					

	1	2	3	4	5	6	7	8	9	10	11	12
	£m	%	%	£m	£m	%	£m	'000	£m	£m	£m	£m
368 ELECTRICAL APPLIANCES PRIMARILY DOMESTIC (Contd.)												
Flat irons (steam)	}	2·0		0·4 }	5·1	38[f]	1·9				} 12·9	4·9
Flat irons (other)				0·5 }								
Drying Cabinets		0·3		?	0·9	20[e]	0·2				3·8	0·8
Blankets		4·4[c]		?	13·3	31[f]	4·1 }	7·2	7·0	13·0	33·6	10·4
Washing machines		25·8		10·0	68·0	6[e]	4·1				155·8	9·4
Vacuum cleaners		10·8		3·6	27·6	9[e]	2·5				61·8	5·6
Handheld mixers			}	1·2		45[e]						
Fixed head mixers						34[e]						
Hair dryers		10·0		0·4 }	27·3	42[f] }	8·5				} 66·9	21·4
Shavers				1·2		29[m]						
Spin & tumble dryers				0·1		10[e]						
392 CUTLERY etc.	52·0	20·7	—	1·0	3·8	5[n]	0·2	0·7	0·6	0·7	12·1	0·6
396 JEWELLERY & PRECIOUS METALS	288·3											
Jewellery				1·6	25·0[b]	50[j]	12·5	0·1	0·1	1·1	74·8	37·4
399 METAL HOLLOW-WARE	71·6											
Saucepans etc.		9·0	—	—	4·5	5[n]	0·2	0·1	0·1	0·1	18·6	0·9
422 MADE-UP HOUSEHOLD TEXTILES, CANVAS BAGS etc.	118·9											
Household linen		68·0		—	80·9	5[n]	4·1	1·2	0·8	2·6	183·5	9·2
432 LEATHER GOODS	44·0											
Luggage, handbags etc.		61·0	3·0	6·4	21·7	10[n]	2·2	1·0	0·6	1·1	60·6	6·1
433 FUR GOODS	23·5											
Fur clothes		2·7	1·0	2·5	4·1	10[n]	0·4	0·1	0·1	0·2	15·9	1·6
462 POTTERY	96·9											
Domestic & Fancy		46·0	1·0	1·7	43·8	10[n]	4·4	4·4	2·0	1·3	89·1[e]	8·9
463 GLASS	236·5											
Domestic & Fancy		4·1	0·9	4·6	7·0	17[o]	1·2	0·4	0·5	0·4	14·1	2·4
472 FURNITURE & UPHOLSTERY	320·2	55·0	1·0	2·0	173·7	5[n]	8·7	2·5	2·6	4·1	341·8	17·1
473 BEDDING & SOFT FURNISHING	70·0	55·0	11·0	—	46·2	5[n]	2·3	0·6	0·5	1·4	112·7	5·6
489 GENERAL PRINTING & PUBLISHING	658·5											
Books		14·0		39·4	52·8	20[p]	10·6	3·8	3·8	3·0	90·0[g]	18·0
Greetings cards		2·0	3·00	—	32·9	100[q]	32·9	11·5[a]	11·7	9·3	117·0	117·0

	1	2	3	4	5	6	7	8	9	10	11	12
	£m	%	%	£m	£m	%	£m	'000	£m	£m	£m	£m
494 TOYS, BABY CARRIAGES, GAMES & SPORTS EQUIPMENT	104·6											
Toys and games		57·0	10·0	22·9	47·2	90[r]	42·5	18·6	13·6	16·6	168·6[h]	151·7
495 MISCELLANEOUS STATIONERS GOODS	45·1											
Pens, pencils, crayons, etc.		31·0	—	3·4	10·6	5[s]	0·5	0·1	0·1	0·2	22·4	1·1
							659·7	119·1	115·6	193·2	3131·9	1103·0
SECTION B: GIFT GOODS FOR WHICH ONLY PARTIAL INFORMATION EXISTS												
Cigarette lighters						75[t]					10·0[j]	7·5
Electric sewing machines						5[u]					19·0[k]	
Power tools						15[n]					9·0[l]	1·4
Gardening goods						—					—	0·1[a]
Cut flowers						50[v]					54·7[m]	27·4
Motor car accessories												
Wirelesses						8[w]					3·2[n]	
Anti-theft devices						9					1·4	
Jacks						3					3·8	
Mirrors						2					7·2	
Roof-racks						18					2·1	1·5
Headrests						16					0·9	
Backrests						22					0·4	
Spot lights						3					2·3	
Fog lights						5					2·6	
Parking lights						2					4·0	
											120·5	37·8

NOTES TO TABLE (In these notes the abbreviation RB refers to the journal *Retail Business*.)

Column 1

Source: Provisional Results of the Census of Production for 1968, *Board of Trade Journal* vol. **197**, n. 3798, 31 December, 1969, pp. 1758–1769. Sales-goods produced and work done. 'Including a substantial amount of duplication represented by the total value of partly manufactured goods sold by one industrial establishment to another' (note (c) p. 1768). The duplication is eliminated in this table from col. 2 onwards: but a consequence of the duplication is, that the incidence of sales of gift goods (col. 5), and of gifts (col. 7) on all manufacturers' sales (see table I) is less than it would be, were the duplication omitted.

Column 2

Source: Except where noted below it is *Report of the Census of Production* 1963, table 2 in the relevant volumes. The figures refer to larger firms' sales of characteristic products. Larger firms are those which employ 25 people or more. The sales of characteristic products (in lower case) are calculated as a percentage of the estimated sales of all firms in 1963. This results in underestimation.

[a] These figures from *Business Monitor* (P series): data for 1968.

[b] Includes waffle-irons, buffets, hot-plates, platewarmers and percolators, as well as toasters and tea machines. Source of overestimation.

[c] Includes aquarium heaters and clothes airers. Source of overestimation.

Column 3

Source: *Report of the Census of Production* 1963, table 6, of relevant volumes. Sales of characteristic goods by firms classed with other industries are calculated as a percentage of the estimated sales by all firms classed to the industry in 1963.

Column 4

Source: *Annual statement of the trade of the United Kingdom for the year 1968*. H.M.S.O.
Only exports of gift goods are recorded.

Column 5

This is calculated as follows:

$$\frac{\text{Col. 1} \times \text{Col. 2}}{100} + \frac{\text{Col. 1} \times \text{Col. 3}}{100} - \text{Col. 4} = \text{Col. 5}$$

[a] Prices and Incomes Board Report n. 113 (*Manufacturers' Prices of Toilet Preparations*) Cmnd. 4066 gives these figures. They are confirmed by *Business Monitor* (P series) data for 1968.

[b] From *Business Monitor*, (P series), data for 1969.

Column 6

Sources: Given below.
Since the aim is to calculate the integrative force of gift-giving on U.K. manufacturing, there is no consideration here of imported goods: but the consumer research figures, of course, refer to all goods in use. It may be that imported perfumes or watches are given more than U.K. manufactured goods. There is no information about this; and so we assume that the proportion is the same in each case.
60% is estimated as follows. Beer consumed on licensed or registered premises amounted to 91% of all U.K. sales of beer (RB 119, January 1968—the figures are for 1966). Some of this 91% is consumed in restaurants, canteens, outside catering, and so on. It is quite likely that this beer is not so much an object of reciprocity as beer consumed in public houses or licensed and registered clubs, and I have sought to identify these sales by applying the proportions for sales of all alcoholic drink by sort of premises, given in RB 116, October 1967, p. 26: in 1964, public houses, licensed and registered clubs accounted for 99·1% of all sales of alcohol for consumption on the premises. Returning from total sales of alcohol to sales of beer, 99% of 91% is 90% and I reckon—from casual participant observation—that about two-thirds is reciprocal consumption. If two people are drinking together, then half what they consume is given by one to the other; if three, then two-thirds; if four, three-quarters, and so on. The value of the gift element increases as the size of the round increases. The gift element may be safely underestimated at two-thirds of all sales for consumption on the premises, or 60% of total sales.

[b] A similar calculation to [a] allowing for the greater off-licence sales of spirits.

[c] RB 95, January 1966, p. 23.

[d] RB 117, November 1967, p. 15.

[e] *Woman and the national market: domestic appliances*, Odhams, 1967, Table 44. See note [f].

[f] *Audit*, July 1971, pp. 8–9. This source gives sometimes slightly different figures from [e]: I have preferred it, because they appear to be the result of a longitudinal study.

[g] RB 117, November 1967, p. 29.

[h] RB 126, August 1968, p. 19.
[i] RB 143, January 1970, p. 27 'all machines sell particularly well before Christmas'. By analogy with ([h])—30% –20% is a safe underestimate.
[j] By analogy with ([h]) and ([i]).
[k] A guess, pending further information.
[l] *Campaign*, 16. x .70. The 80% given there is for one brand (Goblin Teasmade) only.
[m] Source is ([f]): RB 120, February 1968, gives 50%. *Market Research* (European Research Consultants Ltd.) vol. x, n. 3, p. 60 gives 25% as the national figure, with 23% in AB classes, 28% in the rest.
[n] These are all common wedding gifts. The percentages are more or less arbitrary—but always conservative: there are *c.* 400,000 weddings a year. *Audit* (see note ([f])) gives a breakdown for wedding presents in the small appliances sector: the figures range from 17% –38%.
[o] This figure is based on tables in *Market Research* (see note ([m])) vol. x, n. 4, p. 7 and vol. x, n. 5, p. 44. The figures there cover only drinking vessels, dishes and borosilicate (heat-resistant) products.
[p] A guess, pending further information. RB 118, December 1967, says that 74% of books are bought by private individuals.
[q] A conservative estimate.
[r] Children between 5–12 years old are said to have spent £3·18m. on toys in 1969 (*The Children's Market*, I.P.C., 1970). This represents an m.s.p. of about £1·5m., or 3% of sales. I have allowed an arbitrary 7% for older children and adults.
[s] Includes expensive fountain pens, also felt- and fibre-tip pens.
[t] RB 147, May 1970, p. 35.
[u] RB 102, August 1966, p. 37: 'Christmas is a peak selling period, and, whilst the precise extent of gift-buying of electric drills and tools is unknown reliable trade sources indicate that its importance is growing'. Black and Decker advertising emphasises the gift-appeal of their goods. 15% is my guess.
[v] A guess.
[w] 1970 figures for this and other motor accessories listed from *Market Research*, vol. x, n. 10.

Column 7

$$= \frac{\text{Col. } 6 \times \text{Col. } 5}{100}$$

Column 8

$$= \left(\frac{\text{Col. } 7 \times 100}{\text{Col. } 1}\right) \times \frac{\text{Labour force of the industry}}{100}$$

So, this column assumes that the labour required to produce characteristic products of the industry by firms classed with other industries, is the same as the labour required by the industry: for the value of the product of firms classed with other industries is incorporated in the figure for total supplies to the home market (col. 5 and hence col. 7). Clearly, if the toy industry found it as cheap to produce balls and balloons as the rubber industry does, it might do so: it does not. Therefore this calculation includes error, which can only be eliminated when the full results for 1968 are published.

[a] Applying the 1963 ratio m.s.p.: labour force, the 1968 labour force would be ca. 18,000.

Column 9

$$= \left(\frac{\text{Col. } 7 \times 100}{\text{Col. } 1}\right) \times \frac{\text{Payroll of the industry}}{100}$$

See note to col. 8.

Column 10

$$= \left(\frac{\text{Col. } 7 \times 100}{\text{Col. } 1}\right) \frac{\text{Materials purchased by the industry}}{100}$$

See note to Col. 8.

Column 11

Except where otherwise noted this column is derived from column 5 by adding to it the imports, less re-exports, and then by applying a wholesale margin of 27·5%, purchase tax at the appropriate rate, and a retail margin of 30%. This assumes a margin of 57·5%. If the margin is taken to be 50% (except in those cases where the margin is known certainly), and divided 20% to wholesaler, plus purchase tax, plus 30% to retailer, then the total of consumer expenditure on gifts (col. 12) works out at £1,079·6m (Section A), £23·4m less than the figure given here. Purchase tax was varied twice during 1968. For the first 80 days of the year the rates were 11%, 16½% and 27½%; they were altered on 20.iii.68. to 12½% and 20%, while the highest rate became 33⅓% or, for some goods, 50%. Some

247 days later (on 22.x.68) a surcharge of 10% was levied, which was in force for the remaining 39 days. An average rate of Purchase Tax has been calculated as follows:

$$\frac{80\ (\text{rate } 1) + 247\ (\text{rate } 2) + 39\ (\text{rate } 3)}{366}$$

(1968 was a leap year). The average rates were thus 13·24%, 20·3%, 33·1% and 46·2%. Purchase tax is applied to the wholesale price; and while it is sometimes quite easy to know the total distributors' margin, the division of it between wholesaler and retailer is sometimes arbitrary. Rates of Purchase Tax for particular goods are found in *Purchase tax: chargeable and not chargeable goods*, etc., H.M. Customs and Excise Notice n. 78 (n.d.); H.M. Officer, Mr W. Clarke (Faversham), has kindly provided this information.

[a] On the basis of 1966 figures—60% of all sales. See note ([a]) Col. 6.
[b] Derived from data in Prices and Incomes Board Report n. 113 (Appendix A, Table 11): imports are added to the U.K. manufacturers' sales (Col. 5).
[c] RB 126, August 1968, p. 14.
[d] RB 143, January 1970, p. 27, gives retail value of £9m. for 1967. These goods were made liable to Purchase Tax for the first time in the budget of 1968. The rate in 1969 was 36⅔%: at the end of 1968 it was 33⅓ (plus the 10% surcharge). The average rate was therefore 27%.
[e] P.I.B. Report n. 55 (*Distributors' Margins in relation to Manufacturers' Recommended Prices*) Cmnd. 3546, gives the mark-up as from 40–66⅔%. Appendix A, para. 13.
[f] P.I.B. Report (see note ([e])) at para. 14 gives the mark-up as 66⅔%.
[g] Books are notoriously difficult to calculate margins for (see E. Bailey, 1965; 26–8). There is no purchase tax. I have allowed a straight 25% on m.s.p. and imports.
[h] RB 34, December 1960, p. 1028, gives a retail margin of 70–75% on expensive cards; of 50% on others. The wholesaler's margin is 33⅓%; Purchase Tax averages out at 46·2% for 1968. This enables us to calculate the retail value from Col. 5 at £102·59m. *Daily Telegraph* (21.xii.70) gives the 1969 retail market at £130m. The figures entered here are a compromise.
[i] Tustain & L'Estrange (1969) gives the wholesale mark-up at 27½%; the retailers' at 'about' 30%, after Purchase Tax. The mark-up varies with costs: on expensive toys it tends to be higher. When marked seasonality in sales forces the retailer to take on extra staff, the costs are met by particularly high margins: Selfridges' spokesman complained in 1971 that they could not manage on a mark-up of 52½%. *Financial Times*, *20.vii.71*.
[j] RB 147, May 1970, p. 35.
[k] RB 128, October 1968, p. 22.
[l] RB 102, August 1966, p. 37: an 'extremely cautious' estimate of market size is £9–9·5m.
[m] The wholesale market is estimated at £27·6m. in 1969, plus £6·6m. imports. Retail margin allowed at 60%. No Purchase Tax. RB n. 148 1970.
[n] *Market Research*, vol. x n. 10 October 1970 estimates these expenditures.

Column 12

These figures are got by calculating the percentage in Col. 6 ('Given as gifts') on the figure in Col. 11.
[a] Personal communication from G. H. Windsor, Esq., Secretary of The Horticultural Trades Association. National Garden Gift Tokens turnover was £60,000 in 1969. 'A number of the larger groups of Horticulturalists run their own schemes.'

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