Summary

Classical antiquity's historical records start around the 7th century BC. Greece was emerging from a Dark Age after the palatial economies using Linear B collapsed ca. 1200 BC as a result of what seems to have been severe climate disruption. Antiquity's subsequent trajectory cannot be understood without appreciating how its debt practices, money and the charging of interest, along with the associated monetary weights and measures, and even much myth and ritual, were brought to the Aegean and Mediterranean lands from the Near East by Syrian and other Levantine traders around the 8th century BC. These Near Eastern economic practices were adopted in a new social and economic context, without palatial overrides. With no tradition of debt cancellation and land redistribution to restrain personal wealth seeking, Greek and Italian chieftains, warlords and what some classicists have called mafiosi imposed absentee land ownership over dependent labor,[1] binding indebted clients to the land and obliging them to work off chronic dependency in the form of labor service (Chapter 1).

Economic polarization between creditors and debtors intensified by the 7th and 6th centuries BC as monopolization of the land forced populations into clientage. Some members of the ruling families (often from their minor branches) led revolts that redistributed land and cancelled debts, much as Near Eastern rulers had done, and sponsored laws to standardize the administration of justice, along with sumptuary legislation to discourage extravagance. These reformers were called tyrants; the word's negative connotation was applied above all by those who opposed debt cancellation and land redistribution in subsequent centuries.

Corinth produced a classic dynasty. The reformer-tyrant Cypselus (ruled ca. 657–627) and his son Periander (627–585) built temples and sponsored the Pan-Hellenic games and similar festivals, financed by the proceeds of state investment in commercial infrastructure. Like-minded reformers were Theagenes (ca. 600) in Megara, Orthagorus and his grandson Cleisthenes (ca. 600–560) in Sicyon, and Polycrates (538–522) on the island of Samos (Chapter 2).

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[1] The term "mafiosi" is used by MacMullen 1974:12 and van Wees 2000 to describe how a few families established economic power over labor on the land that they gained control of.

Sparta remained relatively free of debt strains for many centuries. Local elites held most of the land in Sparta proper. When they conquered neighboring Messenia in the 7th and 6th centuries, they turned its population into serflike helots, who were forced to produce food and other needs for Sparta's infantry of *homoioi* "peers." This arrangement minimized the need for money, markets and hence debt as Sparta was economically self-contained (Chapter 3).

Solon cancelled debts in Athens in 594, but refrained from redistributing the land. Peisistratus and his sons (561-510) undertook public spending along the lines that tyrant-reformers had done in other Greek cities. At the end of the 6th century Cleisthenes shifted the basis of Athenian political representation and participation from clan membership to geographic locality, while preserving the citizenry's political status and military categories based on the landholding dividing lines that Solon is reported to have introduced (Chapter 4).

Athens' monetary reserves came mainly from its Laurion silver mines. Citizens voted to coin the mines' output to build the navy that defeated Persia's ships at Salamis. Ephialtes and Pericles strengthened the democracy, but the loss to Sparta in the Peloponnesian War (431-404 BC) led to a brief rapacious oligarchy that ran up heavy debts. The subsequent democracy agreed to pay these debts to demonstrate Athens' opposition to the debt cancellations being advocated throughout Greece (Chapter 5).

Chapter 6 traces the evolution of Greek public finance. As in the Near East, temples stored and displayed their communities' savings, headed by military booty cast into gold and silver statues, metallic garments and various votive offerings. Temples melted down this bullion and struck coins for civic authorities to hire mercenaries and build ships in war emergencies. This bullion was expected to be paid back upon the return to peace, making it the first formal public debt arrangement. Temple bullion also was used to finance the construction of public monuments. By the 4th century BC, however, many cities were so financially strapped that they had to rely on wealthy philanthropists or other elite to save their public property from decay. Cyme (in southern Italy) and Arkesine (on the island of Amorgos) pledged and forfeited their public arcades and infrastructure to creditors.

Describing wealth as addictive, Theognis of Megara and Solon, Plato and Aristotle framed the discussion of debt in the context of *pleonexia* (wealth addiction) or *philarguria* (love of silver) leading to predatory and socially injurious behavior. Athenian political and moral philosophy, poetry and drama denounced wealth addiction and money-lust as leading to hubris, which was defined as aggressive greed injuring the body politic. In Plato's *Republic*, Socrates proposed that only administrators without wealth or property should be appointed to govern society so that they presumably would not be prone to hubristic greed and defend pro-creditor rules (Chapter 7).

But by the 3rd century BC, aristocracies throughout Greece were monopolizing land and monetary wealth in the face of rising indebtedness for the rest of society. After Sparta defeated Athens in 404, the influx of silver destabilized its "in-kind" requisitioning system that had minimized the need for monetary exchange. Sparta's wealthiest families obtained most of the tribute. Most Spartan citizens fell into the ranks of "Inferiors."

To reverse this situation and revive Sparta's military power, Agis IV (245–241), Cleomenes III (235–222) and Nabis (207–192) promoted debt cancellation and land redistribution. Their policy was akin to that of the 7th-century "tyrants" in Corinth, Megara and other cities. Sparta's oligarchy responded by executing Agis, exiling Cleomenes, fighting Nabis, and joining neighboring oligarchies to invite Rome to intervene and prevent Spartan and other attempts to cancel debts and redistribute land (Chapter 8).

No written Roman narratives have survived from the archaic era. The standard histories of the Roman *rex* (a chieftain or "king") were written after the Republic had collapsed. Recent scholarship describes Rome's late kings as similar to Greece's 7th-century tyrants in sponsoring civic building programs and attracting immigrants from the surrounding territories. They were overthrown around 509 BC by a patrician coup whose leaders accused kings in principle of being prone to hubris.

More likely, the kings were opposed for keeping the wealthiest families in check. The oligarchy's real complaint was against any power strong enough to build up a public sector independent of Senate control and, in particular, to block the emerging oligarchy's subjugation of clients and debtors to bondage. Although written from the vantage point of the civil warfare and debt crises that marked the 1st century BC, the basic outline of what occurred under the kings is generally accepted (Chapter 9).[2]

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[2] Summarizing the "common body of tradition that outlined the main developments in the history of the city," Cornell 2005:52 has noted that "Cicero, Diodorus, Dionysius and Livy agree closely with one another on all fundamental points (and often in matters of fine detail)." See also Cornell's 1995 *Beginnings of Rome*.

What had been a century of expansion and conquest under Rome's kings gave way to half a century of oligarchic austerity, less public building and not very successful warfare. Led by Appius Claudius Sabinus (who had been granted patrician rank when he brought his wealth and a contingent of Sabine followers to Rome just before the oligarchic coup), the Senate sought to prevent any moves that might lead toward popular democracy. Its harsh overreach led to Secession of the Plebs in 494 over the debt and land crisis. The walkout was resolved by creating the office of popular tribunes to protect Roman citizens, but the tribunes were not empowered to initiate laws. The population at large never managed to achieve meaningful participation in lawmaking or the courts (Chapter 10).

A new crisis erupted ca. 450 BC when Appius Claudius Crassus picked ten men (decemvirs) to draft new Roman laws. Their harshly pro-creditor laws, the Twelve Tables, prompted the plebs to secede again in 449. But this did not deter the Senate from tightening its control and killing politicians accused of "seeking kingship," that is, supporting popular demands for debt relief and land grants from Rome's *ager publicus* won in wars with neighboring Italians (Chapter 11).

Chapter 12 describes the subsequent debt revolts that forced passage of the Licinian-Sextian law in 367 to limit the interest rate and the monopolization of public land. Half a century later the Poetelia-Papiria law banned *nexum* debt slavery. These laws protecting debtors had to be passed again and again, because the Senate refused to enforce them and Rome's patrician-run courts ignored them.

Rome's Second Punic War against Carthage (218-201) saw military contractors engage in large-scale fraud and violently block the Senate from prosecuting them. It also became an occasion for endowing the wealthiest families with public land when the Roman state treated their ostensibly patriotic donations of jewelry and money to aid the war effort as retroactive public debts subject to repayment. After Rome defeated Carthage, they demanded reimbursement for what they had given. The only asset the treasury had available was the rich land of *Campania* south of Rome. The wealthiest families arranged for the Senate to assign them most of this *ager publicus* instead of allocating it to war veterans as had been the tradition (Chapter 13).

Rome's conquest of Greece, Macedonia and Carthage in the mid-2nd

century provided a vast supply of slaves, and Rome levied only minimum taxes after 167 BC. Most slaves were put to work on plantations in Sicily and elsewhere in Italy, setting the stage for Rome's three major slave wars (in 135, 104 and 73 BC) and for its century of civil war from 133 to 27 BC as the conflict between creditors and debtors came to a head. Tiberius Gracchus and hundreds of his fellow reformers were killed in 133, followed by his brother Gaius in 121. Such assassination of politicians seeking to limit creditor power became almost normal oligarchic policy in Rome down through the murder of Caesar, fearing that popular leaders would seek support by cancelling debts owed by the poor (Chapter 14).

Affluence from Rome's foreign tribute and rents led to a wave of lending among Rome's wealthy families to buy land. But a financial crisis occurred when tribute from Asia Minor was interrupted. Creditors called in their loans, forcing sales and crashing the land bubble. In 89 BC the praetor Asellio was killed for trying to enforce earlier Roman laws protecting debtors. The crisis finally was resolved by writing down loan balances by 75 percent to reflect the degree by which land prices had fallen. That stabilized the purchasing power of loans in terms of land, the major collateral and object of Roman lending to the well-to-do (Chapter 15).

Rome's conquest of Asia Minor and its rapacious demands for tribute led to the outbreak of the Mithridatic Wars (88-63 BC), which started when a reported 80,000 Romans were killed in the Vespers of Ephesus. Rome sent a series of generals who looted the province, imposed reparations, and allied themselves with publican tax collectors to strip its temples and civic assets. Senate attempts to stop the corruption and illegal seizure were stymied by the tax collectors' control of the courts (Chapter 16).

Sulla's looting of Asia Minor and Greece enabled him to bring his booty-laden troops back to Rome in 82 and impose an oligarchic constitution that rolled back the few gains plebeians had made in earlier centuries. His reign of terror let his supporters kill his opponents and confiscate their property, headed by that of families who had backed the popular general Marius. Widespread debt defaults occurred, including by wealthy individuals who had borrowed heavily to buy land or political office. By 63, many well-to-do as well as poor debtors supported Catiline's plan to assassinate Cicero and other opponents of debt cancellation, but their revolt was defeated by the Senate's army (Chapter 17).

Led by Cato, Cicero and Cato's son-in-law Bibulus, the Senate opposed any popular reform, even the distribution of land to war veterans. That led

Pompey to break with the Senate oligarchy and join with Crassus, Rome's richest man, and Caesar to create the First Triumvirate (60-53), allying themselves with the popular assembly and tribunes. Seeing that the only way for a reform program to succeed was by armed force, Caesar arranged for a five-year military command in Spain and Gaul, which later was extended to ten years. He obtained enough wealth and loyal troops to march on Rome and gain power in 49 (Chapter 18).

Caesar's rise to power was the last opportunity to restore balance. During 49-44 (the chronology is not clear) he sponsored a bankruptcy law that alleviated the distress of indebted landowners by writing down their debts in proportion to the 25 percent fall in land prices. But he resisted the widespread debt cancellation that many Romans without property had anticipated. That moderation did not deter the Senate oligarchs from killing him, fearing that he might use his popularity to "seek kingship" by enacting more populist reforms. The ensuing infighting brought the Republic to an end when Caesar's adopted heir Octavian defeated his rivals Brutus, Cassius and finally Antony in 31 BC at the Battle of Actium and then had the Senate designate him princeps and augustus in 27 BC (Chapter 19).

The Senate lost power and became merely a ceremonial elite as army leaders gained control. Smallholders who lost their land found their major employment option to be joining armies as mercenaries under generals promising them booty and, as veterans, settlement on new plots of land. But Rome's Empire was basically a coda for the way in which the Republic had established its rules for credit and land tenure. The wealthiest families plowed most of their rents and interest into more land appropriation and usury, and passed the tax burden onto local officials and small landholders. By the time Emperor Hadrian felt obliged to burn the tax records to abolish arrears in 118 AD, as Marcus Aurelius would again do in 178, the major beneficiaries of such debt amnesties were the rich who had managed to delay paying their taxes (Chapter 20).

The Western Empire fell apart when there was no more land for the taking and no more monetary bullion to loot. Roman demands for tax revenues forced smallholders into debt to private creditors and landlords, leading them to lose their land to the creditor oligarchy, which opposed any state power capable of taxing it or restoring widespread land tenure. By the 5th century AD there was no more talk of land redistribution or debt cancellation. As the Late Roman Empire became a predatory free-for-all, its End Time produced so deep a revulsion against luxury amidst a world of poverty that martyrdom increased. By the 4th century the Christian Church was able to ban the charging of interest by members of the priesthood, and in due course by the lay population, without opposition from the wealthy (Chapter 21).

But Christianity's character changed as it became Rome's state religion under Constantine. Instead of its earlier critique of economic greed as sinful, the Church accepted the Empire's maldistribution of land and other wealth. The new official religion merely asked that the wealthy be charitable, and atone for personal sin by donating to the Church. Instead of the earlier meaning of the Lord's Prayer as a call to forgive personal debts, the new sins calling for forgiveness were egotistical and, to Augustine, sexual drives especially. The financial dimension disappeared (Chapter 22).

Chapter 23 traces how Rome's oligarchic ideology and legal traditions have shaped those of the West. Today's protection of creditors and opposition to public regulation has its roots in Rome's oligarchy sanctifying the obligation of debtors to relinquish their land and personal liberty to creditors. To accept the views of Rome's own historians criticizing these oligarchic debt dynamics would call into question our own Western practice of following similar pro-creditor policies and free-market philosophy. This modern-day pro-creditor ideology has shaped recent economic interpretations of antiquity, which show increasing sympathy with Rome's oligarchic policies. Rome's decline and fall is blamed mainly on its predatory Empire, not on its debt dynamics and the failure of its internal struggles to promote domestic prosperity by reforming debt bondage and restoring the citizenry's means of self-support.