

## II

# Classical Antiquity

Periodic restorations of order did not survive the Bronze Age outside of the Near East and Egypt. Instead of creating corporately autonomous public sectors, Greece and Rome concentrated the focus of enterprise, land-rent, and interest-bearing debt in the households of local chieftains. No palace or temple authority existed in the classical Aegean and Italy to be undercut, for only southern Mesopotamia had created the strong centralized public-sector traditions that gradually diffused throughout the Near East. The Mycenaean palaces were a hybrid "mixed" form, and in any case did not survive after 1200 BC. Where local chieftain-kings emerged in the Dark Age convulsions of 1200-750 BC in Greece and southern Italy, they ended up being unseated by landed aristocracies, much as England's aristocracy curtailed royal power from the 13th century AD onward. For better or worse, these aristocracies replaced central power with their own economic control, leaving no central authority to restore economic balance and order once it was disturbed by the dynamics of debt and growing oligarchic power.

The widening polarization between rich and poor was expressed most characteristically in the conflict between creditors and debtors, ending up as a polarization between large landowners and expropriated dependents and slaves. The biblical examples denounced by Isaiah 5:8-9 reflect a polarization that became most pronounced in Rome. Italy in fact was the westernmost peripheral area of the early first millennium BC that still was a viable part of the Levantine system. (Documents from Spain, Carthage and other Phoenician colonies do not appear in the historical record until these regions are conquered by Rome). Being peripheral, Rome never

created the checks and balances that preserved self-sufficiency in Mesopotamia and the Levant.

In place of Clean Slates we find irreversible debt servitude. No economic order proclamations cancelling debts have been found, or time-limits to debt bondage or the forfeiture of property to foreclosing creditors and other wealthy buyers. The result was that Rome became the most extreme and unmitigated oligarchy known in antiquity.

**Popular tyrants use the debt and land crisis to take power in 7th-century Greece**

The classical Greek and Roman states became closed hereditary bodies, in contrast to more open communities such as medieval Ireland, or Rome at its inception. Largely responsible for closing off access to citizenry was the phenomenon of victorious warlords heading bands of followers, who subjugated indigenous peoples and monopolized the land for themselves. Classical citizenship, along with military and social ranking, was defined by one's landholding qualification. (Solon's laws spell out how this was done in Athens.)

In the centuries leading up to the classical age, warlord bands parcelled out Greek lands among their own ranks, initially on a more or less egalitarian basis. But by the 7th century BC, land was becoming concentrated in the hands of wealthy aristocratic families. This phenomenon appears to be linked to the spread of interest-bearing debt from the Levant, via Phoenician and Syrian traders, but the details are unrecorded. What is known is that in Corinth, Cypselus seized power in 657, exiled the city's ruling Bacchiads, redistributed their lands and cancelled rural debts. His successors held power until 580. Much the same happened in Sicyon under Cleisthenes, and also in Megara and other cities in which have-nots mobilized behind popular "tyrants" to expel the leading aristocrats, redistribute their lands and cancel the debt-claims they had built up.

Only in the face of military siege were the wealthy classes inspired to share their land with the citizenry at large and to cancel debts across the board. The objective by this time no longer was to maintain social solidarity, but simply to preempt debtors (whose ranks soon came to include the entire local citizenry) from defecting to invaders who promised general debt cancellation and land redistribution.

Military, class and financial warfare thus became inextricably interwoven as armed conflict took place against the backdrop of an ongoing war between rich and poor, oligarchy and *demos*. By 357 BC Aeneas Tacticus, in his book on warfare, defense and fortification, directed “more than half his military admonitions . . . towards preventing treachery and forestalling revolution. The men for whom he wrote his manual were clearly in constant danger of the enemy within their own gates, a peril which became more rather than less acute when armed foes without were threatening the very existence of the state” (Oldfather in Tacticus 1923:17). In Tacticus’ own words (XIV):

. . . it is of primary importance to win over the mass of the citizens to a spirit of loyalty, both by other influences and in the case of debtors by the reduction or complete cancellation of interest, and, in cases of especial danger, of some part of the principal, or even all of it when necessary; for such men as these are the most formidable adversaries. Adequate provision must also be made for those who are in want of the necessities of life.

### **Egypt’s debt reform under Bocchoris**

The pharaoh Bakenranef, whose name was Grecianized to Bocchoris, ruled Egypt ca. 720-715 BC as one of the two rulers of the short-lived XXIV<sup>th</sup> “Saite” dynasty. He was the last to govern an independent Egypt, for in 715 Ethiopia invaded and installed Kushite kings, inaugurating the Late Period of foreign rule. It was in the midst of this military crisis that Bocchoris abolished debt-servitude. In conjunction with this act he announced a legal reform requiring all contracts, if they were to be deemed legally binding, to be written rather than oral.

Bocchoris’s insistence on written contracts had long been standard Mesopotamian practice. It is attested over a thousand years earlier in the laws of Hammurapi. Egypt’s adoption of this reform seems to have been inspired by the recognition that Egyptian creditors, like those elsewhere, were prone to claim what was not rightfully theirs. Under Bocchoris’s reform, if a debtor contested the claim of his creditor, the debt was nullified unless the creditor could back up his claim by producing a written agreement, properly executed. Many debts were annulled, on the reasoning that greedy creditors unilaterally had demanded debt balances without

justification. As our source, Diodorus of Sicily, summarizes the upshot, "men who had borrowed money without signing a bond, if they denied the indebtedness, might take an oath to that effect and be cleared of the obligation."

This insistence on written contracts seems to have remained in force into Ptolemaic times. Contracts documenting personal obligations were necessary in view of the tendency for creditors to exaggerate the balances due. Indeed, from the Old Babylonian period onward, the protection of debtors by insistence on proper documentation explains why archaeologists find debt records so conspicuous in their excavations.

Bocchoris's reform stopped a serious abuse of the debt process by creditors, but it did not tackle the debt problem directly, as had the Clean Slates of Mesopotamia and Solon's *seithachtheia* in Athens. Generically, it was a legal reform and only incidentally a Clean Slate. There is no indication of a land redistribution, reflecting the degree to which Egypt's land tenure had diverged from that of the rest of the Mediterranean region by the 7th century BC.

### **Rulers found it desirable and practical to cancel personal debts**

Modern suspicions that archaic debt cancellations were radical acts or "reforms" are controverted by a simple fact. It was relatively easy for Mesopotamian and Egyptian rulers to cancel personal debts and free debtors who had been reduced to bondage *because most such debts were owed to the public sector* - the palace or temples, or to their collectors, *e.g.* the *tamkaru* merchants in southern Babylonia. Thus, rulers cancelled debts owed ultimately to themselves.

The logic underlying royal Clean Slates was never spelled out, but the Roman historian Diodorus (I.79), writing ca. 40-30 BC, got to the heart of matters when he explained why the pharaoh Bocchoris abolished debt-servitude and cancelled undocumented debts, by ruling "that the repayment of loans could be exacted only from a man's estate, and under no condition did he allow the debtor's person to be subject to seizure." The social context for this edict was the growing military threat from Ethiopia. According to Diodorus, Bocchoris's rationale was that "the bodies of citizens should belong to the state, to the end that it might avail itself of the services which its citizens owed it, in times of both war and peace. For he felt that it would

be absurd for a soldier, perhaps at the moment when he was setting forth to fight for his fatherland, to be haled to prison by his creditor for an unpaid loan, and that the greed of private citizens should in this way endanger the safety of all.”

This is much how Bronze Age rulers must have reasoned. Hammurapi’s laws blocked creditors from taking for themselves the usufruct of tenants on royal and other public lands, and on communal lands that owed manpower and military service to the palace. Creditor attempts to take such lands for themselves threatened to strip the rural sector of its ability to fill the military draft, in an age when warfare was endemic and mercenary armies still lay largely in the future. Such privatization of hitherto communal or royal land thus threatened to bring about fiscal, economic and military disorder in the subsistence rural economies of the Middle and Late Bronze Age. Palace rulers had not yet become economic predators of the land; that would come only with the first-millennium florescence, and formed the crux of Israelite opposition to such rulers.

### **Solon frees the land**

Matters were moving toward a similar crisis in Athens in 594, when the city’s leaders turned over emergency powers to Solon as *archon* (“premier”). He freed the land from debt claims, freed Athenians who had been reduced to debt servitude (and even sold abroad as slaves), and permanently banned debt-servitude for Athenian citizens. Athens also prohibited alien ownership of the land, thereby preventing foreign creditors from lending money against land as collateral and then foreclosing. (Most bankers were foreigners in the 6th and 5th centuries BC.) However, citizenship could be lost through debt to domestic creditors foreclosing on the land.

As safeguards to widespread access to the land were dismantled, the guarantee of economic freedom became more tenuous. The growing power of absentee landholders narrowed the citizen body. Landholding became more concentrated, shrinking the ability of societies to field their own peasant-infantry. This was antiquity’s Grand Dynamic or, as Marxists like to say, internal contradiction.

Solon was followed by the popular tyrant Peisistratus and his sons, and in 411 by Cleisthenes, who organized the Athenian democracy by dividing the land and population symmetrically into local demes. Public obligations

were standardized, and were owed by the local units collectively, with headmen appointed by lot to apportion public obligations. The guiding political philosophy was one of standardization and regularity.

#### **Sparta's Lycurgan reforms are emulated by Agis and Cleomenes**

Sparta's "Lycurgan" reforms ca. 700 BC established a citizen-army of "equals" (*homoioi*), although its "Dorian" settlers turned the indigenous occupants into public serfs, called helots. (The term "serfs" is anachronistic. Their status was deteriorating toward slavery, see Oliva 1971:39-44.) The reforms represent the earliest Greek reaction to the economic polarization stemming from the spread of trade, money and the introduction of debt during 750-700 BC. Sparta's political reaction aimed to establish an underlying standardization among its citizens, suppressing all social distinctions by banning precious metal money and conspicuous consumption (including excessive funerary spending). The Spartans were to take their meals in common (the *syssitia*), and to use their time practicing military tactics. As for the helots, they were not owned by private individuals, but were communally assigned, along with the land they worked. (Toynbee 1969 remains the classic discussion of the Lycurgan reforms. For the Spartan economic evidence as a whole, see Fuks 1984.)

The hoped-for equilibrium was destroyed by Sparta's military success in the Peloponnesian War against Athens and its allies (431-404 BC). Victory drew in riches, filling the land with monetary gold and silver, and enabling an oligarchy to emerge. It seems that toward the end of the war or shortly thereafter the "Law of Epitadeus" permitted *kleros* subsistence lands to be alienated in ways other than through inheritance. In fact, wealthy Spartans hit upon a similar legal loophole to that which had been developed over a millennium earlier in Babylonia and Nuzi: testation of the land to wealthy buyer-creditors. In Sparta's case it was not necessary for the seller-debtor to go to the extreme of adopting his creditor. He could bequeath his estate simply in exchange for a money-gift, or for any other reason.

Plutarch's source, the third-century Stoic Phylarchus, invents a melodramatic explanation in typically Stoic fashion, distracting attention from the more prevalent financial motivation at work. A father, spitefully wishing to disinherit an ungrateful son, established a fateful precedent

which subsequently enabled impoverished family heads to bequeath their lands to creditors or other outside buyers.

The result was that Sparta's upper aristocracy (its *ephor* families and the two royal houses) monopolized most of the land, and held much of the population in debt-bondage. Writing ca. 330, Aristotle (*Politeia* 1270b) saw clearly that Sparta's problems stemmed from a worsening division of its land. Phylarchus and Plutarch likewise pointed to changes in Sparta's land tenure arrangements as the cause of its economic polarization and disenfranchisement of its citizen body. As Fuks (1984:236, 238) emphasizes, what did Sparta in was a dearth of citizen-soldiers, not of population as such. There is no hint of ancient writers trying to blame the problems caused by inequitable land distribution on such non-economic causes as "irreplaceable losses in war, of barrenness of Spartan women, of dangers of inbreeding, which bulk large in modern comments." Rather, Plutarch (Modern Library ed.:962f.) describes how the Spartans welcomed the rhetra of Epitadeus "out of greed, made it valid, and so destroyed the most excellent of institutions." Through a combination of direct purchase and usury, "the rich men without scruple drew the state into their own hands, excluding the rightful heirs from their succession; and all the wealth being centered upon the few, the generality were poor and miserable," The impoverished families had to work at occupations unworthy of free men. Class antagonisms intensified, destroying the former patriotism. The spirit of Lycurgus was long gone.

Matters were aggravated by the fourth-century struggle with Persia. Spartan sea power, hitherto financed largely by Persian subsidies, was destroyed in 391 at Cnidus. After losing considerable territory to Philip of Macedon, Sparta was defeated even more severely by Alexander the Great and never recovered. The absence of prosperity worked to concentrate wealth just as the former infusion of wealth had done, even more so inasmuch as families had to borrow to make ends meet (see Tarn 1925:112ff. and Oliva 1971:209ff). By enabling families to alienate their lands, the "freer" market-oriented laws made possible the loss of this property.

By the time Agis IV took the throne in 244 BC, the richest hundred families had dispossessed most of the population. It seems that only about 700 citizens were left on the eve of Agis' proposed rhetra. Of these, "about one hundred were land-rich. The other six hundred were land-poor," barely

able to pay their contribution to the common meals. "The rest were landless or so land-poor that they lost their census in consequence of their poverty and became *hypomeiones*" (Fuks, 1984:235). Agis and his successor, Cleomenes III, sought to restore the old way of life by cancelling the debts and, in Cleomenes' case, abolishing the *ephor* class, enfranchising the *perioeci* "dwellers around" Sparta, and freeing the helots. But Agis was killed by the oligarchic faction, Cleomenes was exiled to Egypt, and civil war erupted, giving way to the anti-oligarchic tyrant Nabis.

According to Plutarch (*Agis* 8:1-4), Agis sought to rebuild Sparta's citizen army to a level of 4,500 men. Each would have his own *kleros*, be freed from all debts, and would be trained in the old "Lycurgan" spirit of austere equity. To compensate for the fact that much of Sparta's citizenry had been disenfranchised, many *perioikoi* and *xenoi* ("dwellers around" and foreigners) were incorporated into the expanded 4,500-man army and its 4,500-lot subsistence support land, which was to be equally apportioned among the reformed citizen body.

Agis proposed that "every one should be free from their debts, and that all the lands should be divided in equal portions," the Spartan lands into 4,500 lots and the outlying lands into another 15,000 lots to be shared "among those of the country who were fit for service as heavy-armed soldiers, the first among the natural-born Spartans." Fifteen companies of soldiers were to be formed, "with a diet and discipline agreeable to the laws of Lycurgus." However, this proposal was defeated by a single vote. In the political infighting which followed, Agis nearly succeeded in driving the oligarchic leaders out of the city, but new ephors were elected and cited Agis' supporters Lysander and Mandroclidas "to answer for having, contrary to law, cancelled debts, and designed a new division of lands." Agis and Cleombrotus responded with a bloodless coup (waged partly with men release from prison for the occasion) and set about putting their economic program into practice.

However, relates Plutarch, one heavily indebted landowner persuaded Agis to divide his program into two parts, and first to cancel the debts without redistributing the lands. The result was an object lesson in how *not* to cancel debts. Wealthy landholders were able to get their lands freed of debt, while the landless population found themselves also free of debt but



without the promised means of support on the land. The oligarchic leader Leonidas returned from exile and captured Agis. The ephors condemned him to be strangled to death, as were his mother and grandmother - Sparta's first regicides.

Cleomenes III took up the Lycurgan idealism of Agis, and carried through his program of land redistribution, common meals and other egalitarian reforms. But by this time the rest of Greece had succumbed to oligarchies, and viewed Sparta's revolution as a threat to its economic and political stability. The Achaean League invited the Macedonian ruler Antigonos Doson to suppress Sparta, which he invaded in 222, chasing Cleomenes to the court of Ptolemy III in Egypt, where he committed suicide in 220.

Cleomenes' reforms were rapidly undone, but after a civil war the tyrant Nabis crushed the nobility, as tyrants had done throughout Greece in the 7th century BC. As the aristocratic Polybius (XIII.6) describes the upshot, Nabis and his supporters "utterly exterminated those of the royal houses who survived in Sparta, and banishing those citizens who were distinguished for their wealth and illustrious ancestry, gave the property and wives to the chief of his own supporters and to his mercenaries."

Rome was drawn into this Aegean conflict by anti-reformist oligarchic cities of the Achaean League. The upshot is described from quite a different perspective than that of Polybius by Perry Anderson (1974:58), drawing on Livy, XXXIV.33-43 and XXXI.17f:

This last explosion of Hellenic political vitality is too often tucked away as an aberrant or marginal postscript to classical Greece . . . In one of the most dramatic confrontations of Antiquity, at the exact point of intersection between the eclipse of Greece and the ascent of Rome, Nabis confronted Quintus Flaminius - commanding the armies sent to stamp out the example of Spartan subversion - with these pregnant words: "Do not demand that Sparta conform to your laws and institutions . . . You select your cavalry and infantry by their property qualifications and desire that the few should excel in wealth and the common people be subject to them. Our law-giver did not want the state to be in the hands of the few, whom you call the Senate, nor that any one class should have supremacy in the State. He believed that by equality of fortune and dignity there would be many to bear arms for their country."

With Rome's intercession the economic flourishing of Greek democracy effectively comes to an end, although a half-century of fighting still remained. As in the time of Tacticus two centuries earlier, both attackers and defenders of cities continued to bid for the loyalties of urban populations by promising debt cancellations. The Achaean League, which first had called upon Rome for help when fighting the Aetolians and Spartans, ended up fighting Rome itself. The former military supporter had become a more serious burden than domestic Greek rivals. In the winter of 147/6, Critolaus, general of the Achaean League, sought to mobilize region-wide support against Rome by sending "around magistrates not to exact money from debtors, nor to receive prisoners arrested for debt, and to cause loans on pledge to be held over until the war should be decided. By this kind of appeal to the interests of the vulgar [the aristocratic historian Polybius is speaking], everything he said was received with confidence, and the common people were ready to obey any order he gave" (Polybius, *History*, XXXVIII.9).

But there would be no more land redistributions or debt cancellations until the abortive revolt of Aristonicus in Asia Minor in 133 BC, also put down brutally by Rome as it absorbed Asia as the republican empire's richest province, whose booty funded the emergence of its "knightly" *publicani* class created by Tiberius Gracchus. During the Mithradatic wars in 88 BC, the wealthy city of Ephesus offered its residents a general cancellation of debts in order to counter Mithradates' similar promises.

Such actions suggest that the Stoics and other philosophers formulating doctrines of social equity and debt cancellation did so largely out of enlightened self-interest rather than either pure altruism or a malaise or disdain for their own class interests. They needed to protect their cities from internal strife in the face of ever-present external military conflict. To bring into being an impoverished urban class, especially one of nonfighters, was perceived to be short-sighted and self-defeating. The archaic philosophic ideal of general social balance and equity was carried over into Stoicism, whose adherents were not egalitarian extremists but rather, quite simply, sought to protect their societies against the development of a debt-ridden underclass.

**Monopolization of the land in Rome**

Matters were not so salutary in Rome. Debt-servitude was practiced from the outset, but Cicero (*de officiis* 2.78-80) reflected the spirit of his times in condemning the redistribution of land and cancellation of debts. The plebeians never were able to break the patricians' stranglehold on the economy. Matters were especially serious for soldiers called away from the land to engage in the almost constant fighting that enabled Rome to conquer central Italy. In effect the peasantry was fighting for its own expropriation. Their families were forced into debt, and were absorbed (along with their lands) into the estates of their well-to-do creditors.

A time-honored way to alleviate this problem was to settle war veterans on new lands, either the territories they had helped conquer or the domestic *ager publicus populi*. But Rome's life and death struggle with Carthage changed matters dramatically. Toward the end of the war, ca. 206 BC, the senate called upon all families to contribute whatever jewelry or other precious belongings they could to help the war effort. The gold and silver was melted down in the temple of Juno Moneta (whence our word "money" derives) to strike the coins used to hire mercenaries that helped defeat Carthage. However, after the war was won, the aristocrats demanded that their contributions be treated as loans. The treasury was bare, and all that Rome had to offer was its rich public land, above all the Campagna. This was turned over to the leading war contributors rather than used to settle returning war veterans. In *Hannibal's Legacy* (1965), Arnold Toynbee describes this giveaway as representing the classical epoch's single most detrimental privatization of hitherto public property.

By the first century BC, Rome found itself engulfed in a long Social War (133-29 BC), fought largely over the debt and land issues. The patricians won, and used their political power to reduce as much of the population as possible to debt servitude and outright chattel slavery on the land. Government became an alliance of the wealthiest families, through their exclusive role in the senate. By the time Julius Caesar introduced personal bankruptcy laws, they were for the rich only, leaving the lower classes untouched. When tax forgiveness came, emperors proclaimed it only for the rich, not for the impoverished cultivator-owners.

The wealthiest families managed ultimately to gain immunity from the

public obligations which landholders traditionally had owed their communities. Taxes became regressive and the economy polarized between rich and poor, undermining society's fiscal position.

These events form the background for Rostovtzeff's narrative of how enterprise was stifled. The ultimate object of wealth throughout all antiquity was to buy land, for that was the means not only of self-support, but of the ability to support dependents and retainers, commercial earning power and, ultimately, political power. By the imperial period which inaugurated the modern era, there was no thought of restoring equitable property relations or freeing the land from its debt burden. By the time usury and human slavery were banned in the fourth century, it was because the rich had everything. Their objective in banning slavery and usury was simply to stem the depopulation and assure a supply of soldiers to defend what was left of the empire from Germanic incursions from the north. In 396, Constantine removed the imperial seat from Rome to Byzantium - Constantinople, the "Second" or "New" Rome - leaving the western half of the empire to sink into abject insolvency and subsistence production.

There was an unanticipated silver lining to all this. The worse a crisis is, the more far-reaching the economic reforms tend to be. Commercial activity throughout the Roman Empire became so stifled by the end of the fourth century of our era that the greatest Clean Slate in history was proclaimed. Slavery was banned outright, along with usury. Life on the land stabilized, albeit on merely a subsistence level as slaves on Rome's great *latifundia* estates were reorganized to provide serfs with their own cottages.