

The First Democracy ... Solon's Republic

“Usury bringeth the treasure of a realm or state into few hands.”—Francis Bacon

“Lend freely, hoping nothing thereby.”—Rabbi Jesus

“Democracy is difficult to define,” writes Stanley I. Benn in the *Encyclopedia of Philosophy*, “not only because it is vague, like so many political terms, but more importantly, because what one person would regard as a paradigm case another would deny was a democracy at all...” This may be, but no one can deny that the cradle of democracy (whatever it is) was the ancient city-state of Athens, and that the cradle-maker was a man by the name of Solon.

The Athens Solon inherited was in profound crisis. It faced the twin threats of depopulation and revolution. The cause was “usury.”

Usury & Non-usurious Lending

According to the dictionary (definition #1), the word “usury” means, literally, “interest,” the interest paid for the use of someone else’s money. Thus it is that many people regard usury and interest as synonymous. No. They are not synonymous. Usury refers to the lending of money at *excessive* interest. Dictionary definition #3: “An unconscionable or exorbitant rate of interest.”

Now ... why would a lender decide to lend money at an unconscionable rate of interest? Greed? Not necessarily. Consider the risk factor:

In pre-urban societies, loans were made to farmers in the form of seeds, animals, and tools. As a single grain of seed could generate a multitude of new seed grains, farmers could readily repay their loans after harvest, with additional seeds for “interest.”

The lending of seeds entails little or no risk to lender or borrower. The lending of money, however, entails *significant* risk. In ancient days as in the present, money-lenders can be counted on to try to shift as much of the risk as possible onto the shoulders of borrowers. Charging high interest is a way of minimizing the risk of the lender.

The lending of money at interest to *farmers* has always been problematical. Seeds generate more seeds, without fail, but money does not necessarily generate more money—poor harvest or

good. If a harvest is poor, it may be impossible to repay a money-loan. If a harvest is abundant, the market price of farm products falls sharply, often making loan repayment difficult.

In ancient Egypt, the problem of *falling prices at harvest time* was mitigated by the Royal household, which set official prices for up to twenty farm commodities. Thus at harvest, farmers were guaranteed a certain minimum value for their products.

In Athens, circa 600 B.C., the prices of agricultural commodities were not monetized (given a fixed monetary value), but valued by the shifting market. “Charging interest in loans of coinage to farmers quickly led to severe social problems.... The class of free small farmers was vanishing, with land becoming concentrated into the hands of the oligarchy.” (Zarlenga, 2)

Borrowing money in pre-Solon Athens was especially high-risk because borrowers were required to collateralize loans with their own freedom. Those who defaulted on loans could be sold, by lenders, into slavery. As most defaulters were sold to out-of-city-state buyers, Athens was, in 600, a state in the process of losing its population.

Wiser heads in the ruling aristocracy understood that if Athens’ customary method of debt liquidation was continued, the end result would be an Athens without able commoners. The aristocrats would have to fight their own wars!

At the same time, hotter heads among the commoners were beginning to look at the aristocracy as an “enemy within.” Talk of revolution was in the air.

In order to avoid the evils of depopulation and/or revolution, the rulers of Athens, who were called “archons,” decided to appoint an arbitrator as “tyrant” (absolute ruler) to make necessary changes. The man chosen was Solon, an aristocrat who had protested the existing economic order in a series of elegiac poems.

Solon’s Reforms

Solon instituted a wide range of reforms in order to rescue Athens. His principal reform was called the “Seisachtheia,” or “shaking off” of economic burdens. Solon took the unprecedented step of canceling all debts.

Further, Solon prohibited the practice of securing loans with personal freedom and nullified all such existing debt contracts. He gave back to farmers land that had been seized, and he sent expeditions abroad to purchase and bring home farmers who had been sold into slavery.

Also, Solon, following the model of the Egyptian Royal household, set fixed monetary values for all agricultural products. And ... he made money more available to the populace by reducing the weight of coinage and increasing the amount of coinage in circulation.

From these actions, it may be inferred that the original, prime mission of “democracy” was to reverse the usual effect of usury, i.e., the accumulation of a society’s wealth in the hands of a few.

At present, many view Western-style capitalism as synonymous with democracy. There is no necessary connection between capitalism and democracy, or, for that matter, between communism and democracy. Capitalism and communism are terms referring primarily to *economic* orders.

If *any* economic order is politically regulated to serve the interests of the general population (rather than class, sectional, partisan or other “special interests”), the ruling regime has earned the right to be called democratic. If a political regime serves only, or primarily, special interests, that regime is an oligarchy.

Political Reform

Solon held his predecessor (aristocratic) regime responsible for the crisis he had to deal with.

That regime was composed of a council of nine aristocrats, who were called “archons.” The list of those eligible to serve as archons was prepared by a group of ex-archons who met at a place called “God’s War Rock” (*Areopagos*). This council was called, fittingly, the Areopagos.

The Areopagos submitted a list of nominees for the various archon office to the “Assembly,” another group of aristocrats. The Assembly met only at the request of the archons.

Under Solon, the ultimate political power was transferred to a “People’s Council” within the Assembly. The Areopagos retained some veto power over legislation, but “since it could no longer present a list of agenda to the Assembly, and since the Assembly elected the archons, final control over the ticket must have passed to the People’s Council.” (Burn, 29)

Equally radical was the way in which the four hundred members of the People’s Council were selected. Members were chosen *by lot*, i.e., the blind pick of names out of a hat.

Further, Solon introduced the principle of archon accountability. At the end of their year of office, the archons had to submit to the Assembly an account of their acts. If an account was rejected by the Assembly, the archon could be penalized and was not permitted a place in the Areopagos.
(Burn, 29)

Further, under Solon, the Assembly replaced the Areopagos as the supreme judicial authority, except in cases of murder or arson. What this meant in practice was that the ordinary Athenian now had the right of appeal to a jury of his peers.

Solon’s reforms extended to the code of law as well. He discarded almost entirely the existing code, which had been written circa 620 by a magistrate by the name of Drakos (from which comes the term “Draconian”), and replaced it with the humane code of Solon.

In all, Solon’s political reforms reflected his understanding that the best guarantor of a fair economic system is a government composed of representatives of the various classes—“multi-classocracy” rather than the traditional “uni-classocracy.”

Solon divided the populace into five classes. Although his government excluded the very poorest class of Athenians, nevertheless it is the original historical basis of *representative government*, which is often considered the essence of democracy.

In the words of Noam Chomsky: “A society is democratic to the extent that people in it have meaningful opportunities to take part in the formulation of public policy.” (Chomsky, 6)

References

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