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# HARVARD ECONOMIC STUDIES

## VOLUME LXV

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# POLITICS, FINANCE, AND CONSEQUENCES

A STUDY OF THE RELATIONS BETWEEN POLITICS AND  
FINANCE IN THE ANCIENT WORLD WITH SPECIAL  
REFERENCE TO THE CONSEQUENCES OF SOUND  
AND UNSOUND POLICIES

BY

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## **POLITICS, FINANCE, AND CONSEQUENCES**



## CHAPTER I

### EGYPTIAN POLITICS AND FINANCE

§ 1. *Politics and Finance.* This study of the relations between politics and finance will begin with the centralized kingdom which King Menes is credited with creating in Egypt some three thousand four hundred years before the Christian Era. Many centuries of arduous labor of untold generations of earlier Egyptians had been required to develop the practical arts and to gain the material resources and hard-bought experience without which the monarch could neither have built nor governed the kingdom over which he ruled. By the hard process of trial and error, which we call Nature's method, a new political organization had been brought into being; and, just as the earliest Egyptians had somehow learned to secure their living, so the first government of which we have knowledge must now direct its attention to problems of ways and means. In modern times history and archaeology have placed at our command a wonderful store of knowledge which enables us to follow with considerable certainty the leading events in Egyptian political and financial history from the time of Menes to that of the Persian Cambyses who conquered Egypt and made it a Persian province.

Financiers have always known that politics and finance are closely related, but they have sometimes appeared to differ in their statements concerning the nature of the relationship. Baron Louis, who found the French treasury empty and left it well supplied, remarked to the council of ministers in 1830: "*Faites moi de la bonne politique et je vous ferai de bonnes finances*"; while on the other hand Léon Say, who, over forty years later, managed the payment of the war indemnity to Germany, has left us the maxim that "good finances produce good politics." Both observations are true, if they are interpreted as mere statements of tendencies which in particular situations may well appear to be realized in fact; and, so understood, they are not contradictory. The whole truth was admir-



ably put by James Wilson, who is celebrated as both the first and greatest of India's finance ministers, in language which we shall do well to remember as we survey the relations between government and finance in ancient Egypt: "Finance is not mere arithmetic; finance is a great policy. Without sound finance, no sound government is possible; without sound government, no sound finance is possible."

§ 2. *The Early Monarchy.* The people of Egypt with their land and other property originally belonged to King Menes, and he, like other ancient monarchs, not only controlled but personified the entire life of the society he ruled.<sup>1</sup> The compulsory labor of his subjects, of the sort later known in Europe as the *corvée*, provided means for building the dikes and canals so important to the economic activity of the kingdom; for constructing palaces, temples, pyramids, and other buildings; and for quarrying from the earth the materials needed for these public works. Such labor might be occasional or might be recurrent as in the case of maintaining the dikes. Then there were the services of magistrates and public servants of all descriptions who were compelled to assist in administering the affairs of the kingdom; and also there was compulsory service in time of war, when armies were raised which were finally led against foreign countries out of which was built the Egyptian Empire. When a great Pharaoh, like Thothmes III., went forth as "a circling comet which shoots out its flames and in fire gives forth its substance," as a "lord of radiance shining in the faces of the enemy," all this was done without expenditure from the royal treasury except for equipment and supplies.

Then the king enjoyed income from royal estates or farms under the direct management of agents whom we may call bailiffs; also, as usually happens when public domains are very large, a great deal of land was rented to tenants who paid

<sup>1</sup> On Egyptian politics and finance I have followed the usual authorities and will cite them by the names of the authors of the titles found in my bibliography: Meyer, vol. I: pt. 2, sections on government and administration; Breasted, *Records*, 2:716, 718-745, and 4:55-59; Schanz, 1-2; Rostovtzeff; Weigall; Weigall, *Egypt*; and especially Baikie, who, better than anyone else, has perceived and emphasized the important reactions of Egyptian politics upon finance and of Egyptian finance upon politics.

either a stated proportion of the produce or a fixed sum which did not vary with the harvest, these rents being paid in kind since money was not then in use. Or again, Egyptian kings, like monarchs in later times and places, bestowed land upon some of their subjects, either in full ownership with freedom from taxes or in limited tenure of a feudal character which carried with it liability for public services. In time, as happened subsequently in other countries, such services were replaced by taxes, but these had their original basis in the fact that the king was the ultimate owner of the land.

Originally, revenue from domains and services of subjects predominated over other kinds of royal income, so that the king's housekeeping must have resembled that of a European ruler of feudal times, Charlemagne for example. Later on, as domanial revenue declined, the king's finances rested increasingly upon taxes and other revenues not derived from domains. To collect, store, and apply to public purposes the revenues paid in kind and to utilize personal services, an increasing body of public officials was necessary; and financial organization in the course of the centuries became more centralized, more complicated, and necessarily more bureaucratic. Treasuries had to be storehouses capable of receiving, preserving, and shipping many kinds of products; and one or more such establishments existed in each province or district. Since the most common medium of payment was grain, the granary was the predominating type of building; but provision had to be made for many other kinds of produce and even for cattle. At the central treasury, long known as the White House, there was a chief treasurer who, when he happened to be also the vizier, wielded great power over every department of government.

Without some system of bookkeeping, orderly management of the king's great household would have been impossible; and therefore clerks and scribes, equipped with writing materials, are found in paintings dating to early times. When the Aramaeans rose to power in Asia Minor and their traders became the greatest merchants of the time, Aramaean clerks were naturally held in high repute and presently found their way

into the employment of the Egyptian king. Thus the art of accounting developed with the general financial organization; and from Egypt, if nowhere else, later peoples like the Greeks could learn something about the importance of public accounts.

Since the various media used in payments to the government naturally came into use in private transactions, a system of barter developed; and the royal treasury became a center of private finance. Subjects making payments to it seem also to have left surpluses on deposit, and under such conditions it was but a short step to acting as a bank which facilitated payments anywhere in Egypt and possibly in other countries with which the king had dealings. Meanwhile Egyptian royalty had turned to trading with distant regions. Caravans penetrated the Sudan to traffic in ivory, ebony, ostrich feathers, and fragrant woods or gums. Royal ships sailed along the Red Sea to Punt for other rare products. Gold was sought from mines in Nubia as well as on the Coptos road to the Red Sea. Quarries also belonged to the king, while copper mines in the Sinæ region yielded their toll. Thus the sovereign, disposing of the persons and property of his subjects, had become banker, merchant, and miner, thereby supplementing his landed with an important industrial domain.

§ 3. *Khety's Testament*. King Akhtoi (or Khety) III. of the ninth dynasty, after a successful war with a neighboring kingdom in southern Egypt, wrote a letter of admonition and instruction to his son, which was long regarded by the Egyptians as a literary classic and fortunately has been brought to light by modern Egyptologists. *Khety's Testament*, as it has been called, is a remarkable treatise on statecraft which, although it has almost nothing to say specifically concerning public finance, is, nevertheless, of interest to us. The king frankly admits his error in committing an act of sacrilege which led to an unfortunate war; and advises his son strongly to remain on good terms with his formidable rival of "the Southern Land," saying: "A blow is rewarded with the like thereof." He then urges his heir to be "diplomatic in speech" because "the tongue is a sword to the king, and speech is more powerful than any

armaments." But he adds: "Strengthen your frontiers, for it is good to be prepared for future events," evidently realizing that the tongue is not the only sword that rulers find needful.

The *Testament* goes on to consider what a ruler should do with enemies and mischief-makers, and proposes the strong ruler's favorite remedy which is set forth in language quite as striking as that of Machiavelli. If the disturber has many dependents, is "pleasant in the eyes of his serfs," and "talketh much," the fatherly advice is: "Suppress him, slay him, wipe out his name — root out the memory of him and his dependents that love him." But, if it is simply the case of a "quarrelsome man, one that createth two factions among the youth," one to whom "the citizens cleave," cite him "before the courtiers, suppress him; he too is an enemy." Thus both for a rebellious nobleman and for a demagogue, Khety recommends the time-honored remedy. Nevertheless, the old king understood that his kingdom needed powerful subjects, so that he was only counseling that they should be made to realize their proper place. He goes on to point out that for many purposes a great, and so a rich, man was more likely to act impartially in public office and not to be tempted by bribes. "Make thy councillors great," he wrote, "that they may execute thy laws, for he that is rich in his house dealeth not partially, he is a possessor of substance that wanteth nought. But the poor man speaketh not according to what is right for him, and he that saith 'Would that I had' is not fair. He favoureth him that hath a payment for him." Long afterward this idea was embodied in one of Aesop's best fables to which we shall come in due course.

In considerable detail the *Testament* reviews conditions in various parts of the kingdom. Khety states "that he had pacified the entire west as far as the margins of the lake"; while on the east side of the Delta, where "matters were in evil case," districts and cities had been organized and authority was now in the hands of competent magistrates. As a result these districts now "return a whole list of all manner of taxes"; while priests are provided with land and "tribute is paid" as if there were but a single ruler in those parts. Orderly government,

in other words, had proved highly profitable, and good politics had made good finance, as Baron Louis long afterwards remarked. Toward the northeast where the Egyptians came in contact with the Arabs the situation was more difficult; but yet much had been accomplished, and the boundary was now "settled with cities and filled with people of the best of the entire land, in order to repel the arms of the Asiatics." Of these Bedouins of the desert he said practically all that can be said today about warfare with people who make their own rules and do not fight in a "civilized way." The *Testament* runs: "The wretched Asiatic, evil is the land wherein he is, with bad water, inaccessible because of the many trees, and the roads thereof are evil by reason of the mountains. Never dwelleth he in a single place, and his feet wander. Since the time of Horus he fighteth and conquereth not, but likewise is he not conquered, and he never announceth the day in fighting." Yet with the frontier fortified it is not necessary to trouble one's self about the Asiatic because "he plundereth a lonely settlement, but he captureth not a populous city." With the neighbors on the south, the king counseled peace and friendship. Yet the southern frontier cannot be neglected because, if trouble arises in the south, "the foreigners of the north will also begin fighting." <sup>2</sup>

This Egyptian king of the ninth dynasty, therefore, has left us an account of the principal things which he had learned about the difficult art of government; and in his judgment the little treatise on statecraft would not have been complete if it had failed to touch upon such financial topics as expenditure for the national defense, honesty in public servants, and the connection between good government and abundant revenues. In many similar treatises of Greek, medieval, and early modern times, the same connection of politics and public finance is to be found; so that King Khety's production, long lost to the world, set a style which the logic of facts obliged later writers to follow. That the financial ideas of the Egyptian are subordinated to his treatment of the art of government and are

<sup>2</sup> On Khety's *Testament*, see Baikie, 1:228-233; Weigall, *Egypt*, 62-64.

not set forth in a systematic treatise on public finance in no way detracts from their interest or value even after the lapse of forty-three, or perhaps even fifty-seven, centuries.

§ 4. *Increasing Expenditures and Revenues.* Frontiers were only one of many royal cares. Dikes required constant attention, and canals were finally extended throughout all Egypt and even to the Red Sea. Herodotus relates that when the king whom he calls Sesostris returned from his foreign conquests, bringing with him many men from countries he had subdued, he set these prisoners at work building the temple of Hephaestus and digging canals throughout Egypt, so that what was once "a land for horses and carts" was able to dispense with such means of transport.<sup>3</sup> To this he adds that canals were needed anyway, because Egyptians who did not live along the Nile itself had been obliged to drink brackish water from wells when the river receded from its flood stage. Amenemhat III. distinguished himself by great engineering enterprises. In the Fayum, a great depression west of the Nile where the annual inundation from the river had created a body of water known as Lake Moeris, he constructed works which directed the inflow and controlled the outflow so that a vast storage basin was created which, during the three months when the Nile was lowest, discharged water that almost doubled the flow of the river between the reservoir and the sea. In addition he reclaimed 27,000 acres of land formerly submerged by the lake.

The public works of the Pharaohs, especially their pyramids, were long considered to have imposed enormous tasks upon the people of Egypt amounting to practical, if not actual, bondage for long periods of time. Modern historians now suggest that during the annual inundation there was a period of three months in which peasants could not work in the fields; so that the *corvées*, if enforced in that season, might have supplied at least subsistence to the workmen, and this without injury to Egyptian agriculture. Specifically it is now estimated that 100,000 men employed for three months each year could have completed the Great Pyramid in twenty years' time. Therefore, the calcula-

<sup>3</sup> Herodotus, 2:108.

tions of both Petrie and Weigall have led Baikie to suggest that "Khufu's gigantic scheme was not only a selfish attempt to secure immortality for himself, but incidentally proved to be the first unemployment relief scheme on record."<sup>4</sup>

In spite of royal domains, the *corvées*, and revenues from trade and mines, the kings required an increasingly diversified system of taxes. From earliest times a popular history tells us that in each village along the course of the river Nile there "lived a local chieftain who controlled the irrigation trenches of the district." To him "the peasants were obliged to carry every season a share of the grain and flax which they gathered from their fields; otherwise the supply of water for their crops would be stopped, and they would receive an unpleasant visit from the chieftain demanding another payment." These, Breasted writes, "were the earliest taxes." Thus the Egyptians must have learned rather early that taxes are more or less unpleasant things; while it may not have been so generally realized that, if they were not paid, the trenches could not be kept up and there would be no crops of grain and flax. As the royal power developed, revenues from the land became a regular reliance of the royal treasury; and these either varied with the annual produce or were levied in fixed amounts which did not change from year to year.

To the land revenues were added taxes upon other kinds of property such as cattle, asses, wine, oil, and textiles; and these were supplemented by taxes on fowlers, fishermen, ferry boats, and towboats. There was also a general tax on transfers of property, dating at least from the reign of Psammeticus and levied at the rate of 10 per cent, which naturally applied to transfers at death and therefore resulted in a death tax. A papyrus dating to 117 B.C. relates to an inheritance tax enforced by means of a public register, which a man of seventy sought to avoid, or at least diminish, by selling his property to his children.<sup>5</sup> Then there were a head, or poll, tax and a tax upon offices.<sup>6</sup> Adam Smith remarked that a special tax upon the

<sup>4</sup> Baikie, 1:122.

<sup>5</sup> Schanz, 1-2.

<sup>6</sup> Breasted, *Records*, 2:716, 718-745.

"emoluments of offices" is "always a very popular tax" because the persons "who enjoy public offices, especially the more lucrative, are in all countries the objects of general envy";<sup>7</sup> but in Egypt it was not a parliament influenced by popular feeling that levied taxes, but rather it was Pharaoh who was doing no more than excising a part of the emoluments of his servants. This tax was payable largely in gold, silver, cattle, and linen.<sup>8</sup>

§ 5. *Egyptian Administration.* In an administrative organization as large as that of the Pharaohs abuses were bound to develop, and the records reveal that officials at one period seized people's slaves and kept them at work for themselves. They also show soldiers stealing hides and plundering peasants, but disclose the orders given by Pharaoh's overseer that persons so despoiled shall not be held responsible for taxes on the hides stolen from them. It further appears that inspectors from the central treasury, who should have prevented such practices, connived with thievish tax-collectors and received a share of their plunder; also that officials sometimes took from the poor double the quantity of vegetables required for the lawful payment of taxes.<sup>9</sup> Whether this meant that central control was for a time relaxed or that it had failed to keep up with the growth of the administrative machine is not clear; such evils were notorious in the Orient and in the Roman world, and account for the ill repute in which publicans were held in the provinces of the Roman Empire. Exposure of these evils in Egypt brought decrees by which the severest penalties, such as cutting off the nose, were imposed upon guilty officials. There is no doubt that the kings or their viziers endeavored to provide

<sup>7</sup> Smith, 2:351.

<sup>8</sup> A passage in Breasted's *Records*, 2: par. 706, has been supposed to point to the existence of an income tax in Egypt. The sentence does refer to him "who levies all taxes of the income"; but I am informed by Mr. William F. Edgerton, of the Oriental Institute of the University of Chicago, that the passage "is imperfectly preserved and of doubtful meaning." According to this authority, it might have been translated "all taxes consisting of income," so that the whole thing might be rendered: "It is he who levies all taxes consisting of income (of) everyone who gives it (to) him." To this Mr. Edgerton adds that the word here rendered "income" not only "covers all the meanings of the English word but also means 'food,' 'bread,' and even 'fodder' for cattle." In other words, it probably means the yield of the land, or the produce.

<sup>9</sup> Breasted, *Records*, 4:55-59.



an orderly administration of the finances; but the evidence indicates that they were not always successful, and shows that in remote antiquity the extensive power entrusted to tax-gatherers readily lent itself to abuse.

That the government should be well ordered and taxes should be administered efficiently, a census was instituted early in the history of the Old Kingdom, which is of great interest not only as the first census of which we have knowledge but also as a possible model for the Greeks and Romans. Periodically all the inhabitants of Egypt were numbered, and for a considerable time enumeration was made every other year. Every head of a family was enrolled with all members of his household, including slaves; also the amount of his property was entered by the royal clerks for the better administration of taxes. In towns and in the temples workers employed by priests and magistrates were recorded; and, of course, artisans and tradesmen were included. Many census records have been discovered by modern historians; and it is clear that they not only served the purpose of determining the population of the country and providing data necessary for the orderly levy of taxes but also revealed the personal relations existing in the kingdom, recorded obligations resting upon the king's subjects, and provided a basis for regulating military service. In other words, Egypt had its Domesday Book which must have served about all the purposes of the *Great Inquisition and Survey* of William the Conqueror.

As taxation developed in Egypt, the temples as well as some royal favorites long enjoyed complete exemption. This resulted in a situation similar to that which obtained in Europe when the clergy and nobles were exempt from royal taxation. By endowment, by traffic, and otherwise, the temples acquired great wealth so that in the time of Rameses III. they owned 107,000 slaves which probably meant about one out of every fifty inhabitants of Egypt. They had also three quarters of a million acres of land, or about one seventh of the area fit for cultivation. Besides this, they owned half a million head of cattle, 88 ships, 153 workshops or shipyards, and 169 towns in Egypt, Syria, and Kush. Moreover, these properties had not

been allotted equally among the different gods, since too many of them had fallen to the priests of Amon, whose claims on the royal treasury "far exceeded those of all other temples put together." Such conditions seldom, or never, last indefinitely; and finally King Amasis, in order to support a mercenary army and fleet, was obliged to levy upon the accumulations of the priests. During the Persian invasions the property of the temples was further reduced, and under the Ptolemies it finally was made subject to taxation.

Herodotus tells an interesting story, part of which, at least, is much more likely to be fact than fiction. He states that when the king apportioned the land among the Egyptians he gave the people square lots of the same size, and imposed thereon an annual tax. The equality of the distribution we may doubt, but the tax was a fact; and probably we should accept the further statement that, whenever the river carried off part of anyone's land, the taxpayer could give notice of his mishap and thus secure a new measurement by which "the remainder should pay the established tax in an amount rightly determined."<sup>10</sup> Enough intelligence seems to have entered into the financial administration of the Pharaohs to make it reasonable to believe that taxes were not levied upon land that had been engulfed by the Nile. The statement has been made, though not by any competent authority, that Herodotus declared that "taxation should be according to ability." Careful examination of the indices of various editions has failed to reveal any passage, except the one just quoted, relating to any such subject as a rule in taxation; and in this case the rule was simply that people should not be taxed for land that no longer existed.

§ 6. *Feudalism in Egypt.* The Old Kingdom founded by Menes (3400 B.C.) prospered for something like a thousand years, and then a decline of the royal power brought a political upheaval which lasted until the Middle Kingdom arose in the South, its capital being at Thebes instead of Memphis. During the transition, chaotic conditions prevailed for a time when,

<sup>10</sup> Herodotus, 2:109.

as an old document puts it, "a few lawless men . . . have attempted to rid the land of its monarchy," when the "poor of the land have become rich and the possessor of property has become one who has nothing." The king "has been turned out by poor men" and the "storehouse of the king is the common property of everyone."<sup>11</sup> The author seems to look forward prophetically to help from a divine savior; but "salvation" presently came from the kings in the South, who established the supremacy of Thebes. The new rulers, however, could not reestablish the highly centralized government of the Old Kingdom; and landed proprietors grew in power, with the result that a period of feudalism ensued. Internal conflicts, therefore, continued and the country fell prey to foreign invaders, the Hyksos. Then, after 1580 B.C., strong kings of the eighteenth dynasty reestablished the royal power and Egypt became again the personal estate of the Pharaohs. Naturally the new kings had a strong army, developed in their campaigns against the invaders; and Egypt, now a military state, embarked upon successful wars of conquest in Asia, which resulted in an Egyptian empire.

§ 7. *Restoration of Monarchy and Development of Empire.* Thothmes III. in the first half of the fifteenth century B.C., by continued conquests, made the empire the greatest power that had yet developed in the world. He followed closely all details of government and administration, and tribute began to pour in from foreign lands; also Egyptian trade grew and the country's wealth increased. Every Pharaoh had believed that one of his first duties was to adorn his cities and build splendid palaces and temples, and these things the great conqueror proceeded to do. Yet he did not relax his vigilance in matters of state, and left his empire in such condition that his two immediate successors were able to maintain it in spite of revolts in the Asiatic provinces as well as disturbances in Nubia.<sup>12</sup>

Then came Amenhotep III., "The Golden Emperor," whom

<sup>11</sup> Weigall, 1:283-284.

<sup>12</sup> Baikie, 2:92-171.

Baikie describes as "a glittering figure whose magnificence almost blinds one to the actual facts which are beneath the gorgeous appearance," one of those magnificent rulers who often appear "when the actual greatness which has given the opportunity for their development has really almost worked itself out, and when the path which has hitherto led up to the summit of achievement now passes it, and begins to slope downwards towards the setting sun."<sup>13</sup> For thirty-six years he reigned with a magnificence never equaled, either by his predecessors or his successors. His great forbears had made Egypt so feared that he enjoyed peace save for a single revolt which was quickly put down. He was free therefore to erect still more splendid buildings and a new and more magnificent palace with an artificial lake a mile long. Around him he drew great architects, sculptors, and craftsmen, men of undoubted genius which they devoted to beautifying Egypt and assisting the king to spend money magnificently. Chief of these was Amenhotep, son of Hapu, of an ancient noble family, who became minister of public works. In an inscription on one of his statues at Karnak it is recorded that as "chief of all works" he established the name of the king forever, "and did not imitate that which had been done before." With such aid the Golden Emperor wrought wonders at Luxor and Karnak, where, as one of his inscriptions narrates, there were steles of lapis lazuli, doors of electrum, a pavement of silver, and doors all wrought with gold; while other costly materials were lavished in the greatest profusion. A large mortuary temple was another imperial necessity, and this was "an eternal, everlasting fortress of fine white sandstone wrought with gold throughout," with floor "adorned with silver" and "all its portals of electrum." Naturally, this meant a new era in Egyptian art, and in the entire world there was then nothing to compare with the superb creations of imperial Egypt.

It is especially worthy of notice that the public works of this emperor were not confined to his capital and the neighboring regions; and that, as Baikie puts it, architects were hard at

<sup>13</sup> On Amenhotep III., see Baikie, 2:172-226; and Weigall, *Egypt*, 138-147.

work "all over the country," even in far-off provincial towns in Nubia.<sup>14</sup> This has usually been the way of great public spenders when they command the services of such a master builder as Amenhotep, son of Hapu. Give architects and engineers free access to the public treasury, and "no pent-up Utica contracts their powers" but "the whole boundless continent is theirs"; in other words, public money is poured out "all over the country."<sup>15</sup>

It is not surprising to read that, under Amenhotep III., trade flourished greatly; with so much public spending it could hardly have done otherwise, nor is it strange that private expenditures also became large. The houses of the great were adorned as never before, and all their appointments were increasingly expensive. Costumes became more elaborate; garments of the finest texture, interwoven with gold and richly embroidered, became the common wear of the nobles. Amusements were more pretentious and were provided on a grander scale, while "in the streets the nobles went by in gilded chariots drawn by pairs of horses with tossing ostrich plumes on their heads." In much later times it was to happen that an increase of private wealth and luxury presently reacted upon the scale of living which royalty had to maintain, but in Egypt at this time it is probable that the Golden Emperor set the pace.

§ 8. *Splendor Followed by Decline.* But Amenhotep III. was not a great soldier, and made but a single campaign, of no great magnitude, early in his reign. For a time he was fond of hunting, but later was more interested in his personal comfort and royal pleasures. One reason for this may be that he never had the physical endowment of his immediate predecessors and that his energy had begun to decline. Baikie seems justified in classifying him as "one of the type of kings who are content with things so long as their own personal comfort and enjoyment are not interfered with" and whose prayer is always: "Lord, grant peace in our time." This was the more serious since all was no

<sup>14</sup> Baikie, 2:200-201.

<sup>15</sup> Perhaps a precursor of Amenhotep, son of Hapu, may be found in Imhotep, the "guide, councillor, and architect" of King Zeser of the third dynasty. Baikie, 1:96.

longer well with the great empire built by Thothmes III. In the valley of the Nile prosperity and contentment still prevailed, but in the Asiatic provinces the Hittites and the Amorites were actively undermining the power of Egypt.

The remarkable clay tablets of Tell el-Amarna, found in 1887, have given modern scholars a very clear picture of what was going on. Like other Oriental potentates, Amenhotep was obliged to exchange presents with Asiatic kings and kinglets who always called themselves his brothers; just as, in the eighteenth century of our own era, a letter from one European monarch to another would be addressed to "*Monsieur mon frère*." <sup>16</sup> No doubt the Egyptian monarch was the big brother, *primus inter pares*, but his peers had come to be poor relations who made heavy and constant demands upon the Golden Emperor to whom parsimony would have been ill-becoming. At first, when gold was sent to Tushratta of Mitanni, that worthy, to quote his own letter, accepted it saying: "Who cares whether it be too little or not?" But later he writes: "So let my brother send to me gold in very great quantity, beyond reckoning, and let my brother send more gold than that which he sent to my father." This seemed a reasonable request, because in the country of the big brother "gold is as common as dust"; and he trusts that the gods may "so bring it about that, whereas now gold is so plentiful in the land of my brother, he may gain gold ten times more plentiful than at present." From Babylon another royal beggar sends in a request which Mr. Baikie rightly regards as one of the "gems of political wisdom" of that period. It runs: "As for the neighboring kings, consider this — if gold is there, then between kings there is brotherhood, good friendship, alliance, and happy relations." This naturally reminds our historian of Carlyle's picture of the statesmen of the little states of the German Reich "falling like dead men on the neck of the English ambassador, and murmuring, 'Subsidies! More subsidies!'" But other letters tell of disturbances that would have aroused any of the Golden Emperor's predecessors and would have speedily brought an Egyptian army into Syria.

<sup>16</sup> Baikie, 2:204.

Yet after Amenhotep's death, Ribbadi of Byblos wrote his unfortunate son: "Verily thy father did not march forth, nor did he inspect the provinces nor his feudatories."

§ 9. *End of the Empire.* To his son, Amenhotep IV., the Golden Emperor bequeathed a tradition of magnificent spending which had come to include large presents to the royal beggars in Asia where, nevertheless, revolt now impended. How far these were offset by the tribute received is not known; but, both at home and in the Asiatic provinces, Egypt faced financial problems. As Mr. Baikie well points out, the trouble with all these early empires was that, "one and all, they were trying to carry on too big a business on insufficient capital." Even Assyria, he observes, which had "most unquestionable assets in the shape of the essentially military character of her people," found herself "periodically out of funds"; so that "her periods of expansion are regularly followed by periods of exhaustion . . . until she had gathered sufficient energy for a new eruption"; while her final collapse "was due, quite simply and naturally," to the exhaustion which followed her final tremendous efforts.<sup>17</sup> No doubt Amenhotep III. had commanded great resources, but it is equally clear that his magnificent expenditures at home and in Asia had weakened his empire at a critical juncture in its history.

Amenhotep IV., in the judgment of competent historians, might have retrieved the situation readily enough had he been another Thothmes. But for a time the Asiatic provinces seemed tranquil; and it was easy for the new king to give his attention to the thing that most interested him, the introduction of a new religion monotheistic in character. This set up the sun, the source of life and energy, as a jealous god tolerating no others, the god of no one city or nation but the god of all nations, of all mankind. Such a faith was well adapted to the Egyptian Empire which had broken down old national frontiers and produced a world in which considerable freedom of movement had developed. Commercial intercourse was then protected by guards at frontiers, passports and safe-conducts were issued as

<sup>17</sup> Baikie, 2:124.

part of the ordinary duty of departments having to do with foreign affairs, and the property of a foreigner dying in Egypt was held safe for his wife and family until a messenger arrived from his native land to convey it back to his representatives. Under a ruler like Thothmes III., such a religion might have been a useful support for a great empire; but the young king conceived of Aten, the new god, as a god of "universal love and beneficence," and so he dreamed of a universal reign of love and mercy, which seemed inconsistent with war even against revolting provinces.

Moreover, the yellow metal was probably becoming scarcer than it had been in the time of the Golden Emperor. Tribute from the Asiatic provinces could hardly have been as plentiful, and the expenditures of the late king had not been of a sort that tended to increase the productive resources of the kingdom. Moreover, Amenhotep IV., who presently changed his name to Akhenaten, even if he had desired to economize in domestic expenditures, found himself impelled to new outlays. Thebes, his capital, was the stronghold of the old religion, and there lived the priests of Amon whose authority had been repudiated, whose revenues had been confiscated. As frequently happened in antiquity and has not been unknown in modern times, the new ruler determined to build another capital, in this case a city surrounded "on every side by a sacred domain, into which nothing common or unclean should ever enter," as a center for the new faith.<sup>18</sup> The new city was, of course, on the bank of the Nile, about 190 miles south of the present Cairo; and it must not only be built magnificently but must contain temples fit to be the center of a new religion that was not for one nation but for all mankind. Therefore, a financial condition developed which presently called for curtailment of expenditures somewhere.

Of course the royal beggars in Asia continued importunate. One writes to suggest that "as thy father and I were accustomed to request mutual presents, so now also will you and I be good friends mutually." And from Babylon came the impatient in-

<sup>18</sup> Baikie, 2:264.



quiry: "Why did you send me only two minas of gold? Now my work upon the temple which I have undertaken is exceeding great, therefore, send me a great deal of gold." Still worse was the plight of the Assyrian king who, being engaged in building a palace, requests "as much gold as is needed for its construction" and complains that another potentate no better than himself had once received twenty talents from Egypt, while "you have only sent me a little gold." Saddest of all is the complaint from Babylon that a princess had been carried to Egypt as a wife "with only five chariots," a disgracefully cheap retinue certain to invite invidious comment and to lower the esteem in which the bride's father was held. As Mr. Baikie puts it, "the charge that the greedy dynasts all bring against Akhenaten is that he is stingy."<sup>19</sup> But what else could have been expected from the new king? Was he not the successor of the Golden Emperor, and does not history give repeated illustrations of the fact that a magnificent spender bequeaths to his successor a legacy of trouble which often brings consequences much worse than complaints of stinginess?

With Akhenaten it was now not merely a question of frontiers, which Khety's *Testament* had bidden his son to "strengthen," but of the provinces within the boundaries of the Egyptian Empire. Yet he remained deaf to the appeals of such vassals as remained faithful, ignoring, for example, the entreaty that he should not forsake a city so valuable as Byblos in which "there is a very great quantity of silver and gold," while "in the temples of its gods there is a great mass of property of all sorts."<sup>20</sup> Syria passed first to Aziru the Amorite who held it only for a time until Shubbiluliuma, king of the Hittites, marched into Syria and took possession, exacting the payment of heavy tribute. Akhenaten now faced a formidable enemy in the north, but he preferred to lose his provinces rather than depart from the principles of his new religion of universal love. For him war was out of the question and, therefore, the empire's power in Asia collapsed; thereby discrediting Akhenaten's new

<sup>19</sup> Baikie, 2:286. For other references see 234-235, and 287-288.

<sup>20</sup> Baikie, 2:302.

faith which, as Mr. Baikie remarks, "stood condemned by its fruits."<sup>21</sup>

But more was involved than his new religion of universal peace and love, for which he had built a world center at his new capital, the "City of the Horizon." The disasters caused by disregard of warnings that the whole land of Asia "is going to ruin" and that if "no troops come this year, all the lands of the king . . . will be lost," meant that the tribute from the northern provinces disappeared. The great empire built by Thothmes III. really needed prudent management, but it fell into the hands of the Golden Emperor whose magnificence spelled financial disaster. After him came Akhenaten who economized in the item of presents to his brothers in the north but awakened from his "brief dream of a world of universal peace and love" to find himself "in a world where there seemed no place for him or his ideals."<sup>22</sup> He faced also many dispossessed priests of Amon who could point to the disasters which the new faith had brought upon the empire and were able to reestablish their old religion after Akhenaten's death, which was not long deferred and probably came before he reached the age of thirty. The combination of a weak ruler, a religion of high ideals for which the world was not ready, and unsound finance wrought the ruin of a great empire. As usual the financial factor operated in combination with others, and in this case it was probably not the most important; but governing an empire had proved too large a task for the Egyptian monarchy, and the final disaster was certainly due in very large measure to allowing magnificent expenditures at home to interfere with the defense of the distant provinces.

§ 10. *The Later Monarchy.* Since the Egyptians were never a warlike people like the Assyrians, the fall of the empire may have been a blessing in disguise. The later Egyptian monarchy, in spite of varying fortunes which need not be considered here,<sup>23</sup> endured for more than eight centuries, a very respectable

<sup>21</sup> Baikie, 2:314.

<sup>22</sup> Baikie, 2:314.

<sup>23</sup> In the seventh century B.C. Esarhaddon of Assyria invaded Egypt and organized it into twenty provinces under viceroys. Also in the Sudan the Ethi-

period of time. Then in 525 B.C. the second Persian king defeated the last Egyptian at the battle of Pelusium and added Egypt to the great empire which Cyrus the Great had founded. Meanwhile Egypt had developed further the arts of peace; and her artistic and industrial products had become famous throughout the world, so much so that the great Athenian rhetorician, Isocrates, in his discourse concerning Busiris, the reputed founder of an Egyptian city, remarks that in Egypt division of occupations was strictly carried out, with the result that workmen reached such perfection in their crafts that they excelled craftsmen of other countries even more than such craftsmen exceeded common workmen.<sup>24</sup> Thus monarchy not only had brought to Egypt long periods of fairly good government, better indeed than other ancient kingdoms and empires enjoyed, with a single exception, but had made that country famous as the mother of the arts and, in many things, the teacher of the later civilizations that arose in Mediterranean lands.

§ 11. *Egyptian Bureaucracy.* Besides the king and his nobles there had to be, as the country grew, a large class of officials; and we cannot doubt that, in conformity with Herbert Spencer's principle that "increase of mass is habitually accompanied by increase of structure," these functionaries came to constitute a bureaucracy which had most, if not all, of the qualities which that word suggests today. This means a well-articulated organization under the control of a ruler who, even though he may be an absolute monarch, as in Egypt, is served by officials who sometimes, as Vilfredo Pareto puts it, "nod their heads but may not obey." There was sometimes actual disobedience and misconduct for which the king's servants were severely punished; but royal functionaries must have accepted orders and

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opians invaded and ravaged Egypt. But after 653 Psammetichus I., one of the viceroys, established his independence of Assyria and made himself the sole ruler of Egypt; while at the end of the century Necho joined in a general attack upon Assyria. For a short time he held Palestine and Syria, thus regaining some of the lost provinces; but his dream of empire was ended when Nebuchadnezzar defeated him at Carchemish.

<sup>24</sup> *Busiris*, 16-17.

then sometimes complied with them in form rather than fact, as is the way of bureaucracies. In fact, we have most interesting and conclusive evidence that Egyptian bureaucracy in various ways set the style for those which came after it.

It appears on the whole to have been more efficient than many others because, in spite of vicissitudes due to the varying character of kings and changing relations with neighbors, it gave Egypt better government than fell to the lot of most ancient kingdoms and empires as well as to many modern ones. It could keep systematic records in royal archives which, at one time at least, included clear and detailed reports of the seventeen campaigns of the great Thothmes III.,<sup>25</sup> these records being placed inside the walls of the corridor surrounding the holy of holies of the great temple of Amon. Then it was very formal in procedure, as is shown by elaborate arrangements for the vizier's daily routine which included a conference with the king and daily reports of the chief treasurer and other leading officials, the first of whom received a report from the vizier. For a formal sitting in his hall the vizier occupied a particular kind of chair with rug on the floor, dais before him, and various kinds of paraphernalia including a baton in his hand. The master of the privy chamber was to be on his right, the receiver of income on his left, with scribes at either hand. The magnates of the district were to stand "in the two aisles before him"; and then, "with each man at his proper place," the vizier proceeded to hear one applicant or complainant after another, "without allowing one who is behind to be heard before one who is in front." The vizier, also, must "go in to Pharaoh, before the chief treasurer," to present a daily report, "proceeding from the gate of the great double façade."<sup>26</sup>

Not only were there many forms to be observed, but there were many titles which were highly prized by the holders and useful in settling questions of precedence both at court and in the offices of an organization as large as the Egyptian bureaucracy. To this conclusive testimony is given by an interesting

<sup>25</sup> Breasted, *Records*, 2:163-217.

<sup>26</sup> Breasted, *Records*, 2:273-274.

inscription of Thutiy, a royal servant of Queen Hatshepsut, who was "overseer of the double gold- and silver-houses," and in this capacity was in charge of many great construction enterprises.<sup>27</sup> In addition to the title just mentioned, this favorite of heaven and the Pharaohs had fourteen others, of which the first seven, taken in order and reproduced in line rather than column, were as follows: "Hereditary prince, count, chief of prophets in Hermopolis, Thutiy; Hereditary prince, count, sealing the treasures in the king's-house, Thutiy; Hereditary prince, count, who gives instruction to the craftsmen how to work, Thutiy; Hereditary prince, count, who reveals (to) him who is skilled in work, Thutiy; (Hereditary prince, count), — — who gives regulations, Thutiy; (Hereditary prince, count), — — the head in indolence, Thutiy; Hereditary prince, count, (vigilant when) commissions are commanded him, Thutiy." Our betitled Thutiy, like most of his predecessors and successors, in Egypt and elsewhere, had no mean opinion of himself and his achievements; nor was he hesitant in recording his virtues. Thus "no deceitful utterance" came from his mouth, and he was "vigilant," with a heart that "was excellent for my lord"; so that he hoped to "rest in the highland of the blessed who are in the necropolis."

Equally eulogistic is the biography<sup>28</sup> which, since it is written in the first person singular, we may regard as an autobiography, written by or at the direction of bureaucrat Nebwawi, an official who had a long career which began early in the reign of Thothmes III. and entitled him to inscriptions on a number of monuments. He records, or causes it to be recorded, that he "conducted many works" of "silver, gold, lapis lazuli, malachite, and every splendid costly stone" — all under his seal because of his known excellence. He administered the affairs of his lord and "attained reverence under the favor of the king's presence." Also he "was summoned to his house of gold," and his "place was made among his princes," while he was "anointed with the best ointment," with "a wreath" at his throat, "as the king

<sup>27</sup> Breasted, *Records*, 2:153-158.

<sup>28</sup> Breasted, *Records*, 2:72-75.

does to him whom he has favored." Thus Nebwawi not only records his eminence, but testifies most persuasively to the magnificence, the formalism, and the strict order of precedence, which marked Egyptian monarchy, in the time of the greatest of its warrior kings.

The records we now possess give abundant evidence that Egyptian bureaucrats made real efforts to judge fairly, to tax fairly, and to govern fairly the people over whom they had jurisdiction. In respect of taxation this is very clear, and very striking as well, since from the time of the Assyrians onward the general rule was that the "yoke" of both kingdoms and empires was heavy and often destructive. Of course there were abuses, since, except under the very best procedure and regulation, tax-gatherers have opportunities which are peculiarly tempting.<sup>29</sup> In Egypt, when the power of the central government declined, local officials quickly got out of control; and at other times irresponsible soldiers caused trouble, and individual fiscal officers were greedy and extortionate. Indeed at times Egyptian administration was decidedly open to bribery and other sorts of corruption, but we have no evidence that taxation was generally destructive and was therefore a contributing factor to the financial crisis which preceded the loss of the Asiatic provinces.

§ 12. *Bureaucrats and the Army.* Every large organization must contend with the conflicting ambitions, interests, and opinions of its members; and in a great bureaucracy this means conflicts between bureau chiefs as well as between division heads in the same bureau. How far this was true of the Egyptian bureaucracy we do not know, but we have one striking and conclusive bit of evidence which is especially worth recording because it deals with the encroachment of civil functionaries upon the control of the army.<sup>30</sup> One Uni, an obscure official connected with the king's domains, was made a judge and in that position ranked with courtiers and received income as in-

<sup>29</sup> Interesting evidence of fiscal abuses and of efforts to correct them can be found in Breasted, *Records*, 3:22-25, 27-29, 31-32.

<sup>30</sup> Breasted, *Records*, 1:140-144.

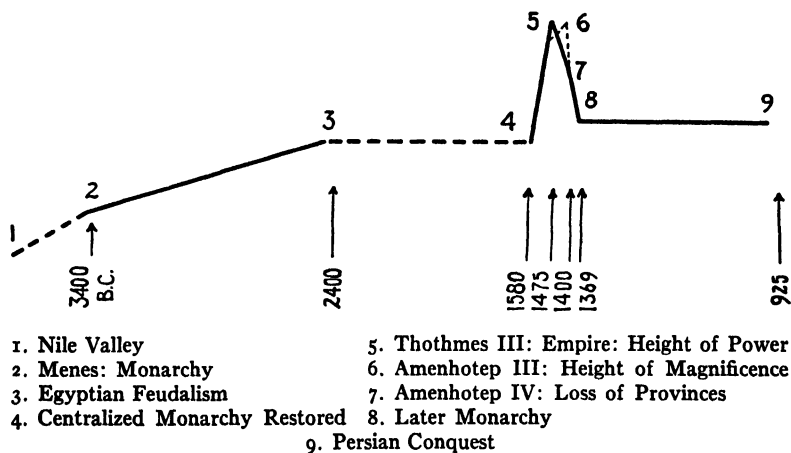
ferior prophet of a temple. In time he gained the confidence of higher officials, received a present from the king, and was then advanced to a position as superior custodian of the domains. He was then entrusted with judicial duties of a peculiarly delicate character and was convinced, as his inscription records, that "the king loved me more than any official of his." Finally, war had to be declared against the Bedouins, and the custodian, prophet, and judge was placed in command of "an army of many ten thousands."

Thus he found himself, as he records, "at the head of this army while the counts, while the wearers of the royal seal, while the sole companions of the palace, while the nomarchs and commanders of strongholds belonging to the South and Northland; the companions, the caravan-conductors, the superior prophets belonging to the South and the Northland, the overseers of the crown-possessions," were merely at the head of troops of their cities, fortresses, and districts, while the great Uni "was the one who made for them the plan," and his office was only "that of superior custodian of the domain of Pharaoh." To this he adds that his army returned in safety after "it had hacked up the land" of the Bedouins, had "overturned its strongholds," had "cut down its figs and its vines," and had slain the enemy "in many ten thousands." Also he brought with him "a great multitude as living captives," and he boasts that "not one" of his men "took bread from any city," plundered "sandals from the wayfarers," or "took any goat from any people" — a marvellous achievement, if true. That nothing should be omitted, the inscription then records: "His majesty praised me on account of it above everything," and sent the victorious superior custodian on several other expeditions against the Bedouins, "at each of their rebellions," a boast which either testifies to the prowess of the Bedouins or raises uncomfortable doubts about Uni's efficiency as pacifier of the "Sand-dwellers." Moreover, on another occasion he led an army "in troop-ships" into southern Palestine to quell a revolt, and smote the trouble-makers with such power that "all and every revolter among them was slain." Thus this civil servant,

like other Egyptian bureaucrats, missed nothing and claimed everything when he wrote of his achievements, evincing a modesty and self-complacency which has been found in other bureaucrats in sundry times and places.

§ 13. *Graphic Summary of Egyptian Political and Financial History.* This general account of Egyptian politics and finance is designed as an introduction to a survey of the experience of other important ancient countries. It has dealt with a number of comparatively simple but very important realities which seem to be well established by modern research and make it clear that no single factor, or set of factors, was the sole determinant of the rise and then the decline of ancient Egypt. So far as the relation of politics and finance is concerned, the principal results which we have reached can be conveniently summarized in graphic form, as in the following chart:

GRAPHIC SUMMARY OF EGYPTIAN POLITICAL AND FINANCIAL HISTORY



This record sets forth a certain sequence of historical events beginning with the settlement of the fertile Nile Valley and ending with the Persian conquest. The rise of early monarchy, the disturbed feudal period, the rise of a great empire, first to the height of power and then a little later to the height of magnificence, the loss of the provinces, and the fate of the later monarchy, are here graphically set forth. The most important



thing for our present purpose is that the height of power (No. 5) was soon followed by the height of magnificence (No. 6), and then by the loss of the provinces (No. 7). This sequence of events is here established for only a single country, and final interpretation of it should be reserved until the record of later countries has been examined. The author has made it clear that he believes that magnificent spending had something to do with the decline of the empire, and yet that it was only one of a number of factors contributing to that result. But at this point we are not now concerned with matters of opinion, but merely with a definite sequence of historical events in ancient Egypt. With this sequence established for a single country, we now pass to a survey of the political and financial experience of others.

## CHAPTER II

### FOUR ORIENTAL KINGDOMS AND EMPIRES

§ 14. *Early Babylonia and Assyria.* We know almost nothing of the finances of the ancient Babylonian kingdom which developed in the fertile valleys of the Tigris and Euphrates Rivers. Around the small town of Babylon able rulers built up a government which not only raised Babylonia to the position of a great power, but improved and enriched it, and enabled it to develop a civilization which contributed greatly to those which came after it. We know of the great lawgiver Hammurabi (2100 B.C.) and of his wonderful code of law. We know also that he levied taxes, because delinquent tax-collectors were sternly called to account; but we do not know whether financial difficulties contributed in any degree whatever to the decline of the first of the Oriental monarchies.

But to the northwest, in a region largely colonized from Babylon and long a Babylonian dependency, there grew up the Assyrian monarchy with its capital at Nineveh on the Tigris River, concerning which we have sufficient knowledge to justify certain conclusions about the relations of Assyrian politics and finance.<sup>1</sup> The first kings of Assyria were warlike plunderers and their people were remarkable soldiers who conducted wars with the greatest cruelty. Distinguished for military prowess more than for skill in government, the Assyrian kings extended their rule over great territories from the country of the Medes to the western part of Asia Minor, and from Egypt to the mountains of Armenia. But Assyrian rulers were so destructive in conquest, rapacious in imposing tribute on conquered peoples, ruthless in punishing revolts, and incapable of developing or even conserving the existing resources of their vast

<sup>1</sup> On the earlier and later Babylonian and Assyrian Empires I have followed chiefly Meyer, vol. 1: pt. 2, and vol. 3; the *Cambridge Anc. Hist.*, 1:479-521, 3:1-131; Rogers, King, and Sayce. A useful general account, which has an introduction by Mr. Sayce, is Souttar, 75-142. To these I should add a reference to the striking passage quoted in the previous chapter from Baikie (2:124).

domains, that finally their power declined, perhaps because frequent bursts of tremendous military activity so far exhausted their country that there was need of a long period of recuperation and recovery. By the middle of the eighth century B.C. the fortunes of Assyria had reached such a low ebb that it was no longer a real empire. To this result nothing contributed more than the devastating Assyrian raids to which modern writers sometimes apply the appropriate Arab word — *razzias*.

§ 15. *The Second Assyrian Empire.* Tiglath-Pileser II. (745 B.C.) then built up a Second Assyrian Empire which differed from the First because its ruler was an organizer as well as soldier and was able to unite and consolidate his dominions. Thereafter military campaigns were not mere raids for the purpose of plunder, but resulted in permanent conquests which were stubbornly preserved. No longer a collection of tribes, peoples, and city states, Assyria was divided into administrative districts, each having a governor with officers and servants. Above was a central authority with army and bureaucracy capable of making the imperial authority effective. Moreover, the Second Empire developed a commercial character and was conducted with a view to drawing the trade of western Asia into Assyrian hands. At the same time the Assyrians retained, and even increased, their military power through more effective organization, improvement in the machinery of offense, further development of the art of fortification, and provision of a superior intelligence system.

With better government, which fostered commerce and improved means of communication, other revenues undoubtedly developed; but tribute was always an important and probably the chief reliance. The emperor's "natural subjects" in the original lands of the Assyrians formed a class by themselves; tributary peoples formed a second class which paid a fixed yearly tribute; a third class was composed of subject peoples who were ruled by king's officials from the palaces of their former princes, and, besides paying tribute, were subject to forced labor, the *corvée*; while a fourth class was made up of cities ruled absolutely by a governor who was responsible for

a substantial or even a large circumjacent territory. Yet whatever improvements may have been made, there is no doubt that Assyrian emperors continued to be hard taskmasters. Early in the twelfth century Tiglath-Pileser I. had caused to be made a cylinder upon which were recorded the great accomplishments of the first five years of his reign. Among other things he describes some of his conquests of which he boasts: "I carried away their possessions, I burned their cities with fire, I demanded from their hostages tribute and contributions, I laid on them the heavy yoke of my rule." Nothing that we know about Sargon (722-705 B.C.) or Sennacherib (705-681 B.C.) indicates that they were less ruthless in conquest, savage in punishment of revolts, or rapacious in the demands they made upon their subjects; while it happens that even the milder Esarhaddon recorded that he had "laid the heavy yoke" of his rule even over certain cities which had not, like others, offended by taking part in a rebellion he had quelled. We therefore have unquestionable evidence that Assyrian taxation was oppressive even upon subjects who were well disposed; while we know that constant revolts against the hated Assyrian yoke not only made the cost of collecting tribute heavy, but were followed by punishment that devastated provinces and impaired or destroyed future sources of revenue for a generation or more to come. Such methods of finance have always contributed to the downfall of kingdoms and empires, and we cannot doubt that they had the same effect in Assyria.

Just when the Second Empire reached the height of its power is a question about which opinions may differ, but the evidence available today points to the reign of Esarhaddon (681-668 B.C.) as the probable time. He held firmly most of the territory he inherited, suppressed a dangerous revolt in Babylonia, reconquered certain provinces his predecessors had lost, and finally extended his empire toward the southwest by conquering ancient Egypt. Moreover, he appears to have been not only a soldier but a statesman of much political sagacity, milder and more humane than other Assyrian emperors, who brought not only force but power of conciliation to bear upon the prob-

lem of consolidating the huge and diversified domains over which he ruled.

Meanwhile, the rulers of Assyria had begun to improve their country, devoting some part of their resources to various public works and to the construction of splendid temples and palaces, so that their financial requirements necessarily increased. Egypt long before had set the example of improvement and magnificent spending, and this lead had been followed by the kings of early Babylon. The inscription on the cylinder of Tiglath-Pileser I. records his achievements as a builder of palaces and temples, and his activity the rulers of the Second Empire evidently continued. There seems to be general agreement that Esarhaddon's son and successor Assurbanipal (668–626 B.C.) was the most magnificent of the Assyrian spenders. He has come down to us as a tremendous builder of temples and palaces, and a munificent patron of literature and the fine arts. He collected a library to which modern archaeology is indebted for tablets that have thrown much light upon the history of the ancient Orient. With all this encouragement, art and letters reached new and higher levels of excellence, so that the peak of Assyrian art and literature was attained in the reign following that of the emperor who raised Assyria to the height of its power.

But the extravagant, luxurious, and artistic Assurbanipal had inherited problems which even his father had not been able to solve, perhaps because his attention and energy were directed elsewhere, as toward the conquest and organization of ancient Egypt. In the north and northwest new invaders appeared with whom Esarhaddon managed to deal, but back of them came wave after wave of Scythians who finally overwhelmed two Assyrian provinces and even occupied other territory. Fortified posts protected the older Assyrian domain, but outlying northern territories, never more than partially conquered, presented a problem with which even the great Esarhaddon had been unable to cope. Perhaps even the Assyrian army at its best could not have repelled these new enemies who came in hordes resembling the northern invaders who in later

times broke into and took over large parts of the Roman Empire. But unless the loss of certain provinces and the tribute which they had paid was to be accepted as permanent, all the energy and resources of the Assyrian Empire should have been devoted to restoration, fortification, and subsequent defense of the northern frontiers; while luxurious expenditures should have been suspended until the empire had been placed in a complete state of defense. This was something that could not be expected from the artistic emperor who carried Assyria to its height of magnificence and literary achievement.

Assurbanipal was interested in collecting a great library and in building, rebuilding, and beautifying the temples, palaces, and monuments of his empire; archaeologists tell us that no other reign left inscriptions "so beautifully written as his." To this remark, however, Rogers adds that these records show so much attention to form that sometimes the sense is obscure, with the result that they are inferior to the plainer records that have come down from earlier times. During the first part of his reign Assurbanipal made war incessantly and showed himself a typical Assyrian plunderer, notably in his subjugation of Elam, from which he brought home rich booty in enormous quantity. He also captured Tyre and made contact with the kingdom of Lydia. But his Egyptian campaigns were disastrous and he presently lost that ancient and valuable part of his dominions. When the viceroy of Babylon revolted, Assurbanipal was slow to act; but he finally took the city and pacified it ferociously in the usual Assyrian way. He sent an army into Arabia, but did nothing to fend off the Cimmerians who had come down from the north and begun to harass the frontier. He left ruined Elam without adequate government, so that it served as an open door to northern invaders; and, unlike Sargon and Sennacherib, he had neglected to build fortresses along the threatened northern frontier. In the end, without gaining new allies, he had, by his destructive and bloodthirsty raids into adjoining territory, increased the hatred which all peoples felt against the Assyrian. His cultivation of art and learning had not covered his natural Assyrian savagery and had tended to substitute

luxury and weakness for earlier strength and simplicity. When he died in 626 Assyria was still the leading power in western Asia; but its territory had shrunk, the dangers in the north were more threatening than ever, and the northern frontier, at least, was wide open to the invader. Even though the Assyrian trader was everywhere and wealth had increased, Assyrian power was declining; and to this result unwise policies of unnecessary expenditure and brutal and savage taxation had made their inevitable contribution.

It is not strange that Assurbanipal's son, who succeeded to his throne, left little record of his reign; or that the palace which he built at Calah has been found to be small, with low ceilings and wainscoting of rough slabs of stone, the whole showing evidence of hasty construction and contrasting strikingly with the great palaces of earlier kings. Then, after a period when the identity of the next king is involved in much doubt, there came to the throne one Sinsharishkun, who for some years remained at the head of a decadent empire, leaving a single broken cylinder which has preserved some of his titles and "some words of empty boasting" concerning his deeds. Great Assyria was obviously returning to the low level which the First Empire had reached in the middle of the eighth century B.C.

Meanwhile Nabopolassar, the Babylonian viceroy, had managed to make himself king of Babylon and to make an alliance with the Scythians who helped him defeat Sinsharishkun and drive him back to Nineveh. Cyaxares of Media was now ready to join in a combination against Assyria, and the Egyptians, although they came too late, were eager to join in the final attack. The power of the great Assyrian army had so far declined that Nineveh was presently besieged, but the capital was so strongly fortified that desperate resistance could be made and three assaults failed before the city was finally taken and destroyed. Exactly why the collapse of the Second Empire was so complete and comparatively rapid is, and probably always will be, involved in no little mystery. Constant war, including civil disturbances, had weakened Assyrian man power; and other things may have contributed to the same end. Northern

invaders descending upon inhabitants of fertile plains played a role similar to that which rugged men from forests or mountains were to play frequently in later times. But it is clear enough that exhaustion of material as well as human resources, owing to excessive expenditure and bad taxes, was an important contributing cause. It was not an accident that the magnificent Assurbanipal's son built such a small and unimposing palace, or that the northern frontiers were open and had not been fortified. About this there can be no mystery, even though the exact nature and importance of other contributing factors are not yet and perhaps never will be fully understood.<sup>2</sup>

§ 16. *The Second Babylonian Empire.* After Nabopolassar, the Assyrian viceroy at Babylon, established his independence, he proceeded to build the Second Babylonian Empire which was completed by his son, Nebuchadnezzar, who succeeded him in 604 B.C. and reigned some forty-two years. This emperor made himself the undisputed master of western Asia, including Palestine, a task which required about thirty-three years and in the end resulted in another more or less artificial empire of an almost wholly military character. From plunder and tribute, as well as from resources which increasing trade brought him, he acquired great wealth which raised him to a high pitch of power and renown. Part of his income he devoted to developing and strengthening the dominions over which he ruled, and another part went into splendid building enterprises in various centers of population or places of religious interest, as well as the beautification of the entire empire. Babylon, his capital, he rebuilt on a greater scale than the world had ever before known, making it a city twelve miles square with walls strengthened by two hundred and fifty towers and with apertures closed by sixty gates of bronze. Over the Euphrates River, which ran through the city, he threw a bridge of hewn stone adorned with suitable embankments and set off by a magnificent palace at either end. Besides this there were the great temple of Bel and the cele-

<sup>2</sup> On the decline of Assyrian man power, see *Cambridge Anc. Hist.*, 3:130-131. On the broken frontiers and failure to fortify, see Rogers, 2:281. On the Calah palace, see Rogers, 2:284.



brated hanging gardens built for the gratification of his queen, which seem to have been terraces covered with a luxuriant growth of trees and plants.

Babylon had now become a monumental capital renowned throughout the world, but over thirty years of incessant warfare and enormous expenditures for public works and magnificent improvements had made serious inroads upon even the great resources of Nebuchadnezzar. Toward the end of his reign his son-in-law, who held high military rank, received a letter which, in baked clay, has come down to us as a bit of historical evidence as eloquent as the remarkable Tell el-Amarna tablets. This was from an officer in charge of troops in or near Erech, and it disclosed the fact that his force was so depleted that unusual methods must be taken to fill its ranks. It also stated that he feared his true condition would become known to an enemy, one Gubaru, who may have been the governor of Gutium who later helped the Persians to take Babylon. This points clearly to a depleted treasury in the last days of the man who brought the great empire to the peak of its power and magnificence.<sup>3</sup>

Nebuchadnezzar was followed by his son who was unequal to his task and was assassinated by the priestly party in less than three years. After him came Neriglissar, son-in-law of the great emperor, who reigned less than four years and left his throne to an infant son whom the priests deposed in a few months in favor of Nabonidus, a man of priestly descent who understood and sympathized with hierarchical traditions. Unfortunately his interest in religious affairs led him to devote himself to rebuilding various temples rather than to affairs of state, so that he turned archaeologist rather than statesman. Some of his work, particularly the reconstruction of the Temple of the Sun at Sippar, was of a very extensive and expensive sort, revealing clearly the strength of the impulse to build and rebuild, which, received in direct succession from ancient Egypt, had now become a traditional part of an emperor's functions. Strictly regular as it may have been, such expenditure was a

<sup>3</sup> King, 280-281.

poor use of public money at a time when Cyrus and his Persians were on the march to ancient Babylon. In this case, finally, it is interesting to note that religious and, specifically, priestly influence was operative, just as it was interest in his new religion which led the unfortunate Akhenaten to ignore what was happening in his Asiatic provinces.

A clay cylinder left by Nabonidus boasts that all Mesopotamia and the territory as far west as Gaza on the border of Egypt still acknowledged him as ruler; but his authority was near its end, and in the government of his empire he had associated with him his son Belshazzar, to whom he turned over affairs of state while he devoted himself to restoration of temples and archaeological research connected therewith. Belshazzar appears to have had at least a moderate amount of administrative and military aptitude; and, as Cyrus drew near, he was with his army and active in measures of defense. Nebuchadnezzar had tried to make Babylon the strongest fortress in the world, and, had there been unity among the Babylonians, a stout resistance might have been made against the invaders. But in some manner Nabonidus had incurred the enmity of the priesthood, while he had outraged the feelings of Babylonians at large by removing to Babylon the "cult-images" of the gods which the people had been accustomed to worship in their local shrines.

Cyrus met and defeated the forces of Belshazzar at Upi; two days later he reached Babylon where the gates swung open to admit his vanguard without resistance. There native priests welcomed him as their deliverer; and the astute Persian restored the "cult-images" to the local shrines, thus securing popular favor and winning to his support the priesthood which seems to have become the most powerful single factor in Babylonian politics. In the final collapse of the Second Babylonian Empire there appears to be no mystery. A great ruler had created it by the sword, and had improved and beautified it; then, by his constant wars and lavish expenditures, he had reduced his finances to the point where the commander at Erech reports anxiety about the depleted condition of his forces. To

this financial factor there were added internal dissensions, especially those caused by the priestly party; and at the end we find an emperor who turns affairs of state over to his son in order that he may have time for archaeological studies and expensive reconstruction of temples.<sup>4</sup>

§ 17. *The Kingdom of the Hebrews.* The kingdom of the Hebrews was never strong enough to rival the great neighboring empires; but under David, the second king, it fought its way to independence, established a capital securely at Jerusalem, and considerably extended its boundaries. The first Book of Kings gives us what modern students have found to be a compilation made by pious editors from several previous accounts or histories of the Hebrew people. The particular chapters with which we are concerned are shown by the Hebrew text itself to be of very ancient origin, and may well go back to a date not long after the events recorded, a fact which increases greatly their historic value. The editor, or editors, could not refrain from adding to the original factual narrative a number of theological interpretations designed to show that good fortune attends a king who obeys the word of Jehovah, while evil befalls one who disobeys. If we eliminate such editorial emendations, as can be done with substantial accuracy by a critical reading of our English translations (and very accurately by reference to the Hebrew text), we are left with a remarkable story written by an ancient historian who had profound knowledge of politics and finance.<sup>5</sup> In natural and logical sequence he sets forth the significant events in the political and financial history of the Hebrew kingdom, with a result that must be accepted as substantially correct. Story-tellers may invent clever tales, but not such things as are recorded in the

<sup>4</sup> Rogers, 2:377.

<sup>5</sup> I have presented my interpretation of the old historian's narrative in my *Economic Essays*, 465-488. For information concerning the Hebrew text and numerous helpful criticisms I am greatly indebted to my colleague Professor H. A. Wolfson. I here disregard the history of Solomon's reign given in the second Book of Chronicles, which is a later production and for this as well as other reasons is of inferior historical value. It confirms on the whole the narrative given in Kings, but wholly lacks the insight of the earlier writer as well as his dramatic power.

fourth to the fourteenth chapters of First Kings, things which had to happen and to be understood in their true inwardness and in relation to other things before the narrative could be written; things so true to life that it is necessary to accept them, in all fundamentals, as historical facts, and utterly unreasonable to regard them as inventions.

For our purpose this record is especially valuable because it traces the rise of a kingdom to a position of temporary greatness and then portrays its subsequent decline as a result chiefly of unsound finance. While there may well have been other contributing factors, as is always the case, in this instance the chronicler makes it clear that unsound finance was the rock upon which the kingdom of the Hebrews was finally rent asunder. After recounting the difficulties which attended Solomon's accession to the throne of his father, the ancient writer describes the manner in which he got rid of his own and his father's enemies, and thus made his position secure, with skill which later won for him the praise of Machiavelli. Then follows an account of how carefully the young ruler organized his kingdom by placing in power men upon whom he could rely. The royal finances of course received attention, Adoniram being placed in charge of the *corvées*, while twelve officers were appointed to collect the supplies required "for the king and his household." The army also was provided for, and the chronicler records a prodigious number of chariots, horses, and horsemen, after which he states that "Judah and Israel dwelt safely, every man under his vine and his fig tree from Dan even to Beer-sheba all the days of Solomon."

With these necessities attended to and foreign relations improved by his marriage with the daughter of Pharaoh, King of Egypt, the next step, as might have been expected from an ambitious monarch, was the inauguration of an era of great improvements. In the first place came the wonderful temple which David had not been permitted to build but which his son now proceeded to construct in the most magnificent manner, as set forth in great detail. Seven years were required to complete the work, and it then appears that Solomon also built a magnifi-

cent palace which required thirteen years to complete. Such grand edifices called for equally expensive furnishings, and these were provided in lavish profusion, as the story relates. But we also read of a levy of 30,000 men, and then of "three score and ten thousand that bare burdens," as well as "four score thousand hewers in the mountains" and "three thousand three hundred which ruled over the people that wrought in the work."

Up to the time of Solomon the conquered Canaanites had been allowed almost the same rights as the Hebrews; but we now read that all who were left of them were made bond servants, a condition that continued down to the day the narrative was written. The Israelites themselves were not bond servants; but, nevertheless, they were no longer exempt from service and, as will presently appear, they began to be heavily taxed even though Solomon now had command of other resources. At the end of the twenty-year period required for the completion of the temple and palace, Solomon appears to have given to Hiram, King of Tyre, twenty cities in the land of Galilee, and to have received from his royal friend "six score talents of gold"; yet this did not sufficiently finance the program of improvement, because the very next verse (I. Kings, 9:15) proceeds with a list of expenditures which were "the reason of the levy which King Solomon raised." He was now at work upon the wall of Jerusalem, and building, rebuilding, or fortifying a number of cities, including those where he kept his chariots and horsemen.

Like his predecessors and contemporaries, Solomon now turned to trade and became one of the leading merchants of his time. He traded in horses "brought out of Egypt," which his merchants received "in droves, each drove at a price." Then he discovered a public need for a navy which, since his kingdom had no good harbors, he could get only by building his ships in Ezion-geber far away "on the shore of the Red Sea in the land of Edom." The fleet went to Ophir and returned with 420 talents of gold. To his own trading profits, whatever they may have been, he added a tax levied upon "the merchantmen, and of the traffic of the spice merchants," a form of impost

about as old as commerce itself. Moreover, his fame and power had grown so greatly that he began to receive tribute or presents from other countries; and the historian remarks that "Solomon exceeded all the kings of the earth in riches and in wisdom," his tribute taking the form of vessels of silver, vessels of gold, raiment, armor, spices, and mules. To this the ancient writer adds the significant words, "a rate year by year," which suggests strongly to the student of taxation that what may once have been freewill offerings were hardening into fixed annual exactions.

However much his revenue may have increased, Solomon's expenditures seem always to have kept pace with it. In addition to temples, palaces, and fortified cities, he was interested in trees and plants as well as in beasts, birds, creeping things, and fishes. Therefore we are not surprised to read that "cedars made he to be as the sycamore trees that are in the low land, for abundance." Since such trees had to be brought from Lebanon, they were expensive luxuries and testify to an interest either in silviculture or landscape architecture. Then his navy, besides gold and silver and ivory, brought him apes and peacocks. As for silver, "that he made to be in Jerusalem as stones," so that it was nothing accounted of in the days of Solomon. His drinking vessels were now of gold, and his great throne of ivory was overlaid by finest gold, being reached by six steps and surrounded by lions of which "there was not the like made in any kingdom." Here we find the Oriental potentate at the height of his power, improving his kingdom, adorning his temples and palaces, and spending money so magnificently as to make him reputed to exceed all contemporaries in the lavish display of wealth. Perhaps the climax was reached when he made "four hundred bucklers of beaten gold" each containing six hundred shekels of the yellow metal, and then "three hundred shields of beaten gold" each having the weight of three pounds; all of which went into one of the splendid buildings. At any rate, this particular piece of magnificence, as we shall see, had interesting consequences for his successor.

Meanwhile, as is the way with royal spendthrifts, all things

were no longer well with Solomon. His many wives had introduced the worship of their own gods and turned the king's heart away from the God of Israel. The pious editor who prepared the ancient narrative for inclusion in the Book of Kings represents that this offense brought down upon the king the judgment of Jehovah, that his kingdom would be rent asunder, although not in his time but in that of the son who was to follow him. Then an enemy appeared in Edom who wrought "mischief" which could hardly have been anything else than cutting Solomon off from his naval base at Ezion-geber. Moreover, in Syria another enemy arose who "abhorred Israel" and made himself master of Damascus; while Jeroboam, "a mighty man of valor" who had fallen under the king's displeasure, managed to escape to Egypt. There he bided his time until the death of Solomon. When at length the famous monarch, the most magnificent in his line, was gathered unto his fathers and buried in the city of David, the affairs of the Hebrew monarchy were not prospering; and a troublesome legacy fell to Rehoboam who succeeded to the throne.

In this case the old chronicler to whom we are indebted for this remarkable lesson in public finance makes very clear the connection between the magnificence of Solomon and the misfortunes that befell his son. When "all Israel went to Shechem" to make Rehoboam king, it came to pass that Jeroboam, who had returned from Egypt, was present as the leader of "the assembly of Israel." It is strictly accurate to say that what followed was a strike of taxpayers, because on this point the historian is perfectly definite. "Thy father," the assembly represented, "made our yoke grievous: now, therefore, make thou the grievous service of thy father and the heavy yoke which he put upon us lighter and we will serve thee." Here was a promise of continued loyalty as well as a demand for lighter taxes, and Rehoboam promised to consider the matter and told the people to return in three days. Then King Rehoboam "took counsel with the old men that had stood before Solomon, his father, while he yet lived, saying: 'What counsel give ye me to return answer to this people?'" Whatever advice they may have given

his father, they urged the son to be "a servant" to his people and "to speak good words to them," that they may be "thy servants forever." Then Rehoboam turned to "the young men that were grown up with him, that stood before him," saying: "What counsel give ye?" Some of the commentators think that Rehoboam's action in turning to the young men gives an impression of youth and may throw doubt on the subsequent statement that he was forty-one years of age when he began to reign; but probably the chronicler intends to contrast the old men "who had stood before Solomon" with the younger group "that were grown up" with Rehoboam, and to suggest that they were young not in years but in experience. It is fair to conceive of them as youths of forty making their first contact with public affairs, and even to conjecture that they might in various ways benefit from a continuation of the policy of extravagant expenditure and heavy taxation by their friend, the young ruler. Someone always does so benefit, and it is hard to conceive of any other group of Rehoboam's subjects who had more personal interest in lavish provision for "public" needs.

On the third day, when Jeroboam and the taxpayers returned, the king answered the people roughly, forsaking the advice of the old men and following that of his new advisers guided by that superior wisdom born of inexperience. In place of his father's heavy yoke, the taxpayers were informed that their new king would give them one still heavier; to which was added that, whereas his father had chastized them with whips, he would chastize them with scorpions. To this, the answer of the taxpayers was: "What portion have we in David? Neither have we inheritance in the son of Jesse: to your tents, O Israel. Now see to thine own house, O David." Thus "Israel departed unto their tents," and the kingdom was soon rent asunder.

Jeroboam, of course, became king of the ten tribes that revolted, and only Judah and Benjamin remained to Rehoboam. Some historians<sup>6</sup> have suggested that Solomon's heavy expenditures were mostly, although not wholly, made at his capital; so that the two tribes that remained with Rehoboam may have

<sup>6</sup> *E.g.*, Souttar, 233.



benefited thereby since they lived near Jerusalem, while the other ten had received but little return for what they had contributed. It is also thought that the tribes of Judah and Benjamin may have enjoyed certain exemptions from taxation, but this is far from certain. It is impossible, however, not to attach some significance to the fact that the tribes which revolted were those which from their geographical position would benefit least from the beautification of Jerusalem. Rehoboam's first thought was to resort to conciliation, but for this delicate work he tactfully selected Adoram, who "was over the men subject to task work"; with the result that the conciliator's mission came to an abrupt end when "all Israel stoned him to death with stones." Upon this, King Rehoboam "made speed to get him up to his chariot, to flee to Jerusalem"; and thus "Israel rebelled against the house of David unto this day."

Two further details complete this remarkable narrative. Rehoboam had lost the larger part of his kingdom, but he was still in possession of his splendid capital which David had conquered and Solomon had filled with magnificent things that made him famous for his wealth and wisdom. This looked interesting to Shishak, king of Egypt; and presently the Egyptian "came up against Jerusalem" and "took away the treasures of the house of Jehovah, and the treasures of the king's house." In particular, the story runs, "he took away all the shields of gold which Solomon had made." Rehoboam had inherited two liabilities: extravagant habits of expenditure and an incipient revolt of taxpayers; these rent his kingdom asunder. The remnant could not withstand Shishak the despoiler who returned to Egypt with most of the riches accumulated by Solomon.

To this the chronicler adds a final touch which no story-teller could have invented and can be nothing but a straightforward relation of historical fact. Rehoboam's inheritance had gone and he must have reduced his scale of living; yet, since he was a king, he must also consider appearances. The gold shields which Solomon had made for his palace had testified to his magnificence, but the bare spaces they once adorned now gave witness to the abasement of his son. Therefore, Rehoboam

"made in their stead shields of brass, and committed them to the hands of the captains of the guard, who kept the door of the king's house." Thereafter whenever the king went from his palace to the temple of Jehovah, traversing the most conspicuous place in his kingdom, "the guard bare them and brought them back into the guard chamber." This was perhaps the best solution. Although it involved additional expenditure which could ill be afforded, it nevertheless provided glittering substitutes which could be frequently displayed in the heart of the capital city; and the care taken that this should always be done, emphasized by the final remark that the shields were always brought back "into the guard chamber," is striking proof of the keen perception the Hebrew historian brought to his study of the rise and decline of the kingdom of Solomon. In recounting the number of the king's horses and chariots, the multitude of men "that bare burdens" or worked as "hewers in the mountains," and various other details, there may well have been a good deal of exaggeration; but there can be no doubt of the political sagacity and financial insight with which the old chronicler observed the financial rise and fall of the Hebrew monarchy. These things make it more reasonable to accept his narrative as substantially true than to set it down as an invention of a marvellous storyteller who was politically as wise as Machiavelli and in public finance so competent as to suggest Sully or Baron Louis.

§ 18. *Uniformities in the History of the Countries Surveyed.* Just as in Egypt the rise of a monarchy that developed into an empire brought the country to a certain height of wealth and power, which was presently followed by a period of greatest magnificence and artistic development, so we have found in the Second Assyrian and Babylonian Empires a similar sequence of events; while we have found that the loss of provinces and the decline or destruction of empire followed soon after the peak of magnificence was reached. In Egypt many centuries elapsed between the time of Menes and the Persian conquest. In the Second Assyrian Empire the entire process required only 140 years; while the Second Babylonian Empire ran its course in 87 years. In the kingdom of the Hebrews a similar series of

events, though not the rise and decline of an empire, is found to have obtained; and three lives, those of David, Solomon, and Rehoboam, were sufficient to complete the historical sequence. In the Second Babylonian Empire there was one departure from uniformity because the peak of power and that of magnificence were reached in the lifetime of a single rule, the great Nebuchadnezzar. Thus in certain important political and financial events Egyptian experience was repeated in the three later kingdoms, and these historical uniformities are clearly of such scientific interest that they cannot be dismissed as mere accidental occurrences. However, they are still uniformities established for no more than four ancient kingdoms or empires, and their precise significance cannot yet be determined.

Certain other points of similarity can now be noted. All four countries were governed by absolute rulers who disposed of the services and material resources of their people as they pleased, which in practice meant as nearly as a despot's servants of high and low degree, and as the circumstances of his time, permitted him to do. To King Menes the land with its resources and his subjects belonged in his capacity as king; so that he was disposing not of public resources, human and material, but of his own wealth. Whether in Assyria and Babylonia there was any distinction between public and private resources is not material because in practice the power of the rulers was not very different from that of the Egyptian king. In the Hebrew monarchy there was a material difference since the Hebrews were not bond servants; but it is clear that Solomon drew very heavily upon his people's resources, even though it was not until his heavy mantle had fallen upon his weak son that popular resistance was encountered. In all four cases we find Oriental potentates spending money with the greatest freedom until their continued heavy demands overtaxed the resources of their countries or the patience of their subjects. In short, the growth of royalty in these earliest kingdoms was followed by a striking growth of public expenditures. The love of power was as great in antiquity as in later times, and with it came the desire for grandeur and magnificence, so that the earliest Oriental potentates drew

upon their subjects' resources liberally and royally. Liberality of this sort, therefore, seems to be about as old as recorded history.

Spending public money in grand style began in Egypt, and if we knew more about the First Babylonian Empire we should probably find it there, since the Babylonians are known to have developed a remarkable civilization which probably required and received the attention of the country's rulers. By the time of the First Assyrian Empire, commerce between Egypt and western Asia is known to have become large in amount and well enough organized to make the transportation of commodities fairly safe. Thothmes III. and Amenhotep III. (1420-1376 B.C.) saw to it that caravans were carefully guarded when necessary, as well as river traffic on the Nile, where piracy was an art about as old as international commerce. The result was that from the end of the fifteenth century, as Mr. Baikie remarks,<sup>7</sup> the "products and inventions of one people speedily became, in the ordinary course of trade, the property of all," while the "artistic conceptions of one land were quickly transmitted to its neighbors." To this the same historian adds that "the citizen of any one of the great countries" of that period was not very narrowly limited either in "his material or intellectual outlook," but rather was "actually a citizen of the world." Thus one country influenced others; and, while this may not be true of the earliest Babylonian kingdom, we can be sure that the grand style in public expenditure set by Egypt must have influenced Assyria, the Hebrew monarchy, and the Second Babylonian Empire.

Thus an ancient king, having acquired or inherited power, was impelled, by international example if not otherwise, to achieve grandeur and magnificence. That such things had become essential attributes of royalty, to be judged by international standards, is strikingly and most conclusively demonstrated for the kingdom of the Hebrews by the remarkable historian who narrated the rise and fall of King Solomon. Concerning the "great throne of ivory," overlaid "with the finest

<sup>7</sup> Baikie, 2:213-216.

gold," which that magnificent spender installed in his great palace, we are told that "there was not the like made in any kingdom." We also read that "all King Solomon's drinking vessels were of gold, and all the vessels of the house of the forest of Lebanon were pure gold; none were of silver; it was nothing accounted of in the days of Solomon": indeed he "made silver to be in Jerusalem as stones." We are not surprised, therefore, to read of this royal spendthrift that he "exceeded all the kings of the earth in *riches* and wisdom." In view of the fact that great rulers in later times have generally aimed at magnificence, and in a royal way, we cannot reasonably doubt that in ancient Oriental kingdoms international competition in grand living and magnificent spending early became the order of the day. In favor of it there is this to be said, that it does impress a ruler's subjects and even people of other lands, so that it may have a certain political value.

But on the other hand, there is the uncomfortable fact which Machiavelli emphasized in the sixteenth chapter of *The Prince*. Liberality, he declares, obliges "anyone wishing to maintain among men the name of liberal . . . to avoid no attribute of magnificence"; so that "a prince thus inclined will consume in such acts all his property, and will be compelled in the end, if he wish to maintain the name of liberal, to weigh down his people unduly, and to tax them, and to do everything he can to get money." The result, he concludes, is that "nothing wastes so rapidly as liberality," for "even while you exercise it you lose the power to do so, and so become either poor or despised, or else, in avoiding poverty, rapacious and hated." The truth of this important generalization was abundantly established centuries before the ancient world came to its end.

§ 19. *Magnificence and its Consequences.* In all four kingdoms the result of excessive spending was substantially the same, which is another historical uniformity no less impressive than the similarity in the order of historical events in the separate counties. In Egypt the amazing Tell el-Amarna letters give indisputable evidence that unsound finance caused by magnificence in politics led to neglect of the military forces upon which

the continued existence of the empire depended. In the kingdom of the Hebrews the first unpleasant consequence of extravagance was a taxpayers' revolt which split the kingdom asunder, but the second was that Jerusalem, magnificently beautified but now highly vulnerable, fell easy prey to Shishak, king of Egypt, who seized the attractive capital of Solomon and helped himself to its choicest treasures. Solomon's kingdom, unfortunately, was located along the route from Egypt to Mesopotamia, and was too small and poor in natural resources to become a great world power. Its very situation made it an unsafe place for magnificent display of a ruler's great wealth; and, when this fact is considered, it becomes evident that Solomon was never really able to afford his splendid scale of expenditures. In Assyria the final debacle, although due to many causes, did not occur until the country's frontiers had been weakened and its fortifications neglected so that it had been left exposed to the impending attack. Finally, in the Second Babylonian Empire an officer of the magnificent Nebuchadnezzar found his forces depleted and resorted to unusual precautions to prevent the enemy from learning of his plight. Therefore we conclude that, without exception, foolish political leadership resulting in excessive expenditures and oppressive taxation produced unpleasant final consequences. If no wealthy country with strong and ruthless neighbors can afford to indulge its taste for magnificence before it has provided adequately for the national defense, then none of these ancient kingdoms and empires could afford the magnificent scale of living they adopted and tried to maintain. This is a valid generalization from a study of four countries in times when some progress had been made in the ways of civilization; we shall now examine the experience of later ages for the purpose of determining whether it shows the same or different results.

## CHAPTER III

### POLITICS AND TREASURE

§ 20. *Persian Imperial Finance.* A new departure in politics and finance began with the great empire which Cyrus the Persian created by defeating Astyages the Mede (549 B.C.), Croesus of Lydia (546 B.C.), and the weak king of Babylonia (538 B.C.), in a series of remarkable campaigns equaled by no other conqueror in antiquity except the great Alexander. After his successor, Cambyses, conquered Egypt (525 B.C.) and Darius the Great rounded out and organized the vast territory to which he succeeded, the dynasty of Cyrus, King of Anshan, held western Asia under its control for nearly two centuries. Anshan was only the southwestern corner of the vast country known as Iran. The high plains and fertile valleys of its interior had produced a strong and vigorous race of peasants, Aryans, accustomed to simple living and thoroughly inured to hardship. The Persians were valiant in war and skillful in the use of their favorite weapon, the bow, to which they added a short spear and a dagger. With tactics suited to these weapons and to the employment of cavalry, in which arm of service they excelled, they overwhelmed all the races they encountered until they went down to defeat by the Greek phalanx at Marathon.

In their empire the Persians occupied a privileged position since they were exempt from the taxes paid by the other peoples; as Herodotus puts it, the Persians "inhabit a land that is free of tax."<sup>1</sup> But they were subject to the very important obligation to serve their king both in peace and in war, so that they had duties as well as privileges. Proud of their racial stock, they believed it their task, under the leadership of Cyrus, to rule the world, organize it rightly, and govern it well. In the army of the new empire, Persians supplied both the officers and the most reliable bodies of troops; but subject peoples were liable to service, and were actually used so far as practicable.

<sup>1</sup> Herodotus, 3:97.

The offices of state were also held by Persians, and the king always maintained intimate relations with his own people, especially the nobility. The empire was indeed "racial," since its government was always conscious of its origin and considered its achievements the glory of the Persian race, while the emperors were proud to call themselves Persians.

While Cyrus himself must have fashioned its original organization, it was Darius the Great (521-485 B.C.) who welded the empire into the remarkable government it became. He divided his dominions into twenty or more satrapies, each ruled by a satrap who in local affairs exercised almost the authority of a king. Besides having military duties and attending to civil administration, the satrap must maintain security of communications for the king and his subjects, and must not fail to collect the tribute or *tage* for the treasury at Susa. Even at the outset, satraps showed a tendency to make themselves independent, as had happened so often in the older empires; but Darius saw the danger and devised safeguards. These were the establishment of rapid communication by constructing good roads and establishing an imperial post, while within each satrapy he placed a royal secretary to observe conditions and report to the capital. Periodic inspections and careful examination of each satrap's administration, sometimes carried out by military forces commanded by a brother or some high official, made control by the central government a reality; while within each province the commander of a garrison of select Persian troops served as a further check upon the satrap.

Thus Darius constructed an imperial system which combined strong central control with a large measure of local autonomy, a system which gave local officials every inducement to develop economic resources which would guarantee a steady flow of tribute to Susa and thus enable the central authorities to perform their important tasks, chief of which, of course, was the imperial defense.<sup>2</sup> Unlike their predecessors, the Persians treated conquered people well, but they exacted military service

<sup>2</sup> On Persian administration and finance, see Andreades, 89-107; Meyer, 3:42-93; and *Cambridge Anc. Hist.*, 4:1-25, 173-204.



when necessary as well as the payment of the *tage*. This intelligent policy was foreshadowed by the action of Cyrus when, after capturing Babylon, he seized the first opportunity to secure the good will of the people of the fallen empire. He was wise enough also to be tolerant of established religions, and did not transport conquered peoples to distant regions as the Assyrians had so often done.

Here, then, we find a people having the spirit of freemen, proud to serve their king and country, but conscious of their individual worth and dignity. Of such men great countries are made, and it is not strange that the Persians were able to give two hundred years of comparative peace and order to the vast territory they ruled. A story preserved by Herodotus may not be literally true, but it could not have been told of the ruler of any other people of the ancient Orient. The original Persia was a small and rugged country, so much so that one Artembares devised what in these days would probably be called "a national plan," in which the Persians took so much interest that they finally laid it before Cyrus the Great. This was nothing less than that they leave their homeland and settle in some more fertile region such as lay both near at hand and in remote parts of the empire. It was reasonable, the projector said, that a race which ruled all Asia should be better provided for; and he suggested that, by taking over some favored region for their new habitation, they would add to their already great renown. Cyrus, Herodotus relates, listened, which is something that great men do; and his reply was one that could have been attributed only to a great ruler. Without showing surprise he told them to adopt the plan if they wished, but he bade them prepare to be "no longer rulers, but subjects." For, he declared: "Soft lands breed soft men; marvellous fruits and men brave in war do not grow upon the same soil." Whereupon, the story runs, the Persians departed fully satisfied with the judgment of Cyrus and preferring "to be rulers, although inhabiting a barren mountain side, rather than to be slaves cultivating a fertile plain."<sup>8</sup> Whether the story is true we cannot know, but the fact that it

<sup>8</sup> Herodotus, 9:122.

gained sufficient currency to be preserved by Herodotus certainly tells us much about the Persians and their great chieftain. Among such a people, willing and proud to serve their king, it is not strange that we find the tradition of personal exemption from taxes. This is a view of taxation later prevalent in the western world.

Since I shall make frequent use of anecdotes, it is desirable at this point to explain and justify my treatment of Herodotus. The unhistorical character of much of the work of the Father of History is well understood, and Mr. Sayce did not speak too strongly when he remarked <sup>4</sup> that Herodotus is often unreliable and sometimes untruthful, so that his statements are not to be believed except when verified by other and better evidence. Nevertheless, many of his descriptions and famous anecdotes are worthy of careful study, and his *Histories* contain valuable materials relating to things he saw and heard in the course of his travels.<sup>5</sup> Indeed Mr. Sayce himself says that Herodotus "has given us a collection of delightful folk tales, which constitute almost the only record we have of the folklore of the eastern Mediterranean in the fifth century before our era"; and in this category he places the historian's anecdotes.

The story of Artembares is, as I have already remarked, one which could not have been told of any other ruler or people of the ancient Orient. The Persians were Aryans, and Cyrus was dealing with men of a character different from that of the subjects of the kings and emperors who had ruled in Egypt and Asia before his time. More important still is the further fact that a great idea, important in the history of economics, is clearly embodied in the words attributed to Cyrus. It is that rich lands and easy living go together and are likely to change the character of men accustomed to a rugged country and a

<sup>4</sup> Sayce, vii-xxiv.

<sup>5</sup> This certainly seems true of the account he gives of the careful administration of the Egyptian land tax. He may have been describing procedure introduced by the Persians after they conquered Egypt, but such a report is quite in line with the other evidence we have about the efforts of the Egyptians to administer their taxes fairly. Moreover, the story is one which would not have been related by an ancient traveler who had visited Assyria and Babylonia at the height of their power.

simple life — a principle equally true of any refined civilization, whether its economic basis is an agricultural surplus or the profits of industry and trade. Where and when this idea originated we shall never know, because men credited with having been the first to voice new thoughts may have done nothing more than transmit to us an opinion, correct or incorrect, which they received from contemporaries or inherited from predecessors. In this anecdote Herodotus passed along from western Asia to Europe an idea which, so far as I have yet ascertained, had not been expressed before, and one which no mere storyteller could have invented. Until other evidence can be adduced, we are bound to accept it as a valuable bit of folklore which could not have been derived from Egyptian, Babylonian, or Assyrian sources, and may well have originated among the Persians.

The empire was not wholly dependent upon tribute because it had some independent sources of revenue. Customs duties and tolls collected on highways fell to the imperial treasury; and it also drew income from domains which apparently included mines of gold, silver, copper, and salt. Then there were regalian rights such as a share of all the fish caught in the canal connecting the Nile with Lake Moeris, and charges for water drawn from the great reservoir constructed in eastern Iran. The latter was formed by confining in the mountains the water of a stream which had formerly supplied a great plain where crops could not grow without irrigation. Under such conditions it was easy to install river gates and collect substantial charges for water, as Herodotus explains.<sup>6</sup> Furthermore, the king could command the services of all his subjects in time of war, was entitled to contributions from any localities through which he traveled, and parceled out among his various domains the responsibility for provisioning the army.<sup>7</sup> With tribute added to these independent sources of income, the Persian Empire was able to meet all requirements in peace or war and then accumulate a vast treasure.

<sup>6</sup> Herodotus, 3:117.

<sup>7</sup> Herodotus, 1:192.

When Darius organized the empire, he attended most carefully to the regulation of tribute. Cyrus had been conqueror rather than administrator. He had collected tribute as best he could, had often taken rich booty, and had been somewhat "free-handed" in his dealings with his people, or at least with the Persians. Something better was needed now; and Darius is credited with adjusting, as carefully as he could, the contributions of each district to its wealth and other circumstances, so that the less fertile, less developed, and less populous provinces were not overburdened. Moreover, there is independent ground for accepting the statement of Polyænus that he reduced the quota of each province below what the satrap estimated it could pay.<sup>8</sup> A uniform coinage of gold and silver, which Herodotus credits to him, greatly facilitated payments; but in parts of the empire where metallic money did not exist, the levy was payable in commodities. Herodotus gives what has long been accepted as a substantially correct account of the details for the principal districts, from which it appears that gold, silver, grain, cattle, horses, slaves, frankincense, ivory, ebony, and various other things were accepted as tribute. From outlying regions no regular contributions were required, but occasional presents were received. Herodotus undertook to estimate the total of all these revenues and placed it at 14,560 Euboean talents per annum.<sup>9</sup> To this should be added, according to the same writer, a charge for provisioning the king and his army, of which the district that included Babylon contributed not less than one third, which was taken to mean that it was estimated to have one third of the wealth of the empire.<sup>10</sup> Andreades believes that "it is probably no exaggeration" to suppose that "the total revenues in kind and in gold actually surpassed the figure of twenty thousand talents" in the days of Darius; while later on, as the empire extended its power over islands in the Aegean and even into Europe, its resources became even larger.<sup>11</sup>

<sup>8</sup> Andreades, 92, note 7.

<sup>9</sup> Herodotus, 3:89-95.

<sup>10</sup> Herodotus, 1:192.

<sup>11</sup> Andreades, 94. In this as some other matters historians, however critical they may be of the Father of History, have been disposed to accept as reason-

Herodotus relates that, while the Persians had called Cyrus the father and Cambyses the despot, they called Darius the shopkeeper.<sup>12</sup> This, the historian adds, was on account of "the arrangements he made concerning the tribute" and the fact "that he acted the part of a shopkeeper in all things that he did."<sup>13</sup> It is of real significance to the student of public finance

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able the detailed account of Herodotus, including his estimate of nearly 14.6 thousand Euboean talents as the total amount of the tribute. They are quite justified in doing so since Herodotus was speaking about contemporary conditions concerning which an eager inquirer could secure tolerably accurate information. Moreover, his method of presenting his results is such as to commend them to the confidence of a careful reader. Of course the total which he reaches is for the *tage* only, and the empire had in addition its income from independent sources; besides all this there were contributions for provisioning both the emperor and his army, of which Babylon alone supplied a third. Nothing like such revenues had been known before, and it was long before they were equaled in later times. Andreades (p. 95) states that the Turkish Empire at the end of the eighteenth century governed about the same territory as the Persian Empire and had revenues of 70 million francs, a sum "less than the total of the *tage*." Moreover, the purchasing power of gold was much less than in the days of Darius. I enlarge upon this subject here because I desire to emphasize the fact that, carefully used, the *Histories* contain much of great historic value.

<sup>12</sup> Herodotus, 3:89.

<sup>13</sup> The noun here translated *shopkeeper*, *κάπηλος*, has been rendered *hawker*, *huckster*, or *peddler* by some translators. It sometimes has these meanings, but they do not fit the case of Darius who did not cry or peddle his wares but could take what he needed and fix the terms of any transaction. It agrees with these other terms in one point only, namely, that it relates to people who are concerned with many small details and are keenly interested in them. It is noteworthy that the historian does not use the word *ἐμπορος*, which meant a merchant or trader making voyages and importing goods, that is, doing business on a larger scale. Herodotus evidently understood that the Persian word was intended to suggest that Darius demeaned himself by giving attention to small details and taking an interest in things which most of his readers would have considered petty. This, we should note, was the way philosophers like Plato and Theophrastus referred to the economies of moneymakers, which, in their view, were not only petty but even mean and sordid. (See Plato, *Republic*, 553; and Theophrastus, *Characters*, X. and XXX.) The idea which Herodotus intended to convey, apparently, is the same that Napoleon had in mind when he called the English a nation of shopkeepers. It is also the idea commonly held by people who are interested in getting public money spent, often for their personal advantage. The meaning I attach to *κάπηλος* seems to be that which Eduard Meyer gave it when he translated it *Krämer* (Meyer, 3:83). In his account of the kingdom of Lydia Herodotus (1:94) called the Lydians *κάπηλοι*. The writer in the *Cambridge Ancient History* (3:519) thinks that the word here means something "more novel" than *retailer*, and suggests that in the next century the word had come to mean *innkeeper*. He therefore ventures a suggestion that Herodotus meant that the Lydians "were the first to establish khans along trade routes," because such inns would be useful for buying and selling just as they are in the

that the first ruler who organized a financial system adequate for the needs of a great empire, a system under which his dominions continued to prosper, was called a *shopkeeper* because he paid so much attention to business details and, perhaps, did not hold himself superior to bargaining. Whether the term was applied in contempt or by way of humorous comment we cannot know, but it is a tribute to the sagacity of Darius. Similar things were to be said in later ages about other statesmen, all too rare, who were inclined to economize; persons profiting by lavish public expenditures have always seen to that. Just as the magnificent spenders of Egypt and western Asia had their architects, engineers, and artists to help them spend their way to magnificence, so the first great statesman intelligent enough to devise a successful financial system for a great empire found critics so clever as to think they belittled him by dubbing him a shopkeeper.

Of course, the satrapies had to have incomes of their own, and these are described in the interesting *Economics*<sup>14</sup> formerly attributed erroneously to Aristotle. Income was received from domains, including mines; and also from taxes on animals, on land (in the form of a tenth or tithe), on trade carried on by land, from maritime customs, from a poll tax, and from a tax on artisans. Of these Professor Andreades gives us as enlightening an account as the scanty available data make possible.<sup>15</sup> When we look at the Persian Empire as a whole, therefore, we find it composed of satrapies having at their disposal a large variety of taxes, but charged with the duty of collecting imperial tribute which was derived, at least chiefly, from a land tax for which a cadastral survey of land was undertaken. Finally, as noted above, the empire had certain independent sources of income.

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Near East today. This interpretation of the word may be acceptable in the case of the early Lydians, who certainly earned for themselves a reputation as traders. But it is entirely unacceptable as an appellation for Darius the Great, and for the reason which I have given above. Moreover, Herodotus says that the name was to some extent connected with the arrangements made concerning tribute.

<sup>14</sup> *Economics*, II.

<sup>15</sup> Andreades, 101-107.

The Persian kings, like their predecessors, carried on various public works which developed the economic life of their country. The most interesting for our purpose was their system of imperial roads well constructed and maintained, with fortifications and garrisons at the crossings of great rivers and other important points. The Assyrians had had at least the beginnings of a postal system designed to meet governmental needs, and this the Persians developed much further until it became a model for the ancient world. We are indebted to Xenophon for a striking description of the Persian royal post which, he says, was inaugurated by Cyrus the Great. In order to administer his vast empire, Cyrus needed an adequate system of rapid communications. He therefore experimented until he found out how far a horse could safely travel in a day and then established stations at proper distances, providing horses and men to carry on postal service. At each station there was an official to receive and forward letters, to care for exhausted horses and riders, and to provide fresh men and steeds. Then he says: "But sometimes they say this rapid carriage does not stop at night, but a night messenger succeeds the one who rides by day. And by such relays, some say, they journey faster than the cranes can fly. But if this is not strictly true, at any rate this kind of transport is the most rapid of all human devices for traveling by land. And it is a fine thing to receive intelligence as quickly as possible in order that one may act with equal speed."<sup>16</sup>

The Persians were originally a hardy race of peasants who cared little for art, but their contact with the Egyptians and Babylonians naturally developed an interest in the great artistic achievements of earlier civilizations. Naturally, also, Persian emperors followed the example of earlier rulers and began to build, their architects and sculptors borrowing and adapting skillfully whatever they considered useful for their purposes. Since the Persian religion gave little scope for great religious construction, secular buildings, such as palaces and royal tombs, in the first of which Babylonian influence is apparent, are the only significant achievements of which we have knowledge. In

<sup>16</sup> *Cyropaedia*, VIII. 6:17-18.

general Persian art did not grow from native roots, but served the needs of the rulers of a great empire and ended with the extinction of the Achaemenian dynasty. Without doubt the great palaces of the emperors cost both money and labor; but they served purposes of state, and did not tax heavily the resources of the great and prosperous Persian Empire.

We cannot doubt that Oriental extravagance crept into royal and court circles and into the administration of public affairs, for we find that Aelian relates that the Great King upon suitable occasions made expensive presents,<sup>17</sup> following accepted royal custom, and that he was liberal in presents to his own subjects and even to certain strangers. But we have absolute proof that either the financial system of the shopkeeper or some other factor kept the total expenditures within bounds. If we read that every day fifteen thousand people fed at the king's table, we need also to note that Heraklides of Cyme relates that the emperor had to provide food for his entire entourage which included his guards, other troops kept near the royal courts, and numerous officials and servants as well as his own table companions.<sup>18</sup> Further evidence of the adequacy of the financial system of the empire is the long-continued stability of the amounts of tribute established by Darius. Meyer believes that they remained unchanged up to the end of the empire, but Cavaignac conjectures that the *tage* had increased, at least in the western provinces.<sup>19</sup> However this may be, there appears to be no evidence that subject peoples were, according to Oriental standards, oppressed by the taxes of their Persian rulers. Occasional satraps and other officials were guilty of unlawful exactions of the sort common in the Orient, and not unknown in the Occident; but compared with anything that had gone before, and most of the things that were to follow, the Persian yoke, if not light, was not heavy. Certainly Persian rulers did not boast of their heavy exactions, and in the Behistun inscription of Darius the Great we find it recorded that the divine Ahuramazda, the "Lord of Wisdom," brought "me help, . . .

<sup>17</sup> E.g., Aelian, *Varia Historia*, 1:22. For this, see Andreades, 95, note 7.

<sup>18</sup> Meyer, 3:90-91.

<sup>19</sup> Meyer, 3:84; Andreades, 94, note 5.



because I was not wicked, nor was a liar, nor was I a tyrant, neither I nor any of my line. I have ruled according to righteousness."

Better than this official eulogy is the testimony afforded by the undoubted historical fact that, whatever its expenditures may have been, the imperial government was able to store up substantial surpluses which finally gave it the enormous wealth accumulated in treasure houses at Susa, Persepolis, Pasargadae, and Ecbatana. Concerning it Herodotus reports: "This tribute the king stores in the following manner: having melted it down, he pours it into earthen vessels; and after having filled them, he breaks the earthen receptacles; then when he needs money, he cuts off as much metal as may be required."<sup>20</sup> These hoards which Alexander appropriated and speedily put into circulation caused a rise of prices that led to something like an economic revolution in the ancient world.

But while their finances continued sound, wealth and power brought deterioration in the character of the Persians, just as Cyrus had warned them that soft living would do. To this was added a decline in the ability as well as the character of the emperors themselves, which brought it about that after Darius no great ruler appeared and the Achaemenian dynasty steadily degenerated. Revolts of provinces began even in the time of Xerxes. Succession to the throne was constantly disputed and led to repeated assassinations, so that during the fourth century the power of the empire steadily declined. After their defeats at Marathon, Salamis, and Plataea, the Persians recognized the superiority of Greek arms and presently employed Greek mercenaries in their own armies; but this availed nothing because of the steady decline in the power of the central government. Even under such conditions, it was not on account of financial weakness that Persia finally succumbed to the army of Alexander.

The Persian Empire, despite the deterioration of its rulers and the Persian people themselves, conferred upon the inhabitants of its dominions great benefits which Rostovtzeff

<sup>20</sup> Herodotus, 3:96.

enumerates as follows: internal peace, "light" taxation, free communication between all parts of a far-flung empire, royal patronage of international trade, a single convenient system of coinage, and an excellent system of roads.<sup>21</sup> These things naturally contributed to an increase of trade which in turn greatly stimulated production; thus Persian rule brought wealth to the empire. It is true that the Persians themselves were untaxed while subject peoples paid tribute, but the exemption of the ruling race was offset by the important duties to which the Persians were subject. The other empires of the ancient world may have been parasitic; but the Persians constructed a government which seems to have been worth all its cost, to which result one of the most important contributing factors was an intelligent system of imperial finance devised by a great statesman whom some "clever" persons characterized as "shopkeeper."

§ 21. *The Kingdom of Lydia.* At the northwestern end of Asia Minor between the Mediterranean and the Black Sea lay a region endowed by nature with everything calculated to make it the seat of a rich commercial kingdom. Near the Hellespont, two thousand or more years before the Christian era, a fortress had been built at the city of Troy (Ilium); and its rulers are believed to have been wealthy commercial kings whose fortunes were derived immediately or ultimately from the rich trade between Mediterranean lands and the western part of Asia. Centuries later the city of Sardis drew to itself the opportunities of which its situation gave easy command and made itself the capital of the kingdom of Lydia. We are not surprised, therefore, to find that Herodotus has preserved to us the old tradition that the Lydians were merchants and that among other things they coined gold and silver money.<sup>22</sup>

The plains of the Rivers Hermos and Kayster have been considered the richest in Asia Minor, so that an agricultural surplus provided a foundation for a prosperous and even wealthy

<sup>21</sup> Rostovtzeff, 1:155.

<sup>22</sup> Herodotus, 1:94. When Herodotus calls them the first people to become merchants we may well indulge in healthy skepticism, but merchandising was foreordained by nature and seems to have been the thing which accounts for the growth of ancient Troy.

kingdom. The surrounding mountains were rich in minerals, and on the Mediterranean coast the harbors of Ephesus and Smyrna furnished the best of natural gateways through which products could pass between western Asia and the Mediterranean regions. That nothing might be lacking, some of the rivers of Lydia brought down from the mountains golden sands, so that the placer mines of the Pactolus and perhaps mines in the neighboring mountains added enormous wealth to the products of the rich soil and the profits drawn from a great commerce. The city of Sardis grew up at crossroads where the caravans journeying from Asia to the cities of the Mediterranean coast along ancient highways met others coming up from the Cilician Gates and leading northward to the Black Sea. The people of Lydia were a mixed race, partly of Aryan stock; and inevitably they came in contact with Ionian Greeks in Asia Minor and then with the rest of the Greek world, so that in time they were largely Hellenized and their civilization became even more mixed than their racial composition.

Of the earliest Lydian kings we know practically nothing except that by the seventh century B.C. they had built up a kingdom over which Herodotus says they had ruled for twenty-two generations. Then came another dynasty founded by Gyges, who killed King Candaules and ascended his throne about 685 B.C. From this time onward the important events and dates in Lydian history may be "based as soundly as any in Ancient History."<sup>23</sup> Most of the scanty details need not concern us because our primary interest is financial history, and other things concern us only so far as, directly or indirectly, they bear upon that subject in a significant way. Therefore we will begin with the fact that Gyges and his immediate successors made numerous raids upon the Greek cities on the Mediterranean coast, which had developed a flourishing trade from which came the economic surplus and the resulting leisure class with whom Greek philosophy began. Indeed, toward the end of the seventh century B.C., Thales of Miletus is reported to have predicted an eclipse of the sun during the reign of King

<sup>23</sup> *Cambridge Anc. Hist.*, 3:507. On Lydia, see Meyer, 2:608-619 and 763-771.

Alyattes; while in the following century he is said to have diverted the course of the River Halys in order that the army of Croesus might march into Cappadocia against Cyrus.<sup>24</sup> With their Mediterranean neighbors offering such tempting prizes, we can accept the view that Lydian kings of the second dynasty supplemented their other financial resources by plundering raids upon the Ionian cities; and that in this respect they were like their Assyrian predecessors, which means that they raided, sometimes devastated, and then returned to their robbers' nest at Sardis.

However, they must have organized their own territory well enough to provide a secure basis for their operations against the Ionians, and they were certainly intelligent enough to learn that their treasuries could profit greatly by not interfering with the traffic passing between the Mediterranean and Asia, which naturally flowed through Sardis and could be made subject to tolls. Land transit duties had long been important in that ancient world, and few cities enjoyed a better situation than Lydian Sardis situated at the great crossroads of Asia Minor. If Herodotus is to be believed, the Greek cities were not brought under Lydian overlordship until the time of Croesus; and, if this is true, regular tribute formed no part of the revenues of Lydia until the reign of the last king of the second dynasty.

With Sardis as capital and Smyrna as their principal seaport, the Lydian kings enriched both themselves and their kingdom. It is said that they carried on trade, as rulers of other ancient countries had done ever since the rise of the Egyptian monarchy; and they certainly began to win gold from the sands of the Lydian rivers, so that small pieces or drops of electrum, an amalgam of gold and silver, came into use as money, not only providing a convenient medium which extended trade but testifying very certainly to the increasing commercial character of Lydian civilization. At the same time various industries, perhaps the result of contact with the Ionian cities, came into existence; and in the seventh century Lydian products, including

<sup>24</sup> Herodotus, 1:74-75.

golden ornaments, became important articles of commerce even in the Greek world. At length, sufficiently enriched, and partly Hellenized by contact with their western neighbors, Lydian kings began to make splendid gifts to the temple at Delphi, again following precedents of earlier eastern rulers who had established the tradition of royal liberality.<sup>25</sup>

Two other statements of Herodotus are very important for our purpose. He tells us first that Alyattes had a long reign of fifty-seven years and also that he left money to his son Croesus, who succeeded to his throne at the age of thirty-five.<sup>26</sup> Herodotus here transmits to us Lydian traditions which he received not much over a century after the events to which they relate. Even if he appropriated them from some earlier writer from whom he withholds credit — something which he undoubtedly did at various points in his *Histories* — he is giving his readers the benefit of tales picked up in the course of his travels; and in this case they fit in perfectly with the rest of the evidence. Lydian kings of the second dynasty had learned to accumulate as well as to acquire treasure. They could offer magnificent presents to Delphi and leave their heirs disposable wealth as well as fixed property in the form of palaces, storehouses, and lands. This was something that Darius the Persian had learned not only to do himself, but to embody in a financial tradition which his successors, in spite of all their faults, managed to follow to the very end of their line. Darius's empire, although it was greatly interested in trade and wise enough to foster

<sup>25</sup> Herodotus reports (1:25) that King Alyattes was the second of his dynasty to make such an offering, and that his gift, a great silver bowl with a stand of welded iron, was the most notable of the offerings made at Delphi up to that time.

<sup>26</sup> Herodotus, 1:25, 92. It would be taken for granted that a king would leave property of various sorts to his son and heir; but in this case Herodotus speaks of a patrimony consisting of money, and also indicates that it was *disposable* wealth because he says that out of it came the gifts which Croesus later made to Delphi. Conceivably the word might be translated *wealth*, but it is the word which was often used to mean money in contrast to other kinds of property; and in this case it clearly meant to Herodotus wealth that could be drawn upon for the purpose of making magnificent gifts. It need not have been drops of electrum and might have been bars of precious metal or even ornaments of great value, such as are known to have formed part of the treasures of the ancient rulers.

commerce in many ways, was not based principally upon commerce, and cannot be classified, like the kingdom of Lydia, as a country with a commercialized government and civilization.

When Croesus came to the throne the relations between his kingdom and its prosperous Ionian neighbors were not definitely settled. His predecessors had conquered Colophon and some of them had exacted occasional tribute from other towns on the seacoast. But he gradually made himself the lord of the wealthy communities of Ionia and finally imposed regular tribute upon them as well as the obligation to supply contingents of soldiers on special occasions. Conceivably the fact that the dreaded Assyrians had come into contact with Lydia and once had demanded tribute enabled him to promise the Ionians protection against dangers that might threaten from the vast country east of the Halys River. At any rate he succeeded in extending his rule from the Mediterranean to the Halys, and there is the best of evidence that upon the whole he ruled his enlarged dominions well. He was wise enough to allow the Ionians to retain their own institutions, and permitted Miletus to occupy a favored position which subsequently Cyrus the Persian saw fit to recognize. Croesus also required the customs duties collected at the seaboard to be turned into his treasury, so that we can believe that his revenue system was thenceforth constituted as follows: (1) income from royal property and domains, including valuable gold mines; (2) income from trading enterprises, if such were still carried on for royal account; (3) overland tolls on the rich traffic east and west, north and south; (4) maritime customs; (5) tribute. This at least is the result we get by assembling various bits of evidence, and it runs on all fours with the accounts we have of earlier and later kingdoms or empires. Whether he received as well as gave gifts we do not know. What came to him from the exercise of judicial authority<sup>27</sup> or fees of administration is also unknown; but here in outline is a revenue system based upon the natural resources of a wealthy country carrying on extensive trade and able to

<sup>27</sup> Herodotus tells us (1:92) that he confiscated the estate of Pantaleon who had conspired against him.

levy tolls upon a vast commerce which had long existed and was sure to increase with fair and intelligent treatment by a competent government.

All this was accomplished without incurring the hatred of the Ionian Greeks. Indeed in the course of time their attitude to Croesus became distinctly favorable and when the Persian danger arose they refused to aid his enemies. For this there were several obvious reasons. Herodotus represents the great Lydian as rather more Greek than barbarian, and a mild and amiable ruler,<sup>28</sup> given to hospitality, lavish in benefactions to those who were of service to him, and magnificent in a manner that must have impressed his subjects, as it did the entire Greek world. But more than this is the fact that under Lydian rule Asia Minor prospered; and in the wealthy commercial towns of the seaboard many of the Ionian Greeks must have been enriched by the growth of their trade under Lydian rule. Thus Croesus, firmly established in his great capital, receiving visitors from the entire Greek world, and dazzling them by his great wealth and magnificent living, came to be received by the Greeks as almost one of their race and the most splendid figure they knew.

Their gold mines and silver acquired either from mines or from trade led Lydian kings to accumulate treasure in the form of pieces of electrum, and Alyattes appears to have had a royal mint. The coinage of Croesus became famous throughout the world and it must have helped both to extend and enhance the fame of the wealthy king of Lydia. A monarch who developed a great mint would have very likely been interested in banking, and we are therefore prepared to accept the tradition that Croesus early in his reign had relations with an Ephesian banker, Pamphaës. His gifts to Delphi gave him a reputation for regal liberality, but may have been motivated partly by reasons of state. There seems to be no doubt that he did use his gold for political purposes, and that it was by

<sup>28</sup> But the historian also relates (1:92) that Croesus put to death with the most refined cruelty his half brother who had conspired to prevent him from succeeding to his father's throne.

gifts of money that he secured the accession of Sparta to the league which he formed against Persia.

The father of Croesus had built a great sepulchre which Herodotus compares with the massive structures he had seen in Egypt and Babylon, but this was of earth and therefore made much smaller demands upon the servile labor of his people than the great stone constructions of earlier times. But Alyattes had not been given to wars of offense, and his building did not prevent him from accumulating a substantial treasure during the long period of peace which he enjoyed. If Croesus refrained from magnificent construction enterprises he was the first of his kind to do so; but Herodotus, while he gives us an account of the tomb of Alyattes,<sup>29</sup> says nothing about magnificent buildings of Croesus and contents himself by describing the ingots of solid gold and the other splendid gifts he had sent to Delphi and other places in Greece, and the great spoil which Cyrus took when he captured Sardis. Upon one thing, however, there can be no possible doubt, namely, the great wealth of the famous Croesus, and this means that the kingdom of Lydia was not only solvent but rich when it was incorporated into the Persian Empire.

Lydia must have reached the height of its power and that of its magnificence during the reign of its last king. Its expenditures had not been disproportionate to its resources, and neither its tribute nor other exactions seem to have diminished its wealth or made its people desirous of changing from Lydian to Persian rule. The sudden calamity which overwhelmed it was probably due simply to the fact that the prosperous traders of a fertile country favored by nature in so many ways were defeated with comparative ease by an army of hardy mountaineers led by a great king who was a very great soldier.

Of this contrast between the Persians and Lydians, Herodotus was very clearly aware. He preserved for us the following story which, whether true or not, shows that ancient traditions may have historical value even when they transmit things which did not happen but might have happened because they

<sup>29</sup> Herodotus, 1:93.



were so true to life. He relates <sup>80</sup> that when Croesus was preparing for his last expedition a certain wise Lydian, Sandanis, gained great future renown among his countrymen by offering the following advice: "O King, you are making ready to march against men who wear breeches of leather and their other garments of the same, and whose fare is not what they desire but what they have; for their land is stony. Further they use no wine, but are water-drinkers, nor have they figs to eat, nor aught else that is good. Now if you conquer them, of what will you deprive them, seeing that they have nothing? But if on the other hand you are conquered, then see how many good things you will lose; for once they have tasted of our blessings they will cling so close to them that nothing will thrust them away. For myself, then, I thank the gods that they do not put it in the hearts of the Persians to march against the Lydians." Thus it has ever been and probably always will be in conflicts between men of luxurious and men of simple life and habits, when other things are not too unequal. For our immediate purpose this story is of little interest, but it illustrates admirably the possible value of the tales we have received from Herodotus; it also helps to justify the use that will be made of anecdotes and other traditions in this study of politics, finance, and consequences.

Lydia was an ally of Media which formed a useful buffer state beyond the Halys River. Not unnaturally Croesus was disturbed when Cyrus defeated Astyages the Mede in 549 B.C., because this exposed his eastern frontier to attack. With a greater promptness than other magnificent monarchs have often displayed, he appears to have come to the conclusion that the power of Cyrus was still comparatively small and that prompt action might restore the barrier against attack from the east. He had the intelligence, also, to make an alliance with Egypt and Babylon against Cyrus and to persuade Sparta to join in the attack. He also undertook to enlist soldiers from the Greek mainland. After this good start Croesus then took a long time to prepare for war, consulting oracles, and perhaps indulging in two years of mourning for the death of his favorite son; so

<sup>80</sup> Herodotus, 1:71.

that Cyrus had plenty of time to prepare against the danger that threatened. Finally Croesus marched eastward, crossed the Halys, and entered Cappadocia where he presently encountered Cyrus and his Persians. The battle which followed was indecisive, and therefore Croesus had fared better than others who had encountered Cyrus. Nevertheless, since winter was approaching, the Lydian army marched back to Sardis. There Croesus paid off and dismissed his mercenaries. Whether he thought winter was an unsuitable season for campaign or believed that by spring his various allies would be ready to attack Cyrus, we do not know. We are told that he sent messages to Egypt, Babylon, and Sparta requesting them to send troops in the fifth month of the following year, and then established himself in his comfortable capital.

Cyrus is said to have learned what Croesus had done, and he therefore marched rapidly against Sardis, where the Lydian offered battle in defense of his kingdom. Herodotus states that no people in Asia were then more valiant than the Lydians, but that, on the plain before the city, Cyrus outmanoeuvred his opponent and drove him back into Sardis. Croesus dispatched messengers hastily to inform his allies of his plight, but after a siege of fourteen days Sardis was taken and sacked. Concerning the fate of Croesus Herodotus gives us two stories and allows us to make our choice. But it is both interesting and important to notice that one of the relations is to the effect that, after Cyrus had saved Croesus from death, the two had a friendly conversation during which the Lydian suggested to the Persian that his soldiers were poor men and given to violence, and that, if they were allowed to seize and divide among themselves his great wealth, it was possible that some one of them might become so rich that he would think himself strong enough to instigate a revolt. Therefore he suggested that the treasure be taken away from all who tried to carry it through the gates and that everyone be told that it must be devoted to making a contribution to Zeus. Worthless for any other purpose, this anecdote testifies very strongly, because in a purely incidental way, to the historical reality of the great wealth of

the last of the Lydian kings. Such a tale could never have been related of the last king of a bankrupt dynasty.

In one significant respect Croesus resembled Solomon. He was a wealthy monarch ruling in a part of the world where great and devouring military empires had always held sway. Undoubtedly his wealth gave him power, but only potentially unless it was used chiefly and perhaps, up to a certain point, exclusively for carving out from western Asia a greater Lydian kingdom strong enough to hold its own against any enemy; or else, if such a course were feasible, fortifying it so strongly and garrisoning it with an army of such strength that it would be impregnable against attack. With these things attended to, and income still permitting the accumulation of a vast treasure, Croesus then could have afforded to be magnificent. But until that time was reached, the display of great wealth and a reputation for magnificence were dangerous, as they proved to be to Solomon's son and heir. Possibly Croesus appreciated his position because he lived within his means and accumulated the great treasure he undoubtedly possessed. His wealth had evidently not attracted the attention of Cyrus, but eventually it would have attracted the attention of the great Persian Empire just as the wealth of earlier Lydian kings had brought them to the notice of Assyria and led to a demand for tribute. When the Persian danger threatened, Croesus made his decision promptly and, although he delayed his campaign for over two years, acquitted himself with credit up to the time that his citadel was captured. His wealth had given him strength, but not enough for a conflict against Cyrus the Great, the more so since his Lydians, whatever Herodotus may have thought of their valor, were not Persians. Wiser than other monarchs of great wealth, intelligent as he showed himself when he formed his alliance against the Persians, he succumbed to a superior force against which money would have been of no avail without extraordinary leadership, indeed without a general equal to the great Persian.

§ 22. *Conclusions concerning Persian and Lydian Finance.*  
A summary of Persian and Lydian experience may well begin

with the outstanding fact, concerning which there can be no possible doubt, that both the great empire and the rich kingdom with possible imperial ambitions were not only solvent, but, judged by any standard appropriate for ancient times, extremely rich when they collapsed. Like the Tell el-Amarna tablets, the small and unadorned palace at Calah, and the old Babylonian cylinder from Erech, the wealth of Croesus and the great Persian treasure are facts which cannot be questioned and admit of only one interpretation. Poverty is revealed in the first three cases and riches are demonstrated in the other two. By the sixth century B.C. two countries had learned enough about finance to enable them to follow policies which resulted in great accumulations of treasure.

In both cases it appears that the result was due, first of all, to good revenue systems which were favorable to national opulence. In Lydia natural resources and a fortunate geographical position enabled kings who understood the needs of trade to secure revenues by methods which permitted the richest of them to enjoy the good will of his subjects. In Persia the situation was less simple because, although provinces like Egypt and Lydia were prosperous when they were taken over, and Babylonia could be so handled as to become an asset of great worth, much of the old Assyrian territories had so long been devastated by misgovernment that they must have required the careful attention of their new rulers. This evidently they received, and in this respect the rulers of Persia resembled Theodoric the Ostrogoth who gave to misgoverned and depopulated Italy a government good enough to restore prosperity and to make the new barbarian kingdom prosperous and possibly rich.

But something more than adequate revenue was required for the results which the Persians and Lydians achieved, and this, of course, was nothing less than intelligent economy. Since no amount of revenue would enable a spendthrift dynasty to accumulate great treasure, we know that the Lydians and Persians had learned to spend less than they received; but, as it happens, there are certain bits of evidence quite insufficient to justify the generalization just presented, but very interesting because they

point to precisely that conclusion. Thus we find that the Persian tribute was never increased and that Croesus had the good will of his Greek subjects, such reports being totally unlike the relations which have come down to us from the earlier empires and kingdoms. Increased taxes and something very different from good will are the normal consequences of waste and extravagance in spending public money. Then there are the report that Croesus received a large inheritance from his father and the story of Herodotus that Darius the Great was called "shopkeeper." Finally we have the fact that Herodotus has nothing to say about any great construction activities of the Lydian kings except the remarkable mound of Alyattes; to which may be added the final fact that the Persian monarchs were not given to the construction of great temples and therefore could limit their building operations to palaces and tombs, of which the last imposed no such burdens as the great pyramids of Egypt. These bits of evidence are insufficient to make out a strong case; but the treasures themselves do that, and the facts just related are worth reciting not only because they are interesting confirmatory evidence, unlike that which has come to us from the earlier kingdoms and empires, but also because they tend to justify the use which has been made of the narratives of Herodotus and that which will be made of other similar evidence from later times.

In all that concerned finance we cannot doubt that Lydia and Persia enjoyed better political leadership than any of the earlier countries whose experience we have surveyed. The consequences were, firstly, that rulers enjoyed ample revenues without oppressing their subjects, and secondly, that financial difficulties did not interfere with necessary public enterprises, especially the national defense. The third consequence was that both in raising and spending money the policies of these two kingdoms differed *toto coelo* from those of Egypt and the four Oriental monarchies we have surveyed. In each group of countries we find impressive historical uniformities. But still more important is the fact that the uniformities of the first group point so clearly to one result, while those established for

the second group point in exactly the opposite direction. Even if one thinks that the uniformities apparent within each group are merely random events that have no relation to each other, it is not reasonable to allege that it is simply by chance that the showing of one group is just the opposite of that made by the other.

## CHAPTER IV

### INTRODUCTORY SURVEY OF GREEK FINANCE

§ 23. *Greek Politics.* The accident of geography divided the Greek world into hundreds of different communities, separated by mountain barriers or the waters of the eastern Mediterranean. Generally of small area and organized around some city as the nucleus, the Greek city-states exhibited such great diversity in their economic, political, and financial experiences that they offer a fascinating field for study, but one in which generalization is difficult. In some of the early cities like Mycenae and Tiryns we find the massive Cyclopean remains which make it necessary to believe that the ancient kings who constructed these fortresses must have either possessed an incredible number of slaves or been able to command the labor of subjects who were bond servants. But these ruins antedate by centuries the Heroic Age, and the Greeks who are revealed to us in the Homeric poems were freemen who served their kings willingly in peace and war, but were not bound to labor of a servile character such as solved so many financial problems for kings of the Orient. The Greeks in Homeric times would help to build a fleet or construct a funeral pyre; but the kings sometimes worked with their people, inspiring them and winning admiration for their strength and endurance. In general the government and the financial institutions of early Greek cities and kingdoms were such as would naturally develop among bold and warlike people having the spirit of freemen. It was not by mere accident that democracy first developed in the Greek world.<sup>1</sup>

The kings of Homeric times were war chieftains who were also the supreme judges and high priests of their people. But

<sup>1</sup> Aristotle repeatedly emphasizes that Greek lawgivers had to deal with communities of free and spirited men. See especially *Politics*, 1327 b, in which he compares the Greek race, "spirited and intelligent," with the peoples of Asia who are "intelligent and skillful in character but lacking in spirit." Cf. *Andreades*, 21-23.

their power was limited first of all by the council of elders who were consulted on important occasions, and also by the popular assembly through which the king could take the sense of his people. In time kingship declined and warlike nobles generally became the rulers of the Greek city-states, thus inaugurating the first of a long and varied series of revolutions in government. By the fourth century B.C. the Greeks had known almost every form of government that has existed among mankind, and their philosophers enjoyed opportunities for observing and studying a great wealth of political experience from which they gleaned the ideas which they wrought into the great works with which the political philosophy of the western world began. Classification of these rich materials probably began when the Sophists pointed out that supreme control might rest with one man, with a few, or with many.<sup>2</sup>

Aristotle went into greater detail than any of the other students of Greek politics, as his famous collection of one hundred and fifty-eight constitutions enabled him to do. Beginning with government by one man, by a few, or by the many, he taught that each of these kinds might be conducted with a view to the common interest and so would be a true government, or might be conducted with a view to some private interest and so should be regarded as a perverted form. Thus government by one might be either royalty or tyranny, government by a few might be aristocracy or oligarchy, and government by the many could be either a polity (constitutional government) or a democracy. After reviewing the characteristics of all of these, he concluded that "all seem to present difficulties"; in other words, government is no easy matter — the last word of political wisdom for Greek as for all later times.<sup>3</sup> All this was by

<sup>2</sup> Herodotus (3:80-82) reports a conversation between a group of Persian nobles concerning monarchy, aristocracy, and democracy, but the dialogue contains references to the folly and insolence of a foolish mob and some other things which do not seem to reflect the experience of Persian nobles with any governments of which they had had personal knowledge. I therefore regard it as an invention of the Father of History which is useful only in so far as it reflects Greek political thought of the period. Xenophon (*Memorabilia*, IV. 6:12) makes Socrates recognize three main classes of government (monarchy, aristocracy, and democracy) and then subdivide the first and second classes.

<sup>3</sup> *Politics*, 1279 a-b et seq.



way of introduction. Subsequently Aristotle enumerated different kinds of each form of government, true or perverted, usually driving his lessons home with pertinent illustrations gathered from the great mass of materials he commanded. Especially important for the student of public finance is his discussion of the different kinds of oligarchies and democracies, these being the two classes most common in the Greek world of his day and therefore deserving of the most detailed treatment. A student of public finance today can hardly do better than to use Aristotle's categories so far as they seem to fit the particular governments which are the subject of his investigation.

The legendary fleet which the Greeks launched against Troy was the precursor of the many ships which presently carried Greek traders into the eastern Mediterranean and later westward even beyond the Pillars of Hercules. By the ninth century B.C. Hesiod finds navigation and commerce facts with which he must deal, although he has no liking for them; and two centuries later many Greek communities had become so far commercialized that important economic and political changes were under way. By the sixth century the poet Theognis of Megara warns his townsmen of an evil threatening his city. Birth, he complains, has lost its former ascendancy and wealth is threatening to replace it. Tradesmen reign supreme, lording it over their betters. The making of money is reckoned the highest of virtues, while everyone honors the rich and the needy receive scant attention. Such things, he says, bode ill for the city; from them factions arise and many disorders threaten, preparing the way for the despot. Similarly in Athens, Solon wrote that the people, won over by wealth, were ready to wreck their city, and that for lack of understanding they might come under the despot's yoke. These verses were prophetic of the opening of a series of revolutions which continued until the Roman conquest of Greece.<sup>4</sup>

<sup>4</sup> These verses of Solon and Theognis may be conveniently found in Buchholz, *Anthologie aus den Lyrikern der Griechen* (1886), 1:47-56, 73-77. Translations of the most significant lines can be found in Ure, 7-9.

By the middle of the fourth century the Greek world had provided philosophers with the data needed for a scientific account of revolutions which has never been surpassed. Plato's *Republic* represents that when his ideal state changes, as all things must someday, it degenerates into a timocracy, then an oligarchy, then a democracy, and finally a tyranny, as if in a fixed order; but the philosopher was writing a dissertation on justice and a literary masterpiece which is not to be interpreted as a treatise on history. He drew with keen perception and the greatest discernment upon Greek political experience, and at many points his views are precisely like those of Aristotle, although he did not have the wealth of materials upon which his great pupil drew in the *Politics*. Even if he had had them, he could not have used any large part of them in a book like the *Republic*. But both master and pupil agree that excessive desire of wealth leads to the ruin of oligarchies, and that excessive liberty, degenerating into license, is the ruination of democracies. Plato spoke for both when he remarked that in political communities, just as in the animal and vegetable kingdoms, doing anything in excess is certain to produce a strong reaction in the opposite direction.<sup>5</sup>

Aristotle in his usual factual manner says that in order to understand revolutions three things must be determined: first of all, why those who have the necessary ability start a revolt; second, what precise objects they have in mind; and finally, what are the occasions from which political disorders and struggles arise. The first question he had already answered by saying that party strife arises when persons who believe themselves equals find that they are in the position of inferiors, or those who believe themselves superior find they are receiving only equal treatment. Men generally admit that equality is the correct principle; but some believe that it should be numerical, while others demand proportional equality, that is, superior recognition corresponding to their greater merit. Democrats maintain that if men are equal in any respect they should be equal in all others, while aristocrats and oligarchs claim that

<sup>5</sup> *Republic*, 563-564.

because they are unequal in wealth or birth, or both, they should be unequal in everything else. Since men of noble birth and virtue are rare, while rich men, the material out of which oligarchs are made, can be found in many cities, the political controversies in Greece had come to be waged between democrats and oligarchs and not between democrats and aristocrats.<sup>6</sup> It was Aristotle's belief that political stability is impossible if either the democratic principle of numerical equality is applied in all human affairs or the other principle of proportional equality is everywhere and always observed. Therefore he believed that some combination of the two principles was necessary, and upon this he based his appraisal of the different kinds of government that had existed in Greece. The objectives of revolutionists are either gain or honor, or the prevention of dishonor or loss; while the occasions of revolutions may be trifles like love quarrels or serious matters such as the insolence of rulers or disproportionate increase in some part of the state. In politics as in other things Aristotle believed the middle course to be safest; and extreme inequality, political, economic, or social, he considered the fertile cause of revolutions. The more carefully one studies the details of his discussion, the more adequate Aristotle's philosophy of revolutions can be seen to be; and he who masters it will have little difficulty in understanding, in most if not all essentials, the changes that occur under any form of government, at any time and anywhere.

Evidently Hellas presents a new world for the student of politics and finance, one in which he deals with men very much like himself, whose words and conduct he can readily interpret if he understands the political and economic life of his own time. Thucydides, Plato, Aristotle, and Polybius, to mention only the four outstanding names, left us writings which were not for their contemporaries merely, but were what Thucydides designed his history to be, "treasure for all time." We have to deal, not with great empires, but with hundreds of small political communities presenting great diversity of conditions and yet some all-important points of resemblance. From the

<sup>6</sup> *Politics*, 1301 a-b, 1302 a.

sixth century to the second, change was the order of the day, yet many historical uniformities can be noticed which are as instructive as those we have observed in a few slowly moving empires and monarchies of the ancient world. In studying them we find ourselves obliged to deal with much more than monuments and inscriptions, because we have inherited a rich literature dealing extensively with politics and finance.

§ 24. *Writers on Greek Finance.* Upon historians like Herodotus and Thucydides we naturally draw for important information on particular points in Greek finance. But from great philosophers we have received much more. From the conversations of Socrates reported by Xenophon in his *Memorabilia* we learn that the finances of the city of Athens were a subject with which young men looking forward to political careers might well be expected to acquaint themselves.<sup>7</sup> Thus young Glaucon, who at the age of twenty was studying oratory with a view to equipping himself for leadership in the city, but with indifferent success, was told by Socrates that his ambition was an honorable one, and then was asked in what branch of the public service he intended to begin. When specification proves difficult, the philosopher remarks that perhaps it would be a good thing for a beginner to study methods of making the city richer. With this suggestion accepted, Socrates remarks that of course the young statesman has learned what the sources of revenue are and what they all amount to, as well as how to improve any branches that are deficient. When Glaucon explains that he has not yet gone into that subject, he is then told that doubtless he has studied the expenditures and has made plans for cutting down any items that seem excessive. This topic also the perturbed youngster has not yet had time to study, but he does suggest that it is possible for a strong city like Athens to make its enemies contribute to the public treasury, an answer which brings down upon him questions about the military resources and prospects of the city, which prove as embarrassing as the others. All this is more amusing than instructive, but it demonstrates that public finance was a sub-

<sup>7</sup> *Memorabilia*, III. 6.

ject of so much interest to Athenians that Xenophon could report what we should probably accept as a substantially correct account of a conversation between the discerning and witty Socrates and a young man professing to be interested in public affairs.

In the latter part of the nineteenth century, when histories of economic thought began to be numerous, various writers discovered that what they called the science of economics was late in its development, and that in ancient times the prevalence of household industry, the low esteem in which manual labor was held, the slight growth of commerce, the lack of statistical data, and various other circumstances brought it about that materials were not provided for the scientific study of economics and finance.<sup>8</sup> All this may have seemed perfectly clear to nineteenth-century historians, but of it the Greeks themselves were ignorant, as is shown by Xenophon's story of Socrates. Of course economics and finance were part of a larger discipline which the Greeks called philosophy, and were not put forward as independent sciences, a word which we need not undertake here to define. But this was equally true of politics, ethics, physics, mathematics, and logic, and of every other branch of knowledge. Whether economics was the better or the worse for being treated as a part of an all-inclusive discipline called philosophy, need not be argued today, because the scientific world is much less interested in so-called independent sciences than it was sixty years ago and has found that increased knowledge of facts has broken down many of the compartment walls which were formerly supposed to divide one independent field

<sup>8</sup> For example, see Ingram, 5, 8; and Eisenhart, 2-3. Gray in his excellent manual (13-14) makes a better statement concerning the limitations of Greek economic inquiries, avoiding the absurdities to which I have called attention; but his remarks about students "who are fanatically determined to find everything in antiquity" show that his personal interests are so far confined to modern times that he slighted Greek and Roman antiquity and the middle ages. For his immediate purpose his procedure is justified, but the words "fanatically" and "everything" are not well chosen. It is quite as easy to overrate the achievements of the physiocrats and Adam Smith as to find too much in the writings of certain Greek philosophers. Mr. Gray has, I believe, avoided the former error; but the language he uses creates an unfortunate prejudice against careful study of a few ancient writers from whom moderns could derive more economic and financial insight than they have yet managed to do.

of study from another. I allude to the matter chiefly for the purpose of showing that in our study of Greek politics and economics it is desirable to take our writers at first hand and to be chary about what we are told about them in many of the books purporting to present the history of economic "literature."

Of the Greek philosophers who dealt with finance, the greatest was Aristotle. He touched upon the subject briefly in some of his works and extensively in others. The best approach to the topic is in his *Rhetoric*, in which, oblivious to the fact that twenty-two hundred years later historical economists were going to discover that Athens did not afford materials for observation, he sets forth, as Socrates had done, that among the subjects concerning which public men should be informed is that of the public revenues. Both the sources and the amount of the receipts should be known, in order that nothing may be omitted and any branch that is insufficient may be increased. In addition to this, expenditures should be studied so that unnecessary items may be eliminated; because people become wealthier not only by adding to what they have but also by cutting down their outlay.<sup>9</sup> Particularly interesting, since it relates to a politician who had charge of public money, is the story which Aristotle recommends as a good one for an orator to have in stock. It runs to the effect that Aesop, when called upon to defend a Samian demagogue who was on trial for a capital offense (not improbably of a political character), related an anecdote of a fox who, while crossing a river, was driven into a crevice in some rocks from which he was unable to extricate himself. There he remained for a long time in great distress because of numerous fleas which fastened themselves upon him. Finally a hedgehog perceived his plight and offered to remove the torturers, a kindness which the fox refused because, as he said, the fleas "are already full of me and are now drawing little blood"; but if, he continued, "you drive these away then others will come who will be hungry and will drink what little blood is now left me." Then Aesop told the Samians they had little

<sup>9</sup> *Rhetoric*, 1359 b. Further discussion is found in the *Rhetoric for Alexander*, the authorship of which is not certain, although the discourse exhibits many points of resemblance to Aristotle's thought.

to fear from the demagogue because he was already wealthy; while if they put him to death, other demagogues would come who would be poor and would take what still remained in the treasury. Greek politicians, as we shall learn hereafter, did not have a good reputation for honesty; and this story was undoubtedly a good one for a public speaker to stow away in his memory. For its value we have the word of the great teacher of rhetoric who attracted select youth from all parts of the Greek world to his celebrated Lyceum at Athens.

The *Politics* contains many references to public finance; and we find Aristotle saying, again having materials for observation which economists in the nineteenth century declared to be so inadequate, that it was useful for statesmen to understand the art of making money. States need money just as much as private families, and sometimes even more acutely; so that "some statesmen direct their attention exclusively to the acquisition of money."<sup>10</sup> In his account of the proper method of organizing a city Aristotle enumerates the necessary magistrates and offices: the superintendent of public buildings, the custodians of lands and forests, the receivers of revenue, the treasurers who keep public monies and pay them to the departments which spend them, and finally the auditors who receive all accounts of expenditures and subject them to audit, a duty so important that these officials handle no other business. All this is commonplace enough, and so it would have seemed to ancient Egyptian bureaucrats; but it gives the reader some idea of the serious attention which a philosopher like Aristotle gave to public finance. Of various other things which he had to say we shall learn hereafter.

The *Oeconomicus* of Xenophon is the conventional Greek treatise upon the management of a private estate, which included domestic relations. A few things in it would be of interest to the student of public finance, but not enough to make the work important for our present purpose. It is of interest, however, to note that there is a reference to Cyrus the great Persian, "the most illustrious of kings," who took as much

<sup>10</sup> *Politics*, 1259 a.

pride in cultivating and stocking his land as in cultivating the art of war.<sup>11</sup>

Of real significance is another work, the *Economics*, long attributed to Aristotle but now recognized, on the basis of internal evidence, as a work of later date and probably by two different authors. It consists of two books in Greek with a third, dealing only with the position of a wife in a household, which has come down to us in two Latin versions.<sup>12</sup> The first book is a brief compendium of the art of managing a household, and deals in the conventional Greek manner with estate management and domestic relations. It could readily have been compounded, and in a very short time, from the *Oeconomicus* of Xenophon and the *Politics* of Aristotle; and it may be the work of some disciple of the great Stagyrte. The second book deals chiefly with public finance; and consists of a general summary of the Persian financial system, imperial, provincial, and local, followed by some brief remarks about the administration of a private estate. For all four kinds of economy the most important single rule is to keep expenditure within the limits set by revenue. This part of the second book is clearly Hellenistic in character. Its author may have studied at Athens with Aristotle, but his materials relate chiefly to Asia Minor. It next promises to consider revenue policies and the economical management of expenditures; but then, without further mention of these subjects, it switches abruptly to something very different, namely, a collection of stories concerning noteworthy expedients adopted by various rulers to replenish depleted treasuries. The transition is so abrupt as to suggest a different hand, and certainly not that of the author who wrote the commonplace compound from earlier writers, presumably Aristotle and Xenophon, on the art of estate management.

Of course there is nothing systematic about a collection of tales; and for this reason, perhaps, some writers have not valued the *Economics* highly, but it is reasonable to regard it as an effort by some disciple to carry out a suggestion made by

<sup>11</sup> *Oeconomicus*, 4:16.

<sup>12</sup> See *Economics*, G. C. Armstrong, editor, London, 1935; and *Oeconomica*, E. S. Forster, translator, Oxford, 1921.



Aristotle in the *Politics*.<sup>13</sup> The philosopher was there speaking about different kinds of acquisition; and, after referring to certain Greek treatises on agriculture and horticulture, he says that "it is necessary to collect the scattered accounts of the methods by which certain people have managed to make money." This suggestion Aristotle follows by an excellent tale of the way Thales of Miletus made money by acquiring control of all the olive presses at harvest time, and another of a merchant or banker who secured a corner on the iron supply in Sicily at a certain season. With this suggestion and with his two excellent stories, Aristotle stopped; and I can see no reason for entertaining serious doubt that the interesting collection with which the second book of the *Economics* ends can be anything but the effort of some disciple to carry out the master's suggestion. Some of these tales we shall have occasion to use hereafter. It would be mere conjecture to suggest that someone found an incomplete book dealing with Persian or Hellenistic finance and affixed to it a collection of anecdotes made by some disciple of Aristotle, but it is also a perfectly reasonable hypothesis which I venture to offer for the most critical consideration of future scholars. The fact that some of the tales relate to events which occurred after the death of Aristotle indicates strongly that the collection is the work of some disciple and not of the master.

Another financial production, *Revenues*, is devoted to the finances of Athens at a critical period in the history of the city. It has long been attributed to Xenophon, although internal evidence indicates that it was written *circa* 355–354 B.C., when the reputed author, if indeed he did not die in 359 B.C., as some have supposed, would have been nearly ninety years old. Upon examination the book appears to present a plan by which the oligarchical party, of which Eubulus was the leader, could continue the various distributions to which King Demos had become accustomed, and at the same time relieve the wealthy from excessive tax burdens. In other words, its plan was to keep the party of Eubulus in power by bribing the populace

<sup>13</sup> *Politics*, 1259 a.

and at the same time avoiding oppression of the rich. It shows a thorough understanding of the difficulties of oligarchical politics at that juncture; but it makes some proposals which seem quite unsound; for example, the purchase of a huge number of slaves to develop the revenues from the silver mines at Laurium. In recent years W. Schwahn has presented some excellent reasons for concluding that Xenophon could not have written the book, and that the document is either a political pamphlet or a party program of some follower of Eubulus.<sup>14</sup> Without undertaking to pronounce upon the validity of all of Schwahn's arguments, I believe that he has no difficulty in showing that some of the calculations of the profits that might be gained from the silver mines are not only absurd, but are of a character which such a practical man as Xenophon could not have made. Of even more importance is the extreme improbability that a man of nearly ninety years, who had been long absent from Athens, would or could have investigated the political and financial difficulties of the oligarchical party and proposed an ambitious program. A final consideration is that an able and practical man like Xenophon would not have estimated the probable amount of silver remaining unmined by comparing the size of the hills still unworked with the piles of refuse and tailings from mines described as having shafts and underground galleries. An ordinary story-teller or politician might have done such a thing, but not a general like Xenophon.<sup>15</sup>

§ 25. *General Survey of Greek Financial Practice.* The finances of the early Greek kings resembled in many respects those of later monarchs who ruled over free peoples. They had their land and herds; on occasion they might command the services of their people and sometimes receive presents for particular purposes or in recognition of their high office. Traders made gifts which sometimes broadened into regular payments for the privilege of carrying on their trade. In general the king's household with its various private and public ac-

<sup>14</sup> *Rheinisches Museum für Philologie*, N. F. 80:252-277.

<sup>15</sup> For this last argument it is fair that I should state that Schwahn is not responsible.

tivities was the financial center of a kingdom; and out of such revenues as have been described the king met the expense of governing his people, which included the exercise of that royal hospitality of which so much was made in Homeric times. A successful war would bring booty, shared with the warriors even though the king received the largest portion. The earliest epic poems show that cattle lifting was a cause of frequent wars, and that brigandage and piracy were not unknown. The hero of the *Odyssey* is made to relate that before he went to Troy he had conducted nine piratical raids; and he asks the shade of King Agamemnon whether he died fighting for his city or in the course of a cattle-lifting expedition. In the ninth century, Hesiod deplored the fact that the men of his generation, including their princes, were guilty of violence and cruel deeds; and he declared that wealth should not be taken forcibly, and that god-given wealth was much to be preferred.<sup>16</sup>

After kingship disappeared, to be followed by the rule of nobles and then by that of oligarchs, tyrants, or demagogues, financial practices became more diverse but presented rather more points of resemblance than of difference. The growth of commerce and increase of wealth, which had brought changed conditions of public as well as of private economy, had naturally increased the cost of government. But except under tyrannies the tradition continued that direct contributions were voluntary, and that, as Professor Andreades puts it,<sup>17</sup> "taxing the body, the labor, or the land of the citizen was inconsistent with his character as a free man." This was not due to lack of patriotism or to unwillingness to assume public duties but to a preference to contribute their time, their property, and, if necessary, their blood voluntarily and as freemen.

In the various Greek cities the governments drew revenue from domains consisting of certain houses and other buildings; as well as of pastures and orchards. In a few cases, as in Athens and Thasos, important revenues were derived from mines; gifts and bequests added to the amount of state prop-

<sup>16</sup> *Odyssey*, 11:402-403; 14:229-231. *Works and Days*, 201-210, 320-322. See Andreades, 24-25.

<sup>17</sup> Andreades, 127.

erty, and sometimes conquests brought more. Nevertheless, there was need of other revenues. Fees of office naturally developed, and to these were added court dues and fines which in some places, as Athens, were exploited for fiscal reasons in a manner that led to the gravest abuses. When Alcibiades urged the Lacedaemonians to seize and fortify Deceleia, he pointed out that by so doing they could deprive Athens of the revenue from the silver mines at Laurium and also intercept "whatever income they now receive from the land and the law courts."<sup>18</sup>

Indirect taxes, as they are now called, provided the commercial states with revenues which naturally grew with the development of commerce and industry, and so with public expenditures. Both foreign trade and domestic were taxed, the revenues from these sources being highly esteemed even though the whole tribe of philosophers affected to dislike commerce and Aristotle contended that trading for profit was not a natural form of "acquisition," an opinion which, nevertheless, did not prevent him from saying farther on that a city should be well situated in regard to both sea and land so that it could receive goods it did not produce and export things produced in excess of its own demand.<sup>19</sup> Customs duties were low and fairly uniform throughout the Greek world, the ordinary level being 2 per cent *ad valorem*. Taxation of internal trade generally took the form of excise duties. Market dues or sales taxes were found in Greece as well as in Egypt and Persia. Andreades believes that originally the usual rate was 1 per cent, but that higher rates existed. Then there were taxes on auction sales and upon transfers of immovables.<sup>20</sup> There were also tolls levied at city gates, which may have been designed to reach trade by overland routes or goods not offered in city markets. Harbor duties on the right of anchorage or that of unloading are also found, as well as taxes on ferries and fishing privileges. In addition to these, the evidence now available shows a large number of other taxes, not all of them indirect, which it is impossible to enumerate in this brief survey.<sup>21</sup>

<sup>18</sup> Thucydides, 6:91. Cf. Andreades, 273-277.

<sup>20</sup> Andreades, 145.

<sup>19</sup> *Politics*, 1327 a.

<sup>21</sup> Cf. Andreades, 150-159.

All of these taxes, like other public revenues, were generally farmed out, as in so many other ancient countries. Without a well-trained body of public servants, direct collection presented difficulties; and then, too, the farmers of the taxes could guarantee a definite return and could give sureties. As almost always happens, the farmers were constantly assailed as avaricious, extortionate, and violent in their methods of collection. It was necessary to confer great power upon them, and it was inevitable also that this power should sometimes be abused. Sometimes farmers were charged with collusive bidding in order to secure their contracts upon terms unfair to the public treasury; in other words, Greek publicans resembled their *confrères* in all other times and places.

Fertile in financial devices, Greek cities sometimes raised money by selling rights and honorary distinctions, and all too frequently resorted to debasement of their coinage. But of more interest was their frequent use of monopolies.<sup>22</sup> To Thales, the first of the Greek philosophers, Aristotle attributes thorough understanding of the subject of monopoly. Believing one winter that the next season would see a large crop of olives, he rented all the olive presses in Miletus and Chios at a small price because nobody wanted them at that time; then, when the olive season arrived, there was a sudden demand for the presses. This the philosopher was in a position to supply upon his own terms, thereby reaping large profits and also proving, says Aristotle, that "it is easy for philosophers to get rich if they desire," adding that, of course, "this is not what interests them."<sup>23</sup> Andreades points out, however, that, with very few exceptions, the Greek cities did not seek monopolies of production. Even a salt monopoly, the oldest and for a long time the only one which the Greek world knew, was found only in Byzantium, where it was connected with a monopoly of fishing privileges. But monopolies of supply were often resorted to in order to meet particular emergencies, and such things, Aristotle observed, statesmen need to be acquainted with.<sup>24</sup> Grain and

<sup>22</sup> On these subjects see Andreades, 178-185; Riezler; and the *Economics*.

<sup>23</sup> *Politics*, 1259 a.

<sup>24</sup> *Politics*, 1259 a.

olive oil were often monopolized, but at Byzantium a monopoly of money changing was granted to a bank. Under the rule of the Ptolemies in Egypt the use of monopolies was very greatly extended.

§ 26. *The Finances of Tyrants.* Under the tyrants who usurped control of many cities from the seventh century onward, financial systems developed which presented numerous common characteristics that greatly interested Greek writers upon politics and have interest for modern students of public finance.<sup>25</sup> While Greek philosophers generally considered tyranny the worst of all forms of government, and regarded tyrants as ruthless, rapacious, and brutal oppressors, modern students recognize that some of the despots, generally the earlier ones, were remarkable men who did much for the economic welfare of their cities, promoted learning, and contributed to the development of the fine arts. Many of the early tyrannies arose as the result of popular discontent against oppressive oligarchical rule under which the masses of the people had many grievances and supported such usurpers as Pisistratus at Athens, from whom they expected relief. Others arose in democratic cities through clever appeals to mob passions and violence, after which demagogic tyrants oppressed rich and poor alike. In some cases no doubt, as Mr. Ure has recently argued, the tyrants were industrial or mercantile magnates wielding the power their money gave them against the landed aristocracies which had so long ruled in many Greek cities.<sup>26</sup> That Pisistratus, for example, was, among other things, a mining magnate cannot be doubted; and, as Andreades points out, Ure's theory is not necessarily inconsistent with older theories because "the demagogue is not necessarily a poor man" and may in fact be a plutocrat as well as leader of the mob.

Tyrannical finance, like other systems, is best understood by studying its expenditures. These were accurately characterized by ancient writers, especially Aristotle; and to his account modern investigators have added little in the way of

<sup>25</sup> Andreades, 110-124; Aristotle, *Politics*, esp. 1313 a and 1314 a-b; Riezler; Bullock, 502-519.

<sup>26</sup> Ure, ch. I *et passim*.

detail although they have been able to see some things in better perspective and juster proportions. First of all, the tyrant required a strong bodyguard, which meant an armed force sufficient not only to seize and maintain control of the government but to protect the person of the tyrant. As Aristotle put it, legitimate rulers govern willing subjects according to law and are protected by the citizens, while usurpers rule unwilling subjects and must have foreign guards to protect them.<sup>27</sup> And again it was alleged by both Plato and Aristotle that tyrants were inclined to turn to foreign wars in order to divert attention from domestic affairs and impress their people with the need of having a strong leader. This generalization is not wholly correct because legitimate rulers have sometimes done similar things, while the Greek tyrants were by no means responsible for all the wars in which they found themselves involved; but there is no doubt that in tyrannical finance military expenditures, even in time of peace, were an outstanding burden.

Then came the maintenance of the tyrant and his court, which was likely to be extravagant, not only on account of desire for luxury but also on account of the necessity a usurper feels for maintaining royal state and impressing his subjects with his magnificence. Along with the ordinary upkeep of the court went lavish hospitality on appropriate occasions, and frequently the maintenance of philosophers and artists in the ruler's palace. After this item came expenditures upon the many public works for which the greatest and most successful of the tyrants were noted: harbor improvements and fortifications, magnificent palaces and public buildings, aqueducts, temples, statues, and other objects of art, all found their place in the budget of successful usurpers who would strengthen and beautify the cities they ruled. Other reasons for expensive public works were the desire to provide subsistence for a considerable number of the citizens and to keep the people busy so that they would not have time for such other things as plotting against the life of the usurper. For religious and civic edifices there

<sup>27</sup> *Politics*, 1285 a.

was the further advantage of making an appeal to religious and patriotic sentiments.

Besides all this, tyrants often were avaricious or, like other rulers, desired to accumulate treasure, partly with a view to providing for emergencies and partly, no doubt, with a view to laying up wealth in some foreign country to which a usurper might repair if successful revolt made such action necessary. The policy of accumulation involved dangers against which Aristotle warned when he pointed out that a tyrant would make his position secure if he handled public money like a steward rather than a despot, husbanding it with care as a public fund and not treating it as his private estate.<sup>28</sup> Furthermore, he suggested that a large treasure might invite attack whenever it was necessary to conduct a campaign in foreign parts, because the tyrant's treasurers would under such circumstances be more dangerous than the citizens. And finally the great philosopher remarked that a ruler "ought never to feel that he would lack resources if he were really the master of his city," which is not very unlike the modern maxim that the real patrimony of a government is prosperous private industry.

The ordinary sources of revenue used by Greek cities were naturally employed by tyrants, and some of them were protected with especial care. When a banker in Syracuse used money deposited with him to corner the supply of iron and subsequently made a large profit by raising the price of that commodity, the great Dionysius sent for him and ordered him to leave the city because he was poaching on the tyrant's own preserves. But to the ordinary revenues the tyrants often added direct taxes, from which Greek freemen generally claimed to be exempt. Thus poll taxes came into existence both in Attica and in Sicily, heavy taxes were frequently levied upon property, while even the tithe was introduced in Athens and in Sicily. There is doubt as to when tithing was introduced into Sicily; perhaps Dionysius may have resorted to this tax. Later, under Hiero II., it seems to have developed into a system which gave general satisfaction until Roman times and contributed to the excellent reputa-

<sup>28</sup> *Politics*, 1314 b.



tion which this particular tyrant enjoyed. In Athens, according to Aristotle, the tax was introduced by Pisistratus, who made it not a tenth but a twentieth of the produce; but Thucydides states that it was introduced by the tyrant's sons. According to a story of which we have two versions, the tax was in operation in the time of Pisistratus, because the tale relates that he once saw a man working on a very stony piece of land and sent one of his attendants to ask the farmer what he got from his labors. One version has it that the man replied: "Weariness and gangrene, and Pisistratus levies a tax on this"; while the other runs: "Aches and pains, and Pisistratus ought to have a tenth of that." The reports agree in relating that the tyrant, pleased with the man's boldness of speech, granted him future exemption from the levy upon the products of his industry.<sup>29</sup>

Taxes upon property were sometimes carried to very great lengths, either on account of military necessities or on account of desire to strike at oligarchs who had formerly ruled a city and had arrayed themselves in opposition to the usurper. In this Andreades sees a development characteristic of all reactions against oligarchical rule, such as were led undoubtedly by some of the Greek tyrants. While Periander is said to have financed himself by indirect taxes, and other tyrants relied largely upon other sources of revenue, most of them levied very heavy taxes upon the property of the rich. Many illustrations of this are reported, of which some of the most interesting can be found in the second book of the Pseudo-Aristotelian *Economics*. Cypselus of Corinth is said to have listed the property of his subjects and then taken a tenth thereof, telling the people to go on trading and thereby restore their fortunes. This he is said to have repeated for ten years, with the result that he finally had collected as much as the Corinthians originally owned and had kept them hard at work endeavoring to keep their fortunes intact. However, listing all property at its full value was undoubtedly difficult even in a city ruled by a

<sup>29</sup> Andreades, 122-123; Aristotle, *Constitution of Athens*, 16:4; Thucydides, 6:54.

Greek tyrant, as it has always been elsewhere. At Athens, a democratic city, to be sure, Demosthenes offers in a law case evidence that the assessed value of an estate is three talents as proof that it is really worth fifteen, which would indicate that his property was then valued at 20 per cent of its real worth.

Under the tyrants interesting tales are told of citizens who buried their money or managed to send some of their wealth abroad. Dionysius of Syracuse is reported to have managed to levy a tax which in five years' time brought into his treasury the whole substance of his people; yet even with this strong and resourceful ruler we know that property was sometimes concealed, and we have a story of a man who managed to sequester part of his fortune and move to another city where he purchased land. Various stories testify to the fact that there were limits to his power as a tax-gatherer, resourceful as he was in separating the people of Syracuse from their substance. At one time taxes became so heavy that the people stopped raising cattle; whereupon the tyrant announced that his requirements were now satisfied and that cattle should thereafter be free of tax. Then after herds had been replenished, he discontinued exemption, with the result that the people began to slaughter their animals and sell the meat. To combat this practice, the tyrant decreed that thereafter only so many cattle should be killed as were needed for daily requirements; but this was circumvented by sacrificing cattle to the honor of the gods, who, it will be remembered, had to be content with the sweet savor arising from burning the inedible portions of the carcasses.

One of the best anecdotes relates to a series of heavy taxes which brought great complaints and vigorous representations that the citizens had no more money to be taxed; after which the tyrant ordered a second tax to be levied, and then a third and a fourth. But then, when another levy was announced, it was reported to him that the people were laughing and jesting as they circulated in the market place; whereupon he ordered his officers to desist: "For now," he said, "they have nothing left since they hold us in derision." So long as they protested, he evidently concluded that they still had money left and that

he could secure more revenue by another twist of the screw; but when his people, facing actual ruin, not only became resigned to a situation that they must accept but proceeded to extract from it what amusement they could, as has happened many times in ancient Greece and other countries that have resorted to spoliation of the rich, Dionysius was intelligent enough to know that he was overplaying his game and took appropriate action, which other rulers have not always had the wit to do.<sup>30</sup>

Besides poll taxes, tithes, and levies upon property, tyrants also resorted frequently to extortion, of which many tales are told; and often confiscated property, even seizing upon the treasures of the temples. Besides sacred treasures, the property of orphans was greedily seized, while debasement of the currency and other evil devices were sometimes employed. In finance, as in other things, the Greek tyrants were often ruthless, but this did not prevent some of them from being successful rulers, while it has left us numerous anecdotes which, properly interpreted, tell us much about Greek public finance.

In the age of the tyrants Greek finance underwent a great change as a result of the introduction of a metal coinage. The early kings were supported largely, though not wholly, from domains; and their other resources were received in kind, that is in commodities or services. After kingship passed, the finances of Greek cities changed but slowly, until the growth of commerce and the invention of coined money gave them a money rather than a natural economy. Herodotus tells us that the Lydians were the first people known to him who struck and

<sup>30</sup> In my *Essays*, 502-519, I have undertaken to interpret the tales told of the great Dionysius and have reached the conclusion that, while he undoubtedly was a heavy spender and rapacious tax-gatherer, he could hardly have been as unwise a financier as many of the stories would make him out. During his long rule of thirty-eight years the city grew in wealth and power, and there are certain tales, other than the one just related, which indicate that he knew it was unwise to destroy the sources of taxation. When, for example, he learned that the man mentioned above had concealed some of his treasure and taken up his domicile in another city where he purchased land, Dionysius sent for him and invited him to return, enjoining him merely not to bury his money again but to keep it constantly employed.

used gold and silver coins.<sup>31</sup> Whether his information was complete or not, we can be sure that from these semi-Hellenized neighbors the Greeks obtained a large part of the supply of money which commercialized their finances as well as so many other departments of Greek life. It was in the seventh and sixth centuries, which saw this momentous revolution, that the first Greek tyrants appeared; and it was therefore natural that tyrannical finance should lose the characteristics of the natural economy which had formerly obtained among the Greeks, and that tyrants should become money getters and money spenders, even though their tithes might be collected in produce of the fields and some of their activities carried on through *corvées* and compulsory military service.

Another result of tyranny, of course, was that Greeks who could not free themselves from it, as they generally sought to do, lost that freedom they had enjoyed from earliest times and came under despotic rule, like the barbarians whom they affected to despise for their servility to Oriental despots.<sup>32</sup> The natural result was that they became subject to poll and property taxes, including the tithe, and in some cases were very heavily taxed. From Greek experience, in some part at least, European peoples of later times inherited the belief that poll and other personal taxes were inconsistent with freedom, and that taxes on commerce were more appropriate for communities of freemen.<sup>33</sup> That this belief was justified we cannot doubt. Greek tyrants often taxed their people oppressively, so much so that such observers as Plato attributed to them the de-

<sup>31</sup> Herodotus, 1:94.

<sup>32</sup> It is believed that the word *barbarian* originally meant no more than *non-Greek*, and that its "depreciatory meaning" originated in the fifth century. Bury, *Hellenistic Age*, 24-25. Up to his account of the battle of Marathon, Herodotus uses it in the original neutral sense; but in subsequent chapters he uses it with a derogatory implication and as a synonym for *Persian*. Tarn concludes that the inferiority theory of the barbarians originated in Athens after the Persian wars and, being propagated thereafter from that city, became generally accepted in Hellas even by Aristotle and Isocrates. Xenophon, he remarks, "who had seen something of the wider world," was one of a few dissentients.

<sup>33</sup> Montesquieu, 13:14, "The head tax is more natural for a state of servitude; taxation of commerce is more natural for a state of liberty, because it bears in a less direct manner on the person."

liberate purpose of impoverishing their subjects in order to oblige them to attend so strictly to their daily tasks that they would not have time to plot against their rulers.<sup>34</sup>

That all this usually was not immediately apparent we can learn from Plato's observation that the tyrant "at the outset and in his early career" ordinarily "has a smile for everyone and a friendly greeting for whomever he meets," while "he denies that he is a tyrant, promises many things both privately and publicly," and, after canceling debts and redistributing property, "assumes a mild and gracious manner to all." In many cases some relics of popular government were continued, such as the public assembly which presently came to be a place where a tyrant summoned the people for the purpose of informing them about his plans, such as the new taxes he intended to impose. The loss of liberty seems generally to have been a gradual process justifying Pareto's remark: "Liberty dies on the day when citizens accept chains or ask for them, not when what they have asked for is thrust upon them or when at last they suffer its consequences."<sup>35</sup> In the end the result was something which led Aristotle, who had seen and understood, to declare that no freeman willingly endures such government.

The fortunes of usurping rulers are subject to so many contingencies that it is very difficult to determine the consequences of political and financial policies pursued by the Greek tyrants. Pisistratus, in spite of the fact that he introduced the unpopular tithe, gave Athens both peace and domestic tranquillity, improved his city, and extended its influence, with the result that he transmitted his throne to his sons. When one of them presently was assassinated for a slight offered to a certain youth's sister, Hippias, the survivor, became a suspicious and hated despot whose ingenious financial exactions are duly recorded in the valuable collection of stories which some pupil of Aristotle preserved in the *Economics*. Whether his taxes or some other tyrannical measures led to his downfall four years after his brother's death, we cannot determine; but we can suspect that

<sup>34</sup> *Republic*, 567.

<sup>35</sup> Pareto, 1855.

the former had something to do with the final outcome. Of Cypselus of Corinth we have varying accounts, but he developed his city's commercial interests, encouraged art, and was succeeded by his son Periander. The latter continued his father's policies and has come down to us as one of the most successful of the Greek tyrants. He was succeeded by his nephew who was slain in a few years' time, thus bringing the Cypselid line to an end. Dionysius of Syracuse, a great but expensive ruler, was succeeded by his son, the younger Dionysius, with a result that reminds us strongly of Solomon and the unfortunate Rehoboam. The young Greek had been reared in luxury and indolence, and had inherited from his father the habit of magnificent expenditure. He soon came under the influence of flatterers and boon companions, and showed himself incapable of wearing the heavy mantle of the great tyrant. Like Rehoboam, he found himself plagued with financial problems which led him to make a vain attempt to reduce the pay of his father's veteran soldiers. After making himself despised for his indolence, he found himself faced by popular discontent which he undertook to allay by promising moderation in taxes and easier terms of military service, action which shows clearly enough that excessive taxes had something to do with his troubles. When negotiation proved fruitless and treachery availed him nothing, the young man escaped from Syracuse, sailing away with the friends and property he valued most, thereby losing his city just as Rehoboam lost the great part of the kingdom of Solomon.<sup>38</sup>

Only in the case of Hippias and the younger Dionysius have I been able to find any clear evidence that unsound finance involved the Greek tyrants in unpleasant consequences. These usurpers were often expensive, but many of them had much to show for the money they spent. Polycrates of Samos built a large fleet which made his island a great naval power and also enabled him to prey upon the commerce of the eastern Mediterranean. This enriched him and his city, which he provided with the Temple of Hera, a great aqueduct which brought water

<sup>38</sup> Bullock, 517-519.

into the city by a tunnel built through a hill, a magnificent court, and other things which probably raised him in the estimation of his subjects. That he finally fell into the trap of the Persian satrap of Miletus, and met death by crucifixion, was due to an ambition which outreached itself and not to bad administration or unsound finance. Theagenes of Megara, who outwitted and then massacred his aristocratic opponents, managed to construct an aqueduct before he was overthrown. In Mytilene a series of short-lived tyrannies evoked the lyrics of Alcaeus which expressed the hatred and jubilation felt as tyrants rose and fell. In agricultural Sicyon the tyrant Cleisthenes maintained himself in power by the moderation of his policies and by military and other achievements. There is no uniformity in the record which has come down to us; although we read much of tyrants' great expenditures and heavy taxes, I have found only two cases in which it can be shown that these had unfortunate consequences. The evidence is so scanty that the only safe course is to avoid sweeping generalizations about the finances of tyrants in ancient Greece.

Before passing from the Greek tyrants, we should consider Xenophon's remarks about methods by which a tyrant might possess his city in security and even acquire the good will of his subjects. No other Greek writer seems to me to have understood so well the subject of economy both in the management of a private estate and the housekeeping of a city. He was a person of diverse gifts and most varied experience. As a young man he listened to Socrates, and subsequently in his *Memorabilia* gave the world a faithful report of many of the sayings of his great teacher. Then as a soldier he not only made his campaigns which taught the Greeks so much about the weakness of the Persian military system, but wrote accounts of them which are masterpieces of military history, revealing their author as a great general<sup>37</sup> to whom we should attribute the intelligence and practical wisdom that such men necessarily possess. Then after returning to civil life he became a farmer able in his *Oeconomicus* to write well about what land to purchase and how

<sup>37</sup> See Colonel Spaulding's brilliant study, *Pen and Sword*, 14-74.

to cultivate the land one has, an art, he says, which somewhat resembles generalship because not only intelligence is necessary but also great care in the many details of the two arts. With these interests Xenophon combined the ability to write excellent prose showing keen appreciation of the value of his materials for the purpose in hand and skillful presentation of his thought. A modern treatise on public finance could well afford to reproduce and to emphasize strongly his observations concerning public expenditures and general financial policy.

Xenophon's *Hiero* is an imaginary conversation between Hiero II. of Syracuse (478–467 B.C.) and the poet Simonides, one of the distinguished strangers entertained at the despot's hospitable court. Hiero is represented as complaining to his guest concerning the hardships and unsatisfactory character of a despot's life. Such a ruler, he declares,<sup>38</sup> not only misses many good things which a private citizen enjoys, but lives among many enemies when he is at home and fears to go abroad lest he lose his throne. As for the enjoyments of the table, he declares that, the greater the number of dishes set before a man, the sooner he comes to repletion and the more condiments and sauces he requires with his food. Besides enemies at home, there are dangerous rivals abroad, so that foreign wars as well as civil must also be guarded against. Even in point of wealth the despot is not so much richer than private citizens as he is supposed to be; because wealth and poverty are relative to a person's needs, and despots, in order to maintain themselves and their armies, are often driven to unworthy methods of acquiring money, sometimes, indeed, robbing not only ordinary men, but temples as well. When Simonides, unconvinced, remarks that, after all, despots do not seem to be willing to surrender the great power which causes them so much trouble, Hiero replies that the truth is that the poor despot *cannot* either carry his responsibilities comfortably or lay them down advantageously — an idea similar to that expressed in the saying of Solon that despotism is a fine thing, but one that offers no way out.

<sup>38</sup> *Hiero*, I. *et seq.*



Simonides then undertakes <sup>39</sup> to show Hiero, who, in spite of his hospitality to poets and philosophers, is credited with having been a hard though not unsuccessful ruler, how he might make himself both secure and well liked. In the first place many of a ruler's activities are such as might be managed in a way that would make him popular. Besides teaching his people what things are best, he might praise and honor subjects who excel in what they undertake. Prizes might be offered for excellence in choral competitions, for excellence in discipline, equipment, horsemanship, courage in time of war, and fair dealing in business. Under such a policy citizens would be more ready to perform public duties like paying taxes; and in things like agriculture, the most useful of occupations, great progress might be made if prizes were offered for the best farm, and for the village which is best cultivated. Then if commerce profits a city, honors might be conferred on those who are diligent in trade. Finally, if rewards were given to any who can discover a new source of revenue which can be introduced without doing harm (*painless revenue* would be a correct translation), the public treasury would benefit. All these things might cost some money, but they would not really be expensive because no commodities are so cheap as those which are bought by offering a prize, a point illustrated, he says, by the great efforts Greeks make and the large sums they spend in public games and competitions in which the reward is a very modest prize.

In the next place a ruler may well draw upon his own fortune in order to pay for these things because the money he spends on the city is more properly reckoned a necessity than that which he spends on himself. A despot will receive less credit for a palace adorned with precious art treasures than for a whole city defended by stout walls and provided with temples, colonnades, market places, and harbors. The ruler's enemies will find him more terrible if they see his people in the best of armor than if they look upon his own magnificent adornments. Then much more revenue will accrue if private enterprises are

<sup>39</sup> *Hiero*, IX.

made active than if only the capital of the ruler is kept employed. Indeed, it is not fitting that a ruler should compete with private citizens in breeding horses or in sending representatives to compete with all the other Greeks in various Hellenic competitions. In fact, Hiero is told that since he really has to compete with the heads of other cities, it is better to have his city surpass others in prosperity because thus he will be the winner in the finest and noblest competition that can be imagined. Such a victor will surely find himself safe when he is at home and free to go abroad without fearing his throne will be brought in jeopardy. In short, the conclusion is that if Hiero will enrich his friends, he will enrich himself; that if he makes his city great, he will make himself strong; that if he acquires allies for Syracuse, he will secure supporters for his throne; and that if he regards his fatherland as his estate and the citizens as his comrades and friends, trying to surpass all of them in good deeds, he may enjoy in security the finest possession in the world. This is practically what, in 1899, Henry C. Adams stated as a "fiscal axiom": "In modern times, and among peoples who practise the law of private property and the theory of individual rights, the patrimony of the State consists in a flourishing condition of private industries."<sup>40</sup>

<sup>40</sup> Adams, 5.

## CHAPTER V

### ATHENIAN POLITICS AND FINANCE

§ 27. *Athenian Hegemony: The Great Age.* Early in the seventh century Athens was an aristocracy dominated by the eupatrids, or nobles, with numerous peasants cultivating their own farms and a class of craftsmen who lived by industry or commerce. Besides these three classes of citizens, who were entitled to attend the assembly, there were numerous freemen without such right who served as agricultural laborers or worked for craftsmen and merchants. Sea-borne commerce had begun to grow rapidly. It presently produced a class of moneyed men who gradually undermined the former aristocracy of birth, with the result that the citizens were finally divided into four classes according to the amount of wealth each possessed, and the government became an oligarchy in which wealthy persons not belonging to the old nobility were admitted to the highest offices. Whatever the reasons, a rapid commercialization of the life of the city brought changes which either caused or were attended with much distress among the poor. Thus arose a conflict between the rich and poor which affected profoundly the future course of Athenian political and financial history. Before a violent upheaval occurred, Solon, one of the world's great lawgivers, inaugurated reforms which met the immediate emergency, and laid the basis for the development of a thorough-going democracy by opening the assembly to all classes of freemen and establishing a system of popular courts of justice which, besides exercising ordinary judicial functions, would call any magistrate to account for wrongdoing when he laid down his office. Thereafter the political parties in Athens were those favoring further development of the democratic tendencies inaugurated by Solon and those who wished to return to the older oligarchical form of government, or at least to maintain the *status quo*.

Athenian finance had originally been a simple system,<sup>1</sup> differing in few respects from that generally prevailing in the Greek world and outlined in § 25. With the growth of commerce, introduction of a money economy, and commercialization of its economic life, the city became the great commercial power so well described by Thucydides in his comparison of the two antagonists who entered the fateful Lacedaemonian War. In the speech which he puts into the mouth of Archidamus, king of Sparta and the Lacedaemonian leader, he says that when the Peloponnesians, a land power, oppose the Athenians and their allies, they are contending with men "most experienced in seamanship and best supplied in all other respects, with wealth both private and public, and ships and arms and a population greater than exists in any other region in Hellas; in addition to which they have many allies subject to payment of tribute."<sup>2</sup> Sparta, of course, has her allies, but the Athenians have as many and theirs contribute to the war chest; to which he adds that "war is a matter not so much of arms as of money by means of which arms are set in motion, especially when a land contends with a maritime power." Therefore he advises delay until a war chest can be collected, even though that may mean seeking help from barbarian as well as Greek sources.

This passage from Thucydides reveals Athens not only as a great commercial and naval power, but also as the head of a confederacy which had in fact, if not in name, become an empire, the strongest power in Greece in 431 B.C. when the Peloponnesian War began. The Persian invasions in the first quarter of the fifth century not only gave Athens the opportunity to lead the Greeks in the repulse of the "barbarians" at Marathon and Salamis, but also, a few years later, secured for her the hegemony of the confederacy which the Greeks felt obliged to form in order to provide against further attacks. This league was composed of cities in Asia Minor, islands in the

<sup>1</sup> In general see Andreades, 197-381; Meyer, *Handwörterbuch der Staatswissenschaften*, 3 ed., 4:134-146; Boeckh; Gilbert, 95 *et seq.*; Beloch.

<sup>2</sup> Thucydides, 1:80, 83. Also, for the historian's explanation of his use of speeches, *cf.* 1:22.

eastern Mediterranean, and some towns on the mainland; but it was essentially a combination of sea states, and for its support the original plan was that each should supply ships to a great fleet intended to dominate the eastern Mediterranean. To Aristides the "Just" was assigned the delicate task of apportioning the contributions "according to the worth and power" of each member, after examining its territory and revenue. And this work, which Diodorus characterized as "one of the impossible things," he performed in a manner fully justifying the appellation by which he is known to history.<sup>3</sup> The word "power" (*δύναμις*), which both Plutarch and Diodorus employ, has frequently been translated "ability to pay," especially by advocates of the modern ability theory of taxation; but it referred to the total contribution of each city and not to any rule by which individual citizens were taxed. Moreover, "worth" and "power" could just as well be made the basis of a benefit as an ability theory if modern writers are determined to turn to antiquity for the support of their favorite theories of taxation. At this point we are reminded of the observation of the Marquis de Chastellux concerning Samuel Adams, who, he remarked, had been frequently "reproached" for "always beginning by the Greeks and Romans, to get at the Whigs and Tories";<sup>4</sup> and we should not overlook this writer's further observation that "such study has also its inconveniences," among which we sometimes find mistranslations of ancient texts as well as forced and even ridiculous interpretations of them.

In practice the larger cities contributed ships while smaller ones sometimes contributed an equivalent in money. The total of the contributions fixed by Aristides is supposed to have been 460 talents, and for some fifty years the payment of each city was either unchanged or reduced, so that the payments seemed a moderate price for security against a renewal of Persian invasions. The treasury of the confederacy was originally located at Delos; but fifteen or twenty years later it was transferred to the Acropolis at Athens, and thereafter the

<sup>3</sup> Plutarch, *Aristides*, 24; Diodorus, 11:47.

<sup>4</sup> *Travels in North America* (1787), 1:275.

contributions of the allied states virtually became tribute paid to that city, with the result that the allies gradually became subjects and Athens became the capital of a great maritime empire. As time went on, contributions of ships were more and more replaced by money payments. These were, perhaps, more convenient to the contributors and certainly better suited the purposes of the power which exercised hegemony. With increasing frequency non-member states were compelled to join; while members were subjected to control, and in the end only Lesbos, Chios, and Samos remained autonomous and furnished merely ships. Out of every talent of yearly tribute one *mina*, a sixtieth part, went directly to the Athenian treasury; and the rest, after providing for the maintenance of the fleet, became practically an Athenian war chest. Later the tribute was greatly increased, as will presently appear, until it finally rose to such figures as 1,000 and even 1,300 talents. When this led to discontent and even revolt, a 5 per cent tax on exports and imports was substituted for it, a measure which, even if it was designed partly to increase the revenue, was less oppressive because it was more elastic and varied with changing economic conditions. Moreover, indirect taxes had always been preferred by the Greeks to direct contributions like the tribute.

When Cleisthenes carried through his democratic reforms the Athenians were excellent soldiers who handily defeated the Boeotians and Chalcidians in 506 B.C. Sixteen years later, when the Spartans left them to face the Persian invaders at the Bay of Marathon, the Athenians had generals who were accomplished strategists and heavy infantry which in skill and valor was worthy of the men who led it. On the sea they were equally formidable, and at Salamis could outmanoeuvre and outfight not only the redoubtable Phoenician sailors whom Xerxes arrayed against them but also Asiatic Greeks who fought excellently. There, as at Marathon, leadership was superb; but the spirit and fighting qualities of the Athenians showed that they were warlike freemen ready for any great enterprise. When leadership of the Confederacy of Delos passed to their city, Athenian sailors undoubtedly deserved the praise which

Thucydides represents that the Spartan king Archidamus gave them when he told the Lacedaemonians that they would face men who, besides being supplied with wealth and ships and arms, were "more experienced than any others in point of seamanship."<sup>5</sup> Through a law which made enrollment in the Peloponnesian navy a crime of high treason throughout her entire empire, something like a monopoly of skilled sailors insured almost absolute control of the sea until the disastrous Sicilian expedition. Even this might well have succeeded if Alcibiades had not been replaced by an inferior commander who delayed his attack until the Syracusans had built a new and improved fleet and the Athenian forces had deteriorated from inability to refit their ships and from diseases which afflicted their crews. The brilliant performance of Phormio's triremes at Naupactus when compelled to face a Spartan fleet nearly four times as large shows what naval genius could do with the swift rowers found in an Athenian fleet. At the time of her greatest power Athens probably had 100,000 men in her navy, which, we are reminded,<sup>6</sup> was practically as many as were in the British fleet before 1914.

In the age of Pericles, at the height of her prosperity and power, Athens was both the leading commercial city of the ancient world and the mistress of a great empire. The first fact gave her a financial system of a modern character since it was based upon a money and not a natural economy, but the second imposed upon her the same necessity that ancient empires had faced, namely, that of solving the difficult problems of imperial finance. A third fact which profoundly affected both her political and financial history was the growth of democracy, an experiment first tried by the Hellenes, a race correctly described by Aristotle as both "spirited and intelligent," which for this reason, he said, had continued to be free and to excel other races in its political institutions, so that he considered it "able to rule the world" if only it could be united under a single government.<sup>7</sup> At Athens the democratic reforms of Solon had

<sup>5</sup> Thucydides, 1:80.

<sup>6</sup> Stevens and Westcott, 39.

<sup>7</sup> *Politics*, 1327 b.

been carried further by Cleisthenes some eighty-five years later; and then after the Persian wars, in spite of the opposition of Cimon and his oligarchical party, they had been followed by the complete establishment of democracy by new leaders, the chief of whom was Pericles (465-429). Under him Athenian democracy became, as Thucydides declared, "in fact a government ruled by its first citizen," a man known to be incorruptible, who "restrained the multitude without limiting their freedom," leading them rather than being led by them, and willing upon the right occasion to oppose them and even to invite their wrath.<sup>8</sup> In his time the affairs of Athens seemed to prosper, but in fact neither the finances of the city nor those of the empire were well handled. Weaknesses had developed which, unless corrected, threatened ultimate disaster. When Thucydides states that the successors of Pericles, contending with each other, were always willing to surrender to Demos and catered to his every whim, he writes justly; but he overlooks the fact that some of their troubles, particularly in finance, were inherited from the grand age of their predecessor.

Passing to details, we will, here as elsewhere, begin with expenditures. Of course the center of a great maritime empire required stronger fortifications as well as the conversion of its seaport, the Piraeus, into a real city, a task which Pericles entrusted to Hippodamus, whom Aristotle credits with being the inventor of the art of reconstructing cities, which he did by laying out the Piraeus in a regular manner (apparently in blocks).<sup>9</sup> Then came restoration of the temples which had been greatly injured during the Persian War and therefore required rehabilitation. This Pericles undertook upon a vast scale and as a religious duty, even though he himself, like other educated Athenians, had abandoned the older mythological beliefs which were being gradually undermined by the teaching of the Sophists. This picture of a philosophical skeptic spending large amounts of public money upon the temples of gods in whom the general run of people still believed throws no little light upon

<sup>8</sup> Thucydides, 2:65.

<sup>9</sup> *Politics*, 1267 b and 1330 b.



democratic finance in ancient as in modern times, and can be matched with similar examples of deference shown by usurping tyrants and legitimate royal rulers to religious beliefs which they, just like democratic politicians, felt it necessary, or at least worth while, to take into account.

Best known of all the public works of Pericles was the beautification of Athens with temples and monuments which are believed to have surpassed, both in their artistic perfection and their costliness, anything that had been known before; while, considered relatively to the state of the arts and the available resources, they may perhaps have surpassed any subsequent achievements of magnificent spenders. While not directly productive of material benefits, these undertakings made Athens for a time the most renowned city in the ancient world and one which cultivated people believed it necessary to visit, thereby bringing in much money which of course contributed to both private and public revenues. No doubt, too, the Athenians acquired a new pride in their city to which, as Pericles himself declared, everlasting glory came from the great works which evoked the best efforts of the greatest artists and craftsmen, at the head of whom was Phidias, the master-builder, a figure certainly equaling and perhaps surpassing any who had gone before or were to come after him.

The total expenditure has been variously estimated by historians at from 6,000 to 8,000 talents,<sup>10</sup> a figure which may be compared with the 1,000 talents which constituted the annual revenue of Athens when the plan of improvement was launched. All this, moreover, was for display and not for such things as improving the city's streets, which never had a regular plan, or for paving and lighting them, for which little money was ever expended; nor was an adequate water supply provided, or sewers which, with a good supply of water, might have prevented the great plague which destroyed a quarter of the inhabitants during the war against the Lacedaemonians. As it was, Pericles was obliged to draw heavily upon the treasury of the confederacy, an action which naturally alienated the re-

<sup>10</sup> Andreades, 234.

gard of the allied states and impressed them forcibly with the fact that they were becoming subjects rather than allies. Pericles indeed argued that since Athens had in fact protected the confederacy against barbarian invaders, it was therefore proper that, after performing this task, the city should apply any surplus to works that would redound to her glory and also put the money to work.<sup>11</sup> Professor Andreades, while he inclines "rather to the side of Pericles," recognizes that such a use of the money made it clear to the allies that they had really become subject peoples, alienated their feelings, and was one of the causes of their final revolt against Athenian rule.

Other criticism came from the conservative, or oligarchical, party, the leader of which, one Thucydides, accused Pericles of squandering treasure which should be held as a reserve against war, and of misappropriating money that really belonged to the confederacy. Certainly the fact that the treasure had been moved from the sacred island of Delos to the Acropolis, which Pericles was now adorning, advertised to the world that an alliance of free states was changing or had already changed into an empire. Moreover, it would have been difficult in any country to spend so much money in a period of some eighteen years without a substantial amount of waste; and in Greece it certainly could not have been done without some dishonesty, as will appear in a later section. In fact a story related by Plutarch<sup>12</sup> is to the effect that Phidias, the master-builder, came out of the enterprise badly smirched. The story is not clear, one version being favorable to his honesty; but another indicates that he was obliged to leave Athens under a cloud. It is related that, when Solon had decided to cancel debts, three friends who were in his confidence went out and purchased lands with borrowed money which later on they could not be required to pay. In neither case can the truth be known; but the fact that, when cancelation of debts and beautification of a great city were undertaken in ancient Greece, stories of wrongdoing got into circulation is evidence that, whatever particular

<sup>11</sup> Plutarch, *Pericles*, 12.

<sup>12</sup> Plutarch, *Pericles*, 13.

individuals may have done, the Greeks themselves understood the ways of politicians well enough to give currency to anecdotes of sufficient interest to keep them alive in the forms in which they have come down to us.<sup>13</sup>

That the policy of Pericles did provoke serious differences of opinion is indicated by another anecdote<sup>14</sup> to the effect that the master politician concluded to call the people into the assembly and put to them the question whether he had spent too much money. With no apparent appreciation of the humor of the situation, the admiring Plutarch relates that the populace, who of course were securing employment and otherwise benefiting by the improvements, either because they admired the magnificent ideas of their leader, or desired to share with him the glory of the work, "cried out loudly" and bade Pericles to spend freely, "economizing on nothing." Equally interesting is the fact that presently Thucydides, the conservative critic of large expenditures, was ostracized so that the beautification of Athens could be completed without troublesome criticism. In certain kinds of democracies similar things have usually happened when questions of this character have been submitted to the decision of a majority which benefits or expects to profit by the spending of public money.

Some branches of Athenian expenditure require careful study. Originally both military and civil service had been unpaid, although inferior offices concerned with administrative routine were necessarily filled with paid employees. Freemen were expected to attend the general assembly and to perform jury service as common duties, and the higher offices were honorary positions offering ambitious men opportunities for great careers; but with Pericles a gradual change began which ultimately altered profoundly the character of Athenian democracy.

After the death of Themistocles, Cimon, a man of great wealth and a general, acquired leadership in the popular assembly and, with his oligarchical associates, became the most influential politician in Athens. Just as early kings had maintained the

<sup>13</sup> Cf. Bullock, 526, 530.

<sup>14</sup> Plutarch, *Pericles*, 14.

tradition of royal hospitality, so Cimon, the oligarchical leader, lavished money on the populace. Plutarch relates<sup>15</sup> that he removed the fences around his fields in order that strangers and indigent citizens might help themselves to the fruits of his estate, and that every day he gave a simple but sufficient repast to which any needy person might come. Further details which have come down to us need not be mentioned, and there is no doubt that we can accept Plutarch's statement that Cimon's liberality exceeded "even the hospitality and philanthropy" of anything the Athenians had ever known; to which he adds that in a way this celebrated politician had restored "the fabled communism of the Golden Age." With such largess Pericles, who was coming to be the leader of the popular party, could not possibly compete, even though he had inherited a comfortable estate which he managed in a thrifty fashion. He might have turned to illicit gains, but he was one of the few Athenian statesmen who were credited with being strictly honest. Since he could not, like Cimon, be liberal with his own money, he inaugurated a new kind of liberality — with public money — which has been frequently practiced by politicians of all descriptions, royal, oligarchical, or democratic, but is very liable to abuse — especially in a democratic community.<sup>16</sup>

Pericles introduced the practice of selecting the archons and lesser officers, as well as the members of the council of five hundred, purely by lot; and at the same time provided that they should be paid for their services, a policy which was reasonable enough because otherwise poorer citizens, unless excused from service, would have been burdened with duties they could not perform without real hardship. If Athenian democracy was to be workable this policy of paying officials was a necessity, and it is not strange that the same practice was extended to the judges who served in the popular courts of justice.

To these new expenditures Pericles presently added various games and festivals provided at public expense. Naturally and

<sup>15</sup> *Cimon*, 10.

<sup>16</sup> Aristotle (*Constitution of Athens*, 27:4) emphasizes that the inability of Pericles to match his private resources with those of Cimon led to his payment of the city's money to the people.

almost inevitably this new liberality in public expenditure, which was really liberality with other people's money, grew with what it fed upon; especially after Pericles passed from the scene and Cleon, a demagogue of a lower type, increased the pay for various services and instituted new kinds of distributions. Even payment for attending the general assembly was inaugurated, and thus Athenian freemen came to be paid for performing what should have been regarded as a common duty of all citizens in a community which wished to remain democratic. Then, too, the number of judges was increased to six thousand, which was one fifth of the total number of citizens, and later their pay was increased. Since it was now to the interest of Athenian citizens that their number should be small, the list was revised and conditions for admission to citizenship were made stricter. Thus each Athenian's share of the profits of the new democracy was made as large as possible.

Nearly a century later Aristotle observed that under such conditions the poor always had more leisure than the rich to whom the small pay was nothing; and the assembly came more and more under the domination of the poor and the demagogues who flattered them, catered to them, and aroused their passions against the rich. Of this Plato has left us a perfect description in his account of a democratic assembly in which a few clever demagogues do most of the speaking and control the action taken, while their followers settle themselves around the speakers' stand, keeping up a buzz of applause and tolerating no opposing speaker.<sup>17</sup> The great philosopher of course was generalizing broadly and presenting what he considered the final logical result of democratic government, as he had observed it. But in greater or less degree his description is applicable to any democracy composed of citizens largely dependent upon the government for their livelihood and dominated by demagogues who enflame their passions against the rich or even the well-to-do.

Supplying the people with grain was a difficult problem in Athens, as it was found to be later in the great commercial

<sup>17</sup> *Republic*, 564.

cities of the Mediterranean where food had to be imported and provision had to be made against natural scarcity in bad seasons or interruption of imports from distant granaries, which in this case meant Thrace and the lands of the Black Sea. In times of distress the government sold imported grain at less than cost, and this presently led to grain distributions. To these were added distributions of meat representing the edible portions of the carcasses sacrificed in great number at the frequent religious observances. In connection with these, incidentally, the city realized something like two talents a year from "hide money," or the receipts from the sale of the hides of the sacrificial victims. To the free spectacles, the grain, and the meat, another and most demoralizing expenditure was added, the *diobelia*. This originally may have been a grant to poorer Athenians in time of special distress, perhaps during the Lacedaemonian Wars; but in time the money seems to have been distributed without much discrimination and so became a mere dole which increased the dependence of the people of Athens upon the treasury and so upon the politicians who handled the public money.

At the same time military and naval outlays were increasing; and, after 440, when the cavalry needed to be increased, poorer citizens were given money for the purchase and maintenance of their horses. Later the heavy losses of men by the plague, in the Sicilian expedition, and elsewhere, made it necessary to hire mercenary troops;<sup>18</sup> and this practice increased when the once warlike Athenian freemen became unwilling to enlist, or even to submit, without pay, to regular drill. Thus the budget of the city was burdened with heavier military expenditures during the very time when doles and other distributions were depleting its resources.

The situation was made worse by defective financial machinery and methods of control. Athens, like other Greek states, had no minister of finance, no single public treasury, and little idea of continuity in financial operations. The Greek idea in

<sup>18</sup> The use of mercenaries in the fleet not only filled the triremes with sailors who might not be afraid to desert but also enabled a Persian like Tissaphernes to lure Athenian crews away by offering double pay. Andreades, 69-70.

general was that if a surplus remained after the public expenditures of a given year were met, the residue should be divided among the people. This was true of the Siphnians when they found themselves in possession of a surplus from their gold mines, and also of the Athenians when rich silver deposits were discovered at Laurium and without further thought distributed among the citizens. Still worse, the Athenians had no general treasury with a consolidated fund into which revenues flowed and from which expenditures were made; but, instead, had special treasuries for each branch of the public service, while for each treasury a specified form of revenue was assigned. Thus general administrative expenses were defrayed out of the customs; and judicial expenses were met from court fees and fines, a practice which, as we shall see, tended to corrupt the administration of justice at its source. Moreover, in the assembly anyone might propose an expenditure without providing the necessary ways and means, so that a project might be undertaken and then at some later meeting the assembly might refuse supplies. This was especially disastrous in foreign enterprises because in the middle of a campaign supplies might be cut off, and the only result was that both the naval and military power of the city and empire tended to decline. Thus while efforts may have been made to estimate prospective expenditures and revenues, and also to balance them, it was not easy to get a view of the general result and it was practically impossible to make the financial situation clear to the popular assembly. The result was that a surplus in any one treasury might be distributed at the end of a year, while other treasuries showed deficits which resulted in interruption of particular branches of public service and ineffectual prosecution of military enterprises. Under such conditions orderly housekeeping was next to impossible and extravagant expenditures might continue even though the city was living beyond its means.<sup>19</sup>

Thus Athens, as Andreades suggests, bore some resemblance to a commercial society paying dividends to its members, though as a matter of political necessity rather than sound

<sup>19</sup> Andreades, 268 *et seq.*

business policy. This meant heavier taxation in either money or special services, and usually at the expense of the rich or well-to-do, who were taxed to provide for the comfort or amusement of the poorer citizens as well as for meeting the expenditures in time of war. If a surplus in any treasury was occasionally preserved, it was deposited in the Temple of Athena either as a gift to the goddess or under the name of a deposit; but this did not make it safe, because such a surplus could be spent by a simple decree of the assembly and so with less formality than was required in the case of a law. Occasionally a statesman succeeded in preventing the distribution of accumulated surpluses or sudden windfalls. Thus, around 483 to 482 B.C., when a rich deposit of silver discovered in the government's mines at Laurium had brought into the treasury a sum which may have amounted to one hundred talents, Themistocles, fearing a Persian invasion, persuaded the assembly to devote this money to a great increase of the Athenian fleet. The triremes thus acquired were actually the nucleus of the fleet which in 480 won the battle of Salamis.<sup>20</sup> But such a case was highly exceptional and Athens continued to waste public money in time of peace, which made extraordinary measures necessary in every time of war.

One result of unwise expenditures was that Athens exploited the members of the confederacy out of which it had built its great empire, following in this respect the course of all the empires that had preceded it except that which Darius the Great so wisely organized. Since the allies were communities of freemen, every consideration of prudence dictated that local autonomy should have been respected, that the confederacy should have confined itself to the great purpose for which it was organized, and that Athenian generals and officials who came in contact with the various cities should have followed the example of Aristides and performed their duties as justly and intelligently as he; but just the opposite course was pursued. For some fifty years the annual tribute had remained unchanged; but then early in the Lacedaemonian War, Cleon,

<sup>20</sup> Herodotus, 7:144; Plutarch, *Themistocles*, 4.



the demagogue who soon followed Pericles, more than doubled it and at the same time increased the distributions to Athenian citizens. Perhaps the long duration of the war might have justified a substantial increase, but to raise the levy and then increase the distributions was to invite disaster. Removing the treasury from Delos and drawing upon it for the beautification of the city had been imprudent even though defended by the eloquence of Pericles. An additional grievance arose when the allies were obliged to resort to the courts of Athens for the settlement of law suits. The fees collected in such cases brought revenue to the special treasury out of which the six thousand judges were paid; and in addition the arrangement involved substantial traveling expenses for litigants, as well as residence in Athens until court proceedings came to an end. Besides judicial fees and fines, the litigants paid customs on whatever supplies they brought with them, and made business for lodging-house keepers and persons with slaves for hire. Thus the Athenian yoke had not been light, and doubling the tribute was certain to increase existing discontent.

Worse than all else, however, was the fact that democratic Athens had not allowed its allies to enjoy political autonomy but had undertaken to prescribe at least the general features of their constitutions, usually with a view to preventing them from being aristocratic or oligarchical. Moreover, in enforcing these policies, officials were sent out to take strong measures against all who did not belong to the popular party, which meant that many well-to-do citizens found themselves charged with political offenses for which they suffered confiscation of property, banishment, or even death. This was only one of the unlovely aspects of Athenian democracy; as the allies were converted into subjects, lost their freedom, and found the tribute greatly increased, they acted as Greek freemen might have been expected to do and revolted against the great empire of Athens. In such cases punishment was usually severe and as prompt as circumstances made possible. When Mytilene revolted, its harbors were blockaded and the city capitulated at discretion; after which the Athenian assembly decided to put

to death all male adults and to enslave the women and children. A trireme was dispatched to announce the decision, but presently one Diodotus persuaded the assembly that, although the death sentence was just, it ought not to be carried out because such punishment would not prevent revolts, would make future blockades or sieges longer and more difficult, would end in wrecking revolting cities, and finally would alienate the sympathy of all Hellas. In the case of Scione, another revolt led to a similar sentence; but it is not known whether the decree was actually enforced. Spartan procedure was often the same, as at Plataea in 428, so that the Athenians were no worse than other Greek cities; and in the case of Mytilene are to be credited with having come to the intelligent view that, even in an empire, a *razzia* does not pay. Indeed, admirers of Athens have sometimes maintained that their favorite city, in spite of some blots in its record, "remained the most humane state in the ancient world."<sup>21</sup>

Before accepting such a very sweeping generalization, which has no conceivable scientific basis except the fact that the record of Sparta and perhaps some other cities was worse than that of Athens, it is well to consider what happened to Melos. This island had never been a member of the Athenian confederation and seems to have been inclined to sympathize with the Lacedaemonians at the opening of the war because their purpose was to deliver Hellas from Athenian subjugation. The Melians are reported to have tried to be neutral, but Athens dispatched ninety ships which ravaged the island and then sailed away. After this the Melians openly went over to Lacedaemonia, and then their city was invested and finally captured after a stubborn resistance. Thereupon the democrats from the "most humane state in the ancient world" slew all the adult males and enslaved the women and children, thus completing an Athenian *razzia* about as thorough as the exploits of the barbarians of Assyria. The act was not worse than many things done by other Greek cities with other kinds of government; but with the original decision concerning Mytilene before us,

<sup>21</sup> E.g., Botsford, 315.

and the sentence pronounced upon Scione, which *may* have been enforced, as part of a record which we can be sure is not complete, the fate of Melos should prevent us from dubious idealizing about the humanity of the Athenian democracy. About degrees of barbarity there would be room for discussion if that were worth while; but there can be no question that the Athenians made themselves so greatly hated in Hellas that it was easy for Sparta, when the appropriate occasion came, to come forward as the champion of Greek liberty and destroy the great empire built by Themistocles and Aristides.

§ 28. *Parasitical Finance; Miscellaneous Revenues.* After the Athenian fleet was annihilated at Aegospotami in 405 B.C., Sparta succeeded to the hegemony of a new confederation; but immediately began to mistreat her allies even more stupidly and brutally than Athens had done, and with the same result — that of drawing down upon herself the general fear and universal hatred of her subjects and the final destruction of her empire. Meanwhile the commercial advantages which geography conferred upon Athens had not been lost and her commerce, however injured, was not destroyed. The result was economic recovery, followed by a gradual revival of the city's power in the Greek world. Then as Sparta declined and Athens could form an alliance with Thebes (378 B.C.), a second Athenian empire emerged which was to be purely defensive in character and to give the allied cities a congress of their own, meeting, indeed, in Athens, but designed to be independent and of power and dignity equal to that of the leading city. Of course revenue was necessary, and this was to come, not from the hated tribute, but from a "contribution" consisting of a duty of 5 per cent upon all goods transported by sea, in other words, from an indirect and impersonal tax rather than from one of a direct character such as Greeks had always considered inconsistent with personal freedom. Naturally both the wealth and power of Athens increased for a while, but the policy of moderation and equality was not long followed. In twenty years' time many of the allies again revolted and this led to a furious struggle known as the Social War. This cost Athens her

second empire, ruined her finances, impoverished her greatly, and left her in 354 B.C. permanently weakened and incapable of regaining leadership in the Greek world.

As Andreades has remarked, the tribute had been the chief factor in the rise of Athens to her position of greatest splendor and had then become "the chief cause of her downfall."<sup>22</sup> This is a correct generalization because the troubles of Athens originally grew out of the fact that other communities poured into her treasury sums of money so large that, after maintaining an army and fleet sufficient for defense against the Persians, there remained a surplus upon which the city could draw for financing its own expenditures. This circumstance not only made her a parasitic community living off the tribute of subject cities, but made it impossible for her more intelligent leaders to establish effective control of public expenditure. Similar causes had produced similar results before, just as afterward they continued to produce them in communities financed by resources not contributed by those who benefit from the expenditure of public money.

Aristotle's *Athenian Constitution* gives us in outline a perfect description of a parasitic political and financial system. After explaining how the confederacy had been established, he says that Aristides advised the Athenians not only to seize the hegemony but to move from their farms into the city where, he assured them, there would be sufficient food for all. Some of them could serve in the garrison, and others in the active forces of the empire; while still others could devote themselves to conducting the public business. The result was that the ordinary revenues of the city and the tribute provided support for more than 20,000 men, among whom he includes 6,000 jurymen, 1,600 archers, 1,200 cavalry, 500 members of the council, 500 guardians of the docks, 50 watchmen in the city, 700 officials at home and a similar number abroad, as well as numerous soldiers in time of war and miscellaneous magistrates and officials — for all of whom maintenance was provided from public funds. "By these means," he concludes, "subsistence was

<sup>22</sup> Andreades, 315.

provided for the people." To finance all this, he said, taxes were necessary as well as tribute, which means that there were Athenians of independent means whom the city could tax; but the general description fits only a community consisting chiefly of jobholders who might be performing useful public services but were subsisting upon public money of which a considerable part was the tribute of subject states.<sup>23</sup>

The revenues of Athens came from a considerable variety of sources generally employed throughout the Greek world, as set forth in § 25. Indeed, many of them were used by the Egyptian monarchy, and we shall consider only such as require special mention.

Important in amount and interesting for the information we have about it were booty taken in war and seizure of public treasures on convenient occasions. About 431 B.C. Pericles, explaining how well Athens was provided with the resources of war, enumerates the treasure that still remained from the spoils of the Persian Wars, which, though it was dedicated to the gods, could be borrowed from the temple where it had been kept, in accordance with a well-established custom. Then in ancient times, as Cyrus the Persian is said to have declared,<sup>24</sup> it was an eternal law among all men that "when a city is taken in war both the bodies and the property of the inhabitants belong to the captors," who, if they leave anything to the vanquished, do so only out of generosity. Thus war could be made to pay, and in fact Greek generals and admirals needed, among other things, to know how to collect the sinews of war. Thus Cimon is said to have maintained his fleet during operations that lasted four months and then to have brought home a surplus from ran-

<sup>23</sup> *Athenian Constitution*, 24-25. It is possible that the original theory was that the Athenians, like the Persians, were to be a ruling class justifying by their important service to the city the advantages they were to derive from the positions they held in Athens. That this is the correct theory is not disproved by the fact that the ruling class so promptly became exploiters of subject states, because political theory and practical politics frequently differ so widely. It should be remembered also that Greek statesmen in the time of Aristides must have been fairly well acquainted with the government of the Persian empire.

<sup>24</sup> Xenophon, *Cyropaedia*, VII. 5:73. For the reference to Cimon, see Plutarch, *Cimon*, 9:4; and on this subject generally, Andreades, 318.

soms paid by Asiatics captured in two of his most important victories. Themistocles and Alcibiades were especially successful collectors, and even in the fourth century a single expedition of Timotheus brought in treasure valued at 1,200 talents. When subject states revolted or barbarian territory was seized, part of their land was added to the public domain, thus becoming a source of revenue, while part was devoted to the establishment of colonies (cleruchies) of poorer Athenian citizens. These were thus given an opportunity to become self-supporting, thereby reducing the city's expenditures for relief of the poor.

Particularly interesting in many ways was the money which went into the treasury out of which 6,000 judges were supported. The administration of justice has often been perverted by making courts a source of revenue, particularly when a government is hard pressed for funds. In Athens this abuse was due to the political character of the popular law courts which could not only call public officers to account but could entertain political as well as other suits instituted against citizens prominent for their wealth, social position, or political opinions and activities. With judges drawn mostly from the poorer classes and with badly-organized judicial procedure, informers, blackmailers, and demagogues of the worst type — a class of people presently dubbed sycophants — could institute a reign of terror against which no man of wealth or prominence could be secure. Historians inclined to glorify Athenian democracy have sometimes told us that, after all, a wealthy citizen who performed his public duties loyally and was guilty of no offense received fairly good treatment; but the speeches which the Attic orators wrote for clients to present in their own defense tell us otherwise.<sup>25</sup> The playwright Aristophanes, in 424 B.C., received

<sup>25</sup> On this subject, see Bullock, 532-538. The opposite view of the enthusiastic admirers of Athens is well represented by Botsford, 420-421, especially footnote 26. Here we read that Xenophon in his *Oeconomicus* "presents two Athenian types," one a "politician of moderate means," and the other "a model citizen in good circumstances," both of whom are said to be "content with the situation." But if the historian had read Xenophon with more care he would have noticed that one of these men is told by Socrates that he is not really rich but actually is poor because of the contributions he must make, and that he is in danger of being reduced to poverty or coming to some fate even worse than

first place in the annual competition with a comedy *The Wasps*, in which a chorus of judges, each carrying an enormous stylus with a wasp's sting for the point, for use in writing his verdict, is held up to popular ridicule. Of special interest is an old judge who, when his son informs him that the pay of all the judges in the city amounts to 150 talents, exclaims indignantly: "Then it is not even a tenth of the revenues"; after which he demands: "Then where does the rest of the money go?" In another play, *The Knights*, Aristophanes makes a sycophant, in the course of his argument, say to the judges: "No barleymeal for you, judges, unless you decide upon condemnation in this case." In other words, the special treasury is empty and unless you condemn the defendant you will get no pay; and this play, like *The Wasps*, won the prize for its year.

An anecdote in Xenophon's *Symposium* tells the same story. A rich man who has been wholly impoverished tells the banqueters that he has come to value his poverty above everything else because now he finds himself secure. When he was rich he lived in continual fear for his life and property; but now, with even his household goods sold, he can sleep in peace. Formerly he was always losing property but now he has nothing to lose and, on the contrary, can live in hope of sometime acquiring something. Finally he remarks, "I formerly paid taxes to the city, but now the city pays taxes to me because it supports me." That Xenophon could consider this a good anecdote is sufficient evidence that he knew it contained enough truth to make it humorous; and a humorous anecdote, however much it may exaggerate, is one of the best touchstones of general historical accuracy. In this instance we may supplement the evidence afforded by the orators, by Aristophanes, and by Xenophon, with statements by ancient historians and others, the best of whom is Aristotle, who, while he believed in the principle of popular government and recognized that some democracies had

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that; while the other man actually reports that he is subject to constant attacks, that he has been obliged to practice oratory in order to be able to defend himself in the courts, and that, while the sycophants have not as yet caught him, he knows that someday they may do so.

great merits, refers repeatedly to the evil we are now considering and suggests that the remedy for such abuses would be to devote to religious purposes the proceeds of confiscated property in order that, while real malefactors would stand in no less fear of the law, the populace would be less likely to condemn men unjustly since it would not profit by it. To this he adds that a heavy penalty should be imposed upon those who bring groundless accusations.<sup>26</sup>

Particularly important in Athens was the revenue from the silver mines at Laurium, which for about two centuries after 483 B.C. were one of the mainstays of the city's treasury. This resource contributed to the building of the great fleet which won the decisive battle at Salamis; and, although the produce of the mines later declined, it was subsequently improved, perhaps as a result of better exploitation, especially under the financial administration of Lycurgus (338–326 B.C.). The mines were leased to contractors who paid the city a stated proportion of the metal produced, and the revenue, which naturally varied, has been placed at from fifty to a hundred talents a year.

Customs duties, the mainstay of the finances of most Greek cities, and especially important at such places as Corinth and Rhodes, naturally yielded a substantial income at Athens. Originally the rates were probably not more than 1 per cent on both exports and imports, but after the disasters resulting from the Lacedaemonian Wars, they were raised to 2 per cent. In the time of the empire Athens managed to levy at the Bosphorus a duty of 10 per cent on produce passing out from the Euxine. Although lost after the defeat at Aegospotami, the impost was subsequently renewed and continued until it was abolished after the peace of Antalcidas in 387 B.C. In addition there was a tax of 5 per cent paid by the allied or subject states for a considerable period in lieu of the old tribute. What the whole revenue from these sources amounted to at any one time it seems impossible to estimate.<sup>27</sup> If internal duties were levied on land traffic, they could not have amounted to much in Attica because

<sup>26</sup> *Politics*, 1320 a.

<sup>27</sup> Andreades, 294 *et seq.*



most of the commerce of the city was sea borne; in any case we know almost nothing about them.

§ 29. *Direct Taxes, Liturgies, Special Services, and Donations.* Direct taxes, so called, on persons and property were no more popular in Athens than elsewhere; and the property tax (εἰσφορά) appears not to have been introduced until 428 B.C. when, as Thucydides tells us, a levy of 200 talents was made for the purpose of continuing the Peloponnesian War. It was repeatedly employed thereafter, not only during the rest of that war but also in the following century, when the growing expenditure for doles and distributions absorbed so much of the current revenue in time of peace that treasure could not be accumulated for extraordinary expenditure occasioned by war.<sup>28</sup> For these and other reasons it has commonly been regarded as an extraordinary resource, and since it was levied upon a valuation of property it has in recent decades been called a capital levy. Although this is the view of such an authority as Andreades,<sup>29</sup> I venture to suggest that it would be better to call it a property tax rather than a capital levy, and to express the opinion that it was neither more nor less "extraordinary" than *some* of the property taxes of later times.

A tax on capital has long been the customary French name for what a German writer on public finance would call *Vermögensteuer*<sup>30</sup> and an American writer would term a property

<sup>28</sup> Modern criticism correctly rejects the statement of the lexicographer Pollux (second century A.D.) to the effect that a tax was levied in Solon's time upon citizens classified by groups according to their estimated income from land. Not only has this writer been found to be untrustworthy in various respects, but it is clear that Solon's census was primarily political in its purpose, and classified the citizens, much as they had long been classified, with a view to determining in which branch of the army they should serve, what public offices they might hold, and what special unpaid services they should be called upon to perform. It might have been used for the assessment of a tax upon land, but there is no evidence that it was so utilized. The property tax seems not to have been introduced until hard necessity compelled its use in the third or fourth year of the Lacedaemonian War. Thus I have followed the statement of Thucydides (3:19) and the evidence supplied by Aristotle's *Athenian Constitution* (7:2-4), a work long lost and not available to students until the end of the nineteenth century.

<sup>29</sup> He defines it (p. 327) as "a special tax on capital intended to cover a definite urgent national need."

<sup>30</sup> Leroy-Beaulieu, 1: bk. 2, ch. 10; Wagner, 2:595.

tax. The extensive use of so-called capital levies in a number of countries since the World War has interested many writers so much that they have not realized that they are really dealing with an emergency use of an old and familiar tax which they have long known under a different name. Furthermore, under the same name or earlier equivalents, taxes on property, even when introduced as occasional or extraordinary levies, have had an impressive tendency to harden gradually into permanent contributions, even though both in law and popular usage they have long continued to be regarded as extraordinary. Thus in the Middle Ages European property taxes frequently began as emergency contributions which a king had the right to ask upon special occasions, or a city might introduce to meet some unusual exigency. Gustav Cohn is correct in saying that "direct taxation of a freeman seemed to be an act of degradation to the German as to ancient peoples, with a striking similarity in the course of their thought." He also notes that the old personal taxes on property in later European kingdoms were often regarded as temporary and extraordinary levies; and that: "The German financial writers even to the end of the eighteenth century viewed such taxation as an extraordinary burden, as a malady for which it was unfortunately becoming doubtful whether a cure could ever be found."<sup>31</sup> In Switzerland the same thing was true at the beginning of the nineteenth century, and as late as 1898 de Cérenville<sup>32</sup> could write that the idea that direct taxes were a subsidiary kind of taxation was still embodied in the laws of several Swiss cantons which he mentions. In 1910 I found that the act of March 11, 1865, which was still in force in Aargau, provided: "The needs of the canton, in so far as the product of its property and its lawful income do not suffice, shall be met by direct taxes," and that the tax laws of a few of the cantons, like Obwald, provided that "if, for the meeting of state and local expenditures, taxes are necessary," then lands, property, and income shall be subject to taxation. Even at Athens, Andreades notes<sup>33</sup> that a special tax was col-

<sup>31</sup> Cohn, 72-73 and 319.

<sup>32</sup> De Cérenville, 49.

<sup>33</sup> Andreades, 327, footnote 5.

lected for twenty-five years (347-322) for constructing docks and other buildings needed for the country's defense; a statement which he prefaces with the remark that the distinction between an extraordinary and permanent tax on capital "is easier in theory than in practice."

Just how the tax was levied is a matter of some doubt and one upon which opinions have differed at certain points. My own study of the history of the property tax in Massachusetts over a period of nearly three hundred years, for which we have a complete record of the various tax laws and a good deal of information about the manner in which they worked, convinces me that some of the apparent conflicts in our very incomplete record of the Athenian tax may be due to the fact that changes occurred in the law or its administration about which we know nothing.<sup>84</sup> That it was first levied only upon immovables and was later extended to include other kinds of wealth has been maintained with plausibility, the more so since this has been the course of historical development in other times and places; but the statement cannot be proved. If it was ever levied on the basis of Solon's census or any other one similarly constructed, it would have been originally a tax upon persons levied with respect to incomes from land; but if, as seems almost certain, the first levy was made in 428 B.C. in the highly commercialized city which Athens had become, it is improbable that the tax was limited to lands, which, if they lay outside the city itself, were largely in the hands of Lacedaemonian armies anyhow. Andreades relies on the 17th oration of Isocrates for evidence that by 392 B.C., at least, the tax was levied upon both lands and movables including slaves, which is fourteen years earlier than the date which Eduard Meyer assigned for the inclusion of all kinds of property within the net of the tax-gatherer. Moreover, as Andreades points out, the metics (resident aliens) would have escaped a tax confined to lands since they did not own such property; while there is evidence that one sixth of the levy was always imposed upon them.

<sup>84</sup> On the entire subject, see Andreades, 326-343, and references given in footnote on p. 326.

Whether the levy was an apportioned or a rated tax is also a matter of doubt, and one concerning which Andreades, having originally believed it to be the former, finally hesitated to express an opinion. The incompleteness of the record justifies the conjecture that both methods may have been used at different times. Thus, for example, in England the law of 1692, which substituted a levy of four shillings in the pound of valuation for the apportioned levies which had formerly been made, was in 1697 amended so as to substitute an apportioned for a percentage levy in order to protect the treasury against further decrease in the yield of the tax. Whether rated or apportioned, there is no doubt that the Athenian tax was levied according to a valuation (τίμημα); and this fact has naturally led to the conclusion that it was always imposed upon capital value and not the income of property. Some of the references we have to the subject are perfectly clear on this point, but they do not prove that in Athens the selling price was the only criterion for determining the valuation of land. History reveals many cases in which different rules have been followed in the treatment of movables and immovables, and in Switzerland the valuation of land according to its *Ertragswerth*, or income value, has been extensively employed. On this very point we have the interesting suggestion of Plato<sup>35</sup> that first every man's property should be valued and that the citizens should furnish an annual record of the year's produce, so that the officials could compare the capital value with the income for any year and determine which should be followed in fixing the amount of the current tax. There is no evidence that this was ever done in Attica, but it shows that the same problem existed which has been encountered in other times and places; and, in view of the lack of anything approaching a complete historic record, we should not assert confidently that capital values *always* determined the assessment of land for the Athenian property tax. Where the valuations were to be made, that is whether at the taxpayer's residence or at the place where his possessions were located, we do not know.

<sup>35</sup> *Laws*, 955.

With early personal taxes levied upon people with respect to their entire estates, such records as we have indicate that at the beginning all property was usually taxable at the owner's domicile. With a national tax, as distinct from taxes levied for local purposes, it would make no difference with the taxpayer's liability; but in practice it does happen that property situated in places other than that of the contributor's domicile may get overlooked; and this appears to have been discovered by the Athenian colonists at Potidaea,<sup>36</sup> who, when they needed to levy a war tax, required that instead of property being taxed in its entirety at the deme in which its owner resided, the levy should be made upon every item of property at the place where it was located. No such method may ever have been adopted in Athens; but if it was not, the politicians of the mother city were less intelligent than those of the colony because the history of property taxes discloses that in the course of time, unless tangible property, immovables as well as movables, is taxed at the situs, some items, even lands, will escape taxation at the place of domicile. Where taxes are levied on property for local purposes there is a second and even stronger reason for taxation at the situs, but this seems not to have entered into the situation at Potidaea. Another interesting detail of the war levy at Potidaea is that citizens having no taxable property were assessed at a valuation of two *minae* a head, upon which they paid a tax which, if the story is complete, was levied at the same rate that was imposed on property. This resulted in the combination of a poll and a property tax, somewhat peculiar in form, but in other ways embodying the principle which led European cities and countries in later times, as well as various American states, to adopt systems of combined poll<sup>37</sup> and property taxation. I

<sup>36</sup> Pseudo-Aristotelian *Economics*, II. 2:5. This passage Andreades and others have called obscure, but it seems entirely clear if we realize the practical results of taxation at situs *vs.* taxation at domicile. Where local taxes are involved, the tendency seems to be to shift from the rule of domicile to the rule of situs. Thus in Massachusetts by gradual stages almost all tangibles were finally made taxable at situs, but it was not until 1830 that livestock were made taxable in the town where the animals were found on tax day. (See author's article "The Taxation of Corporations in Massachusetts," *Quarterly Journal of Economics*, 21:187.)

<sup>37</sup> Whether poll or head taxes were used among the Greeks is a matter con-

have alluded to this case partly for the purpose of showing that the property tax in Greece presented many, if not all, of the problems which it has everywhere presented, and partly for the purpose of showing that the stories found in the *Economics* deserve serious attention because they often relate to practical details of public finance which no mere story-teller would understand or could invent.

From 378–377 B.C. the archon Nausinicus introduced various changes and gave the tax a different organization. At this time the city was in reduced circumstances and an expedition against the Spartans was about to be made. Under such conditions a new valuation was deemed necessary and the total amount of taxable property is said to have been valued at 5,750 talents.<sup>38</sup> With this figure historians have undertaken to compare a total valuation of 6,000 talents derived from a statement by Demosthenes in 354–353 B.C., but with most conflicting and unsatisfactory results.<sup>39</sup> The available data are so scanty and in various ways so uncertain that I believe that no one who, with the aid of complete and trustworthy data, has ever studied the history of a property tax in a community where it has been in continuous existence for two or three centuries can have any confidence in conclusions drawn from them. In one respect the data are comparable, since both valuations were made in very hard times, but here comparability ends. The figure given by Polybius is that of a generally reliable and very remarkable

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cerning which opinions have differed. Boeckh mentions a poll tax, but simply in his account of the revenues of a satrapy enumerated in the Pseudo-Aristotelian *Economics* (II. 1:4). Andreades (281–283) thinks it questionable whether a head tax on slaves existed in the Greek world and thinks it cannot be proven absolutely that even freedmen paid the so-called *triobolon*. It is true that the *Revenues of Athens* (4:25) states that a large revenue was once received from slaves before the Spartans occupied Deceleia, but this may have referred to the tax on the export and import of slaves, which was an important item during the period when Athens was the center for the slave trade in the western part of the Greek world. Whatever the facts may have been elsewhere, the reference to the war levy at Potidaea makes it clear that citizens owning no property did not escape the war levy there but paid a tax levied in respect of what we would call each poll, or, to follow the Greek, each body (*soma*).

<sup>38</sup> Polybius, II. 62:6–8.

<sup>39</sup> On the divergent conclusions of the various writers, see Andreades, 335–337 and 343–348.

historian, writing over two centuries after the event and using sources of which we know nothing; while that derived from Demosthenes is based upon a statement, made in the assembly, to the effect that at the time when he spoke a tax of 1 per cent would bring sixty talents into the treasury, a matter concerning which many of his audience would have definite knowledge. Both statements may be correct, but the second is entitled to greater credence than the first. This conclusion is not based upon a high estimate of the intellectual honesty of Demosthenes, the advocate and orator, but simply upon the great improbability of his delivering himself into the hands of his alert enemies by presenting a ridiculous computation of the simplest possible character from data which were matters of public record and common knowledge.

Moreover, we really know little about what exemptions were allowed either by law or in actual practice on the dates in question. But that some exemptions usually exist and that their importance varies from time to time, is sufficiently established by the history of property taxes in Greek antiquity and in later times. Further difficulties arise from the fact that assessment of all property at its true value is and always has been an impossible task, so that the best that can be hoped for is a fairly close approximation to the correct figure. Usually the margin between the true value and the assessment is substantial and in many cases it is very great. As it happens, we have an explicit statement of Demosthenes in his argument against Aphobus, whom he accused of mishandling his father's estate, that since the property in question had been assessed at three talents it must be clear that its true value was fifteen talents.<sup>40</sup> To this it has been objected that this orator in other cases is known to have misrepresented facts and presented false calculations, and it has also been claimed that the estate had never possessed property worth fifteen talents. The former statement is probably correct, but the latter is incapable of anything approaching proof; while the all-important consideration is that a great advocate in a city where property was not undervalued would

<sup>40</sup> Demosthenes, 27:9.

never tell a jury that an assessment of three talents meant an actual value of fifteen.<sup>41</sup> Anyone who has ever been obliged to discuss the difficult and delicate question of valuation with legislative committees and tax administrators will know that, if the judges whom Demosthenes addressed believed the statement untrue, his case would have been greatly prejudiced if not certainly lost. Some actual experience with a property tax is necessary for the interpretation of such historical data, particularly if they are as scanty as they are in this instance.<sup>42</sup>

<sup>41</sup> Since the speech reveals that estates were classified in some manner, as explained hereafter, it does not follow that the same percentage of undervaluation applied to all property.

<sup>42</sup> Even when the historical record is not scanty but *almost* complete, the danger of running into serious errors is always present. For example, it is a fact admitting of no doubt that the United States declared war on England on June 18, 1812, and it is a fact that five days later an act imposing a new tax on the capital stock of banks became a law in Massachusetts. In addition to this apparently significant coincidence in point of time, we find that Mr. J. B. Felt, a respectable writer, who published in 1847 a book entitled *Statistics of Taxation in Massachusetts*, states that the bank tax was imposed in order "to keep the taxes from an alarming increase." From this evidence, the most competent historian would naturally conclude, with very great, if not complete, confidence, that the tax, even if not a temporary war measure, was imposed at that time because money was needed for war expenditures such as the states not only made during the Revolution but have made in every subsequent war. But reference to a complete file of the Acts and Resolves passed by the legislature of Massachusetts shows that in 1802 and 1805, when a number of new banks were incorporated, a clause was inserted in each charter to the effect that the state reserved the right to tax the banks at any subsequent time it might elect to do so. Again in 1811, when two other banks were chartered, it was enacted that on and after October 1, 1812, their capital stock should be taxed in precisely the manner fixed by the law of 1811, *provided* that, by that date, a like tax should be levied on other banks. With few exceptions the charters of banks existing prior to 1811 expired on October 1, 1812, and in June of that year the legislature decided not only to recharter these banks, but to grant a considerable number of new charters. Under those conditions, unless it wished to refrain from collecting the tax imposed conditionally on the two banks chartered in 1811, there was nothing for the legislature to do in June, 1812, but to impose a tax on the capital stock of all Massachusetts banks. Moreover, nothing in the existing condition of the state's finances made such a step imperative prior to the receipt of news concerning the declaration of war in 1812, because the state tax was light and the remaining debt in process of extinction at no distant date. Therefore we cannot doubt that if war had not been declared, the legislature, when it rechartered most existing banks and gave charters to a number of new ones, would have introduced a tax on all banks, as had been contemplated ever since 1802 and made almost inevitable by the law granting charters to two new banks in 1811. Finally we find, on examining the Senate and House *Journals*, that the Senate appointed a committee on June 17 to consider the subject of a bank tax, that a bill imposing such a tax was introduced on June 22, and by June 23 had



That the tax needed better administration in 378 B.C. is shown very clearly by the new arrangements made for collecting it. Nausinicus divided the citizens into groups known as symmories, each of which consisted of a group of individuals, necessarily of varying number, whose total assessments were approximately the same. The tax was then distributed among the symmories in equal proportions, and then each group divided it among its members according to the amounts for which they had been individually assessed. In other words, this arrangement secured a certain amount of mutual control of assessments within each group because, if anyone paid less than his proper share, some other member had to pay more. In a community where very great differences in wealth did not exist and the view had not come to prevail that in general the rich should pay the taxes and the poor receive distributions, such an arrangement would have secured greater equality in the distribution of the property tax than the older method of official assessment without the possibility of subsequent mutual control by groups. But in Athens this would not necessarily have been the result in any symmory in which a small number of wealthy citizens were enrolled with a much larger number of people of small incomes and little accumulated wealth.

In practice the symmory system, even though it may have improved conditions, did not remove all difficulties because, under it, arrears of taxes continued to accumulate. A symmory appears not to have possessed any method of compelling recalcitrants to pay, so that this task still remained in the hands of the city officials. The result was that some years later, perhaps sixteen, a new method of collection was adopted, the "pre-levy." This consisted of collecting the whole levy from the fifteen wealthiest citizens in each of the twenty symmories, who

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passed both houses of the legislature. It is doubtful whether news of the declaration of war had reached Boston on the date last mentioned. The first news of war seems to have appeared in Boston newspapers on June 24, one day after the bill had been finally enacted. It is impossible to say that the news may not have reached Boston on the 23d of June, but certainly it had not been received on the day before, when the House of Representatives passed the bill. (See Bullock, *Massachusetts*, 26-28.)

were obliged to advance to the city the whole tax of their respective groups and then were authorized to recover from the other members such amounts as they were legally obligated to pay. This arrangement was convenient for the city, but it placed the persons who advanced the whole levy in a situation that had serious consequences. In fact, financial history shows that when taxes are collected from the few who are then given recourse to the many for such amounts as they have paid in excess of their due proportion, the result is that only a part of the money legally due is ever collected. This was true of the unfortunate Roman *curiales* and of other involuntary tax-collectors in other times and places, and is an almost certain indication of a decaying or decadent financial system. In Athens where a wealthy man was likely to receive short shrift from the 301 or 501 proletarian judges who would pass upon a suit to collect the hated property tax from poorer citizens, and could reasonably apprehend that a suit of this character would arouse ill will that might some day result in political prosecution which could bring all his property and even his life into question, we cannot doubt that the general result of the pre-levy was further exploitation of the rich similar to that practiced in the law courts and in other cases mentioned hereafter.<sup>43</sup>

In 1748 Montesquieu, drawing upon the lexicographer Polux, stated that the Athenian property tax was "just" because it divided citizens into four classes, of whom the last was exempt and the other three were taxed according to what in modern parlance is called a degressive scale of rates. This, he said,

<sup>43</sup> In the Greek world, Mr. Tarn tells us (in Bury, *Hellenistic Age*, 133), law courts "always favored the debtor." Moreover, even in a mercantile center like Corinth debts were once discharged "by the elementary process of killing the creditors." Whether this was a rare and extreme case we do not know, but at Mytilene debtors massacred their unfortunate creditors in mass, on the ground that such action was a financial necessity. (Glotz, 379.) In various speeches of Attic orators there are remarks, which it would have been very foolish for advocates to make if untrue, to the effect that, since the treasury was low, it was a bad time to present a creditor's claim in court. Such conditions prevented Greek cities from relying upon public credit as modern communities are accustomed to do. Indeed sometimes cities borrowed only after private citizens had underwritten their loans, an arrangement which made it possible for a lender to recover without going into court with a claim against the treasury. (Andreades, 174.)

made the tax not proportioned to property but proportioned to "needs." <sup>44</sup> In 1817 the distinguished classical scholar Boeckh worked out ingeniously from the scanty data available a more definite theory that both Solon's census and the legislation of Nausinicus resulted in the imposition of a degressive tax. <sup>45</sup> He had no difficulty in showing that the data presented by Pollux (about 183 A.D.) lead to an arithmetical absurdity, and showed that the fact that a citizen was rated as belonging to a given class does not prove that he necessarily paid a property tax corresponding to his census classification. <sup>46</sup> Nevertheless, Boeckh believed that, in spite of these obvious errors, the statement of Pollux might have some historical value; so that, with the aid of other evidence, he felt justified in concluding that the Athenian tax on property was not proportional but degressive. He even constructed a scale of rates according to which contributors in the highest class would pay at twelve and a half times the rate imposed upon persons belonging to the lowest class of taxpayers. The figures thus reached are so largely conjectural that they cannot be accepted as history; but the evidence he adduces from the argument made by Demosthenes in his suit against Aphobus seems clearly to establish the fact that citizens were classified according to the amount of property they possessed, and then taxed upon fractional assessments which diminished as the size of the estates decreased until the result was a degressive property tax. Demosthenes did not go into much detail, but argued as if all this was a matter of general knowledge; and he had nothing to gain by misrepresenting the facts because to do so would have injured his case. In a similar manner a future historian, reading a brief presented by an outstanding lawyer to the United States court of tax appeals, cannot doubt that the United States in 1938 had an income tax

<sup>44</sup> Montesquieu, 13:7.

<sup>45</sup> Boeckh, 650 and 666 *et passim*.

<sup>46</sup> While the Greek words in question might have meant that a tax was actually paid, they might also have meant merely that a citizen was rated as belonging to a certain class determined by his income, and entitled to the rights and subject to various public services appropriate to his status. Thus the lowest class, the thetes, who paid no property tax, were spoken of as contributing the "thetic."

one feature of which was a surtax which classified large incomes in such a manner as to impose progressive rates. Whether the rest of the argument, or the remainder of that made by the great Athenian orator, is correct or not, is of no present concern; I am interested solely in explaining why it is necessary to believe that, at the time when Demosthenes sued his guardian, the Athenian property tax was a graduated levy probably of the sort described as degressive.

All this relates to the principle upon which, by the method of fractional assessment, the rates of the tax were adjusted. In practice there can be no question that, after the pre-levy was introduced, wealthy citizens were taxed more heavily than a proportional tax would have required them to be, except in so far as they succeeded in evading their obligations. This they undoubtedly did to a certain extent, as is shown by various passages from the Attic orators. The complaints which Demosthenes makes against the wealthy may and should be discounted to a considerable extent because he was then a popular leader all too ready to make charges against political opponents. But it is not possible to dismiss in this manner the argument of Lysias that his client could be known to be loyal to his city because he had lived without offense, had been trusted by his tribesmen, and had served in various campaigns without shirking his duty; while, besides performing liturgies and paying his property taxes, he had refused to put his fortune out of sight but kept it in visible form so that it could not avoid assessment. That orators had a number of names for acts of tax evasion is also a fact of great historical significance.<sup>47</sup> Andreades is probably correct in thinking that direct personal taxes were paid more willingly in Athens than in Sparta, and it is true that the symmories afforded an opportunity for "mutual scrutiny" such as did not exist in the latter country; but we cannot doubt that evasion occurred under the Athenian property tax, although persons caught in such an offense ran serious dangers if they were prosecuted in the political law courts.

Besides the property tax, Athenians of more than average

<sup>47</sup> Andreades, 341, footnotes 6 and 7.

means had to reckon with the various liturgies or special services they might be called upon to perform. While the dislike of direct taxation was deeply rooted among the Greeks, they were responsive to calls for public services requiring the expenditure of money especially if these carried with them special honors. In Athens these might include membership in a deputation to the annual feast of Apollo at Delos, or to some great Pan-Hellenic festival, in connection with which much of the expense, naturally on a splendid scale, fell upon the citizens thus honored. Then there were the annual choruses for which each tribe appointed some member as *choregus*. His duty it then became to collect and costume a chorus for which a skillful trainer must be provided if it was to compete successfully in the singing and dancing connected with the drama it was to perform. Naturally the *choregi* could not well avoid competition in splendor of their outlay, and the one whose chorus achieved victory received a bronze tripod which he must then set up along the Street of the Tripods in a fashion not less magnificent than that followed by the victors of former years. No doubt the system resulted in evoking the brilliant genius of the Greeks to efforts that enriched dramatic literature for all time, but it was undoubtedly expensive.<sup>48</sup>

Chief of all was the trierarchy or the duty of equipping a trireme for the Athenian navy. The city itself built the ships, but the trierarch must maintain the vessel <sup>49</sup> and often advance

<sup>48</sup> It suffices merely to mention the torch-races, five times a year, which required the gymnasiarch to maintain and train the contestants and provide for decorations and illumination; and the public dinners of the tribesmen, which seem to have had a religious character but resulted in another distribution of food at least once a year. (Andreades, 292.)

<sup>49</sup> Maintenance seems to have included repairs on the vessel and its rigging, a fact which Aristophanes (*Knights*, 912-918) utilizes in his dialogue when he makes the actor impersonating Cleon threaten a wealthy sausage merchant with appointment as trierarch. The demagogue then adds that he will see to it that his victim gets an old ship with a rotten sail, which will oblige him to work very hard and put him to great expense. The fact that the great comedian knew that these lines would secure the reaction he desired from a large popular audience, and the further fact that this play obtained the prize in the competition of the year 424 B.C., is good evidence that at least an element of truth was mingled with the larger element of exaggeration required to produce the humorous effect which both playwright and audience expected.

the money for paying and feeding the crew, an advance which, like other obligations due to the rich, might not be quickly or easily recovered. At first, also, the trierarch, as his name implies, was commander of the warship; so that naval service as well as money was involved in the performance of this liturgy. Originally there was one trierarch for each trireme, but as the Peloponnesian War continued and many wealthy citizens were impoverished, collective responsibility was substituted for individual; with the final result that, after various changes, the military character of the institution disappeared and what remained was the obligation of twenty groups (*symmories*), presently divided into subgroups, to assume a collective financial burden essentially like that imposed by the property tax. In the end, also, it seems probable that the *symmory* system resulted in some three hundred of the wealthiest citizens advancing, and, in large part, ultimately paying, the charges of the trierarchy.<sup>50</sup>

With their property tax paid and their liturgies performed, Athenian citizens, especially the rich, were from time to time called upon for special donations (*ἐπιδόσεις*). These were collected for religious observances, distributions of grain, building the city walls, and work on the harbor and public buildings; and are said to have been employed for the first time in 391 B.C. They were not peculiar to Athens. One need not quarrel with translators who have termed them voluntary contributions; but, in scientific classification, they should probably be placed in the same group with the benevolences of the English kings and other similar *freewill* offerings with which the student of financial history is tolerably familiar. Perhaps, but not certainly, we shall understand them best if we regard them as a convenient method of utilizing the old Greek tradition of the freeman's obligation to give liberally to his city for the purpose of meeting financial exigencies without resorting to the unpopular property tax. To suggest that financial *exigencies* were as easy for politicians to find as the suitable *occasions* which Machiavelli recommends a prince to utilize when he has to dis-

<sup>50</sup> Andreades, 322-326.

pose of his enemies, would be conjecture and not history; yet there is much in financial history that gives it plausibility.<sup>51</sup>

What all the direct taxes and contributions of Athenian citizens amounted to it is impossible to determine, and therefore opinions have varied, more or less according to the views writers have taken concerning the virtues and sins of Athenian democracy. We know that on one occasion Demosthenes argued that a property tax of 1 or even 2 per cent would be inadequate to meet an emergency, and that a levy of one twelfth would be more than the people could endure; and there are various references to such rates as a 40th, a 50th, a 100th, and a 500th part of the assessed value of taxable property. But the evidence is too scanty, and in some cases too difficult to interpret, to justify confident conclusions. Since we are not dealing with an annual tax but a levy which in theory, if not always in practice, was an extraordinary resource, there is justification for writers' alleging that the Athenian property tax does not *appear* to have been a confiscatory and destructive measure. But this conclusion needs serious qualification for the period following the introduction of the pre-levy, under which the whole tax was advanced by 300 citizens who were given the doubtful privilege of recovering the amounts which were really owed to the city by the general run of citizens who had long been tax-eaters rather than taxpayers and who sat as judges in the political law courts. There, if they rendered a verdict against a recalcitrant taxpayer in one case, they were setting a fashion which might react upon themselves in suits brought to compel them to repay money which had been advanced on their account. In

<sup>51</sup> Before passing from this topic, brief mention should be made of the direct taxes paid by the metics or resident foreigners in Athens. Since such persons were believed to be a desirable addition to the population because they carried on considerable industry or trade, their number became large. For the privilege of residing and carrying on business in the city they paid a special tax (*metoekion*) which was 12 *drachmae* for men and 6 for women. Since this was paid for a privilege, it did not, in the case of the wealthier metics, carry exemption from the property tax, one sixth of which was, ordinarily at least, levied upon them as a class. Moreover, if they were wealthy, they did not necessarily escape from some of the liturgies. So far as the special donations are concerned it is certain that they were either obliged, or found it expedient, to make special gifts to the city as wealthy Athenian citizens were requested to do from time to time (Andreades, 277-281).

other words, appearances are deceptive and we really know nothing about the burden which the property tax imposed upon the 300 wealthiest citizens after 362 B.C. But from the analogy of other times and countries we do know that such a method of tax collection is indicative of a defective financial system which inevitably tends to destroy the sources of taxation.

About the liturgies we know in the first place that the trierarchy was once imposed upon the 1,200 wealthiest citizens, and then later, as it became difficult to collect, went the way of the property tax and came to be paid, in practice if not in theory, by some 300 of the wealthiest men who in general could have been no others than the same economic élite who paid the property tax. Of the results of the other liturgies we know little, but we can be certain that the ten Athenians honored each year with the office of *choregus* were committed to heavy outlay of a competitively lavish character. Indeed after the Peloponnesian War it was too heavy for single individuals and therefore, like the property tax and the trierarchy, was distributed among several men of wealth.

To mitigate the hardships of the system provision was made that a citizen who assumed a liturgy should be exempt from performing others during his period of service, and it was further provided that he need not undertake the same liturgy again for a given period of time. That these mitigations did not meet all requirements is shown by the introduction of the peculiar institution known as the *antidosis*. This device gave a person selected to perform a liturgy the right to indicate, if he could, some other man who was better able to afford the "honor"; and, in the event that he could prove his contention, he was relieved of his obligation. In this manner the city avoided the task of making a correct determination and left to individual citizens the unpleasant necessity of discovering how the liturgy lists should be revised in order to make them correct.<sup>52</sup> In addition to the risk of making an enemy in a city infested with sycophants and blackmailers, who might easily be induced to carry a man of wealth and prominence into the political law courts upon

<sup>52</sup> Andreades, 293-294.



trumped-up charges, there was the danger of incurring hostile criticism and general unpopularity. In the discourse which Isocrates wrote in his own behalf, we have an instructive instance of a prominent citizen who, having been challenged to accept a trierarchy, chose to exercise his undoubted right to take the case to court for the purpose of having the facts determined. Rightly or wrongly the decision had been against him, and it appears probable that he was not at first seriously disturbed by the result. But subsequently he found that the personal attacks made upon him during and after the litigation had created an unfavorable public opinion which he believed he could not disregard. That the writer had lost a suit at law, that he was near the end of his career, that he was conservative in his views, and may not have presented a complete view of the case, must be readily granted; but the position in which he found himself was due to his having exercised his unquestionable right to take a case to court, so that the discourse throws some light upon the liturgies and upon Athenian politics as well.

## CHAPTER VI

### ATHENS AND MACEDONIA

§ 30. *Financial Administration: Eubulus, the Macedonian Problem, and Lycurgus.* Although, from the introduction of war taxes in 428 B.C. down to the time that she lost her independence, Athens was constantly in need of more money, the city did not have any official resembling a modern minister of finance, with adequate control of expenditures, until after it lost its second empire (355 B.C.). This disaster discredited the policies of the Athenian imperialists who had persuaded the assembly to favor wars which were increasingly fought by mercenaries and not infrequently brought in booty distributable among the citizens. With no prospect of further spoils and after the discovery of financial abuses practiced by the leaders of the radical democracy,<sup>1</sup> as historians sometimes have called it, Eubulus, a leader of the conservative or oligarchical elements, was placed in charge of the board controlling the theoric fund. Since there could no longer be any thought of empire and the profit it would yield, Eubulus readily secured the support of a strong peace party which naturally included the well-to-do who would have to pay war taxes but also had the support of Demosthenes, himself a man of property, who had not yet been aroused to the Macedonian danger developing in northern Greece.

Since subsequent events led Demosthenes to advocate a strong policy against the encroachments of the astute and powerful Philip, he broke with Eubulus later on, and of necessity appealed to the populace for support, with the result that he became a

<sup>1</sup> It was discovered, for example, that three imperialist leaders, when sailing on an Athenian warship as ambassadors to the king of Caria, captured an Egyptian merchant ship en route, and then, on the ground that Egypt was in revolt against Persia and so not under the protection of the great king, pocketed the prize money secured from the sale of the vessel. The owners brought suit in an Athenian court, but the politicians managed to keep the money. Unfortunately for their party, however, the need of revenue was obliging the city to take severe measures to collect arrears of taxes in Athens, and the coincidence of these two events naturally reacted upon the war party. (Jaeger, 62-64.)

bitter opponent of the conservative party and an appealing figure to all future partisans of Athenian democracy. The result has been that admirers of Demosthenes have usually depreciated the work of Eubulus and magnified that of Lycurgus, who, after an interval, succeeded to his position; just as the critics of Demosthenes and of democratic Athens have tended to defend Eubulus and, perhaps, to overrate his services. The issues involved in this controversy will never be settled as long as critics and eulogists of democracy make Athenian history a favorite terrain for their battles.

The available evidence confessedly is scanty, and consists largely of materials drawn from historians like Theopompus, praised by some ancient writers for his "diligence and accuracy" but sometimes censured for excessive admiration of some characters and unjust criticism of others. In general it has been remarked that he took more pleasure in blaming than in commending, and some of the ancients spoke of his acrimony and malignity. A critical reader can readily satisfy himself that the texts in question (of Theopompus and others) present either brief statements of fact not capable of absolute verification or of personal opinions which no careful reader would accept as well informed and thoroughly objective. In modern times Grote, the great admirer of Athens, and Schaefer, the devoted student of Demosthenes, have been prominent among the critics of Eubulus; while later historians of the so-called realistic school, like Holm and Beloch, have come to the defense of the unfortunate victim of political polemics. Andreades presents the arguments of the contestants, reviews the admitted achievements of the financier, and then contents himself with the remark that he himself is not a supporter of Eubulus.<sup>2</sup>

Schaefer went further, and into greater detail, than any critic with whose work I am acquainted; and he was very sharply attacked by Holm, who convicted him of egregious and flagrant errors at a number of points.<sup>3</sup> Before the time of Eubulus, Schaefer has it, theoric distributions had been kept

<sup>2</sup> Andreades, 378-381.

<sup>3</sup> Schaefer, 1:197-215; Holm, 3:222-227.

under some restraint, especially in time of war; but that financier, he asserts, proceeded to increase them. Except in time when war threatened, there is no basis for this statement except unsupported assertions of ancient writers who may have been recording opinions received from ill-informed or prejudiced sources, or may have been prejudiced themselves to the point of extreme hostility. Such things can be neither proved nor disproved, but are excellent ammunition for writers interested in the game of historical logomachy. Schaefer himself is so much interested that, after his excellent start, he goes on to state that under Eubulus the distributions were "probably increased during his first year in office," a detail supported by neither a word in any ancient text nor by any process of inference except Demosthenian fervor.

I have thought it worth while to present this controversial question because it illustrates so well the manner in which political opinions tend to affect historians' views upon Athenian politics and finance. It is not necessary for us to go into many other details, but certain important points can be accepted as beyond dispute; firstly, it is certain that Eubulus brought about consolidation of the chief financial offices of Athens under the administration of the theoric fund, of which he had charge, with the result that for the first time there was unified control of the financial administration of the city — something that should have been established long before. Secondly, it is agreed that he secured stricter control of the handling of public moneys. Thirdly, no one questions that he made better provision for important needs of the city by improving the fleet, organizing the cavalry, constructing docks and reservoirs, beginning work on new aqueducts, establishing new commercial courts, and making some provision for adorning Athens. Fourthly, this was done without increasing taxes, an achievement that bespeaks an able financier. Finally, in order to persuade the assembly to establish central control in financial administration, Eubulus in some manner guaranteed continuance of the theoric distributions, but beyond this point controversy begins.

The clearest and most definite evidence I find upon the gen-

eral procedure of Eubulus is that supplied by Aeschines.<sup>4</sup> He said that formerly Athens had a comptroller who made periodic reports concerning the revenues and that Eubulus brought about a union or consolidation of administrative offices by which "almost the whole management of city affairs" was placed in the hands of himself and his colleagues. If this is true, the financier obviously could, at least within certain limits, control the amount of the surpluses that would flow from the other treasuries into that containing the theoric fund. Distributions for the festivals would continue, at least in amount that would appease the populace, but the financier could now apply sufficient money to the real needs of the city, and this fact gave him some control over the amount of surpluses flowing into the treasury of the theoric fund. To secure such control a price had to be paid, and that was guaranteeing continuance of the theoric distributions; but the leader of the peace party may not have considered this too high for the continuation of both his foreign policy and his intelligent financial and administrative control. Of course when a new war party appeared, under the control of Demosthenes, demanding strong measures against Philip of Macedon, Eubulus, if he found it expedient, could increase distributions in order to secure support in the assembly; and this he may have done. Whether he did so can never be determined by any conceivable historical evidence; but his opponents would certainly accuse him of it, and therefore it is not strange that ancient historians believed and stated that Eubulus centralized financial administration for the very purpose of strengthening his party in the assembly. It would certainly have been better if Eubulus had set aside most, if not all, of the accruing surpluses as a reserve against the ever-present contingency of war.

<sup>4</sup> *Against Ctesiphon*, 25-26. It is needless to say that Aeschines is not a good witness, but here he is making his famous attack upon Demosthenes in a desperate oratorical battle in which "no holds were barred," as was often the case in Athens. At this point Aeschines is merely stating the existing provisions of law which his opponent (*De Corona*, 111-115) did not question. Since Demosthenes had a satisfactory answer, he could well afford to accept his antagonist's statement; but on the other hand, if that had been untrue, it would have presented him with a fine opportunity to place Aeschines in the wrong on a matter about which many of his hearers had full knowledge.

But even if this could have been accomplished by him, the leader of the conservative party, his failure at this point does not change the record of his accomplishments in other directions.

When Philip of Macedon crushed his opponents at Chaeronea, in 338 B.C., Athens was forced to abandon the remnants of its confederacy and join an Hellenic union which Philip organized for the purpose of promoting a great campaign against Persia, hereditary enemy of Hellas. Reduced now to subordinate political rank, Athens soon found her commerce reviving; and there presently began a renewed period of prosperity during which public as well as private affairs prospered more than they had done since the time of Pericles. One cause of this was undoubtedly the fact that Alexander, when he entered upon his great campaign in Asia, gathered up a large number of homeless, wandering soldiers, and the surplus male population of many Greek cities, who entered the army in the hope of finding permanent careers and perhaps permanent homes. The result was greater tranquillity than had existed for a long time on the Greek mainland, and this must have benefited economic conditions in Athens as well as the political and financial conditions of the city.<sup>5</sup> Phocion and Lycurgus, honorable men of very superior order came to the front as leaders in the assembly, while Demosthenes, sorely discomfited by the triumph of Macedon, did nothing to complicate the situation and, when necessary, approved the peace policy which his city followed.

Presently, with prosperity returning, a revival of political life was signalized by the introduction of systematic military training for young men, designed to develop a citizen army which would reduce Athenian dependence upon mercenary forces. Then Lycurgus was made minister of public revenue, and in fact, though not always in name, remained in power for ten years. Little is known about his financial methods, but the results he achieved are undisputed and speak for themselves.<sup>6</sup> Entering upon his office at a most difficult time, he negotiated a loan of 250 talents in order to meet urgent needs, which he was

<sup>5</sup> Bury, 2:424-430.

<sup>6</sup> Andreades, 376-377; Bury, 2:427-429.

able to do on the credit of his own name which was better than that of the city, a situation of no infrequent occurrence in ancient Greece. Returning prosperity and, doubtless, his own intelligent management increased the revenues of Athens to a sum that may have ranged from 1,200 to 1,500 talents. Like Eubulus, he secured better control of expenditures, as such a man would certainly do; and one of the results was that he greatly increased the fleet. This is said to have numbered 413 triremes by the year 326 B.C. He also built docks, as well as an arsenal and storehouse, and in the latter he accumulated an ample supply of arms and missiles of war. More than this, he was able to resume construction of handsome buildings, so that he left many kinds of tangible evidence of the prosperity which wise administration brought his city.

Over one hundred years had passed since Athens had reached the height of its power; but the city had remained the intellectual and artistic center of Greece, and its pre-eminence in these respects was never greater than at the time of Lycurgus. There can be no doubt that the record of his achievements is more impressive than that which has come down to us concerning Eubulus; but that is no reason for denying all credit to the latter, however much one may sympathize with Demosthenes who in so many ways is such an appealing figure. Incidentally, it may be well to remind ourselves that it was during a twelve-year period of peace that Lycurgus was permitted to do his work, and that if he had lived a few years longer than he did, until a Spartan garrison occupied the Munychia and Athenian independence was lost, his career might well have been adjudged as unsuccessful as that of Eubulus, especially if he had happened, as he did not, to find himself obliged to oppose Demosthenes and to call down upon his head the fiery denunciations of the great orator and the considerably less terrific criticisms of that statesman's fervent admirers even down to the present day.

This completes a long, but all too short, summary of Athenian finance. The city began with a bad tradition of distributing annual surpluses when they occurred, without regard to the

future and with no realization that the finances of a city are a continuing affair, even though it is both convenient and necessary to close the accounts periodically and strike a balance between receipts and expenditures of a year or some other fiscal period. The situation was made worse by the existence of several treasuries and the later practice of carrying all surpluses into a special receptacle, that of the theoric fund, which, whatever the intention of Eubulus or some unknown predecessor may have been, came to be looked to by the populace as a sacred box dedicated to gratifying and assisting King Demos. In time two great financiers appeared, but the first did not arrive until the second empire had been lost, and the other was too late to do more than contribute to the prosperity and stability of the last twelve years of the city's independent existence.

Without adequate control of expenditures it was inevitable that revenues should frequently prove insufficient; and this meant that although property belonging to the city, valuable silver mines in Laurium, customs duties, various internal taxes, and the tribute yielded large revenues, taxes upon property and the burdens of the trierarchy and other liturgies were the cause of constant complaint and political difficulties. In the end the city was unable to collect these direct contributions in an orderly manner and threw that duty upon some three hundred of the wealthiest citizens, a method of collection notoriously characteristic of financial systems in a state of decay caused by excessive demands upon a community's taxable capacity.

The treatment accorded creditors in Athens, as elsewhere in Greece, made it impossible to develop a sound system of public credit which would have minimized the disturbances caused by war or other emergencies, and so might have contributed to the stability and power of the city. With this, too, may be associated the treatment which reputable Athenians of wealth and established position often received in the political law courts. These were undoubtedly a cause of great weakness to this most remarkable of Greek cities. Thus the greatest of Greek democracies failed lamentably in the management of its finances; but in this respect it resembled most governments, of



whatever kind, which came into existence in Hellas or other parts of the ancient world.

§ 31. *The Achievements of Athens, 480-355 B.C.* The first hegemony of Athens lasted about seventy-six years (480-404 B.C.), which was longer than the thirty-three years of Spartan supremacy (404-371 B.C.) and the nine years of Theban (371-362 B.C.). These periods, it will be observed, grew progressively shorter; and after the power of Thebes was broken at Mantinea, no other city was able to secure the former kind of leadership. Recovering finally from her first great calamity, Athens managed to build a second confederacy which was really based upon a balance-of-power policy rather than upon recognized leadership in Hellas. Her original period of supremacy exceeded that of either successor; and neither Sparta nor Thebes managed to reestablish its power even partially, as their rival was able to do. Democratic Athens, therefore, had greater endurance than Sparta or Thebes and possessed greater power of recovery. Her misfortunes ought not to be attributed primarily, still less exclusively, to unsound finance. On the other hand, the strength of the city and its great recuperative power were not due to sound finance, but rather to the fact that, besides occupying a position on the mainland where Nature provided certain natural resources, it lay between two seas across which the winds of the Mediterranean could bring whatever goods the city needed and bear away her exports. Finally, it was located at the center of Greece where travelers by water or by land passed Athens as the center of a circle.<sup>7</sup>

As it rose toward its natural position as the commercial center of Hellas, Athens inevitably acquired wealth and, just as inevitably, like other commercial centers, became divided into a city of the rich and a city of the poor. Of the dissensions of social classes we have a continuous record from the threatened revolution which Solon averted, through the tyranny of Pisis-tratus, the democracy of Cleisthenes and Pericles, and finally the turbulent and quarrelsome régime of Cleon and his successors, which resulted in the divided counsels and social un-

<sup>7</sup> *Revenues*, 1:6-7.

rest which, with similar developments in other cities, enabled Aristotle to portray so clearly the class struggle which contributed greatly to the downfall of Hellas. In Athens, indeed, revolutions were less violent and bloody than in other Greek cities, and this fact has been accounted for plausibly enough on the ground that among the Athenians wealth was in a constant process of redistribution, by fair means or foul, which made violent upheavals less frequent than elsewhere. Much can be said for this view of the case, but nevertheless the final result was to undermine the wealth and power of a rich and famous commercial center.

Government by popular assembly in which all citizens participated was one thing in the original city, but quite another after the empire was acquired. Only those who have lived under government by town meeting, both at its best and at its worst, can fully understand many chapters in Greek politics or certain important parts of the writings of Plato and Aristotle; nor can one quite appreciate how good are many of the speeches through which Thucydides made some of his leading characters speak. Unless he has seen and heard a local magnate, a town "boss," subdue his fellow townsmen by telling them that they are hardly fit for self-government, he cannot fully appreciate the speech in which Cleon told the Athenians that "a democracy is unfit to govern others." This, he believed, they demonstrated when they thought of reconsidering their decision to destroy unfortunate Mytilene. They did not realize, Cleon said, that their empire was in fact a despotism imposed upon unwilling subjects who obeyed not because of good will, but through fear of consequences. To clinch the matter he added that ordinary men of sense, who did not on every occasion desire to show that they were wiser than the law and therefore fitted to dominate public discussions, would know that inferior laws that are inviolable are better than those that may seem good but carry no authority because subject to change and conceived in mere cleverness and recklessness. For good measure he then informs the assembly that it is made up of people who love to listen to oratorical contests and form their opinions according to what

clever speakers set forth as possible, but without considering accomplished facts and without realizing that things accomplished are more to be credited than the words of an orator. In short, he says that Athenians are captivated by the pleasures of the ear and are more like spectators at exhibitions of the Sophists than like men who take counsel together concerning matters vital to their city.<sup>8</sup>

How greatly the fate of the empire depended upon what both politicians and people did in the town meeting of Athens is completely exemplified in the person of Pericles. In his best days the belief that he was absolutely incorruptible and his outstanding ability enabled him to restrain the assembly, even by Jovian anger when necessary, and at the same time to influence them by something more than the flattery of the ordinary demagogue. Thucydides summed it all up when he said that Athens, "democracy in name, was actually government by the first citizen."<sup>9</sup> But all this changed in 430 B.C. when plague and exhausting war made it hard to convince the town meeting that the position of Athens at the head of a great confederacy necessarily involved hardships and loss, from which it would be fatal to draw back. His opponents then carried the assembly with them in demoting him from the office of general, calling for his accounts, and punishing him with a fine, a mild penalty for an Athenian general who had fallen from popular favor. Since he was actually indispensable it was necessary presently to recall him to his post, but not long afterward he died; and thereafter came a breed of lesser demagogues usually guided by immediate expediency and necessarily advertising to the world all counsels of state; now flattering, purchasing, dominating — and often dominated by — the populace of the capital of a great commercial empire.

By securing control of the seas on both sides of Corinth, her most dangerous commercial and naval antagonist, Athens probably reached the height of her power between 455 and 453 B.C. But this required a severe contest which taxed the resources

<sup>8</sup> Thucydides, 3:37-39.

<sup>9</sup> Thucydides, 2:65.

of the confederacy, caused an increase of the tribute, and presently a revolt of some of the allies — developments which led to a somewhat humiliating, though not an absolutely necessary, peace with Argos and Sparta in 451 B.C. From that time onward war with Persia was not possible unless peace was assured with the Greeks. Evidently the great empire was no longer rising but had begun to decline, and presently some of the allies on or near the mainland revolted; and in 447 the battle of Coronea forced Athens to give up Boeotia, thus plainly admitting discomfiture.

The height of splendor was probably reached somewhere between 450 and 430 B.C., when the Acropolis underwent the stupendous transformation which, more than anything else, fixed the status of Athens as the most beautiful city in Hellas and thereafter attracted visitors from all parts of the ancient world. Thus was honored in the famous democracy the tradition of competitive magnificent expenditure, which the Greeks received from Egypt and the Orient. In things of the intellect and in some branches of art, fourth-century Athens surpassed the city of Pericles; but it is splendid expenditure with which we are particularly concerned and not the finer things of the intellect and spirit, however much these may be required by or associated with the great creations of master-builders. Therefore our comparison results in selecting about 453 as the peak of power and some year in the period from 450 to 430 as that which marked the peak of the magnificence which made Pericles and his Athenians glorious. Thus, as in the case of Nebuchadnezzar, the lifetime of one man saw both power and splendor culminate with an intervening interval of not more, and possibly less, than twenty-three years. After that period the state of the treasury no longer permitted a similar display of public magnificence. Eubulus could do something to beautify his city and the capable Lycurgus could accomplish even more, because of the great recuperative power of Athenian commerce and its resulting wealth. But the tribute of the allies had fallen away, and out of its own resources Athens could not duplicate the great achievements of Pericles and his master-workman.

§ 32. *Macedonian Supremacy: Demosthenes.* Many details of Athenian politics, finance, and the resulting consequences have been mentioned above, but certain things which can be established by evidence as good as that supplied by the clay tablets of Egypt remain to be considered. These, indeed, are not wrought in stone or clay, but consist of words of peculiarly probative value. Naturally we begin with a witness whom we can understand today better than ever before, as the result of the publication of Werner Jaeger's *Demosthenes* (1938). This statesman, both orator and writer, who, as a man of property, could readily side with Eubulus when his policies appeared right, and then could arouse the rabble against the wealthy when he believed the welfare of his city required it, has long puzzled historians, both those of an historical mind and those otherwise constituted. Until well along into the nineteenth century the critics of democracy strongly and almost unanimously condemned his words and deeds, while the friends of democratic Athens eulogized and idealized him as one of the greatest and most tragic figures in the history of human freedom. By the end of that century, with the coming of a more realistic school of historians, strongly impressed by the rise of great national powers in the world in which they lived, the general estimate of the great Athenian declined and he came to be viewed as a pathetic and ineffectual figure, patriotic no doubt, but blind to the obvious signs and tendencies of his age; a leader whose words urged his country to certain and final disaster. Reexamining all the evidence, especially the orations and discourses of the Great Athenian, Jaeger demonstrates, I believe, that, from the time the Macedonian danger appeared in the north, Demosthenes showed himself a vigilant and able statesman, putting forth his mightiest endeavors to do what we can all now see to have been impossible, namely, save a Greek city, and one which was already past its best estate, from the fate bound to overtake it in a world destined ultimately to be dominated by some great power, Rome if not Macedon. From the beginning to the end of his public career his particular measures changed as conditions required; but his objective was always the same — to

avert the Macedonian peril. Thus he could side with Eubulus when peace was necessary and oppose him bitterly when strong action seemed called for. Always his primary task was to arouse the Athenians and educate them beyond the speeches of the orators or, when necessary, the advice and inducements of Eubulus and the peace party.

For all other details I must refer to Jaeger's book and content myself here with passages from the *Olynthiacs* and *Philippics* which bear most directly upon the political and financial conditions which we need to visualize. At first it may seem that no words of any orator can give the certainty of a tablet or cylinder of burnt clay. Certainly there were no orators, conservative or demagogic, who understood the tricks of their trade better than Demosthenes. One of Jaeger's merits is that he calls our attention to the skill with which, when war feeling was aroused at a wrong time, Demosthenes could appear to fall in with it and then moderate it by a few words showing that heavy taxes would be necessary, that there was really no money for them now, but that later on, when the danger had become more apparent, they could then be secured. When it came to rabble-rousing he could vie with the loudest and fiercest of the demagogues;<sup>10</sup> but again when it was a proposal to strengthen the fleet, something always dear to his heart, he could find compelling reasons for spreading the burden over many rather than a few contributors, thereby endeavoring, without changing his position, to cool somewhat the assembly's desire for war. Between times he could start a political suit against his bitterest opponent, Aeschines, which, while it may or may not have accomplished any useful political result, is valuable to us as one of the "most appalling documents that evidence the wildness of justice" in the popular law courts of democratic Athens in the fourth century when certain occasions evoked it. But the times finally called for something more than oratory; and the course of events, now hurried, turned Demosthenes into a man of action, of which we have a record not only as reliable as one burnt in clay but vastly more interesting.

<sup>10</sup> *Olynthiacs*, 3:27-36.

While Eubulus and the peace party were disposed to treat with Philip, Demosthenes labored mightily to build a party opposed to Macedon. Foreign policies had long interested him; and, as the designs of Philip grew clearer, he came forward with his celebrated speeches and pamphlets, of which the *Olynthiacs* and *Philippics* are sufficient for our purpose, which is merely a final appraisal of the results of Athenian politics and finance. Instead of the *First Philippic*, which is now assigned the date of 349-348 B.C., or the *Olynthiacs* which followed it, we will begin with the *Third Philippic*, the most powerful of the orator's speeches, which was delivered after the course of events had fully justified the warnings and entreaties of Demosthenes and confuted his opponents. The danger was now clear and immediate, and so the orator had not only his great theme but also his audience and his occasion. His task was to make Athenians see not only that war was actually under way but that their danger was immediate and that all the Greeks faced the same peril. At last the orator's hour had struck; and in spite of active, though perhaps quiet, opposition, he carried the assembly with him. Then, to arouse the other cities, embassies were dispatched in the autumn of 341 B.C., the orator himself traveling through the Peloponnesus where his eloquence stirred the hearers to action. At last he won over Thebes, the most irreconcilable of all the cities; and for the first time since 490 B.C., Greek national feeling was thoroughly aroused in the face of a great and common danger.

As the event proved, the hour of the Greeks' "national awakening" was also "that of their national downfall."<sup>11</sup> But Demosthenes was appointed dictator of armaments, a new office carrying extraordinary powers, and was able to reorganize the methods of financing and outfitting warships. The current surplus of the treasury and funds set aside for public buildings were devoted to war purposes, and even the masses gave up, or were forced to relinquish, their spectacle money in view of the compelling necessity. The forces of the city were finally equipped; and with them marched Demosthenes, as a

<sup>11</sup> Jaeger, 178.

hoplite, so that statesman, orator, diplomat, national leader, and private soldier were united in the person of one man who suddenly became one of the greatest men of action that Athens had produced.<sup>12</sup> That it was too late and that the remarkable phalanx of Philip crushed the allies at Chaeronea in 338 does not make the efforts of Demosthenes less heroic, his figure less appealing, and his testimony, as we find it in the *Olynthiacs* and *Philippics*, any the less sincere and convincing than they would be if on that date the fortunes of battle had turned against the Macedonians.

§ 33. *The Financial Plans of Demosthenes.* It is to certain passages of the *Olynthiacs* and *Philippics*, especially the *Fourth Philippic*, that we turn for indubitable evidence of the consequences of Athenian politics and finance from the time of Pericles to that of the great orator upon whose testimony, under the unique circumstances, we can safely rely. In his arguments intended to arouse his countrymen he sets forth, not only the designs of the wily Philip and the imperative need for action by Athens, but also the weak and irresolute conduct of the Athenians, their willingness to rely on mercenary troops, the waste caused by public distributions, the abuses of the law courts, the opposition of the wealthy to war taxes, and the ability of politicians to enrich themselves while the people at large had become mere underlings and hangers-on, content if they received their share of the various doles, and made tame and submissive by the demagogues who were exploiting the city.

The *Third Philippic* made the widest popular appeal, but the *Fourth*, while repeating much that had preceded, introduces two important new proposals and also makes of the whole a consistent program of political and financial reform. For our purpose it is the most informing of all the orator's utterances and carries the greatest probative value. Incidentally, it was written while the great preparations were under way and not very long before Chaeronea. Although it was considered authen-

<sup>12</sup> Jaeger, 178, writes: "The barriers of jealousy and selfishness dividing the Greek states now fell away one after another; and the nationalistic movement, kindled by the menace of the enemy and Demosthenes' rousing eloquence, accomplished things that for centuries had been inconceivable."



tic by ancient critics, the *Fourth Philippic* was long rejected by modern editors who found various reasons for believing that it was by some other hand or even wholly spurious. In 1893 Wilamowitz rejected *in toto* the view of the nineteenth-century critics, but declared that the last *Philippic* was a political pamphlet and not a speech in the assembly.<sup>13</sup> In 1905 the subject was thoroughly reconsidered by Körte<sup>14</sup> after the discovery of part of Didymus's *Commentary* had supplied new evidence which he believed must lead to a complete revision of opinion. Incidentally too, this discovery helped to date the *Fourth Philippic* and places it somewhere between 341 and 340 B.C. Körte's article leaves it no longer open to doubt that, with the new evidence before us, most of the difficulties raised by the nineteenth-century critics have either been proved groundless or can be explained better on the theory of authenticity than on the theory that the *Philippic* is the work of a reviser or a literary forger. Finally Jaeger, after his most illuminating discussion of the *Olynthiacs*, *Philippics*, and other pertinent utterances of Demosthenes, has now given us his opinion that in the matter of authenticity "the last word has been said by Alfred Körte."<sup>15</sup> That the *Philippic* was not a speech but a political pamphlet, as Wilamowitz believed, seems now to be clearly established.

Since we are here concerned more with Athenian finance than any of the other questions raised by the discourses of Demosthenes, I have therefore studied them as a student of public finance would naturally do; and the result has been that the *Fourth Philippic* forms the logical and natural capstone of the orator's proposals for financing the large expenditures needed for placing Athens in a proper state of defense. Incidentally this procedure shows with absolute conclusiveness that the *Fourth Philippic* not only came from Demosthenes, but could hardly have come from any other man in Athens.

This analysis reveals that in his utterances prior to the

<sup>13</sup> Wilamowitz, 2:215.

<sup>14</sup> *Rheinisches Museum für Philologie*, N. F., 60:388 *et seq.*

<sup>15</sup> Jaeger, 258.

*Fourth Philippic* the author makes three proposals of a financial character which provided the essentials of a plan of finance, although they are interspersed with a variety of other important considerations and, as we read them, do not impress us as a *plan*. Nor would they so impress a modern financial "planner" because they were: (1) Stop wasting money upon useless distributions which, he makes clear, include most, if not all, of the spectacle money and other things that came out of the theoric treasury;<sup>16</sup> (2) with these leaks stopped, then levy whatever taxes may be required to finance an adequate and continuous campaign against Macedon;<sup>17</sup> (3) make the politicians take their hands out of the treasury and stop stealing the public money.<sup>18</sup> All of these things are not said in every one of the orations. It was necessary to proceed very slowly and carefully in the attack on the spectacle money, because that was a dangerous subject for an Athenian orator, particularly one who wished to carry his audience with him. This was cautiously touched upon in the *First Olynthiac* and is then presented earnestly and forcefully in the *Third*. Reappearing later, it is brought to a climax in the *Third Philippic*, in which the financial proposals are presented without change, although there is a doubtful hint of seeking a subsidy from Persia, a suggestion likely to arouse opposition. This, then, was the first plan of Demosthenes for financing the war: elimination of waste, levy of war taxes, and short shrift with the politicians who were fattening on their plunder of a city which needed to muster all her resources for a supreme effort to preserve her liberty.

The *Fourth Philippic* gives us the orator's second and larger plan of finance. This, because it repeats some of his former utterances and then differs at one very important point, used to be thought by critics to raise very serious doubts of the authenticity of the discourse. On this theory it would be necessary to discard as spurious any speech by a politician who drew

<sup>16</sup> Some of the most pertinent references to these utterances of Demosthenes are given in this and subsequent footnotes. All are to Dindorf's third edition. On the spectacle money and similar things, see *Olynthiacs*, 1:19; 3:10-11.

<sup>17</sup> *Olynthiacs*, 1:6, 20; *On the Chersonese*, 21-23.

<sup>18</sup> *On the Chersonese*, 21, 54-55.

upon earlier utterances which he considered good and then at some vital point changed his views. This would, indeed, be the "shortest way" with political orators, and might have certain advantages; but it would also do an amount of violence to history not easy to estimate. In the fewest possible words the second plan of finance was: (1) Restore the theoric distributions to the people who, as fellow Athenians, have really a right to the money of the city, a complete reversal of a position often repeated over a period of years;<sup>19</sup> (2) seek subsidies from Persia, now recommended strongly and without hesitation,<sup>20</sup> a proposal for which the ground was already laid in the cautious suggestion offered in the *Third Philippic*; (3) levy war taxes in whatever amount needed, since the wealthy must be required to pay;<sup>21</sup> (4) reform the popular law courts and permit the wealthy to enjoy security of their lives and property,<sup>22</sup> this to be the contribution of the populace, the noble citizens of the great Athenian democracy, fed upon doles for many years when the orator had never requested them to grant the rich the justice which he now presents as an appropriate war sacrifice; (5) stop stealing public money.<sup>23</sup>

At any time prior to the twentieth century such proposals would have been universally recognized as a logical and consistent plan of public finance, its parts well balanced, and nicely articulated with a view to securing the desired financial result by uniting all classes of citizens in support of it. Whatever our opinion may be of the plan, we cannot fail to recognize its logical character and to see that the author might well have believed that it would accomplish the desired end. Jaeger, who has not articulated the parts as clearly as I have done, recognizes that the orator's objective was substantially as here represented; but he calls it an effort to deal with the "social problem." That, indeed, it was, since everything relating to a

<sup>19</sup> *Philippics*, 4:35-37.

<sup>20</sup> *Philippics*, 4:31-34.

<sup>21</sup> *Philippics*, 4:45. (The wealthy in time of common danger are to place their property at the disposal of their country.)

<sup>22</sup> *Philippics*, 4:42-45.

<sup>23</sup> *Philippics*, 4:68-69.

government and its finances is of social interest and may be called, somewhat indefinitely, a social problem; but we can better understand the *Fourth Philippic* if we regard it as containing the orator's second, and final, plan of financing a great war.

§ 34. *Certain Consequences Set Forth by Demosthenes.* Even after the destruction of its first empire, Athens could still contend with fair prospect of success against her old rivals, such as Sparta and Thebes, even though the employment of mercenaries had become very common and generals were inclined to prefer them because they felt more independent than when commanding citizens who had political friends and could call their officers to account in the law courts. But against a strong land power like Macedon, with a powerful army representing the last word of military efficiency, and against a general like Philip, Athenian chances were small except upon the sea. Even here Athens might be in danger of losing its advantage, since Philip in the district around Philippi had acquired forests that yielded good ship timber, and had begun building vessels, only cruisers at first, which were able to injure Athenian trade and harass the coast of Attica. Increasingly the spirit of the city, now highly commercialized, inclined to peace and was generally averse to war. When Demosthenes appealed to memories of the great past <sup>24</sup> his hearers were no longer moved to action as were the men whom Themistocles had addressed; and the orator found it necessary to contend again and again that every citizen should contribute an equal part of whatever property he had, and that all should march in successive levies until everyone had made at least one campaign.<sup>25</sup> Yet, as Jaeger remarked,<sup>26</sup> the material equipment which Demosthenes could command as war dictator was poor in comparison with the resources which "the nod of Pericles" could set in motion a hundred years earlier.

In the matter of the fleet there is evidence of peculiar inter-

<sup>24</sup> *Olynthiacs*, 3:23-26.

<sup>25</sup> *Olynthiacs*, 2:31.

<sup>26</sup> Jaeger, 178.

est because Macedonia was originally powerless upon the sea and still had so much to learn after a supply of ship timber was obtained. We have seen that the Athenian trierarchy had not worked well and that even in the time of Aristophanes the poor condition of a warship could be made the subject of jest. Demosthenes was able to secure a new law reorganizing the symmories; and in one of his orations he gave evidence of the shortcomings of the great Athenian navy when he boasted that, as long as the squadrons were organized under his regulations, no trierarch had a grievance to present or was imprisoned by the naval authorities: to which he added that no trireme was either abandoned at sea, or lost to the city, or tied up in the harbor as unseaworthy.<sup>27</sup> Such things were common enough under previous administrations because the trierarchy was sometimes assigned to poor men and many impossible demands were made. This was indeed self-praise and may have been excessive, but it would not have been submitted in a law court with Aeschines as his opponent, if the orator had not known that jurors having some knowledge of the facts would have realized that his statements had force.

Professor Bury considers it a "strange thing" that, in spite of the improvements effected in her naval establishment, Athens could send into the final battle against Philip only 170 warships against 240 Macedonian vessels.<sup>28</sup> The unpleasant fact was that then, as in the eighteenth century of our own era when France and England contested for mastery of the sea, there was a difference between warships at the docks and a fleet fit to take the sea. Wood rotted in ancient times just as it did in modern until paint, varnish, and metal sheathing made it possible for well-constructed warships to remain on the active list for many years. Moreover, when ships were built in haste to meet a threatened emergency, they were often constructed out of timber not well seasoned; and they would inevitably become so rotten as to be unseaworthy when the next emergency arose. Since we know that the action of the town meeting of Athens

<sup>27</sup> *De Corona*, 107-108. Cf. *Olynthiacs*, 3:4-5.

<sup>28</sup> Bury, 2:433.

was often fitful and futile, we cannot doubt that Demosthenes spoke with substantial accuracy when he mentioned ships that were lost at sea and others that remained tied up in the harbor.<sup>29</sup> Since we now know that control of the sea only a century or two ago depended upon which contestant had the fewest rotten ships, or the greatest number of vessels whose masts would outlast a real storm at sea, we should not be surprised that an Athenian navy consisting of three or even four hundred ships could send no more than 170 into action against the superior fleet of Macedon.<sup>30</sup>

§ 35. *Epilogue.* For many historians of former times interest in Greek history ended with the loss of Greek liberty in the battle of Chaeronea. The result is that it is not easy to find an adequate account of the later debacle of Athens.<sup>31</sup> After his victory, Philip surrounded Athens with four Macedonian garrisons "placed at respectful distances," leaving the city at peace and enjoying autonomy limited only by the fear of unpleasant consequences. But the tradition of freedom and power was not so soon forgotten. Agitation against Macedonian overlordship, assisted probably by Persian gold, continued. Philip assembled at Corinth a congress of Greek cities and arranged for a great expedition against Persia, to punish a barbarian empire for the many acts of sacrilege committed a century and a half before; arranging that he should be supreme commander, and that each city should contribute its quota to the Pan-Hellenic army and navy. His death by assassination did not delay the great expedition appreciably, and in 336 B.C. Alexander started his march toward the Hellespont. But on the way he encountered opposition of a serious character from tribes-

<sup>29</sup> It suffices to refer to Professor Albion's admirable volume, *Forests and Sea Power*.

<sup>30</sup> In this connection, finally, we should not overlook the fact that, after the downfall of Athens, the remarkable Rhodians, who, by general consent, were the best sailors and had the best navy in the world, accomplished the great things they achieved with a comparatively small fleet which is believed to have consisted of no more than fifty or sixty ships. Superior construction is reported to have been responsible for the fame of the Rhodian fleet, but obviously in the island's navy there could have been no place for ships built of green timber which rotted at their docks.

<sup>31</sup> Bury, 2:321-327, 433-435; Jaeger, 191-197; Bullock, 541-544.

men in northern Greece, and presently the rumor spread that the young king had been killed in Thrace. Immediately the Thebans, with the encouragement of Demosthenes and other Athenian leaders, raised the standard of revolt; but a fortnight later Alexander descended upon Thebes, having been joined by old Theban enemies, Phocians and Plataeans, who helped in the general slaughter which took 6,000 lives before it was stopped. Then came the dreaded sentence, that the city should be destroyed and its land divided, while the remaining inhabitants, with a few exceptions, should be sold into slavery. Only the house of Pindar was spared, and that by the king's express command. This, incidentally, it will be well to set down as the first Macedonian *razzia* which we have occasion to record.

Athens again escaped punishment, and presently entered upon the new period of prosperity and political stability discussed in the previous section. Since its long conflict with Philip had accomplished nothing, but had nearly exhausted its resources and made the final result all the more certain, there could no longer be an active war party in Athens. But, in 323 B.C., news of Alexander's death arrived and then Demosthenes and other men of like mind could persuade the Athenians that another revolt against Macedonia might not be a mad undertaking, the more so since a band of 8,000 discharged mercenaries, recently returned from the East, were at hand and might be enlisted. A number of states of northern Greece joined the revolt; and soon an army under an Athenian, Leosthenes, occupied the pass of Thermopylae and near that place gained an initial success against Antipater, the Macedonian regent.

Of course this was not done without discussion in town meeting, in which Demosthenes and the popular leaders were all for a war, in which, after the *Fourth Philippic*, there could hardly be any question about the people continuing to receive their doles even though they might again be asked, at least during the duration of the contest, to refrain from spoliation of the rich. Of course there were the conservatives, then led by Phocion, the general who had helped to rescue Byzantium less than twenty years before, and one of the few Greek statesmen who

have come down to us with the reputation of absolute honesty. He was a man with great power of brief and pithy statement whom Demosthenes called the clipper of his periods because, after the orator had delivered himself of a great effort, his opponent could rise in his place and in a few words wreck the very best Attic oratory. When asked in 323 B.C. under what conditions, if any, he would favor a war, he replied: "Whenever I see the young men willing to take their places in the ranks of the army, the rich men disposed to pay the war taxes, and the politicians ready to keep their thievish hands out of the public treasury." Thus Phocion the conservative and Demosthenes the popular leader agreed in their final diagnosis of political conditions at Athens. Then, when ships and soldiers had been assembled, the old warrior looked them over and remarked that they seemed sufficient for a short campaign but inadequate for a long struggle because the city had no reserves of money, of ships, or of troops. So it turned out. Leosthenes was killed after an initial victory, his successor won a single battle, and then Macedonian reinforcements continued to arrive until the revolt was crushed.

This time the consequences were more serious for great and beautiful Athens. Presently a Macedonian garrison was placed in Munychia and demand was made for the surrender of Demosthenes and other agitators. This was the end of the orator, who presently took his life, and also the end of Athenian independence. Under Macedonian control the democratic constitution of the city was changed and the 12,000 poorest citizens disfranchised, so that only 9,000 were left and control passed to the conservative or oligarchical party. Under the new order of things the jury courts were relieved of their hordes of unnecessary judges, many offices were abolished, expensive boards were replaced by single magistrates, and a superintendent was appointed to receive and disburse revenues. Thereby financial administration was centralized, as in the days of Eubulus and Lycurgus. With these changes, naturally enough, distributions of surpluses to the people disappeared, and pay for attending assemblies, for jury service, and possibly even for holding pub-



lic office, was abolished; so that thereafter Athenian citizens were expected to support their government and not to be supported by it. Two years later the death of the Macedonian regent was followed by a democratic reaction, in the course of which the conservative party was overthrown and Phocion killed; but the new régime lasted less than a year, and then the Macedonians set up a new government of an oligarchical character.

Of this the leader was Demetrius of Phalerum, the last of the great Attic orators and an administrator of great ability with sound views of finance and general economic policy. Demetrius did not persecute the democratic leaders and restored political tranquillity for a time. He abolished the liturgies and transferred to the state the cost of choruses, festivals, and other public functions which had previously been saddled upon the rich. With Athenian independence gone, there was now no need of a great fleet, and public expenditures could be greatly reduced. Within ten years a policy of prudent economy had restored the prosperity, and so the revenues, of Athens to such an extent that some historians have supposed that the city was more prosperous than at any time after the Peloponnesian Wars. When a democratic reaction occurred in 307 B.C. and Demetrius was driven from power, the liturgies were not reestablished and the city did not revert to the old régime. Conditions simply did not permit the restoration of doles and other abuses of fifth-century and fourth-century finance. Of course independence was gone, but Athens long remained the center of Hellenic culture, even though in all that concerned the world of politics it must content itself with memories of a great past.

A fitting conclusion is found in a few wingèd words uttered by Demetrius upon some occasion unknown to us.<sup>32</sup> East of the Acropolis, on a street leading to the theater, wealthy citizens, victors in the annual artistic and other contests, had erected expensive monuments upon which were placed the bronze tripods given each year to those Athenians whose productions,

<sup>32</sup> Plutarch, *Whether the Athenians Were More Famous in War or in Learning*, Reiske's ed. (Leipsic, 1774-82), 7:375. Cf. Bullock, 544.

which cost them so dearly, had been victorious in the annual competitions. The fortunate recipient of such a prize, although he had already undergone the heavy outlay of the competition, could do no less than vie with his predecessors in erecting a handsome monument somewhere along the Street of the Tripods, thus running into further extravagance which many could ill afford. Such a monument, the orator declared, was "not a votive offering to victory," but "a libation over a wasted fortune and a cenotaph of a deserted home."

## CHAPTER VII

### TWO COMMERCIAL OLIGARCHIES

§ 36. *The Carthaginian Empire.* While the Greeks were developing their commerce in the eastern Mediterranean and then pushing it to outlying regions in the West (Marseilles, Gades, and the like), a Phoenician people, the Carthaginians, were extending their commerce until finally it absorbed the greater part of the trade of the western Mediterranean. Meyer says that our knowledge of Carthage is very deficient, since little Carthaginian literature has come down to us.<sup>1</sup>

The Carthaginians, like other Phoenicians, were a commercial people, little interested in literary, artistic, or scientific pursuits, except as they were connected with or contributed to commercial results, or to some other practical end. The growth of wealth was naturally followed by the development of science and art, as well as a Phoenician literature of some significance. Carthage was even distinguished for treatises on geography, travel, and agronomy; and since it was such an important commercial center it could not neglect various foreign languages. Carthage secured a magnificent harbor near the middle of the Mediterranean where all important trade routes crossed.<sup>2</sup> It became a strong and well-organized power, primarily commercial, the first of which we have knowledge, this being due not only to the trading instincts of its Phoenician founders but to their political capacity as well. All its policies were shaped by commercial considerations, and for some five hundred years they centered upon maintaining a monopoly of the commerce of the western Mediterranean, in which position its supremacy was almost unquestioned. Within their closed seas the practice of the Carthaginians was to sink all foreign ships at sight, and their close monopoly of trade in most parts of the western Mediterranean made them very rich.

<sup>1</sup> Except Mago's work on husbandry and Hanno's *Periplus*.

<sup>2</sup> Stevens and Westcott, 17, 50.

Of course the Egyptians had developed a great commerce, but Egypt was never a purely commercial country. The many-sided Greeks had varied interests which, in spite of the great commercial growth of many of their cities, diversified their life and political aims. In early Rome the law was of supreme interest, but to the Carthaginians profit was the lode star and the determining consideration. For trade reasons they would undertake war when necessary, but did so reluctantly and usually for defensive purposes rather than for pure aggression. In peace or war they calculated coldly the prospects of profit or loss. War was for them a great commercial venture and they were inclined to carry it on chiefly with mercenary troops, while allowing the general run of their people to attend to their personal affairs and interests. Carthage was the oldest existing Phoenician colony and was long famous as the richest and the most powerful.

Around the city itself there was a small territory with some three hundred square miles of arable land. Probably the capital never had more than 250,000 people, and the whole empire contained about 700,000 persons who acquired citizenship. Of course the town with its splendid harbors was strongly fortified, being finally surrounded by triple walls. Preserving carefully to itself a monopoly of the trade with both colonies and trading posts, the latter of which were very numerous, it drew its wealth from the richest part of Sicily, Sardinia, the African coast, and Spain with its many resources.

By the fourth and third centuries B.C. the Phoenician peoples came under the pervasive influence of Hellenism to a very considerable extent, and this occurred even in exclusive Carthage. Here there grew up numerous influential groups of Greek settlers and Carthaginian nobles of purely Phoenician origin, who, like other peoples of the Hellenistic world, followed the fashion of adopting Greek names and living like the Greeks.

The Carthaginians naturally came into conflict with the Greeks about 480 B.C.; but in the western Mediterranean, some nineteen years earlier, when they encountered the Romans, they made an agreement by which they were not to go beyond

the Fair Promontory except in cases where weather or hostile attacks compelled them to pass this bound.

While the commercial life of Carthage centered in its cities, adjacent lands in some cases were valuable for agricultural purposes; and upon them a class of wealthy landowners grew up, many of whom were nobles greatly interested in exploiting their estates for commercial purposes. For this reason it is not strange that a Carthaginian writer, Mago, wrote a treatise on agriculture which was later translated into Latin by order of the Roman senate and influenced markedly the growth of capitalistic farming in Italy. Of course even the most fertile lands exploited for commercial purposes with slave labor did not, as a whole, offer many advantages comparable with those presented by the sea. Therefore the empire which the Carthaginians built was chiefly a sea empire, commercial in purpose and not equally balanced by landed interests.

An oligarchy or aristocracy of this sort would differ from a landed aristocracy because it would open up more economic opportunities and roads to wealth, and would tend to become large in size. It would have community of interest in the welfare of its commerce just like a landed aristocracy in respect to its common interests; but it would be forced to take risks and therefore was, as Pareto would say, richer by instincts of combination. A landed aristocracy would be limited by the available lands and could not discover so many economic opportunities.

§ 37. *The Government of Carthage.*<sup>3</sup> The early history of Carthaginian institutions is obscure. The original constitution may have been monarchical, but by Aristotle's time it had changed to an oligarchy with two magistrates (*suffetes*) and a council of elders consisting of twenty-eight members and presided over by these magistrates. This body declared war, raised troops, and appointed generals, its decision being final except in case of dispute when the matter was submitted to the people. Thus there was a popular assembly which possessed at least

<sup>3</sup> On Carthaginian politics and finance, see Meyer, 5; Mommsen, 2; *Cambridge Anc. Hist.*, 7 and 8; Smith, *Carthage*; Church; and Wells.

some power but most of the time had little influence upon public affairs.

In elections to the council (*gerusia*) corruption was frequently employed by the rulers, but the Punic Wars brought conditions that developed the power of the popular assemblies which began to decide political questions and so to diminish the power of the oligarchs. Other changes also occurred between Aristotle's time and the Punic Wars, the two magistrates becoming largely honorary officers, while the *gerusia* had allowed most of its power to pass to a council of a hundred and four, or the Hundred, which, though larger in number, was extremely exclusive in spirit and in its policies. The institution of this council was due to the growth of the wealth and power of the family of Mago, which was believed to threaten the established order, a point of special interest because it illustrates the natural tendency of family influence to creep into oligarchical politics, even to the extent of threatening to establish a tyranny which might or might not take to itself the more euphonious name of monarchy.

The Hundred were selected from a larger body chosen from the people, but in practice only wealthy men were appointed. When vacancies occurred new members were chosen by co-optation,<sup>4</sup> so that a closed college developed which resulted in a commercial oligarchy, resembling that of Venice, which was consistent, generally intelligent, and usually wise in its policies, although it inclined to be narrow in its ideas and sympathies and was frequently suspicious both of its friends and political opponents. Magistrates, generals, and other persons concerned with the government were held under strict control and sometimes were severely and even cruelly punished. The Hundred could demand from all public officers an accounting for their conduct during their term of office, and so had great power, even at the beginning, which subsequently it increased until it became the most influential and dreaded force in the whole empire.

<sup>4</sup> Aristotle, *Politics*, 1273 a, explains that this process was really managed by a number of "boards of five," so that, as so often happened later under constitutions of this character, real power was concentrated in a few hands by creating a complicated system of wheels within wheels which secured the desired result without making the process too obvious.

The result was that, with a constitution providing for two chief magistrates, a senate, and an assembly which on occasion could discuss public affairs, Carthage was really controlled by a few men who worked together and developed a degree of corruption and venality which shocked contemporary Greek observers. For centuries the Hundred, with remarkable consistency, followed a single line of policy which achieved the results at which a commercial oligarchy would naturally aim. Leading families jealously controlled the administration of affairs; and in one case, as we have seen, a single family gained such ascendancy in peace and war as to lead to a constitutional change.

Aristotle in his *Politics* says the constitution of Carthage was good and in some points resembled that of Sparta. When he wrote in the fourth century B.C. no tyrant had appeared and no revolution had occurred. Since power to survive was in Aristotle's political philosophy one important test of the goodness of any government, we can understand why, on the basis of the evidence available when he wrote, he approved so highly the polity of Carthage.<sup>5</sup> He refers to a king and council of elders in Carthage, which reminded him of the Spartan constitution; but he says that in the former case the kings were not confined to one family but were chosen not only for merit but also for wealth, because poor men could not have the leisure required for the work of government. Yet he remarks that it is bad to make wealth rather than merit the test for holding the highest offices, like king or general. He adds that in Carthage the magistrates go into business, and that this money-making by officials had not led to popular dissatisfaction or produced a revolution. He also says that the government had won the good will of the common people by sending them out from the crowded city to new territories where they could become self-sustaining. This, it will be noticed, is in line with the suggestion that he made elsewhere <sup>6</sup> that one good way to help the poor is to enable them to acquire land and thus make a beginning in husbandry and trade.

<sup>5</sup> *Politics*, 1272 b.

<sup>6</sup> *Politics*, 1320 a-b.

Moreover, unlike the people of associated cities and subject states, the citizens were free from taxes and exempt from conscription for military duty except in great wars, so that they derived material advantages from the rule of the oligarchs; and in addition, from time to time, the more ambitious of them were given at least some recognition or even political power. Also the electoral system, by its purchase of votes, led at times to substantial distributions of money, the result, of course, being what Mommsen called a government by capitalists who might be said to have control of "a rotten urban oligarchy." If citizens of noble status became impoverished, the decayed aristocrats could be made officials or sent to dependent communities to take charge of such things as collecting taxes. A middle class of moderate means was not an important factor in the politics of the empire.

The higher offices carried no salaries and several of them might be held by the same person. Such offices were sold, as were offices both salaried and unsalaried in so many countries in later times, which indicates that officeholders either were entitled to certain legitimate emoluments or were able by illicit gains and exactions to recover their purchase money, and in many cases considerably more.<sup>7</sup> As we have said above, the oligarchy permitted its members to go into business, and they held tenaciously to all their privileges. They did not devote all their energy to the interests of the empire, which, as Meyer remarks, cannot well happen in a community where money-making is the dominating motive and the citizens not only do not serve in the army but even mistrust it. For this reason Carthage, never completing its conquest of the western Mediterranean, allowed Greek cities in Sicily, as well as the city of Marseilles, to maintain themselves against its great naval power.

In spite of its various shortcomings, the empire managed to secure the services of its ablest citizens in time of war; and no great Carthaginian general, however popular with the army or fortunate in his military operations, ever tried to overthrow the constitution, which is a better record than Greece and

<sup>7</sup> Aristotle, *Politics*, 1273 b.



Rome can show. Its rulers had to manage a money as well as a natural economy and knew how to keep the treasury affluent, the arsenals well supplied, and a great and strong fleet maintained in readiness for any situation that might arise. Since the ruling nobles were so largely wealthy merchants and manufacturers, there was naturally general support for a navy strong enough to enforce the monopolistic embargo in the western Mediterranean, to protect the outlying trading posts, and to prevent piracy. In addition to these there were wealthy landlords and planters with large and well-cultivated estates in certain parts of the empire, whose interests in general would be the same as those of the other members of the ruling classes.

Thus we find an empire whose citizens were generally prosperous because they had no military duties and enjoyed various exemptions and other advantages, being content under ordinary conditions to rely largely upon hired mercenaries and conscripts from subject cities and states. It was a business concern and, in the mutations of things, it fell under the control of a great council with some three hundred members who held their seats *ex officio*, above which was a committee of thirty which served as an advisory and deliberative committee of great importance. Nepotism inevitably developed, as it did in so many later oligarchies, but a popular assembly nevertheless existed which served at least as a safety valve to prevent democratic explosions. At the same time executive power could be strongly centralized in time of war and thus provide efficient and continuous military leaders. In this latter respect Carthage had an advantage over Rome because the most skillful generals were more likely to remain in power a sufficiently long term of years to enable them to direct wisely and consistently the armies in the field. Therefore it is not strange to read that the Carthaginian leaders were often better tacticians than the Roman.

However successful at home, Carthage did not manage its dependencies well. In northern Africa the various tribes adjacent to the cities were hardly better off than slaves, so that the Libyan subjects generally hated the empire. The allied or associated Phoenician cities in Africa, Sicily, Sardinia, and

Spain were, with the exception of a few free cities in Sicily, held in strict subjection and required to pay high tribute. Nevertheless, their free inhabitants accepted their situation without serious complaints and in time of trouble often proved true to the empire. They were of the same blood as the rulers and, like the Carthaginians, occupied a position superior to that of the other inhabitants of their cities. They also shared in the profit of the oligarchical system; in private law they had the legal status of citizens; and they could be officers in the army, where they might reach high positions. At any rate Carthage gave them peace, security, and power. They could make profit out of their trade with Carthage, with the large subject territories of the empire, and with the barbarians in the hinterland; so that on the whole they could be fairly prosperous.

§ 38. *Carthaginian Finance*. In most, though not all, respects Carthaginian finance held first place among the cities and empires of her period. Thucydides, at the time of the Peloponnesian Wars, made a Syracusan speak of Carthaginian "stores of silver and gold" and say that Carthaginians were of all people the best able to give assistance to one of the contestants if they chose to do so because they had "an abundance of gold and silver, by which both war and all other things are well provided."<sup>8</sup> And Polybius called the capital the wealthiest city in the world.<sup>9</sup> The revenues of the empire have been estimated at 12,000 talents, many times the amount that Athens drew from her confederacy in its most prosperous days, and exceeding those of Rome. However, as Mommsen remarks, her customs receipts and tribute were in bad times less dependable than the sources of Roman revenue, and so tended to dry up at the very time when much money was needed.

The revenue came largely from customs dues; but rich mines, as in Spain, were exploited to good advantage, and of course tribute upon subject states was heavy. This was levied both in money and in kind, according to circumstances, and in some cases is supposed to have absorbed half the produce of the

<sup>8</sup> Thucydides, 6:34.

<sup>9</sup> Polybius, XVIII. 35:9.

taxpayers. In northern Africa it amounted to half the product of the salt industry. In cities and towns the magistrates collected high taxes with great severity and without mercy. Moreover, in Africa, at least, the collection of both tribute and taxes was often attended with the same abuses that made Turkish pashas notorious in modern times. The result was that in many regions there was an undercurrent of hatred for imperial Carthage, which led to such outbreaks as the revolt of Libyan mercenaries. In view of the venality and corruption that attended Carthaginian oligarchy, we are not surprised to read that expenditures were not always well handled and that state property was sometimes carelessly and dishonestly administered.

Carthaginian colonies and fertile lands adjacent to the cities could be made productive because husbandry had been scientifically developed, of which Mago's great treatise, from which Greeks and then Romans learned so much, gives sufficient evidence. Both statesmen and generals were interested in it; in general the fundamental rule of Phoenician husbandry was followed, that no one should acquire and hold more land than he was able to utilize effectively. From Libya a great supply of horses, oxen, sheep, and goats could be secured because of the nomad character of the population of this region. In respect of these resources Polybius remarked that Carthage had advantages which other countries of his time lacked. To these basic industries manufacturing was added, and the great progress of commerce facilitated the extension of production. It is evident that although the carrying trade of the western Mediterranean may have been the main interest of the empire, there were also large productive resources which helped to increase Carthaginian wealth and treasure.

Of course this commerce began with barter; and even in later times, after money had come into use, distant voyages required merchants to carry on trade with native tribes in the same manner. The first domestic coinage came in the fourth century and consisted of gold and bronze coins, while silver money was introduced after the acquisition of the Spanish mines. Particularly interesting was the Carthaginian experiment with the so-called

leather money, which consisted originally of weights of metal wrapped in a leather cover. Even after coinage was instituted, money taken by weight was the recognized medium of exchange; and from this fact came the practice of bankers in substituting pieces of leather, stamped with their seals, for actual metal. Unlike certain later oligarchies, Carthage appears to have made no effort to extend her trade and credit by putting into circulation gold and silver coins known to contain a definite weight of precious metal, never tampered with, and therefore calculated to be current throughout the world, thereby advertising the commercial ability and integrity of the empire. After the first Punic War the coinage was debased; and, after the second, the coins offered to Rome in payment of the first installment of the war indemnity were 25 per cent light in their silver content.<sup>10</sup>

Mommsen credits Carthage with having made regular use of foreign state loans, and with having originated a token money (presumably leather) for use along with gold and silver, something which he said was not done elsewhere in antiquity. From this and other evidence he concludes that Carthage enjoyed a clear superiority in financial administration, and says that, if governing an empire were identical with "mere mercantile speculation," then "never would any state have solved the problem more brilliantly than Carthage."<sup>11</sup> But this statement overlooks the financial achievements of Persia and Lydia; and it does not reckon with the fact that in banking and international finance of the sort prevalent in Athens in the day of Pasion, the Carthaginians fell short of the achievements of the Greeks. The financial system of the city, no doubt, was fully adequate to the needs of a far-flung empire of Phoenician origin; but it did not equal the best achievements of a Greek city like Athens, long accustomed to a money economy in which financial expedients were devised which seem to have been unknown in Carthage, or at least not to have been utilized.

§ 39. *Rome and Carthage.* At the opening of the fifth cen-

<sup>10</sup> Livy, XXXII. 2:2.

<sup>11</sup> Mommsen, 2:153.

ture B.C. the Carthaginians had made the agreement with the Romans by which their ships were not ordinarily to pass beyond the Fair Promontory. This preserved peace between the two great powers until, as was inevitable, conflicting interests and ambitions brought on the Punic Wars. In Sicily the Carthaginians, instead of completing their conquest, had made terms with Greek cities located there; and on this island the two great powers of the western Mediterranean, after many years of friendship, finally came into conflict. Like numerous other similar events the first Punic War originated in what was largely an accident. A body of Italian mercenaries who had been hired by Hiero, king of Syracuse, had seized and held the city of Messana, defying both Syracuse and Carthage. Hard pressed, the insurgents appealed to Rome for assistance which was willingly granted in 264 B.C.; and this naturally brought on a contest between the great powers, which resulted in three wars.

With the details of the Punic Wars we are not especially concerned, not only because they are so familiar to all students of history but also because we are interested primarily in the politics and finances of Carthage. This, while often called a republic, was an oligarchical power the character of which we need to study. The first war was concluded in 241 B.C. with a peace unfavorable to Carthage. The second, at one crisis, brought Rome near to destruction from which she was saved by the patriotism and indomitable strength of her people. It ended in 202 B.C. with a peace which broke Carthaginian strength to such a degree that it seemed for a time that the Romans no longer needed to fear their great rival. However, in spite of the great disasters they had suffered, the Carthaginians, having a natural basis for a great and profitable commerce, managed to recover to such an extent that the Romans again came to fear their former adversaries and finally deliberately brought on a third war which resulted in the total destruction of Carthage in 146 B.C.

Just as Thucydides, in his account of the Peloponnesian Wars, begins with a striking comparison of Athens, the great commercial and naval power, and Sparta, a landed aristocracy which

had never been interested in commerce and was content with a primitive system of iron money, so Mommsen<sup>12</sup> reviews the respective resources of Carthage and Rome, showing the striking contrast between a commercial and an agricultural people. In the former the money interest greatly preponderated over the landed, while in Rome the situation was exactly the reverse. The former was an empire of merchants, with numerous slaveholding landlords and an ancillary body of manufacturers; while at Rome in 264 B.C. the great mass of the citizens still cultivated their fields in person, were conservative property-owners, and were staunch in their support of the Roman Republic. On the other hand the majority of the people in the Carthaginian empire held no property, or practically none, and were therefore accessible both to the gold of the rich and to the cry of the discontented for a change which they were not to get until the rule of the corrupt but generally intelligent oligarchy was replaced by the dread power of Rome. Finally, the opulence and luxury of Carthage contrasted strongly with the simplicity of Roman manners and the frugality and severity inherited from olden times.

There were other contrasts of nearly, if not quite, the same importance. The Romans were a homogeneous people of the sturdiest sort with great capacity for orderly and effective administration of government. Their army consisted largely of peasants who were either Roman citizens or citizens of some allied town in Italy. On the other hand Carthage had never permitted the people of dependent cities or districts to look forward to acquiring political rights, with the exception of Sicily. There the presence of the Greek city of Syracuse made a conciliatory policy necessary. Even privileged cities were greatly restricted in their trade, and Carthaginian overseers went everywhere to load Phoenician subjects with heavy tribute or taxes. In its entire area almost every community, except perhaps Utica, would have been better off if it had been taken over by Rome on conditions similar to those granted the people of Italy.

<sup>12</sup> Mommsen, 2:153.

Equally striking was the contrast in military systems. Rome had only a small, insignificant navy and no experience in maritime warfare, while Carthage had the strongest navy in the world. But Roman sailors and soldiers alike were either citizens or allies who were willing and even proud to fight on the side of Rome. Their indomitable patriotism enabled them to survive great disasters, and there is no doubt that on land there were no better fighters than the Roman soldiers. Carthaginian soldiers and sailors were chiefly mercenaries. Officers were usually Carthaginians, but it was beneath the dignity of the average citizen of the empire to serve as a private. Even officers, occasionally commanders, were sometimes mercenaries, like Xantippus the Spartan. In campaigns that promised plunder Carthaginian troops did well enough, but when reverses were encountered they sometimes became disaffected.<sup>13</sup> The commercial empire had artisans and city folk to draw upon, who did not have the vigor of the Roman husbandmen; and the native Phoenicians are said to have had a general aversion to warfare. The proportion of Carthaginians in the army and navy steadily diminished; and finally, outside of the officers, practically only mercenaries were left.

The strength of the Carthaginians consisted of good infantry as well as excellent light cavalry drawn from Libya, tribesmen from Spain, and slingers from the Balearic Isles. To these, mercenaries enlisted abroad could be added in numbers sufficient to raise the army to any strength desired; so that, with able officers and good training, it could cope with the Romans. However, time was required to assemble and prepare such forces, while the citizen militia of Rome could take the field promptly at any time. Another point of interest is that the Carthaginians had given great attention to machines of war, upon which they spent much money, had developed the use of elephants in warfare, and had expended vast sums on the fortifications of the city. The navy, of course, received the greatest care; Carthaginians were the first to build ships having more than three banks of oars and their war vessels finally came to

<sup>13</sup> Stevens and Westcott, 51.

consist mostly of quinquiremes. As would be natural in a commercial empire, the sailors were excellent, ordinarily better than the Greeks; while the ship captains were bold and skillful. In view of the great wealth at the disposal of Carthage, which enabled her to bring all her resources into play, the balance of advantage inclined strongly in her favor except that in the Phoenician empire there was nothing corresponding to the steadfast character and unshakable patriotism of the Roman people.

The first war began in Sicily, where the Romans made themselves masters of the entire island except a few seaports. With this accomplished, they could go no further as long as Carthage remained in control of the sea. Having no navy of any consequence and knowing nothing about the construction of ships of war, they would then have been unable to continue the offensive if they had been men of ordinary persistence and resourcefulness. But they presently found a Carthaginian quinquireme stranded upon their shores; and, with this as a model, they rapidly built a number of galleys, and also trained oarsmen in the art of propelling the new warships. Soon the Carthaginians were surprised to find themselves confronting a strong and well-equipped Roman fleet. Lacking experience, the Romans were defeated in their first battle; but the only result was that their commander, observing the inferiority of his sailors in traditional naval operations, decided to abandon the tactics of manoeuvre which had prevailed in antiquity, by which the sharp beaks of warships were driven into the hulls of enemy vessels in order to disable or sink them. Instead, he provided his vessels with grapples which could be fastened to Carthaginian ships and thus permit boarding tactics which to a considerable extent assimilated naval to land warfare. In 260 B.C. Duilius, the originator of the new tactics, was rewarded with a brilliant victory at Mylae, which made Rome a formidable sea power.

Such initial successes on land and sea insured Rome possession of Sicily, but the consul Regulus decided to "carry the war into Africa," where for a time he met with such success as



to force the enemy to sue for peace. Then, however, he imposed unreasonable terms which the Carthaginians rejected, and made other mistakes which led to his total defeat and the evacuation of Africa. Other disasters followed, involving the loss of other fleets, without any permanent advantage; while a new Carthaginian general, Hamilcar Barca, established himself in Sicily and threatened Rome's position there. After twenty-three years of fighting, the Romans suspended naval warfare and were threatened with the loss of the island where the contest began. Even the Roman senate for a time appeared to despair of the future, but the people proved stouter than their rulers. By voluntary contributions of citizens, which were to be returned in case of victory, two hundred new vessels were constructed. With sixty thousand sailors, the new fleet was placed under the command of the consul Catulus, a man of great ability and unshakable courage, who overwhelmed the enemy west of Sicily off the Aegates islands, thus leaving Hamilcar without needed supplies and without much prospect of receiving reinforcements.

The contrast between the Roman and Carthaginian character is well illustrated by the fact that the Carthaginians accepted defeat at this time. Hamilcar was not conquered and could have held out for a considerable period, even though some of his garrisons could not have maintained themselves; while the empire had sufficient resources to try again its fortunes at sea.<sup>14</sup> The fact that Carthage sued for peace at a time when the Romans, in similar case, would have thought of nothing but continuing the war, shows that the old Phoenician commercial point of view controlled their policies, and that the Carthaginian oligarchy was disposed, like so many of its kind, to ask whether renewed efforts would pay or whether it would not be better to negotiate with the enemy. The terms imposed by the Romans were severe. The Carthaginians agreed to cede to Rome both Sicily and the adjacent islands and to pay an indemnity of about three and a half million dollars (3,200 talents) in ten yearly installments. Thereafter Punic ships of war were not to sail in

<sup>14</sup> Mommsen, 2:154; *Cambridge Anc. Hist.*, 7:692.

Italian waters and Carthage was not to recruit mercenaries in Italy. It is worth noting that, after this disastrous peace, Carthage then had to deal with a revolt of mercenaries whom Hamilcar was able to reduce to subjection only after a bloody war of three years' duration, during which the Romans seized the islands of Sardinia and Corsica. With these acquisitions, the Tyrrhenian Sea, so called, became virtually a Roman lake.

The second and third Punic Wars were fought upon land, without attempts to cut the enemy's communications; and both contestants were able to transport troops and supplies by sea.<sup>15</sup> Unlike the first, they produced great generals, as Hannibal on the Carthaginian side, and Fabius the "Delayer" and Scipio Africanus on the Roman. After suppressing the revolt of the mercenaries, Hamilcar Barca had gone to Spain where he and his successors conquered the peninsula, founding New Carthage which was intended to be the capital of a new empire which could not only support itself but, from its rich mines, send treasure back to the parent city. About 220 B.C. Hannibal, the twenty-six-year-old son of Hamilcar, succeeded to the command, and almost immediately began preparations for war. Thinking that the Italian cities subject to Rome might be as ill disposed toward their master as the subjects of Carthage had proved to be in so many cases, he decided to carry the war into Italy; and in 218 B.C. he seized Saguntum, thereby starting the second Punic War. At this point the Romans were negligent, and they remained so even when Hannibal marched toward the Pyrenees. Thence he crossed the Alps and descended upon Italy, outwitting and defeating one Roman army after another until, at the battle of Cannae, he destroyed with fearful slaughter the army of the inexperienced consul Varro, after which southern Italy went over to his support. Such a disaster would have ended most wars, but not one against the sturdy Romans of that period.

Deep mourning but no panic followed this terrible reverse, and the best soldier that remained was sent out with fresh troops; Hannibal, now near the peak of his good fortune, occu-

<sup>15</sup> Stevens and Westcott, 60.

pied the city of Capua and for some time longer continued to strengthen himself in Italy. But the Romans did not abandon the struggle, and under leaders like Fabius and Marcellus they began slowly to recover some of the ground they had lost; while the Latin colonies never faltered in their allegiance. Thus the Romans stood firm; and in 212 B.C. Marcellus besieged and captured Syracuse, thereby enlarging the province of Sicily. Then they took Capua and Tarentum, after which it was clear that Hannibal had shot his bolt. In 207 B.C. another Carthaginian army appeared in northern Italy; but, before a union of forces could be effected, the Roman consuls Nero and Livius fell upon the newcomers and defeated them with losses almost as great as the Romans had sustained at Cannae. This turned the fortunes of war decisively; and then new commanders, who through long experience had learned thoroughly the art of warfare, subjugated Spain and decided to "carry the war into Africa." This led the Carthaginians to call Hannibal home, where Scipio Africanus, a military genius, decisively defeated him in 202 B.C. in the battle of Zama. Among other things Scipio reorganized the formation of the Roman legion, so that when Hannibal brought into the battle a large number of elephants, the companies of the second line, instead of standing behind the open spaces of the first, as they had formerly done, moved aside and left a clear passage through which the huge animals poured without trampling down solid bodies of infantry; while the Roman light-armed troops were able to attack the beasts and drive them back in great disorder upon the Carthaginians. At the same time Hannibal's cavalry, always a factor of great strength in his armies, was routed by the Roman horsemen.

Whether it would have been possible for Carthage, by renewed and greater efforts, to continue the war may be doubted; her military system, strong as it had been, would probably have gone down before the sturdy Romans led by the great commander who had taken the measure of Hannibal.<sup>16</sup> The peace

<sup>16</sup> It is worth noting that Hannibal had not received from the government all the support to which he was entitled, either from political jealousy or from other

terms which the Romans now imposed were severer than those at the end of the first Punic War. Spain and the adjacent islands were surrendered to Rome; Carthage turned over to her conqueror all her warships except twenty, and agreed to pay a huge war indemnity of 4,000 talents, besides an annual tribute of 200 talents for fifty years. In addition, Numidia was made independent and Masinissa was recognized as its king. Thus Carthage was left with an unfriendly power on the south and west, the ruler of which had long been its bitter enemy and was to prove, in the years to come, a useful and reliable friend of Rome.

This was intended to leave only one great power in the western Mediterranean, thereby making it unnecessary for Rome to fear conquered Carthage; and it might have done so had it not been that the old Phoenician city was strategically situated and, however weakened as a military power, could continue to carry on a large and profitable commerce. Moreover, Hannibal's career was not at an end. Even in defeat he was the natural leader to whom the Carthaginians turned in their extremity; and, entrusted with the administration of the city, he undertook reforms which might conceivably have given Carthage a new lease of life. But in this undertaking he was finally opposed by the leaders of the oligarchy, with the result that, with Rome again intervening, he was obliged to take refuge in flight.

§ 40. *The End of Carthage.* When Hannibal took over the administration of affairs he showed himself as capable in peace as he had been in war. He undertook what the city needed, honest government and reform of oligarchical rule. By improving customs administration he increased the revenue so that it became unnecessary to levy other taxes. This, with honest handling of public money, enabled the tribute of Rome to be paid; but as has happened in other cases, with governments of

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causes which led to delay in sending reinforcements and then to sending only a few thousand instead of the much larger number of troops that were needed and might have been dispatched. It would probably be fair to say that the oligarchs had sacrificed their best commander, thrown away valuable opportunities, and finally lost their capital city.

different descriptions, this created many enemies. Then he struck at the Hundred, the close corporation which had long controlled the affairs of the city and empire with such great advantage to itself. He proposed that no member of the council could hold office for two consecutive years, a measure which, even if he did not regard it as revolutionary, might have led to changes that would have amounted to a revolution. The result was that a great soldier-statesman who had entered upon the only course that could possibly have rehabilitated the ancient city met with the bitter hostility of the oligarchs who invoked the intervention of Rome. This meant, of course, the arrival of a Roman embassy, the meaning of which Hannibal understood so well that he fled to the court of King Antiochus. There he met a friendly reception and was able to continue for a time his unsuccessful struggle against Rome.

With Hannibal gone and Carthage reduced to a position of permanent inferiority, it turned out that the city, which had retained her commercial ships, had not lost all her trade and presently began to prosper. In twenty years' time the Carthaginians could offer to pay off the whole of the fifty-year indemnity and could be seen to be moving toward a position in which they could raise new armies. But the oligarchical rulers had not learned much, if anything, from the disasters that had befallen their city and had returned to their old practices. These inevitably raised the resentment of people who had supported Hannibal and would be dissatisfied with the return of their former masters to power. For help they turned to Masinissa of Numidia, who was only too eager to take advantage of this opportunity and begin to encroach on the territory of Carthage. By the peace treaty of 201 B.C. Carthage had agreed not to make war without the consent of Rome, and this circumstance gave Masinissa a further advantage. The city appealed to Rome but naturally received no help, so that, when the Numidian's encroachments became intolerable, the Carthaginians attacked him and thus broke the treaty.

An embassy was sent to Rome, and Marcus Porcius Cato came to inquire into the cause of the conflict. He saw the large

population of the city, a good commercial fleet, and various proofs of wealth and growing power, which led him to the conclusion that his old enemy was really practicing war in Africa in order to prepare itself for another conflict with its former rival. Meanwhile a peace party had developed in Carthage, and its principal members had been expelled from the city by the dominant war party. Then, on the ground that the instigators of the war against Masinissa had been punished, the Carthaginians asked Rome to acquit them of blame; but the Roman senate refused their petition. A second embassy was equally unsuccessful; and then the Romans declared war and dispatched their fleet, of which developments Carthaginians knew nothing until the expedition had sailed. The next move was to send another embassy to Rome offering complete submission, and clothed with authority to make peace upon any terms. This resulted in a peremptory demand for the surrender of three hundred hostages from the noblest families. After this requirement had been met the Romans next demanded that Carthage surrender its arms, and even this was done. It has been suggested that if there had been real statesmen in Carthage they would have seen what was coming and would have refused at least the last of the Roman demands. It has also been remarked that love of peace "was a cancer" in the city, which had previously led the oligarchy to make disastrous mistakes and had prevented the Carthaginians on various occasions from showing the spirit needed for the conduct and preservation of their great empire; the sequel indicates perhaps that something might have been done to save the city, but this is a matter of speculation probably quite unprofitable.

Even then the Romans were not through with their demands and required that Carthage be abandoned and the city destroyed; while to this they added that, in the future, Carthaginians should not settle within ten miles of the sea; and they recommended agriculture as a safer and more profitable employment than sea-borne commerce because the latter had been the cause of the troubles that had befallen the empire. This made the situation so clear that the people of Carthage realized

how they had been duped, and their leaders are credited with having then managed to gain some time by continued negotiations. Meanwhile all united to offer what resistance they could, stripping buildings of timber and metal in order to fabricate arms; while workshops and forges were kept busy day and night, and the women cut off their hair in order to provide bow-strings. In a month's time, when the Romans appeared before the walls, they found Carthage in a condition to be defended. The city was indeed strongly fortified, and the first efforts of the Romans failed. Only the ability of the adopted sons of Scipio Africanus prevented disaster to the Romans, and command changed twice before the fortunes of war turned against the doomed city. The Carthaginians, whatever their faults, had been a resourceful people; and now in their desperation, when the Roman commander closed the old entrance to their harbor, they made a new entrance and even secured a fleet. Famine and pestilence finally came to the city and hastened the inevitable result. But, even so, desperate resistance was offered to the very end, and the final struggle of Carthage forms a remarkable chapter in the history of defensive warfare.

It has been suggested that all this shows what the empire might have done after its reverses in the first and second Punic Wars. But there is a difference between what can be done when a people is not driven to absolute desperation and what it finally does in the position in which the Carthaginians found themselves in 146 B.C. Probably Carthage had been declining in strength for some time; and, although financially strong enough to pay two indemnities, and then to grow sufficiently prosperous to alarm Rome, it was becoming weaker both in the character and spirit of its population. This is true of the general run of citizens and particularly of the oligarchs who controlled the government, and it was what would naturally be expected of a people who had long been content to let mercenaries do the whole or greater part of their empire's fighting. In the truce of 201 B.C. it is said that the seafaring interests desired to continue the war but that the wealthy landlords wanted peace at any price, the more so since they thought that it could be so con-

trived that the price would be paid by other classes than their own.

After the abortive reforms of Hannibal, class jealousies and divergent interests continued to make a bad political situation worse, so that finally no cure would have been possible. The commercial oligarchy, facing the discontented elements in the city, appears to have hoped that an alliance with Masinissa might well give Carthage a new opportunity to reestablish itself, provided that all parties could join in support of that energetic and able ruler who was gradually changing the Numidians from nomads to cultivators of the soil. This might have meant submission to the Numidian king, who might have made Carthage his capital. The exact situation is not clear, but there can be no doubt about the responsibility of slave-owning landlords and the mercantile aristocracy which controlled what was left of a great empire. Perhaps the last real opportunity was acceptance of the arrangement which Hannibal had made for coöperation with Antiochus, but to this the oligarchical party would not assent on account of its opposition to the reforms which the great leader had proposed. Preferring personal welfare and imagined security to independence, the short-sighted oligarchs continued to throw away whatever opportunities were offered, and with the results just set forth. Thus ended the earliest and, for a long time, the most successful commercial oligarchy.

§ 41. *The Rhodians and their Great City.* Another oligarchy even more interesting and much more remarkable was that of Rhodes. It developed in a Greek community. One of the most striking things about it is that, among historians, there is not and, so far as I am aware, never has been any material difference of opinion about the significant facts in its history.<sup>17</sup> Strabo says the Rhodians were of Dorian origin, and he draws upon Homer and Greek mythology to account for the founding of the original cities, Lindus, Ialysus, and Camirus, which from early times existed on the island. The early history of these

<sup>17</sup> On Rhodes, see in general *Cambridge Anc. Hist.*, 6, 7, and 8; Tarn; and Strabo.



communities was marked by commercial expansion, for which the island, on account of its strategic position in the eastern Mediterranean, was well adapted; and, naturally, active colonization followed the growth of commerce.

Its political fortunes varied with developments in the Greek world to which it belonged, and, as a prosperous commercial island, it naturally became a member of the Confederacy of Delos. At this time (fifth century B.C.) the three cities are said to have been democracies. Then in 412 B.C., like other allies who had found themselves the subjects of Athens, the Rhodians revolted, and for a time their island became the headquarters of the Peloponnesian fleet. Although Athens punished severely the disaffected faction, the Rhodians persisted in their commercial activities and presently distinguished themselves by founding a new city which included the three ancient ones. This they called Rhodes, and it became the capital of the island community which continued to extend its trade in the Aegean and the eastern Mediterranean. Of course Athens had done its best to develop democratic government; and Sparta, on the other hand, had set up governments of the opposite kind. The result was a struggle between democrats and oligarchs which finally resulted in what has been called a "modified democracy."<sup>18</sup> In this there existed, along with various democratic survivals, a powerful and effective executive under which the enlarged city long enjoyed excellent administration. This naturally meant that power ultimately rested in the hands of a few, which of course meant the growth of an oligarchy; but this turned out to be of a very different character from that of Carthage, and it proved to be one of the most remarkable governments that ever existed in the world.

<sup>18</sup> Aristotle gives us brief references to this conflict between the democrats and the oligarchs which led to the establishment of the Rhodian aristocratic democracy. He says (*Politics*, 1304 b) that at Rhodes the demagogues had appointed trierarchs to advance money for public services, presumably naval, and then had prevented the return of the money. This led the commanders of the ships, who apparently had accepted the expensive honor of a trierarchy, to join together and overthrow the popular party. And again (1302 b) he says that the nobles combined against the people on account of various prosecutions, presumably political, which had been brought against them.

Strabo, to whom we are indebted for much of our knowledge of Rhodes, appears to have seen the island and tells us that on leaving the city and sailing southward along the east coast one's ship passed Lindus, Camirus, and the village of Ialysus. He says the three communities in earliest times had separate governments, but afterward "all came together at Rhodes."<sup>19</sup> Thus it appears that the three old communities in Strabo's time were still physically distinct, but the northern tip of the island was the seat of the new and famous city known as Rhodes, the founding of which he dates, correctly, to the time of the Peloponnesian War.

§ 42. *The Political and Commercial Development of Rhodes.* The fortunes of the island and its great city continued to be affected by political conditions of the eastern Mediterranean and the mainland with which it was so much in contact. In 340 B.C. it was conquered by Persia and eight years later submitted to Alexander. However, on the death of this master, it freed itself from the Macedonian yoke and thereafter fought to maintain its independence. The fighting qualities of the Rhodians were best exemplified by the famous resistance they made when they were attacked and their city besieged by King Demetrius Poliorketes<sup>20</sup> who was determined to punish them for their failure to support himself and his father, Antigonos, in various cases. Against the Rhodians the great Demetrius exercised every resource of his famous siege craft, introducing a number of new devices which few if any others could have met; but the indomitable Rhodians were equal to every situation, and at the end of a year Demetrius was content to withdraw after concluding a treaty by which Rhodian support was promised in the future in all cases except against King Ptolemy of Egypt. Clearly Rhodes was not a Carthage. It could negotiate with the great Demetrius and promise support in future enterprises except against Egypt. But this was only after it had defeated his attempt to capture the city, and the reservation made concerning Egypt was in line with its previous policy

<sup>19</sup> Strabo, XIV, 2:11.

<sup>20</sup> Plutarch, *Demetrius*, 21-22.

which had resulted in the charge that the Rhodians deserved punishment for having refused to support the great taker of cities against Ptolemy. To this may be added that the large resources of Rhodes both in men and money played an important part in the defeat of their formidable enemy.

Thereafter Rhodes zealously guarded its independence and fought with the greatest spirit to maintain it, with the result that larger powers were glad to cultivate friendly relations with the Rhodians. As its insular position dictated, particular attention was paid to the navy. Ancient writers agreed that this was the best in the world. Emphasis was placed on quality, not quantity; and, although the fighting fleet is supposed not to have exceeded fifty ships, it was strong enough for the greatest enterprises, the Rhodians acting upon the principle that one Rhodian was worth a warship. The skill of the sailors was recognized by all, and in ship construction Rhodes achieved results admired by all the ancients. Docks were strictly guarded and no stranger was allowed near them, this caution being said to be not merely for the purpose of preventing damage to the vessels but also to prevent secret devices from becoming known to foreigners. Great care was taken in recognizing naval service; and even workmen employed at the docks were sometimes included in lists of Rhodian citizens, like fighting men on sea and land. Whether service was compulsory we do not know; but the navy was highly organized, its vessels beginning with quinquiremes and ranging downward, with corps of officers, skilled sailors, and marines.<sup>21</sup>

This commercial oligarchy made no use of mercenaries and its fighting men were citizens. Among the Greeks, Rhodian sailors in the navy and in the merchant fleet enjoyed a high reputation for their skill. It is not strange that Rhodians, single-handed, defeated the Egyptian and Syrian fleets, nor that, in the Roman fleet that defeated Antiochus III. at Myonnesus (190 B.C.), the Rhodian squadron was primarily responsible

<sup>21</sup> Something like the Athenian trierarchy is known to have existed in Rhodes, by which rich citizens in active emulation of each other undertook the maintenance of ship crews in time of war, the government later reimbursing them. *Cambridge Anc. Hist.*, 8:636.

for the victory. Of course such a naval establishment was expensive. Maintaining a single trireme is said to have cost ten thousand *drachmae* a month, but the steady growth of commerce made this worth while.

As the island grew more powerful, it inevitably encountered the rivalry of other powers; and finally the Rhodians formed alliances and eventually sought the intervention of Rome. Probably the expectation was that the great power which had come to dominate the western Mediterranean would pursue a friendly policy toward the Greeks; and the immediate result was as expected because, after a brilliant initial victory over Philip V. of Macedonia, in 197 B.C., Rhodes became president of an Island League which had possessions on the mainland. Seven years later the Romans defeated Antiochus III. of Syria at the battle of Magnesia and imposed such severe terms as virtually to eliminate his kingdom from the great powers of the Hellenistic world. Since the Roman senate did not desire to acquire territory in Asia at once, it divided among its various allies the lands taken from Antiochus; and in this division Rhodes received its share. This made it a great sea power with substantial possessions on the Asiatic mainland, and for the next twenty years the Rhodians were an important factor in the balance of power which Rome set up in the East. With its captains and admirals commanding strong fleets of Rhodian and allied ships, Rhodes swept pirates from the eastern Mediterranean, made itself the financial as well as administrative center of the League, and probably reached at this time the height of its power. However, friendship with the Romans inevitably brought increasing control, so that finally Rhodes found itself more or less under a Roman protectorate.

The Rhodians had now enjoyed a long and brilliant career, having helped to keep peace and to safeguard freedom among the cities of the eastern Mediterranean. All this brought increased trade and prosperity. Rhodian merchants, like others of their kind, holding accounts of numerous customers, became bankers; and, as they perfected this art, deposits flowed in from other places, even Athens, the long-established commercial

center. There is extant an inscription to a Rhodian banker which informs us that "for three decades he kept on deposit gold for foreigners and citizens alike with purest honesty," lines which are strongly reminiscent of the inscription which Theocritus wrote for Caicus, the banker of Syracuse.<sup>22</sup> Rhodian money presently came to occupy a dominant position not only in the eastern Mediterranean but in more distant regions. Like Athens in the fifth century and commercial centers of later times, Rhodes became a real clearing house for international trade and dealings in foreign exchange. Of course large sums of money were stored in her treasury or deposited in banks said to be public as well as private, while merchants of the city came to make foreign loans for political as well as other purposes. The island had now become the home of powerful merchants and bankers; and its fighting record, its money, and its diplomacy tended to make it secure and to enable it to help various Greek cities to defend themselves against tyrants or to improve their fortifications and military establishments. A good system of coinage established at an early date, and thereafter held in high repute, was a natural development in an intelligent community depending so largely upon commerce.

Whether Rhodes had a standing army is not certain, but permanent garrisons at some points on the island must always have been necessary; and when oversea possessions were acquired permanent garrisons must have been stationed there. A high regard for war service of all sorts is evidenced by monuments and memorials erected in honor of heroes, some of which were exceedingly fine. Moreover, a feeling of comradeship, at least in the navy, is shown by the existence of associations of sailors who had served on the same vessel. For the most part Rhodians enjoyed peace. Citizens of good birth, even those who ranked as nobles, began their active careers as common sailors in the fleet and without compensation. Good service brought advancement; and in the case of one Polyces we have a record of successive promotions up to the position of commander of the fleet, in the course of which he also served as a magistrate.

<sup>22</sup> *Cambridge Anc. Hist.*, 8:630. For Theocritus, see Bullock, 490 *et seq.*

But in time Roman control tightened over the remarkable island; and, to punish it for having conducted itself as if both free and independent, Rome began to undermine its position by diverting commerce to Delos. This it made a free harbor. Since customs had long been the mainstay of Rhodian finances, this action, which naturally decreased revenue, distinctly injured the island; and later when Rhodian possessions on the mainland were lost, a further inroad, said to have amounted to 120 talents, was made on the customs receipts. In spite of this, however, the Rhodians managed to carry on.

Another step in reducing the power of the island was to make it difficult for Rhodes to police the eastern Mediterranean, which resulted in a rapid growth of piracy that hurt the trade of the whole Aegean, tended to impoverish Greeks generally, and injured Rhodian commerce most seriously. Finally in 42 B.C. Rhodes was taken by Cassius and plundered ruthlessly, a blow which brought poverty to the wealthy island and for a time threatened to destroy its prosperity and power. Yet even from this disaster the indomitable Rhodians recovered, at least when the eastern Mediterranean lands began to enjoy prosperity under better Roman rule. Some shadow of autonomy continued to persist, and the island did not lose its independence until Claudius became emperor; then finally, in 71 A.D., Vespasian made it a Roman province. Through all these changes the favorable location of Rhodes and the intelligence and energy of its people enabled a considerable part of its trade to survive and gave it great recuperative power. In the same way geography favored Carthage; but the Carthaginians were not Rhodians, and therefore they did not leave such a brilliant record as the remarkable islanders. By the second century of the present era the trade of the island had declined substantially, and then in 155 A.D. earthquakes completed the ruin of the city and island of Rhodes.<sup>23</sup> Its later history, marked by many vicissitudes, is of great interest, something of which attaches to the famous island even today; but our purpose is to study oligarchical rule

<sup>23</sup> In 225 B.C. the Rhodians had managed to survive a previous earthquake. Tarn, 141.

in Rhodes, and therefore we cannot dwell longer upon the economic and political development of the Rhodians.

§ 43. *The Great Achievements of the Rhodians.* Ancient writers, like Polybius, Diodorus, Strabo, and others, have left glowing accounts of the achievements of the Rhodians, eulogizing even enthusiastically the outstanding things they accomplished in politics, war, and the arts of civilization. Strabo says the city, with its harbors, walls, and public works, "so greatly surpasses all others that there is none which is her match, much less her superior." It was long supposed to have been laid out by the great engineer Hippodamus who constructed, or reconstructed, the Piraeus at Athens; but this is now questioned by historians. However, it probably had the regular arrangement of streets which Aristotle credits Hippodamus with introducing;<sup>24</sup> and therefore we are not surprised to read of its public squares. Ancient descriptions also mention markets, shrines, a gymnasium, groves, temples, the acropolis, and finally the famous Colossus which was reckoned one of the wonders of the world. We know too that the city was richly adorned with sculpture, and are not surprised that it was regarded as one of the most beautiful cities in Hellas.

The orator Lycurgus said that Rhodian ships plied their trade over the whole inhabited world; and since they were so successful in their enterprises and made their island a great commercial and financial center, it was not at all strange that out of their experience they developed a code of maritime law which was famous throughout the Mediterranean and later was studied with advantage by Roman jurists. This was probably a summary of what Greeks had learned; and, after influencing the Romans, it passed over to the Venetians, through whom it influenced in some degree the modern world. Thus it has been said to be the only part of Greek law that endured. To the same zeal for careful study of subjects which concerned them we can attribute the fact that in the second century the island was a center of learning, possessing a university of note. There is also mention of a school of oratory, but of this we know nothing

<sup>24</sup> *Politics*, 1330 b.

more. Naturally sculptors resorted to the island along with other men of note who made it a home of Greek learning and civilization as well as art.

§ 44. *The Character of the Oligarchy of Rhodes.* The Rhodian oligarchy was thoroughly commercial, since trade and finance outweighed all other economic pursuits and were not, except during the period when the island possessed territory on the mainland, balanced by agricultural interests. Therefore it was composed largely of men who were keen in opening new opportunities for their enterprises and were able to adjust themselves to changing situations; nevertheless certain vital fundamentals did not change.

The first noteworthy fact is that these commercial statesmen might negotiate about some things, but were always ready to fight about others which were considered too vital to be subject to negotiation. In this respect they not only differed from Carthage but from various other commercial and colonizing powers which were perhaps the basis of the views originally held by Bismarck concerning the incompatibility of a strong government by soldiers and statesmen, and government by merchants and negotiators ready to settle great questions of statecraft as traders have so often inclined to do, Venice being a noteworthy and instructive example.<sup>25</sup> The merchants and bankers of the island preferred peace, but when freedom of the sea and the balance of power in the eastern Mediterranean were concerned, they would always fight any aggressor. In particular the government was concerned with freedom of access to the Euxine because not only an important principle was involved but also the island's food supply. We are not surprised, therefore, to read that in 220 B.C. the Rhodians freed the Straits from tolls levied by Byzantium.

Although Rhodes was of small area, the citizens were so thoroughly occupied with their various duties, both public and private, that a large slave population was necessary to enable them to carry on the extensive activities of the busy island; but

<sup>25</sup> On Bismarck's original and his later modified views, see Townsend and Aydelotte.



the oligarchs governed their city so wisely and firmly that no trouble arose on this account. Of course so many people, free-men and slaves alike, had to be fed that the food problem was one of major importance, Rhodes being more dependent upon imported grain than was Athens. Among the chief officers were the "guardians of the corn," and since the island controlled a large part of the grain trade of the eastern Mediterranean, the duties of these functionaries were very important; but good organization secured the desired results, namely, an abundance of food in ordinary times and a reserve in case of war. There is no evidence of wholesale distribution of grain for feeding the masses of the people, but there was a system, highly praised by Strabo and others, by which the well-to-do supplied needy persons with provisions according to "a certain ancestral custom."<sup>28</sup> The details of this relief system are unknown, but it was credited by Strabo and others with being managed so as to avoid revolutions; and the few references we have to it suggest that the oligarchs avoided general pauperization of the people by wholesale doles such as existed in less fortunate cities of the Greek world.

A government that could cope successfully with the food problem of Rhodes, and introduce a good coinage system which extended Rhodian trade, obviously understood finance; and therefore we are not surprised to read that in the Aegean world Rhodes stood for moderation in taxes. Back of these excellent things, however, there was for centuries the increasing prosperity of the island; and back of that, to a very large extent, there were, as we have seen, three other important factors, the strategic position of Rhodes, the success of the Rhodian navy, and the intelligent foreign policy of the government. It has been called "the key city of Hellenistic commerce"; and, in spite of its location, it could not have held its wealth and power so long without a strong and intelligent government.

Its constitution has been called a limited democracy, a combination of democracy and aristocracy (Aristotle's middle constitution), and democratic in certain important respects but able

<sup>28</sup> Strabo, XIV. 2:5.

to exercise effective control over the masses of the people. In practice, of course, this meant an aristocracy of a commercial character in which control was ultimately exercised by leading families in which birth and wealth were sure to count for much; yet capacity and devotion in the service of the city were not overlooked but seem to have been emphasized. With young Rhodians, even of the wealthiest and noblest families, beginning their career as common sailors without compensation and given an opportunity to advance to the highest positions, both in the fleet and the government, there was obviously a genuine merit system which tended to produce efficiency and loyalty, both of these becoming family traditions. In addition to other things Rhodian oligarchs performed various liturgies of the sort that existed in Athens and elsewhere, being active in the support of games, choruses, and gymnasia. Thus the rulers of a highly commercialized community would not be lacking in public spirit and devotion to the general welfare. Under such conditions it is not strange that Strabo remarks that the Rhodians were deeply concerned in the welfare of the people over whom they ruled.

The democratic feature of the government was a popular assembly which gave all citizens some voice in public affairs and, however much or little it affected the ultimate decisions of the oligarchs, was at least useful as a safety valve. It is a reasonable supposition that men as wise as the rulers of Rhodes would give some attention to the opinions expressed in the assembly, and even treat them with no little show of respect. Ultimate control rested in the hands of the council and the five magistrates who were its presidents. All were elected for terms of six months, during which one magistrate served as president of the republic; and of course there was a secretary with an assistant. In war times the chief commanders of the navy and army joined this small governing body, and they were assisted by a group of advisers consisting chiefly of former presidents of the so-called republic, many or most of whom had seen naval service. In the hands of the fleet commander lay control of diplomatic relations, and thus in this small body of civil magis-

trates and military and naval officials rested a control which was not only strict but had the advantage of continuity.

In addition to these high officials there were, of course, numerous other public officers. We find mention of ten or more generals and seven treasurers, as well as curators of the harbor and guardians of the corn, the latter having at their head a special magistrate; also for dealing with matters involving foreigners a special curator, or perhaps judge, was provided. A very interesting provision was made for a group of overseers or superintendents who had charge of education, and it appears that the cost of this branch of service was defrayed by liturgies borne by the wealthy. Evidently education was sufficiently highly regarded to deserve public attention, but the cost was not made a charge upon the ordinary revenues of the city and was met by voluntary contributions of the well-to-do. Other officials had charge of the conduct of games and the management of the gymnasia, while priests were appointed to attend to public worship. Thus the oligarchy operated a highly organized and, at the same time, a strictly centralized system which enabled it to pursue the consistent and intelligent policies that made it famous.

Rhodian oligarchs, then, were aristocrats, exclusive in many ways, but constantly devoted to their exacting duties. As the highest offices, civil, military, and religious, were in fact, if not in theory, monopolized by the aristocracy, we must remember that we are dealing not with an ordinary oligarchy, but one that gave time and money to the public service and was composed of men who began as sailors in a wonderful fleet. With their island prosperous, the needy cared for in a manner said to be humane and intelligent, and the rulers known to be efficient and devoted, it is not strange that the oligarchy long maintained itself and the community it governed. The dominant families were kept alive by adopting young men of promise, a practice not uncommon elsewhere, and Tarn informs us that a list of forty magistrates shows seven adopted sons. Infanticide was common enough in Greece, and may account for the condition which Tarn discloses in Rhodes; but it is also

certain that in a community where public service began in a navy, the best in the world and always ready for action, the ordinary dangers of the sea and casualties in war would cause many families to suffer losses that would mean extinction without a system of adopting promising youths. If the Rhodian oligarchs monopolized the highest offices and exercised strict control over their island, they also carried burdens and assumed risks both in peace and war which made it no simple thing to maintain family lines and tended to reconcile the common citizens to control by aristocrats. If mercenaries had been employed to do their fighting and the oligarchs' chief interest had been the acquisition of great wealth, the story would undoubtedly have been different and Rhodes would have left a history no more inspiring to ancients or moderns than that of Carthage.

§ 45. *Aristotle's Classification of Oligarchies.* When Aristotle gathered information about a hundred and fifty-eight constitutions, which he used in his lectures and in considerable part has transmitted to us in his *Politics*, he presented a summary of the outstanding features of oligarchical government which may well serve as a conclusion to this chapter upon Carthage and Rhodes. What he says is so brief that it cannot be more than a bare summary of the outstanding features of oligarchical constitutions, and this is so fragmentary and obscure that, if it is from his hand, it cannot be more than mere lecture notes; while, like other passages in the same work, the language may not have been his but a brief record made by students and somehow preserved to us. Without undertaking to go further into the difficult question of interpretation, it is sufficient to say that Aristotle found that there are several kinds of oligarchies, as there are of democracies, and indeed of all other forms of government.<sup>27</sup>

The first kind of oligarchy was that in which there was so high a property qualification for office that the poor, although they constituted the majority, were excluded from any share in

<sup>27</sup> For general references on Aristotle's discussion of oligarchies, see *Politics*, 1273 a-b, 1292 a-b, 1316 b, *et passim*.

the government. Nevertheless, he said, family connections and other considerations not of a financial character did not enter in, so that anyone who had acquired the necessary amount of property could participate. This obviously would be the most liberal kind of oligarchy, but about it he gave no further hints.

The second had a high property qualification and, in addition, a provision by which vacancies occurring in the ruling class were filled by coöptation. Of this he remarked that if such election was made from all qualified persons, then the constitution inclined to be aristocratic; while, if it was made only from some privileged members, then it was strictly oligarchical. Here the idea seems to be that when coöptation resulted in confining offices to some special class, the government was less liberal. In the first case there could be notables who had little more than the amount of wealth required for participation in the government, but retained their status independently of family influence; whereas, in the second, great wealth, family connections, and perhaps other things might come in to determine position in the governing body.

A third variety existed where son succeeded father, an arrangement toward which most oligarchies tend strongly to gravitate, as history shows. Here Aristotle was describing a government in which the higher positions were made hereditary by the constitution itself. In Carthage and Rhodes alike we have found that this condition existed, and it is found also in many later oligarchies. It is clear that in these fragmentary remarks Aristotle began with the most liberal kind of oligarchy and then proceeded to a second class which was less liberal, and after that to a third in which he came to a strictly hereditary class of oligarchs.

The fourth kind introduced a new basis of classification, namely, whether the constitution or the rulers were supreme. This criterion had been used in the Aristotelian classification of democracies, and it was there employed to describe the worst kind of democratic government, that in which the tyrant Demos was supreme and not the constitution. In this case it seems clear that the very brief remarks of the philosopher carried the

same implication, for he went on to say that the kind of oligarchy in which there was a hereditary class of rulers resembled tyranny, which he found to be one form of monarchy, and also the last and worst form of democracy. He added finally that this fourth sort of oligarchy actually was called a dynasty, which of course meant the rule of powerful families without regard to constitutional limitations.

Since he lived in the fourth century B.C. before oligarchy at Carthage had produced the bad results which became so painfully apparent during and after the Punic Wars, and when Rhodes was undergoing the struggle between the popular and aristocratic classes which finally resulted in the limited aristocracy portrayed above, it is impossible to say to which of the four kinds of oligarchy just enumerated he would have assigned them. Had he written two centuries later he would probably have expressed a less favorable opinion of Carthage, and might have placed its oligarchy in the fourth and last class which inclined toward tyranny. Concerning the great Rhodes which came into existence when an intelligent commercial aristocracy secured control of the city, it is not so clear what his decision would have been. The hereditary principle was strong enough to place it in the third group; but the intelligence and efficiency of the Rhodian oligarchs, as well as their devotion to the public interest, would have made it difficult to put it in the fourth class which resembled the bad democracy where the tyrant Demos was supreme, or to think of it as a bad oligarchy in which a few powerful families established a tyrannical dynasty organized for their own and not for the public good. Any fourth-century view of the remarkable Rhodians would probably be inadequate to describe or classify the intelligent and public-spirited oligarchs who ruled the island so long and so successfully.



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