

LENDING AND
BORROWING IN ANCIENT
ATHENS

PAUL MILLETT

*University Lecturer in Ancient History and Fellow of Downing College,
Cambridge*



CAMBRIDGE
UNIVERSITY PRESS

PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE
The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK
40 West 20th Street, New York NY 10011-4211, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
Ruiz de Alarcón 13, 28014 Madrid, Spain
Dock House, The Waterfront, Cape Town 8001, South Africa

<http://www.cambridge.org>

© Cambridge University Press 1991

This book is in copyright. Subject to statutory exception
and to the provisions of relevant collective licensing agreements,
no reproduction of any part may take place without
the written permission of Cambridge University Press.

First published 1991

First paperback edition 2002

A catalogue record for this book is available from the British Library

ISBN 0 521 37333 6 hardback

ISBN 0 521 89391 7 paperback

Contents

<i>Preface</i>	<i>page</i>	<i>xi</i>
I Approaches to lending and borrowing		I
Aeschines and his creditors		I
The pervasiveness of credit		5
Primitivists, modernists and Weberians		9
Primitive, pre-capitalist and non-capitalist society		15
Scope and limitations of the ancient evidence		19
II The ideology of lending and borrowing		24
The case against Stephanus		24
Loans and gifts		27
Reciprocity and interest		36
Interest and the early credit mechanism		44
III Borrowing and repayment		53
The ingratitude of Nicostratus		53
The demand for credit: pressure of circumstances		59
The demand for credit: prestige expenditure		64
The predicament of Aristarchus		71
Poverty and the problem of repayment		74
Borrowing by the Athenian élite		78
Politics and the possibility of repayment		84
IV The rôle of interest		91
Moerocles and the metaphor of interest		91
Interest theory and the determinants of interest		93
Interest in the Athenian model		98
v <i>Philia</i> and friendship		109
Aristotle on friendship		109

	The scope of <i>philia</i>	113
	Reciprocity and friendship	116
	The return of <i>charis</i>	123
vi	Non-professional lending: loans without interest	127
	The tyrant's lament	127
	The limits of family solidarity	129
	Lending and borrowing within the family	132
	Neighbours as lenders and borrowers	139
	<i>Koinōnia</i> and citizenship	148
	The <i>eranos</i> relationship	153
vii	Non-professional lending: loans bearing interest	160
	Miser, money-lender, borrower and thief	160
	Loans at interest and patterns of property-holding	163
	Lending by corporate institutions	171
viii	Professional money-lending	179
	Money-lending and moral degradation	179
	Usury and usurers	180
	Professional money-lenders and maritime loans	188
	Bankers and credit	197
	Bankers, merchants and metics	207
ix	Conclusion	218
	<i>Appendices</i>	
	i Recent work on the <i>horoi</i>	222
	ii Metic money-lenders and citizen agents	224
	iii Productive and non-productive credit	229
	iv The rate of capitalization of land in Attica	232
	v Foundations and lending at interest	235
	vi Bank deposits, interest and the patrimony of Demosthenes	238
	<i>Notes</i>	242
	<i>Bibliography</i>	313
	<i>Index of passages cited</i>	346
	<i>Index of papyri</i>	357
	<i>Index of inscriptions</i>	357
	<i>General index</i>	358

CHAPTER I

Approaches to lending and borrowing

AESCHINES AND HIS CREDITORS

Towards the beginning of the fourth century, Aeschines of Sphettos, an Athenian citizen and a former pupil of Socrates, appeared as plaintiff in a court action arising out of an unpaid debt. Why Aeschines should have been the plaintiff is not clear from the fragments of the speech that the orator Lysias wrote for delivery by the unnamed defendant. These few fragments survive through their quotation some six hundred years later by a character in Athenaeus' *Deipnosophistae* (*The Scholars' Banquet*) in support of an argument that philosophers are not automatically the most moral of men. I cite the relevant passages in full, because they provide a convenient introduction to my methodology, and to the chief characteristics of the structure of Athenian credit relations as presented in this study. The opening speaker is Myrtilus, one of the learned guests at the imaginary dinner described by Athenaeus (XIII.611d–12f):¹

In fact, there is nothing more unphilosophic than the so-called philosophers. For whoever expected that Aeschines, the pupil of Socrates, would prove himself such a character as the orator Lysias describes in his speeches about agreements (*tōn sumbolaiōn*)? ... In a defence speech entitled *Against Aeschines the Socratic concerning a debt* ... the orator begins as follows:

‘I should never have expected Aeschines, men of the jury, to hazard a verdict in a case so scandalous as this, and I do not think that he will easily find another case more tainted with blackmail (*sukophantōdesteran*). For the plaintiff here, men of the jury, owed money with interest at three drachmas per month [3 per cent per month] to the banker Sosinomos and to Aristogiton. He came to me with the appeal that I should not allow him to be parted from his property because of the interest. “I am setting up”, he said, “in the trade of making perfumes. I need funds (*aphormēs*), and will pay you interest at nine obols per mina per month [$1\frac{1}{2}$ per cent per month].” ...’

After this, the speaker again attacks him for the way in which he borrowed the money: he paid up neither interest nor principal; he had let the day of payment lapse, and by a court verdict was judged to be in default; and †a branded slave† of his had been seized in compensation. Finally, after many other accusations against him, the speaker concludes:

‘But enough of this, men of the jury. He has behaved like this not only towards me, but towards all others who have dealings with him. Is it not the case that shopkeepers who live near him, and from whom he receives advances (*prodoseis*) without making repayments, shut up their shops and go to law with him? Do not his neighbours suffer so terribly at his hands that they abandon their own houses and rent others far away? As for the *eranos*-contributions he has collected, †he does not pay out the sums left over, but they are completely ruined by this pedlar, as if rounding the turning-post†. So many people go to his house at dawn to claim what he owes them, that passers-by imagine he is dead, and that they have come to attend his funeral. What is more, the men in the Piraeus are in such a state of mind, that it seems much safer to sail to the Adriatic than to lend money to him.

In fact, he regards what he borrows as far more his own than what his father bequeathed to him. Has he not acquired the property of Hermaeus the perfume-maker, after seducing his wife, who was seventy years old?’

Lysias goes on to ridicule Aeschines’ courtship of Hermaeus’ aged wife (‘easier to count her teeth than the fingers of one’s hand’) and, after an invitation for witnesses of the facts to step forward, the fragment breaks off.

On the face of it, this collection of fragments is not particularly revealing about either Aeschines or his opponent. As is almost invariably the case with Athenian law-court speeches, we hear only one side of the story, and we do not even know the verdict reached by the jury.² Nonetheless, in the context of this study of Athenian economy and society, the rights and wrongs of the dispute are irrelevant. That is because, ignoring issues of innocence and guilt, it is possible to dig below the surface and use these fragments of Lysias as a quarry of information about contemporary Athenian society. If I dwell on this technique of inference, this is on the grounds that it is fundamental to my analysis of the Attic Orators. It is the published versions of their commissioned speeches that are the essential source of evidence about Athenian credit relations.

This indirect approach is, for the most part, a matter of common sense. The speechwriter was bound to produce the strongest possible arguments in an attempt to convince the jury of his own client’s

innocence and his opponent's guilt: that was what he was paid for. Even when this meant stopping short of downright lies, the facts of the case could always be twisted in the interests of the client. Once this is acknowledged, the advantage of hindsight often makes it possible to identify the material that is incidental to the speaker's line of argument, and therefore less liable to distortion. As a litigant would avoid telling lies that could be convincingly refuted by his opponent, so he would instinctively shy away from the distortion of details of everyday affairs and behaviour which were within the experience of the jury. To fail to do so would be pointless: arousing the suspicion of the jurors and weakening his overall credibility. So, although the argumentation of a speech might be a complete fabrication, the speaker will paradoxically strive to present a plausible and presumably realistic picture of contemporary social institutions.³

Application of this inferential technique to the Lysias fragments prompts some preliminary statements about credit relations in fourth-century Athens. Perhaps the most striking observation is that when Aeschines wanted credit, he turned to a banker only in desperation, from whom he secured a loan at what was indisputably a usurious rate of interest. As is explained below, this notion of bankers as 'lenders of last resort' runs counter to the traditional and prevailing interpretation of Athenian banking and credit. In addition, the fragments conveniently list (with humorous exaggeration) the various sources of credit that Aeschines had already exhausted before turning to the banker Sosinomos. He was no longer able to borrow from local shopkeepers, neighbours (implying friends), fellow-citizens in general through *eranos*-contributions (interest-free 'friendly' loans), or the men in the Piraeus who presumably specialized in high-risk maritime loans. The general impression is of a range or hierarchy of types of credit open to Athenian citizens. When a citizen had, like Aeschines, exhausted one or more of these sources, he moved on to the next available supply. Bankers were only the last in a long line of different species of credit, described in detail in the chapters that follow.

Whether this tentative reconstruction of credit relations based on the Lysias fragments is correct and, if correct, whether it is typical, cannot be settled on the evidence of the fragments alone. This qualification introduces a further, fundamental aspect of my analysis. If it is to have any general value, my treatment of the structure of

credit must be all-embracing, incorporating and explaining a wide range of the available evidence. Aggregation of the evidence confirms which elements are typical and therefore potentially significant. In order to make sense of the extensive material on credit from Athens, it seems best to assimilate the information into a model or ideal type (the terms are interchangeable). A model may be described as an attempt to reduce a complex reality to something that is simpler and therefore more readily comprehensible. The process involves the deliberate suppression of detail which appears to be less significant in favour of material that is judged to be crucial – a technique that is applied automatically and often subconsciously in the everyday business of life (see Lockwood, *DSS* s.v. ‘ideal type analysis’; Finley 1985a: 60–1). The selection and interpretation of the Lysias fragments given above constitute a rudimentary model of Athenian credit relations, the validity of which can be established only by testing against other evidence.

Ancient historians have tended to fight shy of ideal-type analysis: apparently on the grounds that the process of model-building implies a degree of prejudgement that is at odds with the traditional philological method of ‘collecting evidence and interrogating it with an open mind’ (Frederiksen 1975: 171). Apart from epistemological problems about the possibility of an ‘open mind’ (see Finley 1982: 201 and 1985b: 180–3), an uncompromisingly empirical approach could hardly handle the complex mass of data about credit (much of it fragmentary) that survives in Athenian sources. The response to this difficulty has been the adoption of what might be termed the ‘anecdotal’ method, based on the presentation of isolated and hopefully significant passages. But passages taken out of context cannot be interpreted with confidence; and in the selection of telling examples there is a bias towards what seems superficially familiar. These dangers are appropriately illustrated by the way in which the Lysias fragments have been misread by historians holding anachronistic views of the Athenian economy. They portray Aeschines not as an impoverished spendthrift (for which, incidentally, there is independent evidence), but as an ‘entrepreneur’, borrowing ‘capital’ with which to start up an ‘industry’. Aeschines will reappear towards the end of this study, where he forms part of an examination of the rôle of Athenian bankers within the complex of credit relations.⁴

THE PERVASIVENESS OF CREDIT

The range of source material to be analysed and incorporated into the model is extensive: the sheer quantity of evidence is itself a crude indicator of the extent to which lending and borrowing permeated Athenian society. A few illustrations may help give an impression of scope and scale.

Well to the fore are the Attic Orators. In the thirty-two speeches attributed to Demosthenes (xxvii–lix), there are approximately 150 references to credit transactions of one type or another; and in the whole corpus of the Orators there is hardly a speech without some allusion to lending and borrowing. Comedy, in so far as it reflects ‘everyday life’ also has plenty to say about credit.⁵ Both Alexis and Nicostratus wrote plays (now lost) called *Tokistes* (*The Usurer*) (*CAF* fr. 230 ~ *FAC* II p. 484 fr. 230; *CAF* fr. 25 ~ *FAC* II p. 38 fr. 25; see below, p. 186). Several comedies depend on a loan or loans as part of the plot. Notable is the *Clouds* of Aristophanes, where the leading character, head-over-heels in debt, becomes a pupil of Socrates in a bid to defraud his creditors. The slighter parts played by debt in the *Hero* and *Dis Exapaton* (*Twice a Swindler*) of Menander are discussed below (pp. 8, 63 and 77). At least four other plays have passing references to credit implying that owing money was seen as a natural and normal condition for Athenian citizens. A speaker in Aristophanes’ *Birds* (ll. 114–16) suggests that a leading characteristic of mankind is to fall into debt and then try to avoid repayment. An unplaced fragment from Menander’s *Citharistes* (*The Lyre Player*) (Sandbach fr. 1 ~ Allinson p. 378 fr. 281) expresses envy for wealthy people as not being kept awake at nights worrying about their debts. In another fragment from an unidentified play by Philemon (*CAF* fr. 88 ~ *FAC* IIIa p. 58 fr. 88), ‘not owing anyone anything’ is cited as a blessing to be ranked fourth to good health, success and happiness. Finally, the heroine in Aristophanes’ *Ecclesiazusae* (*Assemblywomen*), responding to a challenge from a sceptical male (ll. 567 and 660–1), singles out an end to distraining for debt as one of the advantages of the new, female regime.⁶

Wherever there is a debtor there must also be a creditor, but Comedy naturally stresses the negative side of the relationship. For a more balanced picture of lending as well as borrowing, there are the *Characters* of Theophrastus, dating from the final decades of the fourth century. This short text, consisting of thirty brief character

sketches or caricatures of people who might be met on the streets of Athens, has almost thirty references to credit operations. The Characters themselves, all of whom are unpleasant or foolish types, repeatedly display their negative qualities by adopting anti-social attitudes towards lending and borrowing.⁷

Moving away from comedy and caricature, credit also finds a place in the remoter world of political theory and philosophy. For Plato and Aristotle, debt was a factor in the political process, helping to explain the shift from oligarchy to democracy (*Rep.* 555B–56A) and the rise of tyranny (*Rep.* 566A, 573E; *Politics* 1267a10). Apart from casual references to lending and borrowing (*Rep.* 459E, 465C, 549E; *Laws* 736C–E), refusal of a request for a loan is the starting-point for a dialogue on right and wrong behaviour (ps.-Plato, *Demodocus* 384B–85C); and the celebrated debate on justice in the *Republic* opens with a discussion of the morality of always repaying what one owes (329D–32B).⁸ The philosophical dimension of debt and obligation overlaps with another type of material: metaphorical references to borrowing and repayment, emphasizing Athenian familiarity with the concept of credit. Metaphors drawn from lending and borrowing are plentiful and scattered through all branches of literature. I therefore concentrate on two common and connected images: the idea that life is a loan from the gods, and the notion of vengeance as the exaction of a debt.⁹

‘We are all owed as a debt (*opheilometha*) to death’, runs part of an epitaph attributed to Simonides (Diehl 139 ~ Edmonds II 150). The sentiment that life was a loan to be repaid by death was an almost proverbial saying, appearing in many periods and places (Lattimore 1962: 170–1), not least on the Athenian stage (*Eur. Andr.* 1272; *Alc.* 419 and 782). The motif is elaborated by Plato in his *Timaeus* 942E–43A), where, in order to make mortal men, the gods ‘borrow’ (*daneizein*) earth, air, fire and water from the *kosmos* – a debt which has to be repaid (*apodidōmi*).¹⁰ The gods could apparently call in their loans at will: so did Apollo demand repayment (*ekprattein*) from Cassandra for his granting her the gift of prophecy (*Aesch. Ag.* 1275–6 with Fraenkel 1950: *ad loc.*). By appropriately pious behaviour it might be possible to build up a counter-obligation, and so earn a stay of execution (e.g. Callim. *Epigr.* LV); but false oaths were a liability (*chreos*) that could not be concealed from the gods (*Theog.* 1195–6). The unjust man might pay the penalty himself or it could be left to his children to discharge the debt (*Theog.* 197–208).

The presentation of vengeance as the exaction of a debt and the possibility of its transmission between generations have powerful dramatic potential which is exploited to the full in Tragedy. The theme is sustained right through the *Oresteia* of Aeschylus, where conflicting obligations owed to gods and men generate overpowering tensions. The obligation imposed on Agamemnon to exact recompense (*praktor, prattein*: *Ag.* 111, 705, 812 and 823) from the Trojans for the seizure of Helen involves him in the death of his daughter, for which he has to pay (*apotinein*: *Ag.* 1503) with his own life. For the murder of her husband, Clytemnestra owes a debt for which she in turn faces execution (*opheilein, prattein*: *Cho.* 310–11; cf. *Eum.* 624). Finally, the Erinyes unsuccessfully intervene as collectors of the debt (*praktores, chreos*: *Eum.* 319 and 260) that Orestes incurred by killing his mother.¹¹

The inclusion in the *Oresteia* of language drawn from the field of finance has not escaped notice (Macleod 1982: 134; Goldhill 1984: 170). But the association of revenge with the concepts of debt and repayment goes beyond a series of striking metaphors to say something substantial about the character of credit in Athens. Behind the imagery lies the idea of reciprocity: the obligation to return like for like. This connexion between reciprocity and credit is crucial to my analysis of lending and borrowing in ancient Athens. It suggests an attitude towards credit relations that is far removed from our own conventional ideology of credit. The links between lending, borrowing and reciprocal gift-giving will be examined in detail in the following chapter. As a preliminary, I cite three further characteristics of Athenian credit operations; all emphasizing the gulf between ancient and modern conceptions of credit institutions.

Tied in with reciprocity is the breadth of the concept of credit in Athenian sources. The range of overlapping meanings of *pistis* – the approximate equivalent of ‘credit’ – is revealing: trust, faith, belief, confidence, assurance, honesty, proof and pledge (all from LSJ⁹; see Taillardat 1982). Only relatively rarely does *pistis* seem to mean ‘credit’ in the narrow, economic sense of ‘credit-worthiness’. So the banker Phormion is said to enjoy *pistis* with those who know him for a sum of money greater than his own property (*Dem.* xxxvi.57, with Paley and Sandys 1910: *ad loc.*; cf. Partsch 1909: 359–64). By contrast, modern economists tend to restrict the scope of credit to a precise set of relationships. For Baltensperger (1989: 97), the extension of credit means ‘to transfer the property rights on a given

object (e.g. a sum of money) in exchange for a claim on specified objects (e.g. certain sums of money) at specified points of time in the future'. That is an unusually broad definition, but the formalism of 'specified objects' and 'specified points in time' is not appropriate to conditions of credit in Athens. Some of the restrictions are made explicit in an older encyclopaedia article by Hawtry (*ESS* s.v. 'credit'), who stipulates that true credit operations must involve a pecuniary obligation. He admits that this condition cuts out both lending of goods with an obligation to return the same goods, and also deposits of goods or money. But as far as the Athenians were concerned, loans of goods were always thought of as credit transactions; and in the case of deposits, *pistis* was paramount.¹²

A second characteristic of Athenian credit operations is the relative simplicity of individual loan transactions, with goods or money being borrowed and repaid in the same way. Obligations arising out of credit sale – deferred payment for goods or services – are rare (see Millett 1990). Also absent from Athenian sources are undisputed examples of credit instruments in the form of promissory notes, cheques and bills of exchange: all transactions were carried out on the basis of cash or kind.¹³ One result was the physical transfer of cash and valuables over considerable distances, with all its inconveniences and dangers. The pseudo-Demosthenic speech *Against Phormion* (xxxiv) arose out of the alleged loss by a shipwreck of a sum of money intended for the repayment of a loan; and the plot of Menander's *Dis Exapaton* grows out of a visit by a young Athenian to Ephesus in order to collect a debt owing to his father.¹⁴ From the whole of classical Athens, we hear of only three occasions on which arrangements were made to avoid the actual transference of cash (Lysias xix.25–6; Isoc. xvii.35–7; [Dem.] l.28; all discussed by Bongenaar 1933: 161–3). In each case, arrangements were *ad hoc* and on an informal basis without any direct involvement of banking institutions. Absence of credit instruments also meant that there could be no *creation* of credit by banking institutions operating on a limited cash base and issuing paper credit. There was, instead, a straight transference of resources or purchasing-power direct from lender to borrower (Bogaert 1968: 336–42; Finley 1985b: 196–8).

My third characteristic of credit picks up this non-involvement of Athenian banks in the creation of credit – one of the major functions of modern commercial banking (Sayers 1967: 218–60). Out of the hundreds of loans known from classical sources, only a tiny number

were supplied by banks. The exhaustive study of Greek banking by Bogaert (1968: 370, n. 391) lists only eleven bankers' loans from ancient Athens. This supports my preliminary deduction from the Lysias fragments, that Athenian citizens turned to bankers only as lenders of last resort; but it also calls into question the weight that has been given to banking in the literature on Athenian economy and society. For the last 150 years and more, from Böckh (1817) to Bogaert (1968) and beyond, the bibliography on Athenian credit relations has been heavily biased in favour of banks, to the exclusion of other sources of credit. This is, in a sense, understandable: banks are familiar to everyone, and, for orthodox, neo-classical economists and modern economic historians, banking institutions are the providers of credit *par excellence*.¹⁵ The misleading richness of the evidence for Athenian banking reinforces the expectation that this pattern holds good for the ancient Greek world. Apart from casual references, some six speeches from the corpus of the Orators are directly concerned with a single banking business – that centred around Pasion (Isoc. xvii; Dem. xxxvi, xlv, [xlvi], [xliv] and [lii]). The result is an abundance of coherent, detailed information. By contrast, references to other types of credit, though plentiful, are scattered through the sources and do not make the same immediate impact.¹⁶

This focussing of attention on banks and bankers' credit has helped to create a picture of Athenian credit relations that is at odds with the ideology of reciprocal gift-giving outlined above. It is also part of a wider-ranging debate on the nature of the economy of ancient Greece. The so-called 'primitivist-modernist' controversy ought to have died a natural death long ago, but it still refuses to lie down. Much of what has been written (and continues to be written) about Athenian economy and society can be appreciated and evaluated only against the background of this debate.

PRIMITIVISTS, MODERNISTS AND WEBERIANS

In view of the surveys of the controversy that already exist, there is no need to rehearse the arguments in full.¹⁷ What follows is intended as a critical survey of the literature only in so far as it is relevant to the question of credit. In order to prevent the discussion degenerating into an unhelpful list of books and articles, related items are grouped together and structured around successive stages of the primitivist-

modernist debate. This gives four more or less distinct categories: 'antiquarian' accounts of credit, antedating the debate; items central to the debate itself; works in what might loosely be termed the Weberian tradition; and specialist studies of particular aspects of credit. In the interests of brevity, less important and uninfluential items are either relegated to the endnotes or ignored. The earlier, detailed bibliography on banking is already covered by Bogaert (1968: 27-34; 1986a), and I have not included purely juristic treatments of credit operations.¹⁸

Post-classical awareness of Greek writing on credit goes back as far as the medieval schoolmen with their concern over the propriety of taking interest (Noonan 1957). This acquaintance tended, however, to be narrowly focussed on Aristotle's comments about the morality of lending at interest (Langholm 1983, 1984). The whole debate reached a scholarly climax with the publication of two treatises by the seventeenth-century pamphleteer, Claudius Salmasius (de Saumaise): *De modo usurarum* (1639) and *Dissertatio de foenere trapezitico* (1640). These massive and influential compilations broke new ground in drawing on a wide range of Greek, Roman and Hebrew texts in an attempt to prove that there was nothing morally reprehensible about lending money at a moderate rate of interest.

Moving away from the Greek world as providing material for polemical argument, study of Athenian credit for its own sake begins with a short chapter in Böckh's *Staatshaushaltung der Athener* (1817: 123-32).¹⁹ But the ten or so pages that Böckh gives to non-maritime credit are strictly antiquarian in character and something of a disappointment. After six pages on rates of interest, only three are devoted to the possible sources of credit, with a garbled survey of bankers', usurers' and 'friendly' loans. Altogether more impressive is the treatment of lending and borrowing in Büchschütz's *Besitz und Erwerb im griechischen Altertum* (1869a: 478-512). In thirty-five pages, Büchschütz covers the attitudes of the philosophers towards money and loans, use of written agreements, rates of interest and main types of security. There are also short sections on bankers, maritime loans, public loans and loans offered by temples. Despite Will's emphatic observation (1954: 11, n. 2) that *Besitz und Erwerb* - along with its companion volume *Die Hauptstätten des Gewerbefleisses im klassischen Altertum* - 'n'ont aucune valeur historique', it remained the fullest survey of Greek credit until well into the twentieth century.

In 1876, less than ten years after the appearance of *Besitz und Erwerb*, Bücher published the first (and almost unnoticed) version of his controversial theory of economic development. His much more influential *Die Entstehung der Volkswirtschaft* appeared in 1893, and this marks the beginning of what has come to be called the primitivist-modernist debate.²⁰ Credit was one of the factors discussed by Bücher as part of his three-stage theory of development (summarized by him on p. 147), broadly corresponding to ancient, medieval and modern worlds. In the first stage of 'closed household-economy' (*geschlossene Hauswirtschaft*) such credit transactions as occurred between individual economic units tended to be consumption loans without any proper interest charge; loans at interest were seen as somehow 'unnatural' (p. 114). In the second phase of the 'city-economy' (*Stadtwirtschaft*), Bücher argues that loans were generally concealed as sales, with the borrower 'renting' back his land from the creditor, handing over interest payments disguised as rent (p. 129). Only the final stage of 'national-economy' (*Volkswirtschaft*) saw the appearance of true productive credit in the sphere of trade (pp. 138-9).

As will emerge in the chapters that follow, there is more than a measure of truth in Bücher's characterization of lending between households in ancient Greece as interest-free consumption credit. But as a *complete* picture of credit relations in the ancient world - which it was never meant to be - his presentation is obviously inadequate. Nevertheless, in their modernizing attacks on Bücher's model, neither Meyer (1895) nor Beloch (1902) made much play with credit. It was left to a later generation of scholars, notably Gomme (1937a: 54-6) and Rostovtzeff (1941: II, 1278-9), to indicate, in opposition to the primitivist view, that the banks of fourth-century Athens apparently contradicted the idea of a closed, household economy.²¹ And recent years have seen the appearance of a string of anti-primitivist papers from Thompson (1978, 1979a, 1982 and 1988), taking a line on credit that can be best described as 'neo-modernist'. But the concentration in earlier stages of the debate on the issues of manufacturing and long-distance trade may help to explain the imperfect treatment that credit receives in my third group of works, loosely classified as 'Weberian'.

Weber himself introduced the question of credit and debt into his synoptic study of ancient societies, *Agrarverhältnisse im Altertum* (1909).²² But, because the work is without detailed notation, it is

often difficult or impossible to recover the ancient evidence on which Weber based his generalizations. In the subsection on pre-classical Greece (pp. 147–89), he rightly stresses the tendency of peasants to fall into debt and the importance of debt-bondage. The material on credit in the section on classical Greece ('especially Athens', pp. 189–219) is less convincing. Alongside penetrating comments on the significance of *eranos*-loans (pp. 210–11), and the inability of metics to lend or borrow on real security (p. 192), are several questionable statements. I do not know, for example, of any evidence to support the suggestion that in the fourth century B.C. peasants were replaced by the landed aristocracy as the leading agitators for the cancellation of agrarian debts (p. 216). The same objection applies to Weber's eye-catching association of ancient banking institutions with those of the thirteenth century (p. 45):

... ancient banking seems to have been in the hands of the tax farmers of a very few centres of political power, Rome in particular as well as Athens and a few others. Furthermore different kinds of business ... were transacted with legal instruments essentially similar to those of the early Middle Ages. Thus the bill of exchange, already known in early mediaeval times, existed in a rudimentary form; similarly the rates, terms and legal regulation of interest were all generally comparable to early mediaeval equivalents.

The comparison is reminiscent of Meyer's notorious assimilation of fifth-century Greece to sixteenth-century Europe (1895: 118–19); but Weber differs massively from Meyer in labelling this supposed sophistication of the ancient 'banking industry' as the 'exception that proves the rule' about the low level of development of the ancient economy. Its removal only serves to strengthen the general thrust of his analysis.

Similarly uneven is the treatment that credit receives at the hands of Hasebroek – the leading disciple of Weber, so far as the ancient Greek economy is concerned (see Cartledge 1983). His early paper 'Zum griechischen Bankwesen der klassischen Zeit' (1920), though full of insights into Athenian banking, is distinctly modernist in outlook. Hasebroek argues here for the existence of giro-transactions between accounts within individual banks, and a clearing system between banks to avoid unnecessary transfers of cash. In his later monograph, *Staat und Handel im alten Griechenland* (1928), Hasebroek modified his position, withdrawing support for a clearing system and acknowledging that there was in the classical sources no conclusive

evidence for giro-type transactions.²³ And yet, in spite of these qualifications, Hasebroek's comments on credit are still at odds with the Athenian material. Altogether inadequate is his account of why money-lending was so widespread in classical Greece. He gives as 'the explanation' the desire of affluent individuals to make their wealth 'invisible' in order to dodge public expenditure and as a protection against confiscation (p. 88). Although this may indeed have been a factor in making some people ready to lend money, it was neither the only nor the most important reason.

The probability that Weber and Hasebroek were on shaky ground in their incidental comments on credit does nothing to diminish the appeal of their overall approach to Greek economy and society. Briefly, that is the analysis of institutions and the appreciation of their distinctive features against the broader background of the *polis*. In an earlier paper on maritime loans and the wider structure of credit in Athens (1983), I tried to show how a more realistic model of credit relations could be consistent with Hasebroek's conclusions about the organization of Athenian trade. The value of a Weberian approach to lending and borrowing receives support from two contrasting treatments of credit in Athens. At one extreme are the few pages that Bolkestein devotes to credit in his sketch of the classical Greek economy, *Het economisch leven in Griekenlands bloeitijd* (1923; 135-47).²⁴ Although no more than an outline account, it comes closer to the core of Athenian credit than any other general work of which I am aware.²⁵ The contrasting study is Finley's full-length monograph, *Land and Credit in Ancient Athens* (1952), which is also the first item in my final category of specialist studies of particular aspects of credit.

The relationship between Finley's work and Weberian sociology is crucial but complex (Finley 1981: xvii-xviii). That Finley's attitude towards Weber's ideas and method was anything but uncritical can be seen from the final chapter of his last book: 'Max Weber and the Greek city-state' (1985a: 83-103). There may be a hint of this ambivalence in Finley's references to Weber in *Land and Credit*, his first book, where approving citations of Weberian insights are balanced by qualifications (pp. 68-9 and 293, n. 85). Apart from these scattered references, the approach of *Land and Credit* is thoroughly Weberian in the breadth of its treatment. The guaranty aspects of credit, which are the subject of systematic study (p. vii), are integrated into the wider society of the *polis*, raising issues that