

Reconsidering Debt Remission in Light of the Ancient World

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Abstract: This article situates the recent calls for debt remission, or Jubilee, in terms of the history of debt. It goes back to ancient Southwest Asia (and Rome), where we find three functions of debt. It was primarily a means for securing labour of the context of a chronic shortage of labour. Its secondary features included the flow of wealth to the lender and the securing of class differences. However, we need to distinguish debt from credit, since the two are often assumed to be part of the same structure. While debt was extractive, credit was allocative. It relied on a mutual system of knowing interaction among village communities. With these distinctions in mind, it is possible to return to the question of remission or amelioration. On this matter, I argue that such amelioration was only partial and targeted, functioning as a safety valve for an economic system facing crisis. It was also the opportunity for significant political spin, and did little to alleviate the actual problems. The article closes by considering the implications for today.

Key words: debt, credit, ancient Southwest Asia, Jubilee

In the aftermath of the Great Recession, which first hit Atlantic countries in 2007, we have witnessed renewed calls for a remission of debts, or Jubilee (borrowing a biblical term).¹ In its biblical tenor, the Jubilee is the year after seven times seven years, when debts would be cancelled: “And you shall hallow the fiftieth year and you shall proclaim liberty throughout the land to all its inhabitants. It shall be a jubilee for you: you shall return, every one of you, to your property and every one of you to your family” (Leviticus 25:8). In other words, no debt was to be permanent, for it would be annulled over 50 year cycles. The current reformulation of the Jubilee draws less on the specific ritual practice and more on the principal itself. Onerous and oppressive debts should be cancelled, whether in terms of the global north-south dichotomy, or within the Eurozone, or in terms of lower-working class people burdened with unrepayable debts.² Of course, the only ones thus far bailed out by governments have been the banks themselves, with bad debts bought out and banks propped up.

But is such a Jubilee really worthwhile? What lies behind it and can it actually work? In order to examine the theory and practice of Jubilee, we need to look back a few millennia, to ancient Southwest Asia from the fourth millennium BCE onwards, as also some practices from ancient Rome. To do so, I consider the nature of debt in contrast to credit, situate these practices within particular contexts, and then return to the question of the Jubilee itself.

Debt

The primary theoretical distinction crucial to understanding debt and credit is that between extraction and allocation. Simply put, allocation entails the allocation and reallocation of labour, fields, animals, tools, produce, and the very structure of human life. By contrast, extraction entails the appropriation of the labour, produce, and so on, from someone who engages in labour by someone who does not so engage. Extraction may take two forms: exploitation, in which the non-labourer extracts labour and produce from an entity under his or her control; expropriation, which entails extraction from what one does not control directly (thus, tax is internal plunder, while booty is external plunder, taken from another possessor). These relatively straightforward theoretical distinctions are my own response to a complex debate, for which the name of Karl Polanyi stands as the symbol.

Polanyi tackled what was by then a long debate of well over a century, which sought for a way to understand economies of the ancient world. Called the ‘oikos’ debate, it was divided into those who took ‘primitivist’ and ‘modernist’ positions, to wit, that the ancient economies were bound up with the household (*oikos*) and thereby qualitatively different from capitalism, or

that they were largely the same.³ Polanyi completely recast the debate through two related distinctions.⁴ The first was between formalism and substantivism. Thus, the ancients in those parts of the world either made use of the same economic forms as capitalism (due to the eternity of human nature), or they were substantively different from us, so much so that it becomes difficult indeed to understand how they really functioned. The second distinction was between reciprocity, redistribution and the market. Polanyi drew heavily upon the work of Malinowski and framed it in Weberian terms: reciprocity was the complex patterns of gift exchange and mutual obligation; redistribution was the gathering of all produce by a central authority and its redistribution to the people; and the market really arose only with capitalism, although even then it was always 'embedded' in social relations. The insights were many, but the problems even more. In the ancient economies in which I am interested, central authorities – despots and aspiring emperors – were little interested in redistribution. Their main concern was acquisition, through plunder, tribute and tax. Polanyi's point concerning the market is well taken, although his interpreters have often seen the 'market' as an entity unto itself (for which Adam Smith remains the slogan). The reality is far different, especially when seen from a Marxist perspective, in which social relations (class) are inextricably tied up with the patterns of exploitation mentioned above. So my distinction between allocation and extraction – in which the first is a recasting of reciprocity and communal agricultural life and the second accounts more directly for patterns of exploitation – is an effort to account for the realities of ancient economies in light of Marxist approaches.

Let us see how this works with debt. In contrast to the allocative role of credit, debt functions as an extractive economic device, in which those who do not labour seek to extract surplus from those who do engage in labour. Thus, debt extracts labour, goods and money from a debtor with the outcome that the lender's wealth increases and power is consolidated. Debt does so in three main ways, with the priority varying over time and place. In ancient Southwest Asia, the primary function of debt was compulsion for labour, especially in a situation where labour was in relatively limited supply. I cannot delve into the full argument here for the shortage of labor, but the following should be noted: infant mortality at a rate of 50-60 percent; life expectancy of approximately 30; disease cycles (note the absence of toilets in the archaeological record); constant mechanisms for securing labor, such as the primary function of debt in order to indenture labor, or standard punishments stipulating periods of indentured labor on royal land or for landlords; laws concerning the treatment of human beings pledged for labor; laws concerning injury to able-bodied human beings, thereby rendering them unfit for labor, as well as protection of fetuses;

the absence of evidence for contraception and abortion; the focus on usufruct in legislation; deportations, especially by the larger empires in the first millennium such as the Neo-Assyrian empire of the first millennium BCE; treaties, edicts, and correspondence that often include clauses concerning fugitives; evidence of rural laborers abandoning estates and fields and joining bandit groups; documents of estate administration, which provide lists of estates, laborers, yields, and tools, but simply ignore the extent of the estates themselves; the high cost of labor where landlords had to pay for it; the routinely low cost of land where it was transferred and despite evident fluctuations; and the constant desire for more people.⁵

With short life expectancy and the ever-present threat of disease, let alone the economic desire of peasants to stay out of harm's way in order to engage in subsistence-survival agriculture, the shortage of labour was a constant problem. Tying a person's muscle power and skill into debt ensured that the land would be worked, for the sake of the state, temple, or landlord (unless the debtor simply absconded, which was a frequent occurrence). Labour may be secured in this fashion by interest rates that could simply not be repaid, thereby ensuring that the debtor remained in a permanent state of labouring for another (state or landlord). As Steinkeller puts it:

Assuming that most loans were made with other objectives than the interest-generated profit in mind, it follows that, in such circumstances at least, interest was a tool and not an economic end in itself, being therefore devoid of real economic value. Its rate was largely irrelevant vis-à-vis the amount of the loan, except that it had to be sufficiently high to make it impossible for the borrower to repay the capital.⁶

Across ancient Southwest Asia, it is clear that the lender hardly ever expected the debtor to repay the loan. If the loan was in terms of labour or produce, then this situation entailed that the debtor would need to keep working for the lender. If the loan was in terms of money, inability to repay would lead to a situation of indenture or 'debt-slavery', in which the debtor also ended up working for the lender. We may put it this way: a loan normally has some form of 'collateral' or 'security', which acts as a backup for the lender should the debtor forfeit repayment for some reason. However, the problem with such terminology is that it assumes that the actual loan is primary and the 'security' secondary.⁷ In the context of ancient Southwest Asia, it was precisely this 'security' that was primary. But what sort of 'security'? Often it was a human being who was so pledged. This pledge may have involved a clan member, a dependent labourer,

or even oneself. In third millennium Babylon they did not pretend otherwise: the person pledged was simply designated the 'hostage' or 'captive'.⁸ In short, debt's primary mechanism was to ensure that the land under the control of state or landlord was worked by those able to do so. It was in their interest to see that labourers worked for them as long as possible, so they were keen to make debts unrepayable in conventional terms (at least from our perspective).⁹

The second function of debt was to secure the flow of produce, money, and thereby wealth to the lender – a feature of debt perfected and raised to primary importance by the Romans and their civil law. Here interest comes into its own, although it was originally a foreign and unnatural idea, being subject not to 'market forces' but to royal decree and customary practice.¹⁰ In many respects, the Romans continued with such assumptions, but, being legal and ritual obsessives, they turned debt and its attendant interest into an utterly complex myriad of rules and regulations – all with the purpose of ensuring that the ruling class continued to gain from those under tenure and in debt the resources it felt perfectly justified in acquiring. For example, Pliny the Elder found himself constantly distracted by the concerns of his estates, their slaves and their tenants. Their antics and his attention to them threatened the immensely important task he felt called to undertake in life as a writer.¹¹ Clearly, wealth went in one direction, from debtor to lender, and the lender would do all in his power to ensure the flow was relatively uninterrupted.

By now the third function of debt should be clear: to reinforce economic hierarchy. To be sure, some lenders did come from the ruling class, but the vast bulk of debts were loaned out by well-placed lenders to those outside their own ruling class structures. The previous two features of debt – compulsion for labour and the flow of wealth – function in terms of and ensure the economic hierarchy between tenants and landlords, agricultural labourers to the ones who did not labour. It should come as no surprise that debt too was a feature of class conflict – the initial acts of popular uprisings have been and remain to cancel debts, destroy records, and reallocate land.¹²

Credit

Credit is quite different, based on allocative mechanisms rather than extractive ones. However, before discussing credit, I need to deal with the misconception that credit is secondary to debt. This misconception may be traced back in part to the magnificently flawed storybook by Adam Smith called *Wealth of Nations*.¹³ The myth concerns a 'tribe of hunters of shepherds' which undergoes a benign process of specialisation and then exchange.¹⁴ Eventually, "every man thus lives by exchanging, or becomes in some measure a merchant, and the society

itself grows to be what is properly a commercial society".¹⁵ But this is only the beginning, for at some point a bright spark happens upon the idea of money, which may then be used as a medium of exchange between different objects. Their abstract value can now be expressed through money. Only then does credit appear, last on the scene and after specialisation, exchange and money. Apart from the fact that such a tribe or village has never been found and never will be found, for it is a fiction of Smith's mind, the suggestion that credit is the final item of the procession belies the fact that credit is in many respects the primary form of economic engagement between human beings.

Credit relies primarily on an allocative approach to economics, in which labour, equipment and produce were systematically allocated and reallocated among ancient communities. In this context, credit requires knowledge of and familiarity with the others in one's community and thereby 'trust'. Let me be clear: 'trust' as I use it is not a moral value, but an economic reality. It entails a complex pattern of reciprocal relationships within a known community. Credit is indispensable for the functioning of life in such communities. If one needs a plough for a day, one may borrow it from the common pool or from someone within the village community, with prior arrangement and acknowledgement in light of other's requirements. Everyone assumes that it will be returned as soon the need has passed, since everyone knows that it has been borrowed and that someone else will need it for working his or her allocated strips of land. On the other hand, the village may have a few draft oxen, available for ploughing or drawing heavy loads. With such precious animals, who consume large amounts of water and fodder (so that only a few are kept in each village), the negotiations are more complex. Now we find that the oxen are used across all the allocations of land, with groups assisting one another in order to ensure that the ploughing is done. Indeed, the whole community has an interest in the land being ploughed, so it is unimaginable for any one person to claim an ox for themselves. A borrowed tool or animal, assistance with reroofing a dwelling or replastering a wall, the allocation of tasks, the reallocation of grain and meat during lean seasons, the need for a good cloak in order to visit a neighbouring village, the sharing of the tax burden imposed by an external and distant ruler with his armies ... these and much more constituted the necessary system of credit by which these early communities functioned. In other words, credit was and is a feature of the economic systems of allocation. It ensured the mutual allocation and reallocation of all tasks and goods within the community. And it was reinforced by a complex pattern of social and cultural norms, fostered by clan relationships (however flexible and creative they might have been), by councils of elders and village leaders. If we refer to one of the texts from ancient Southwest Asia - the Hebrew Bible - we find that credit is simply assumed: they

recommend credit without interest (Deuteronomy 15:7-8; Ezekiel 18:16), bans on interest (Exodus 22:24 [25]; Deuteronomy 23:20-21 [19-20]; Leviticus 25:35-37), if not regarding interest as a sign of depravity (Ezekiel 22:12) or punishment (Isaiah 24:2; 50:1; Job 24:9; Psalm 112:5-6).¹⁶

To sum up my argument thus far, credit was a feature of allocative economic forms, ensuring a system of allocation and reallocation of the labour involved in agriculture and of the produce of such labour. By contrast, debt was an extractive economic form, in which those who do not engage in productive labour extract goods from those who do engage in such labour. Through debt the ruling class and their hangers-on extract labour and produce in a way that reinforces class hierarchy. In other words, credit was a system based on the known, whereas debt implies the unknown. In a situation in which an individual who went out on his or her own would soon perish, the village community and clan were the primary collectives. Here all were familiar with one another, and here credit could operate. We may speak of 'trust' in such a situation, except that trust was primarily a social and economic reality of familiarity and the known rather a moral precept. By contrast, debt relies on mistrust and lack of familiarity. Here class comes into play, in the sense that debt had three functions: the securing of labour in a situation in which labour was more often than not in short supply; the flow of wealth to lenders, who invariably were of the ruling class; and the reinforcing of the hierarchical relations of class.

Jubilee?

In light of these practices relating to debt and credit, I can now address the question of the remission of debts, of Jubilees.¹⁷ These typically took place spasmodically, usually at the beginning of a new despot's reign.¹⁸ The ideal biblical formula in Leviticus 25 is thus a stylised literary rendering of a much more haphazard approach. These ameliorations have been called 'clean-slates' or 'abolitions of debts',¹⁹ but they were anything but. The most common form was a partial and selective process of 'debt easement'.²⁰ Indeed, the key feature was the transfer of labour away from one type of dependency and back to an earlier type. This feature is illustrated best by the decree of Lipit-Ishtar (1934-24 BCE), ruler of the city-state of Isin in Mesopotamia. The decree points out that the amelioration of debts had the purpose of putting debtors 'into their previous status'.²¹ If indentured labourers had become indebted to individual landlords (who were also the usurers), then they would be returned to dependence on the palace and its estates. If they had become tied to officials of the palace, then they would return to dependence on the temple and its estates. Indeed, the decrees were usually limited to specific types of debt, particularly

those concerning labour. They also focused on specific people who were too enthusiastic in ensuring debt labour, especially landlords and palace officials. The reason: systems of debt enslavement had the tendency to tie labourers to particular forms of indentured labour, which would make them unavailable for other types. This was especially the case with the *corvée*, or periodic labour service demanded of all subjects, which the state needed for building projects or for high labour periods like sowing and harvest.

Further, I stress that this process offered amelioration of debt obligations rather than abolition of debts. Apart from shifting labourers back to earlier forms of indenture, a ruler might reduce the *corvée* itself to ten or even four days a month. But he would do so only in situations of exacerbated economic crisis. Only when the system threatened to fall apart would they be enacted. They were safety valves that enabled a crisis-ridden system to continue. They also provided great occasions for political spin, seeking to gain favour with those overcome with debt – rulers would hardly engage in acts so economically disadvantageous out of their own good will.²² Ancient Southwest Asian rulers were accomplished propagandists. They loved hyperbole, especially when their domains were trivial, and attempted to dress their blood-soaked conquests in terms of justice and equity.²³ They routinely proclaimed that they had returned justice, joy and food to their grateful subjects.²⁴ In relation to debt and its amelioration, they sought to spin partial amelioration in the grandest terms, claiming that it was debt annulment itself. The truth was somewhat different. Indeed, most ameliorations were rescinded soon afterwards. In light of this inadequacy – from the perspective of the vast majority of the rural working population – of the Jubilee and the rapid return and expansion of exploitative patterns, debtors and even entire villages had many other means of escaping from debt requirements: absconding from fields when sowing was needed, not harvesting sown fields and leaving the crops to rot, or taking the produce with them. They would remove themselves from the landlord's or state's control, abandoning villages, joining 'bandit' or 'nomad' groups and relocating.

One may wonder whether the function of debt amelioration has changed since those times. Let me take the example of the Romans, who instituted an extraordinary collection of laws and legal practices relating to all manner of situations.²⁵ Indeed, the Roman approach to law has influenced practices through to today (via a somewhat deviant path into which I cannot go here).²⁶ Let us consider for a moment the typical Roman loan contract.²⁷ It contained clauses concerning late or non-payment, with an increase in interest (up to 50 percent) and potential seizure of the property and person of the debtor.²⁸ But Roman contracts could also be subject to various types of alleviation, whether statutory, obligatory, or voluntary. Statutory amelioration was enacted by the

state, but obligatory or voluntary amelioration depended on circumstances, particularly climactic forces beyond the debtor's control (*vis maior*). Obligatory amelioration usually took place via formal legal proceedings initiated by the debtor, while voluntary amelioration was undertaken by the lender in specific circumstances where the debt conditions were too onerous.²⁹ If we take the situation of tenants under contract to a landlord, then these circumstances might include the threat of tenants walking off the land, selling equipment, or simply giving up on the contract. The reason why a lender would ameliorate the terms of debt was to keep tenants on the land, thereby ensuring the income of the landlord. In other words, the prime purpose of such amelioration was to ensure the continued productivity of the landlord's estates. Thus, amelioration here too functioned as a safety-valve to ensure the system continued in the face of constant instability and crisis. It also played a role in labour compulsion: the myth of eventual repayment had to be kept alive so that debtors would at least continue to work the fields in question. If they ceased believing in the myth, they would walk away.

The implications of this historical investigation in relation to the calls for Jubilee in our context should by now be obvious. First, such an amelioration is only ever partial and in the interest of the lender. It could be argued that no lender would agree to amelioration if there were not some benefit, but this does not change the nature of amelioration. Second, amelioration clearly functions as a way to release pressure on an economic system so that it can continue to function. It is certainly not a mechanism for replacing the system with a better one. This is apparent from the earliest practices of debt and remission. Third, the functions of debt may have shifted, with the securing of labour in a situation of shortage no longer the main purpose. But this could happen only in a context of the surfeit of labour (and so where labour is scarce, this function of debt returns). So we have a focus on transferring wealth from the debtor to the lender and ensuring economic hierarchies. Amelioration is part of this process. Finally, we face a paradox: while amelioration serves to bolster the current system, or indeed mode of production, a little longer, it may also be a short-term response that provides immediate and temporary relief. In this respect, it may be regarded in some way as a rational response to an irrational situation.

1 The term itself comes from *yūbāl*, which designates the ram's horn to be blown at the commencement of the period. The recent calls are typically found online. See, for instance, Steve Keen's 'manifesto' at <http://www.debtdeflation.com/>

blogs/manifesto, as well as the ongoing work of the Jubilee Centre at <http://www.jubilee-centre.org/>.

- 2 The immediate background was the Jubilee 2000 movement, which began in the 1990s and urged the cancellation of up to USD \$90 billions of Third World Debt: Jubilee 2000 Coalition, *Breaking the Chains: The New Jubilee 2000 Debt Cutter's Handbook*. London: Jubilee 2000, 1999). More recently in the Roman Catholic Church, Pope Francis declared 2015 a Jubilee year.

- 3 The best survey is by Neville Morley, *Theories, Models and Concepts in Ancient History* (London: Routledge, 2004),31-47.

- 4 See: Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon, 2001[1944]); Karl Polanyi, *Primitive, Archaic and Modern Economies* (Boston: Beacon, 1971); Karl Polanyi, Conrad M. Arensberg, and Harry W. Pearson, *Trade and Market in the Early Empires: Economies in History and Theory* (New York: Free Press, 1957).

- 5 This last point is expressed in the biblical covenants and blessings of Genesis 12, 15, 17, 22, and 35, and Numbers 22-24. See: Igor M. Diakonoff, 1982. "The Structure of Near Eastern Society before the Middle of the Second Millennium B.C." *Oikumene* (1982) no. 3:7-100; Igor M. Diakonoff, "Cities of the Medes." in *Ah, Assyria ... Studies in Assyrian History and Ancient Near Eastern Historiography Presented to Hayim Tadmor*, edited by Mordechai Cogan and Israel Eph'al, (Jerusalem: Magnes, 1991), 19; Mario Liverani, 1982. "Ville et campagne dans le royaume d'Ugarit: Essai d'analyse économique" in *Societies and Languages of the Ancient Near East: Studies in Honour of I. M. Diakonoff*, edited by Muhammad Dandamaev, I. Gershevitch, Horst Klengel, G. Komoroczy, Mogens Trolle Larsen and J. Nicholas Postgate, (Warminster: Aris and Phillips, 1982), 251; Mario Liverani, "Economy of Ugaritic Royal Farms" in *Production and Consumption in the Ancient Near East*, edited by Carlo Zaccagnini, (Budapest: University of Budapest, 1989),131-132; Piotr Michalowski, *Letters from Early Mesopotamia*, edited by Erica Reiner (Atlanta: Scholars Press, 1993), 29, 50, 75; Martha T. Roth, *Law Collections from Mesopotamia and Asia Minor*. 2nd ed, *SBL Writings from the Ancient World Series* (Atlanta, Georgia: Scholars Press, 1997), 19, 65,84, 88-91, 170, 173-74, 178-83, 218, 220, 222-25, 234; Gary Beckman, ed., *Hittite Diplomatic Texts*. 2 ed, *SBL Writings from the Ancient World* (Atlanta: Scholars Press, 1999), 12, 15, 25-26, 35, 39-40, 45, 56-57, 62, 66-67, 71, 83, 91, 98-99, 165, 178; Carlo Zaccagnini, "Economic Aspects of Land Ownership and Land Use in Northern Mesopotamia and Syria from the Late Third Millennium to the Neo-Assyrian Period" in *Urbanization and Land Ownership in the Ancient Near East*, edited by Michael Hudson and Baruch A. Levine, (Cambridge: Peabody Museum of Archaeology and Ethnology, Harvard University, 1999), 342-343; Marc van de Mieroop, "A

History of Near Eastern Debt?”, in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 66, 77-79, 82-84; Piotr Steinkeller, “The Money-Lending Practices in Ur III Babylonia: The Issue of Economic Motivation” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 113, 119; Matthew W. Stolper, “Farming with the Marašûs and Others: Costs and Returns of Cereal Agriculture in Fifth-Century Babylonian Texts” in *Approaching the Babylonian Economy: Proceedings of the START Project Symposium Held in Vienna, 1-3 July 2004*, edited by Heather D. Baker and Michael Jursa, (Münster: Ugarit-Verlag, 2005), 327; Bojana Janković, “Between a Rock and a Hard Place: An Aspect of the Manpower Problem in the Agricultural Sector of Eanna” in *Approaching the Babylonian Economy: Proceedings of the START Project Symposium Held in Vienna, 1-3 July 2004*, edited by Heather D. Baker and Michael Jursa, (Münster: Ugarit-Verlag, 2005); Douglas A. Knight, *Law, Power, and Justice in Ancient Israel, Library of Ancient Israel* (Louisville: Westminster John Knox, 2011), 14-141; Phillipe Guillaume, *Land, Credit and Crisis: Agrarian Finance in the Hebrew Bible* (Sheffield: Equinox, 2012), 227-229; Steven J. Garfinkle, “Ancient Near Eastern City-States” in *The Oxford Handbook of the State in the Ancient Near East and Mediterranean*, edited by Peter Fibiger Bang and Walter Scheidel, 94-119. (Oxford: Oxford University Press, 2013), 113.

- 6 Piotr Steinkeller, “The Money-Lending Practices in Ur III Babylonia: The Issue of Economic Motivation” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 113.
- 7 See further: Carlo Zaccagnini, Carlo. 2001. “Nuzi” in *Security for Debt in Ancient Near Eastern Law*, edited by Raymond Westbrook and Richard Jasnow, (Leiden: Brill, 2001) 223-24, 228-29).
- 8 Piotr Steinkeller, “The Money-Lending Practices in Ur III Babylonia: The Issue of Economic Motivation” in *Security for Debt in Ancient Near Eastern Law*, edited by Raymond Westbrook and Richard Jasnow, (Leiden: Brill, 2001), 49; Martha T. Roth, *Law Collections from Mesopotamia and Asia Minor*. 2nd ed, *SBL Writings from the Ancient World Series* (Atlanta, Georgia: Scholars Press, 1997), 102-3; Nelly V. Kozyreva, 1991. “The Old Babylonian Period of Mesopotamian History” in *Early Antiquity*, edited by Igor M. Diakonoff and Philip L. Kohl (Chicago: University of Chicago Press, 1991), 117.
- 9 Since loan documents were destroyed upon the repayment of the loan, the huge number of surviving documents indicates clearly that the majority of loans were never repaid. See: Piotr Steinkeller, “The Money-Lending Practices in Ur III Babylonia: The Issue of Economic Motivation” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 113-114; & Carlo Zaccagnini, 2002. “Debt and Debt

Remission at Nuzi” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 176.

- 10 For millennia in ancient Southwest Asia, it had been one third for produce and one fifth for silver and then coin – the former due to agricultural produce expected from estates and the latter from the sexagesimal system.
See: Martha T. Roth, *Law Collections from Mesopotamia and Asia Minor*. 2nd ed, *SBL Writings from the Ancient World Series* (Atlanta, Georgia: Scholars Press, 1997), 97; Marc van de Mieroop, “A History of Near Eastern Debt?”, in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 84; Robert Englund, “Proto-Cuneiform Account-Books and Journals” in *Creating Economic Order: Record-Keeping, Standardization, and the Development of Accounting in the Ancient Near East*, edited by Michael Hudson and Cornelia Wunsch, 23-46. (Bethesda: CDL Press, 2004), 32-37.
- 11 See: John Goodrich, “Voluntary Debt Remission and the Parable of the Unjust Steward (Luke 16:1-13)” *Journal of Biblical Literature* no. 131 (3) 2012:555-559; Peter Garnsey, Richard Saller, and Martin Goodman. 2015. *The Roman Empire: Economy, Society and Culture* (Oakland: University of California Press, 2015), 95.
- 12 See: David Graeber, 2011. *Debt: The First 5,000 Years*. New York: Melville House, 2011) ; Moses Finley, *The Ancient Economy*. Berkeley: University of California Press, 1999 [1973]), 80.
- 13 Adam Smith, *The Wealth of Nations* (London: Modern Library, 1776 [2000]). It is not a work of science in any conventional sense, for it overflows with fables, sayings, moral tales, vignettes, parables, and especially myths.
See: Murray N. Rothbard, *An Austrian Perspective on the History of Economic Thought I: Economic Thought Before Adam Smith* (Auburn: Ludwig von Mises Institute, 2010 [1995]), 435-474; Jacob Viner, *Essays on the Intellectual History of Economics* (Princeton: Princeton University Press, 1991), 101.
- 14 Smith inherited the myth from a longer tradition that may be traced back to Grotius and Locke, although they were explicit in their efforts to retell the story of Genesis 2-3 so that private property, freedom, labour, law, human society, and commerce were the result of God’s will and not of the Fall. Hugo Grotius, *Commentary on the Law of Prize and Booty*. Translated by John Clarke, edited by Martine Julia Van Ittersum (Indianapolis: Liberty Fund, 2006[1868]) 315-21; John Locke, *Two Treatises of Government and A Letter Concerning Toleration*. Edited by Ian Shapiro. New Haven: Yale University Press, 2003 [1691]).

- 15 Adam Smith, *The Wealth of Nations* (London: Modern Library, 1776 [2000]), I.iv.1
- 16 In this respect, it should not be surprising that the root meaning of the verbs *nš̄k*, usually translated in terms of interest, is “bite.” Thus, Exodus 22:24 may be translated as: ‘If you lend [*talweh*] my people silver, to the poor among you, you shall not deal with them as a devouring usurer [*nošeh*]; you shall not set interest [*nešek*] on them’.
- 17 The Akkadian term is *mīšarum* (also *andurārum*).
- 18 The first ruler on record to have done so was Enmetena of Lagash, shortly before 2400 BCE. (Marc van de Mieroop, “A History of Near Eastern Debt?”, in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, (Bethesda: CDL, 2002), 71.
- 19 Michael Hudson, “Reconstructing the Origins of Interest-Bearing Debt and the Logic of Clean Slates.” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop (Bethesda: CDL, 2002), 7-58.
- 20 Marvin L. Chaney, “Debt Easement in Israelite History and Tradition” in *The Bible and the Politics of Exegesis: Essays in Honor of Norman K. Gottwald on his Sixty-Fifth Birthday*, edited by David Jobling, Peggy L. Day and Gerald T. Sheppard (Cleveland: Pilgrim, 1991), 127-139.
- 21 I follow here the translation offered by Renger, although he is mistaken to see this as a return to ‘free’ status: Johannes M. Renger, “Royal Edicts of the Old Babylonian Period – Structural Background” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop, 139-62 (Bethesda: CDL, 2002), 145. Leviticus 25:8-12 may be read in a similar way.
- 22 Douglas A. Knight, *Law, Power, and Justice in Ancient Israel*, Library of Ancient Israel (Louisville: Westminster John Knox, 2011), 218-22.
- 23 Norman Yoffee, *Myths of the Archaic State: Evolution of the Earliest Cities, States, and Civilizations* (Cambridge: Cambridge University Press, 2005), 160.
- 24 See, for example, the decrees of the Isin dynasty (2017-1794), especially by Shme-Dagan, Lipit-Ishtar, Ur-Ninurta and Enlil-bani: Johannes M. Renger, “Royal Edicts of the Old Babylonian Period – Structural Background” in *Debt and Economic Renewal in the Ancient Near East*, edited by Michael Hudson and Marc van de Mieroop (Bethesda: CDL, 2002) 145-51; Martha T. Roth, *Law Collections*

from Mesopotamia and Asia Minor. 2nd ed, *SBL Writings from the Ancient World Series* (Atlanta, Georgia: Scholars Press, 1997), 15-17, 25-26, 33-35.

- 25 The main sources include the extraordinary Digest, produced under the emperor Justinian (527-65 CE), and the earlier the *Institutes* by Gaius, written c. 161 CE: Alan Watson, *The Digest of Justinian*. 4 vols, (Philadelphia: University of Pennsylvania, 2009[1985]); W. M. Gordon & O. F. Robinson, *The Institutes of Gaius* (London: Duckworth, 1998).
- 26 With the fading of the Empire, much Roman law was lost for centuries, only to be rediscovered in the high Middle Ages under the 'lawyer popes' of the 'Papal Revolution' and in Italian universities. By adapting Roman law to feudalism, law was clarified so as to influence every minute aspect of daily life, all through the pope's legal representatives (legates) who spread across Europe. This was the major step that eventually led, via the Enlightenment and the French civil code of Napoleon, to the first stirrings of capitalism in the sixteenth century.
- 27 The very need for a contract evinces a basic mistrust between two parties: Julie Vélissaropoulos-Karakostas, 2002. "Merchants, Prostitutes and the 'New Poor': Forms of Contract and Social Status." In *Money, Labour and Land: Approaches to the Economies of Ancient Greece*, edited by Paul Cartledge, Edward Cohen and Lin Foxhall (London: Routledge, 2002) 130-139.
- 28 These come from Roman Egyptian contracts: John Goodrich, "Voluntary Debt Remission and the Parable of the Unjust Steward (Luke 16:1-13)" *Journal of Biblical Literature* no. 131 (3) 2012:554.
- 29 John Goodrich, "Voluntary Debt Remission and the Parable of the Unjust Steward (Luke 16:1-13)" *Journal of Biblical Literature* no. 131 (3) 2012: 554-63.