

BRONZE AGE REDUX

What The Ancients Have To Teach Us About Debt

Heterodox economist Michael Hudson's book, *Forgive Them Their Debts: Lending, Forfeiture and Redemption*, is based on scholarly breakthroughs in decoding ancient languages, and places a debt cancellation message inherited from Babylonian times at the center of Mosaic law and the Jewish Bible. And when it comes to Jesus, his message is revealed to be a social justice message. Casting Jesus as an activist advocating for debt cancellation. **He died not for the sins of the people but for their debts.**

"I originally called the book *Bronze Age Finance*, because I wanted to undertake a study of the origin of debt, and how societies dealt with debt that grew so large that it forced populations into debt bondage, and dependency...I wanted to study the background of Clean Slates, debt cancellations, and I found out that they begin in Sumer around 2500 BC. Every new ruler, when they would take the throne, would start his reign by canceling the debts. In Sumer, the word for that was *amargi*, in Babylonian the word during Hammurabi's dynasty was *andurarum*. Then, after translating many of these debt cancellations from Hammurabi's dynasty, and from neighboring near Eastern countries, I realized that this affected the interpretation of the Bible because the Jubilee year in the Bible, Hebrew *deror*, is a cognate to Babylonian *andurarum*, and the Jubilee year was word-for-word exactly the same debt cancellation and freeing of the bond servants and restoration of land that you had occur for 1,000 years in the Near East, and was still occurring in the first millennium BC."

"From the very beginning, after working on Wall Street, I realized something that should be mathematically obvious. The debts now today are too large to be paid without bankrupting society and polarizing it, in much the way that has occurred again and again in history. It occurred in Rome, it occurred earlier in Sparta. You have a constant historical movement here. So my focus primarily was to trace the history of debt cancellations.

What I realized is that when Luke 4 reports the first speech of Jesus, when he goes to the temple and gives his first sermon, he unrolls the Scroll of Isaiah, and says he has come to proclaim the Jubilee year The word he used, and that Isaiah used, the *deror*, was this Babylonian, Near Eastern long tradition that was common throughout the whole Near East. :

"Now most of the Biblical translations miss this point. They were translated in the 17th and 16th century, when people didn't know cuneiform, so they had no idea what these words meant and what the background of the Jubilee year was. And 50 years ago, there was almost a universal idea that the Jubilee year was something idealistic, utopian, and could never actually be applied in practice. But we know that in Babylonia, Sumer and Near Eastern regions, it was applied in practice. Not only do we have the royal proclamations, we have the lawsuits by debtors saying "This creditor didn't forgive me the debt," and the judgments for that. Each member of Hammurabi's dynasty after him ending up with this great grandson Ammi-Saduqa had more and more detailed *anderarum* acts, debt cancellations, to close all the loopholes that creditors tried to resort to."

"Jesus was referring to a very tangible fight. In his time, this was the fight throughout Greece, it was the fight throughout the whole ancient world – the fight to promote debt cancellation. The Dead Sea Scrolls show this. For instance, Melchizedek 12 is a huge midrash of all of the Biblical citations of the Jubilee year, tying them together. And we now understand that the Dead Sea Scrolls were not a sectarian Essene product, but they were basically the library of the Temple of Jerusalem, that was sent and put in these caves for safekeeping during the civil wars."

"So what Jesus was referring to was what was the class war between creditors and debtors that swept throughout the whole period, including Rome itself. This has not been clear to most people who think they're taking a literal version of the Bible. It's very funny that the people who call themselves fundamentalist Christians will have dioramas of dinosaurs and human beings all sharing the same landscape, literally. But what they ignore is, if you take the Bible literally, it's the fight in almost all of the early books of the Old Testament, the Jewish Bible, all about the fight over indebtedness and debt cancellation."

"The first textual sources are the Laws of Hammurabi, the debt cancellations of the Sumerians, Enmetena, Urukagina ... In my book I go epoch by epoch.

Sumerian, the neo-Sumerian, Ur III period, the intermediate period, the Babylonian period, right down to the Egyptian Rosetta Stone, which is a similar debt cancellation. There are hundreds of documented official debt cancellations in great detail. These were inscribed publicly on bricks in the temples, or on statues that were put in the temples, or buried in the temple foundations. The central act of a ruler coming to power in the Near East was a debt amnesty. Forgiveness of money or taxes or duties owed to the palace, and debts owed to the palace. And by extension, debts owed to royal collectors, and to creditors in general, most of whom had some relationship to the palace."

"Business debts were not forgiven. The debts that were forgiven were personal debts, agrarian debts, and the idea was to liberate the bond-servants so that they could be available to perform the *corvée* (labor forced labor exacted in lieu of taxes), which was the main kind of taxation in the Bronze Age, and serve in the army. If you were a debtor and you were a bond-servant to a creditor, you wouldn't be available for *corvée* labor. You would be working for the creditor, you wouldn't be available for the army. And you have this very clearly in Sparta in Greece, for instance, by the third century BC. The ranks of the army were depleted because the citizenry had lost its land tenure, and that's what led kings Aegias and Cleomenes and Nabis to push for a debt cancellation to restore land ownership."

"What we find is something that occurs not only in the Biblical lands, but in Greece, Rome, Egypt, the rest of the Near East. It was universal at that time, and there's been almost no economic history of this. Either in the Bronze Age, or in Classical Antiquity. When I began to write this book in the 1980s there was no idea that these debt cancellations were actually enforced. The idea seemed radical at the time. But now, after the five volumes that my group has published through Harvard, now these ideas are generally accepted by Assyriologists and archeologists. But they haven't spread to the public at large yet, because of cognitive dissonance. People can't believe that the debts actually were canceled. But this is what revolutions were all about in Greece and Rome for hundreds of years."

"Bronze Age rulers in Sumer and Babylonia never explained the reason or logic behind their acts. Later, Egyptians in the first century BC explained to Roman historians what the logic was. But the early Egyptian Pharaohs – nobody would explain. All we have are the records, "Here is the ruling." There was no abstract economic logic as such, there was no discussion of abstract principles. That only occurred in the first millennium BC, and it's in the first millennium that Egyptians explained it to the Roman historians – that if you didn't cancel the debts, you wouldn't have anyone to fight in the army or perform the *corvée* labor that Egypt and other countries depended on to build their basic infrastructure...Their economy was what seemed natural to them, and it never occurred to them to develop economics and an individualistic explanation of things. It simply seemed this is how a fair world works."

"The palatial economies of Sumer, Babylonia, other Near Eastern regions, Egypt, were complex, by no means primitive. We're not talking about tribal societies basically, or anthropological type societies, we're talking about complex urban cultures, and really the origins of Western civilization are to be found not in Greece and Rome, or even in Judah and Israel, but in Sumer and Babylonia, where almost all of the techniques of economic enterprise, the charging of interest, weights and measures, monetary coinage begin."

"Rulers canceled the debts. And it was very easy for them to do that without opposition, because in the beginning most of the debts that were owed to the palace itself – both in fees for services the palace provided, or the temple provided (the temple was part of the palace economy), or for land rent by sharecroppers, or for the provision of water and agricultural services to the land. So most of the debts were owed to the rulers themselves, or to their palace (tax) collectors who gradually became independent creditors by the wealth they made. So they were essentially debts owed to wealthy people who could afford not to collect it."

"The debts that were canceled were personal, agrarian debts. They were called barley debts. Silver debts, among merchants, were not canceled. Business debts were not canceled. Only debts by subsistence farmers were canceled so that they would not be subjected to bondage to

the creditors, and so they would not forfeit their lands to monopolists who wanted to acquire the land and would essentially disenfranchise the population."

"The Romans were the first society *not* to cancel the debts, and there was civil war over that. A century of civil war from 133 BC, when the Gracchi Brothers were killed for supporting the indebted population, to 29 BC when Augustus was crowned. There was a civil war where the advocates of debt cancellation were put to death. Just as Cleomenes in Sparta, in the late third century, was put to death, and Agis, his predecessor earlier in the third century BC, were put to death for advocating debt cancellation. So there was three centuries of constant civil war over this, and ultimately the creditors won, largely by political assassination of the advocates of debt cancellation, who almost all came from the upper class. They were upper class reformers, they were not lower-class particularly. They were the scholars, just as Jesus was a rabbi."

"Most debts did not occur from lending money. It's easier today to figure if you have a debt, you must have borrowed it. But three quarters of the debts in Babylonia, for instance – where we have records because they were on clay, cuneiform records that were baked and have survived – most debts were simply unpaid bills. The debts were unpaid taxes, unpaid debts, unpaid rent, and unpaid obligation for services that had been supplied. There was no initial lending of money, necessarily. Maybe one quarter of the circumstances were that."

"So the people who say lenders wouldn't have lent miss the point that it's like if somebody at the end of the spring doesn't have enough money to pay the income tax that's due. Nobody's lent them this money, but the tax is due. So it's an obligation that mounted up in the normal course of life, but they've fallen into arrears on it. It's a payment arrears, not the result of a loan, except in some cases...They described the Pharisees as having greed and representing what they called the greedy class. And of course the main opponent of Jesus was Hillel. And it was Hillel that devised the *Prosbul*, which was an addendum to a debt note whereby the borrower would promise *not* to avail himself of his rights under the Jubilee year. So essentially the debtor would waive the rights under the Jubilee year, so that the creditor could collect even if the Jubilee year were done. And Jesus quite correctly said, "Look, every single book of the Bible from Kings onwards to Isaiah and the books of the prophet, this is the center of Mosaic law."

"The major debt cancellation of the modern era was in 1947 and '48: the German monetary reform, called the German economic miracle. The Allies canceled all German debts, except for debts owed by employers to their employees for the previous month, and except for minimum bank balances. It was easy for the Allies to cancel the debts, because in Germany most of the debts were owed to people who had been Nazis, and you were canceling the debts owed to the Nazis, who were the creditors at that time. Freeing Germany from debt was the root of its economic miracle. So that is the prime example of a debt cancellation in modern times that worked."

"The issue of debt cannot be segregated from the overall organization of society. For the last 5,000 years you've had a fight by people who want to be wealthy, breaking free of taxes, breaking free of regulations, and privatizing. They want to privatize what normally would be the public sector. And just as in antiquity, today's neoliberals use violence. They call themselves free marketers, but they realize that you cannot have neoliberalism unless you're willing to murder and assassinate everyone who promotes an alternative...Nobody in the 19th century imagined that industrial capitalism would evolve along these self-destructive lines. They all believed that the most technologically efficient system would win out in a kind of Darwinian or Spencerian struggle of the fittest. But instead, you've had a covert, parasitic financial counter-revolution. The *rentier* class – land rent, monopoly rent, and high finance – have fought back and created a fallacious vocabulary whose objective is to deceive the population into thinking that giving more money to the wealthy 1% will trickle down to the 99%, instead of seeing this 1% income as extractive, not productive."

"Politics is basically economics. The alternative to government and the nation-state is Wall Street and the financial interest in the City of England and Frankfurt. The question is, who do you want to run the economy? The 1% and the financial sector, or the 99% through politics?"

The fight has to be in the political sphere, because there's no other sphere that the financial interests cannot crush you on."

- MICHAEL HUDSON
from an Interview by Harold Crooks
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