

Debt Forgiveness, B.C.

By GENE ROTBERG

The Brady Plan for alleviating international debt crisis is highly reminiscent of the response of the great and subtle Athenian lawgiver, Solon, who was born about 635 B.C. to a similar problem in his own day. The "Athenian Constitution," a work attributed to Aristotle, but more likely written by one of his pupils, describes it this way:

"... and he [Solon] made a cancellation of debts, both private and public, which the Athenians call the Shaking off of Burdens, since by means of it they shook off the weight lying on them."

Plutarch, writing 600 years after Solon's death, reminds us that political rhetoric has changed little over the millennia:

"... the Athenians were in the habit of disguising the unpleasant aspects of things by giving them endearing and charitable names and finding polite equivalents for them. Thus, they refer to whores as mistresses, taxes as contributions, garrisons of cities as guards and the common jail as the residence. Solon, it appears, became a pioneer of this device, when he referred to his canceling of all debts as a discharge. The first measure which he put into force

decreed that debts were wiped out . . ."

Even the "menu" approach, including a devaluation of the value of money, apparently has its antecedents in ancient Greece. Again, Plutarch chronicles it:

"Some writers, however, Androtion among them, maintain that Solon relieved the poor, not by wiping out their debts, but by reducing the interest on them, [and by] . . . the rise in the value of money which took place at the same time. . . ."

"[Solon] fixed the value of the mina at 100 drachmas, whereas it had previously consisted of seventy-three. In this way, although the actual amount of payment remained the same, its value was less, so that the debtors received a substantial benefit without their creditors being any the worse off." (Oh?)

This business of debt forgiveness was not an incidental matter in Solon's life. Indeed, Plutarch tells us that "this problem is said to have involved [Solon] in the greatest trouble of his life . . ." It seems that Solon, having initiated such a far reaching proposal, was expected to set the guidelines for the resulting redistribution of now unencumbered wealth—a sort of na-

tionwide debt for equity swap program. He wrote a poem instead:

*They came for plunder, full of rich hopes,
Each of them expecting to find great prosperity,
And expecting me to reveal an iron will behind my velvet speech.
Their talk then was vain; but now they are angry with me,
And all look askance at me as if I were their enemy.
It should not be. What I said, I have done with the help of the gods:
I did nothing in vain, nor was it my pleasure
To act through the violence of tyranny, or that the bad
Should have equal shares with the good in our country's rich land.*

But rather than go off to a Greek island (he already lived on one), he went off to Egypt for ten years, "to see the sights," since it turned out that neither debtors nor creditors were happy with him.

Solon even had to cope with the problem of inside information, for, unfortunately, he had confided his debt forgiveness plan to some intimate friends. Plutarch tells us:

"They promptly took advantage of this confidence and anticipated the [debt forgiveness] decree by borrowing large sums from the rich and buying up big estates. Then, when the decree was published, they went on enjoying the use of their property but refused to pay their creditors. This affair gave rise to the most damning accusations against Solon and brought him into great discredit, for people could hardly believe that he was the victim of such a trick and concluded that he must have been a party to it."

Most ancient commentators say it was a bad rap, but,

"His friends, on the other hand, were for ever after known as chreocopidae, or swindlers."

Aesop, the author of the fables, tells us that Solon always demanded that kings be told not what they wanted to hear but what they should know. It is in that context that I write the following lines on forgiveness and lending:

*These are mirrors of one another,
Choose the first or the latter,
One or the other, it doesn't matter.
But if you reach to do the two,
Alas, bid prudence a fond adieu.*

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