

# Using the wisdom of Solon and Leviticus

## Real Money

By Rob Rikoon | For The New Mexican

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This February, let's imagine a different way to celebrate Valentine's Day by solving our nation's debt problems. President Barack Obama has again proposed a modest restructuring of mortgage debt for a narrow class of people, another tweaking of a broken system. The politics of election year posturing makes progress unlikely on this and most other fronts. Unless faced with imminent crisis, we seem unable to accomplish much in the way of change.

There is a radical but not historically untested way of solving several troublesome issues in one stroke. In the early sixth century B.C., the Greek leader Solon pulled Athens from the brink of economic collapse by forgiving the debts of everyone who had mortgaged their land and who subsequently had to sell themselves and their offspring into slavery.

As a result of wiping the financial slate clean, the middle class got a fresh start, trade imbalances were righted, expatriated jobs came home, disenfranchised young people were trained for new industries, and a new order was established. The losses former lenders incurred were offset partially by an increase in their political power in society. This broke a logjam of decision-making paralysis much like our own and akin to our own Federal Reserve Bank's flooding the world with money, Solon depreciated the debts of the wealthy by debasing the currency.

As a moderate, Solon refused to follow the wishes of the poor for redistribution of wealth in the form of land. He established a meritocracy that ignored the privileges of the nobly born aristocrats in favor of an annual census of assets and income on which representation in various decision-making bodies was based. The repudiation of debts was carried far enough to allow native citizens to resume productive work but not so far as to do away with contract law. In fact, after Solon, the Athenians incorporated a pledge of fidelity to the rule of fiscal responsibilities in the same oath that they swore to defend their democracy.

The system changed because under the old way, the power class had lost its ability to enforce contracts. This is exactly where our economy finds itself today in respect to many of its public obligations: health care, retirement, environmental preservation and employment training, to name but a few.

The size of our budget shortfalls and crushing projections of the not-too-distant future cannot possibly be taken care of by another technology-led stock market boom or Reagan-era like period of deregulation. Europe's structural high unemployment will not go away ever under the current system.

Corporations can fuel their growth in any number of ways, but they are not looking out for the good of the commons. Governments and the banking industries they support are unable to generate

economic growth, which comes from and by the people.

In the Old Testament, Leviticus 25 states generally that every 50 years the land (and most forms of physical wealth) should be returned to the original owners and all debts forgiven. Both sale and lease prices were based on that fact.

The Bible's authors were, like Solon, not immune to class distinctions, as the Levites were singled out to have their town homes returned to them while others were not. Allowing people a chance to start fresh with a clean slate may be the best way to jump-start a real New Economy.

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