

FOREWORD

We live in a world-historic epoch. The millennium is not merely a symbolic date of apocalyptic significance for Things Last, but a real watershed in the course of human development. Events are being crowded in at an unprecedented pace, and time itself has become markedly dense.

The sense of a new era is here, just as it was present in the golden ages of ancient Greece and Rome, eloquently voiced by Aeschylus, Protagoras, Anaxagoras for the great hour of Athens, and by Virgil at the inauguration of the Roman world order. It is, however, more difficult to discern the essential character of post-modern life without the benefit of hindsight.

During this most recent phase of world markets, and indeed world, liberalisation, widespread deregulation of human activity has been seen to maximise human creativity, in what is increasingly recognised as a *natural* evolution of things and the restitution of a more natural order. A variety of internal and external barriers in societies are removed to the benefit of the individual. This means dominance of *markets*, in a more encompassing cultural sense, as consisting of systems of relationships established spontaneously by the action of free and rational individuals pursuing their individual aims of optimal self-realisation and maximal satisfaction. A free system is a system equilibrated in its natural state of self-adjustment, and this is, furthermore, a most efficient system.

Freedom thrives on knowledge, just as knowledge does on freedom. What is upon us is the age of *knowledge*, not merely as accumulation of diverse information, but as such a penetration into the secret of things, that carries with itself the principle of their effective use.

The forces of natural adaptation, freedom, and knowledge are emerging as the key ingredients of today societies, on an earth unified as a common terrain for human interplay. Competition is thriving on a global scale. While *globalisation* does not yet appear to predicate the substance of the evolution toward a new cultural universe, it does however fix the fact and terms of its happening.

Ancient Greeks called wisdom (*σοφία*) and philosophy (*φιλοσοφία*) the intellectual faculty and conceptual apparatus developed in order to understand the complexity of reality and to appropriately respond to it. In this regard, we feel very fortunate to have met Mr. Apostolos L. Pierris, a distinguished philosopher, with whom we had numerous discussions on these topics. As attributed by Nietzsche, Stendhal said that

“to be a good philosopher, one must be dry, clear, without illusion”,

continuing that a successful banker,

“has one character trait that is necessary for making discoveries in philosophy, that is to say of seeing clearly into what is”.

It was not long after our first discussions, that on behalf of *Bank of America*, we commissioned Mr. Pierris to do this study.

Mr. Pierris had already produced impressive work interpreting ancient Greek philosophy in an innovative way. By analysing the classical Greek economy in theory and practice, as embedded in the ancient world of thought and action, he draws the representation of a system uncompromisingly competitive, one of stark individualism and of an unparalleled economic freedom. He argues that classical Greece provides the best example of a natural system with virtually no constraints in its freedom of movement, vibrant, existing in a dynamically stable state of general equilibrium, and functioning under the hold of an agonistical ideal of life.

In this volume, the study is conducted on a theoretical level, and it amounts to no less than a full scale analysis of the ancient Greek philosophical foundations of Economics. A number of major and original philosophical insights emerged from this detailed study, the scope of which can perhaps be gauged from even a simple scanning of the titles of this volume's Chapters and Appendices. He expects to complete his work in a sequential in-depth and quantitative study of the financial realities in the most developed classical market economy, the Athenian economy.

It is a characteristic feature of Mr. Pierris' work that, while providing an articulate reading of ancient economic thought *from within*, its relevance to present-day global realities is astounding. That is especially striking in relation to the leading force on the contemporary universal economic scene, the American economy, its principles and values.

On behalf of Bank of America

Haris A. Makkas

Costas Vouvounis

Werner Schubert



τὸ εὖ παρὰ μικρὸν διὰ πολλῶν ἀριθμῶν γίνεται
[«perfection is achieved by details through many numbers»]
Polycleitus, 40B2 DK

PREFACE

The idea out of which this work proceeded was to investigate the economic organization and performance of ancient Greek society in its proper cultural context. How, in particular, and under what general conditions, was such a surplus accumulated that could form the enormous pool of energy required for an intellectual and artistic production of paradigmatically classical stature. More important, how were the economic workings of man correlated to his spiritual achievements. Or, rather, how the various parameters of human nature, and corresponding perspectives in analysing the fundamentally unitary human activity, were integrated into the classical experience and reality of the *noble dynamism of excellence*. What the principles, values and structures of economic action were and how well did they reflect the motivation-, valuation- and action-patterns of human existence at its classical peak of fitness. Finally, and crucially, how universal is really the classical, how, specifically, relevant it is at the fertile dawn of the new *millennium*.

The question was of an inquiry concerning the economy of classical culture as well as the culture of classical economic activity. The call was for a fresh, basic, thorough and comprehensive research in this field. The first results of such an investigation are presented in the volume at hand.

Bank of America showed an immediate interest in the work proposed, and became the sole sponsor for the research involved and for its present publication. It is more than a mere pleasure, to register my appreciation and thankfulness for its varied and unfailing support, once the project has been formed and the study commissioned. Not least, I am grateful for its forbearance at my freedom with time. My

plea in this has been the Platonic one of following the time of the object itself, of its inner logic of development. However, as all matters temporal are judged ultimately by their fruits, I trust that it all resulted in a better product. Friendliest thanks are personally due to Mr. Haris Makkas, Deputy Manager of the Bank in Athens, who was the driving force for the realisation of the project. His contribution to it transcends his bracing it with flattering confidence. Intense discussions with him improved my grasp of fundamental financial issues in decisive ways. Any shortcomings in this respect must, of course, be squarely laid on my philosophical incomprehension of the *arcana trapezitarum*.

Individual friends have assisted me severally in different ways. I thank each one and all of them for their support. They will allow me to mention, also as their representative, Mr. Peter Doukas, an economist of triple vocation, theoretical, practical and political, whose fertile friendship made me turn, in the first place, to the application of philosophy into historical and foundational Economics, and has constantly strengthened me in the pursuance of my work.

The process of embodying a book into physical volume has its own perils. Mr. George Panopoulos, of the Achaean Press, has always guided me to navigate safely in these unknown waters. Mr. Antonios Papantonopoulos' design and typesetting is eloquent testimony to his sensitivity in correlating ideal character and sensible form. For the aesthetic quality of the jacket design I am indebted to Mrs. Maria Manolopoulou. My thanks also go to printer and binder for their expert work.

Nothing could be done without someone who, to begin with, would shape my writings into usable text, from manuscripts of regularly abominable difficulty. I was fortunate to have found, long ago, in the person of Mrs. Alexandra Bertsouklis the perfect "scribe" in full up-to-date word-processing armature. Her perceptivity, quickness and professionalism are exemplary in every respect.

My brother helps me through his artistic achievements.

To my mother I owe more than words can express.

Di Manes Patris Estote Boni.

Patras, on the eve of the new Era.

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INTRODUCTION

ἀλήθεια δὴ πάντων μὲν ἀγαθῶν θεοῖς ἡγείται, πάντων δὲ ἀνθρώποις

[“Truth is indeed the beginning of all good things to gods, of all good things to men”]

Plato, *Laws*, 730c1-2

Human presence in history is marked in a lasting way, above everything else, by the degree (the amount and kind) of knowledge, and the explicitness of its awareness, attained at any particular period of time and tract of place. Man's world in each case is determined by his apprehension of truth, by the extent and depth of reality's revelation in him. As much truth is realised in human existence, so much significance does human creation possess. In such definitive truth-realisation there are parameters of penetration, systematicalness and clarity involved: it is crucially important how far the knowledge of reality reaches, how articulate and how luminous it is. But taking all dimensions into account, it is the essentially distinctive character of man to be capable of enlarging upon his grasp of reality. *Man is accordingly defined by (the degree of) the intelligibility of being manifested to him*; or, in modern parlance (with its misleading subjectivistic turn), by the extent that he has rendered being intelligible. Reality comprehended in one way or another provides the substantive content of human existence. The ways of disclosure vary: mythological, artistic, scientific, symbolic. But in general, *Man is what he knows, what he dis-covers*. This is the significant meaning of the trite dictum that man is a rational animal.

Human history is punctuated, especially in a long-term perspective, by major leaps in man's cognitive acquirements. The so-called Neolithic Revolution presents no doubt such an one - the first one, at the most fundamental level of analysis. Instruments began to

take shape appropriate for the work to be executed by them: which constituted an immensely consequential, primordial grasp of finality *in concreto*, of the fitting adaptation of form with function, of means to ends. Man started to cultivate land and animal stock: he learnt to act systematically and patiently now, and over a lengthy period of time, with a view to some future result. In order for that, he had to *unconceal*, up to an appropriate point, the secrets of nature. Sacred traditions associated the Eleusinian Mysteries with the institution of agriculture as the greatest original civilizing forces in human life [1]. In both, the truth of reality was held to be revealed, partly and in a way, so far as they went. Political society started to be organized more thoroughly with the formation of sedentary, structured cohabitation in the primeval villages. *Surplus* could now be created, over and above the immediate wants of human sustenance.

As pregnant with mighty consequences, and the second cultural revolution of the highest macrohistoric order, was the *classical discovery of Reason*. Here the Way of Truth was felt to have been found that leads out of the Labyrinth of Existence, that guides through the complexity of reality to its inner *logic* (order and lawfulness). Thinking could now move in phase with, and *within*, being, following its constitutive articulations. This manner and method of thinking replicating the measured rhythm of reality gives the ancient idea of reason: the Master-Key of Existence, the Universal Opener. *The Way of Truth is the very Reason of Things*. By being able to penetrate into the secret of being, one can *understand* the facts of reality, *predict* the course of events, respond appropriately to the situations of things and, thus, *act successfully* in the only systematically efficient way. The entire human life was thereby “*cognitivised*” to an unequalled degree in the history of human kind. It was all a question of knowledge, theoretical (*ἐπιστήμη*) and applied (*τέχνη*), of wisdom, expertise, skill and craft - whether in the making of things beautiful or useful, in right action towards men and correct speculation concerning gods alike, in matters material and spiritual. Not only disciplines and occupations were all turned into sciences (*ἐπιστήμαι*) and arts (*τέχναι*), but morality itself and

aesthetics were reduced into cognitive foundations. Virtue was an excellence which consisted in knowledge securing right response within a given kind of situation; and similarly the creation and appreciation of beauty depended on the knowledge of balances and harmonies apparent or hidden in the nature of things. There was an art of healing and an art of persuasion, an art of wrestling and an art of disputation, an art of cookery and an art of money-making. Fortune itself could be construed (we learn from the Platonic Socrates) as the pendant of wisdom: the man of integrated knowledge would turn every juncture and vicissitude toward or untoward to his advantage. Pragmatic knowledge, that is theoretical knowledge of reality involving the principle of its effective application (*ἐντεχνος σοφία*), knowledge-that empowered with knowledge-how and knowledge-how illuminated by knowledge-that — this was the standard upheld, particularly self-consciously, in the heyday of ancient Greece. “Technology”, in effect, ruled. And “technocracy” worked, as the extant marvels from that age amply testify. One can thus place in context the *elation* obvious in the ancient man at his achievements, as culture reached the classical prime of its development: he *knew* how to do everything, and to do it *well*. One can also sympathise with the exhilaration felt at the rediscovery of sorts in Renaissance of classical antiquity, or at its selective and rather hollow reaffirmation at the age of Enlightenment.

Compared to the Neolithic and Classical Revolutions, the Metallic and Industrial periods are highly important but second order phases within, correspondingly, the epochs defined by the former and major events. The forging of metals expanded on the principle of implement-making introduced by the neolithic man, and similarly, mechanical mass-production was made possible by a renewed emphasis on the *pragmatic nature of knowledge* and, also, by a more thorough employment of the principle of the *rational organization of human life* - both constitutive factors of Classicality. Yet, in the latter case, the requisited rationalization resulted in an unsupportable degree of unnatural simplification and homogeneization, which may well explain in the final analysis the collapse of the European order.

Already, the shifting emphasis from goods to services (from things delivered to jobs done) and, thus, from industrial capital to higher level intellectual capital, signals a coming general restructuring of human activity and patterns of life along more natural and individualistic lines, closer to the classical experience. *The dominance of individual, pragmatic, cognitive excellence, is the verdict of history at the present turn of millennia, not the dictatorship of the proletariat, nor the ascendancy of an overarching social holism (collectivism) expressed by State protectionist interference in human activity*. It is curious that the metallic era, also, led to a universal upheaval and subsequent fall of the System of Power Equilibrium at the end of the second millennium B.C., before being succeeded by the fermentation that generated the Revolution of Reason.

Expertise is necessarily gradated as human acquirement. The radical cognitivism of the ancient Greek mind-set was naturally accompanied by unadulterated individualism and fierce competitiveness [2]. The fundamental dynamics of the entire life-experience was encapsulated in the Homeric pronouncement [3]:

αἰὲν ἀριστεύειν καὶ ὑπέροχον ἕμμεναι ἄλλων

[“be always the best and distinguished above others”].

Such categorial imperative of a proud *agonistical ideal of life* permeated the whole cultural universe, and even found, especially in the golden age of High Classicism, extreme, provocative, sometimes harsh, formulations. Far from fearing the dissolution of cosmic and societal order and the return to a state of wilderness as a result of the virtually unbridled operation of the principle of antagonism, the classical man glorified perfect competition as of the essence of justice. Dynamic, harmonious order in a whole consists in the objective balance of extreme self-affirmation on the part of its constituents.

It would have been an inexplicable anomaly, indeed a downright impossibility, if the same spirit were alien to man’s *economic* workings at the same time and place. And yet, this is at bottom what is at stake in the scholarly war waged from the end of the nineteenth century onwards concerning the nature of ancient Greek economy. The *Bucher-Meier Controversy*, as it has been known from the names of

the initial protagonists in the debate, having developed as a full-blown strife between, correspondingly, “*primitivists*” and “*modernists*”, has consumed, unproductively in the main, considerable amounts of energy [4]. Its origination and perseverance are due to the influence during the last two hundred years of the *historical school of thought*. The ideological preconceptions of Hegelian Historicism, its Marxian offspring and all intermediary variants, required that ancient Greek economy should be totally different from modern capitalism: a “house-economy” (production for self-consumption within the family unit), long before superseded, if ever actually operative on a large scale, was unashamedly invoked to characterise even the intensely vibrant economic activity that went on in the integrated broader Aegean area under Athenian imperium. This is a veritable *reductio ad absurdum*, if any. In this work, the resolution of that faked war of gestures is an automatic by-product of the positive analysis offered of Ancient Greek Economy.

To excel in a highly competitive environment, as commonly accepted supreme value in individual endeavour, presupposes a framework free from interference, and this characterises a *natural* system. Natural is a self-regulated system. *A self-regulated system of human interaction is a market*, in an extended and cultural sense. In a market there is ideally no constraint imposed on the freedom of movement inherent in the system: actions are counterbalanced spontaneously, and structural patterns emerge as constants freely observed in the interplay of the constituent forces. Such an idea of a natural system in unintervented, unimpeded *self-adjustment answers* exactly to a defining moment of ancient Greek cosmic- and life-experience [5]: things are inherently equipoised in *stable* equilibrium by the fact that a deviation in one direction generates a tension to the opposite direction in proportion to the degree of the initial destabilization, and is, thus, self-corrective. *The dynamism of being is intrinsically stable, if left to itself* [6]. Justice is expressed precisely by this cosmic law of spontaneous self-regulation [7]. On the human level, justice precisely consists in each individual pursuing its natural objective of optimal self-realisation, of maximal excellence according

to his own particular nature [8]; the societal integral is then automatically taken care of, and stably secured, through the self-adjustments caused by the diverse individual endeavours without the need of collective solicitude [9].

Just as the (Heracleitean) opposites far from disrupting, let alone destroying, the cosmic order, constitute, on the contrary, by their counterbalancing interaction the harmony of the world; and just as the “egoism” of every entity conscious or unconscious, pursuing the *logic of its own nature to the uttermost*, instead of dissolving, it strengthens the bond of cohesion in the common system to which it belongs; similarly individualism in human existence is not incompatible with the requirements of a rigorous essentialism characteristic of classical mentality, but rather represents its projection on the level of concrete reality. Certain, limited and definite, groups of characters are stable over time and, thus, provide the nuclei around which concrete existence with persisting identity can be realised. Such character-constellations are essences, essential forms of being. Their unity on the abstract level corresponds to, and grounds, the individuality of the particular entity characterised intrinsically by them. Reality is *atomocentric*, organised through focal points (so to speak) of intelligibility (kinds) as well as of concrete existence (individuals). Atomism and Essentialism are not mutually repugnant, but, on the contrary, together form the framework for a coherent account of the world. Indeed, they are the same thing considered on two levels of abstraction. Much of the Platonic and Aristotelian metaphysics rests on, and cannot be properly appreciated without, this fundamental insight.

Furthermore and correspondingly, this essentialism makes possible for the ancient Greek mind (scientific) knowledge proper, as against merely empirical opinion. That there are essential determinations of things and no mere kaleidoscopic concatenations of phenomena accounts for the stability of the general forms of connectedness in reality, and of their various kinds. *Such stable patterns represent real-ideal norms of being, which, thus, are not simply accidental averages*, nor, on the opposite extreme, utopian objectivizations of artificial

“reality-building”. Herein lies the secret of classical art, with its inimitable combination of idealism and real-life actualism; or of classical thought so abstract and so pragmatic simultaneously. Normative determinations in art or science, morality or economy, physics or ontology, present things not merely as they *should*, and *could*, be - but indeed as they *really* are, in their essential core, beyond their accidental and transient variations. The drive of the individual towards his optimal self-realization and maximal satisfaction can thus be better understood as an aspiration to its ideal, but very really potent, type, general, specific or particular as the case may be. *The science of human action* is thus rendered possible. And the individual enhances its potential by being able to focus his energy according to the objective standards that he thus is able to elicit from his own nature and the nature of reality at large. In this coimplication of robust individualism with firm essentialism - away from the pitfalls of both *modern subjectivism* and (its necessary adjunct) *conventionalism* (i.e. the indispensability of *artificial* order in a system bereft of its *natural* constants) - one can discover the key for the solution of intricate tangles in theoretical, and foundational, Economics [10].

Essentialism carries with it, also, significant methodological implications, or, rather, renders articulately explicit intrinsic presuppositions in every historical inquiry that are often left unvoiced and unavowed, especially under the thrall of Historicism and its regular concomitant, the naive ideal of linear progress [11]. The historical and theoretical aspects of a subject pertaining to human existence cannot be separated. The revelation of being occurs in time, just as its existence. And conversely, the meaning of historical events and processes can only be grasped within the framework of the truth of being. In particular, to accurately interpret a voice from the past, any view held, or theory formulated, at some time and place, by human mind regarding reality and the nature of things, one has to construe it so that it makes sense *both* relative to the cultural universe of the age *and* space to which it belonged and as an absolute, however partial, account of reality. As a cultural universe cannot, furthermore,

be understood but by the interpretation of its organising principle as a principle of being, that is, cannot be effectively comprehended save in connection with a theory of reality (a system of truth) taken, even for the sake of argument, as absolute in its fundamental structure, historical analysis is fundamentally inscribed in the nexus of the general investigation of the nature and structure of things. The explanation of the past is intimately bound up with the *systematic treatment* of relevant issues. The essential focus of things provides the prerequisite anchorage for proper historical exegesis, as it does for any theoretical analysis and consequent scientific prediction. It can further be of great help in dispelling intercultural difficulties created by the difference of technical “jargon” in different epochs, and, generally, in discovering what is of significance in formulational diversifications over human time and space.

An essentialist methodology means moreover, that in the scientific study of reality, including history, one can *rationally* extrapolate beyond available *data* and, thus, integrate over missing parts of the puzzle. For in scientific inquiry we have not only to face the intermixture of the pieces that go aggregately to make a meaningful picture out of the labyrinth of reality, but also to confront their quantitatively enormous incompleteness (unavailability to us). Lack of sufficient *factual* information can be, however, substituted by the adequate knowledge of essential determinations of the field in question: the puzzle of reality can be, thus, reconstituted from fewer parts to the extent that the basic patterns of being have been conceived. To the degree that this has failed to obtain, extrapolation is a leap into the dreaded non-being [12].

In the following essay I have in some cases extrapolated from actual testimonies appropriately interpreted to enlarged views and more general theories - as well as, conversely, “intrapolated” from well-attested higher-order explanations to more specific and particular accounts of missing details. The conditions to be observed in all such endeavours (or “intellectual experiments”) flow, these, too, from the essential nature of the case. *First*, the extrapolation (and, correspondingly, the “intrapolation”) must enhance the understanding

of the already securely established points. *Second*, it should encompass, and shed light on, the greatest possible multiplicity of points particular and general (i.e. parts and structures of the system under investigation), especially points not immediately or obviously related to the original and certain ones. *Third*, the constituted theoretical scheme has to be in tune with the thought and spirit of the author and the period to which it belongs. *Fourth*, it must also cohere with (what is taken to be) an adequate theory of reality (i.e. with the putative Truth) in the objective field under investigation. And, *fifth*, it should register an improved and richer insight into the character of the age of the interpreted texts, crucially in respect to the then obtaining manifestation of the truth of being relative to the absolute disclosure as represented by the interpreter's thought. The validity in general of any propounded *integral* account depends on the sufficient fulfilment of these conditions. Projections then can emerge sustaining in-depth knowledge of the registered points, and integrals of knowledge articulated as science and wisdom. Extrapolations (and intrapolations) may be made diachronically as well as synchronically, historically as well as theoretically. Thus, essentialism in history (as against historicism in theoretical disciplines) safeguards the mutual and systematic relevance of truth manifest and man's actual state at *different epochs*. One may, then, be able in cases to confirm by a historical "experiment" a theoretic construct required for the coherence and completeness of a system of truth [13].

In the following pages the argument for the philosophical foundation of economics is unfolded so far as the *theoretical* aspect of the matter goes. The theories, however, have been rounded up and integrated also with a view to adequately explain classical economic, esp. monetary and financial, *realities*. As these will be treated exhaustively in the subsequent volumes of this work, the completion of the integral advanced here will have to wait for their appearance. For the facts of the actual working of the economy and the coetaneous views conceived of that working are complementary, and mutually enlightening, phenomena. This much however will, I trust, be already evident, the striking similarity between classical conceptions and facts

on the one hand and the leading tendencies in the field at the present turn of *millennia*.

For man experiences now the intense feeling of a new beginning in world-history, of a veritable *renovatio mundi*. We sense the thrill at the virgin Birth of the Child [13a]. The concurrence is favourable. There is a Hegemonial Power with the most dynamic value-system since Athens at the age of High Classicism. If only the United States of America would consistently combine Roman determination with Athenian energy. After two thousand years of transcendental ideology we may macrohistorically be at the threshold of an era of new *thiswordliness*, of liberation from artificial constraints, of heightened awareness and joy at man's cosmic existence, an era with highest valuation at optimal self-realisation (well-being) and maximal achievement (success), at the primacy and functionality of knowledge, at the *pragmatism of the idea*. The day may be dawning of a more unified humanity, with values and actions closer together, with the reemergence of excellence as absolute priority and the centralization of the *καλὸς κἀγαθός* as normative operating type of a regenerated society.

There is no room for surprise at this remarkable utility (i.e. value) of the classical thought for the needs of our new age: *the ancient Greek cultural achievement possesses the stamp of eternal youthfulness [14]; it was old when new, and it is always new when old [15]*. This is the power of the *newborn Aion of old [16]*.

NOTES

- [1] V. Isocrates, *Panegyricus*, 28.
- [2] V. characteristically, Hesiod, *Works and Days*, 11-26, esp. 23-26.
- [3] Homer, *Ilias*, Z 208; 283. The frequency of explicit characterizations regarding the excellence of endowments or performance, standing or momentary, in the Homeric corpus, is impressive. Cf. for a list of expressions signifying superlative degree alone (ἄριστος etc. best, most excellent), e.g., G.L. Prendergast, *A Complete Concordance to the Iliad of Homer*, 1875, pp. 56b-57d. On the subject see further (in Greek) *A.A. Πιερρῆς, Περὶ Τέλους* 1996, pp. 4-7.
- [4] For a collection of the original texts and exchanges between the economist Karl Bucher (“primitivism”) on the one hand and the ancient historians Eduard Meyer and Julius Beloch (“modernism”) on the other, v. Moses I. Finley (ed.), *The Bucher-Meyer Controversy*, 1979. For a survey of the ensuing litterature on the subject, cf. Fr. Oertel, *Anhang*, in R. von Pohlmann, *Geschichte der Sozialen Frage und des Sozialismus in der Antiken Welt*, 1984 (re-editing), vol. II, pp. 511-549. The contemporary dogma of a supposedly undeveloped, “unmodern” ancient Greek economy has been shaped chiefly by the prolific writer M.I. Finley. Cf., *in primis*, his *The Ancient Economy*, 1985 ; and the representative collection of his articles in Br.D. Shaw and R.P. Saller (eds.), *Economy and Society in Ancient Greece*, 1981. My criticism of his, and akin, positions will appear in the context of the detailed analysis of the highly

developed and complexly structured classical Athenian economy in volume III. V. meanwhile, *infra*, Chapter 1, n. [3]; Chapter 5, n. [5]; Chapter 6, n. [27]. V. also on various aspects of this subject Chapter 4, nn. [1]; [15]; [25]; [30]; [45]; [45a]; [49].

The merits and demerits of the respective positions in this unlikely drama of a novel, putative Gigantomachy can be seen by comparing and contrasting two works, issued almost simultaneously on the two sides of the Atlantic, and treating of the financial sector of classical Athenian economy. E.E. Cohen's *Athenian Economy and Society: A Banking Perspective*, Princeton, 1992, is a lucid and solid account, where difference of opinion and even error in particular points does not require the overthrow of the general framework of representation and explanation; while P. Millet's *Lending and Borrowing in Ancient Athens*, Cambridge, 1991, presents a worthy example of the obfuscatory treatment of the relevant texts and facts in the peculiarly redressed primitivist quasi-tradition, that persists chiefly for ideological reasons.

- [5] Cf., archetypally, Anaximander, 12B1DK. And see esp. the Heracleitean theory as analysed in Chapter 5, *infra*; cf. e.g. Heracleitus, 22B80 DK.
- [6] V. in particular *infra*, Appendix C.
- [7] See Chapter 3, 4 and 5. V. esp. the Heracleitean passage above referred to in n. [5].
- [8] As Plato formulated it, justice consists in doing one's own (*οἰκείοπράγλα*), i.e. pursuing what one is best suited by nature to perform. V. *Republic*, 433b4; 433e12-434a1. Cf. A.L. Pierris, *Roads to Excellence: The Metaphysics of Education in Plato and Contemporary Reality: Is Optimal Self-realization Metaphysically Neutral?* in J.D. Gericke and P.J. Maritz (eds.), *Plato's Philosophy of Education and its Relevance to Contemporary Society and Education in the Ancient World*, 1998, vol. 2 pp. 329-373, esp. nn. [5], [38], [47], [49].
- [9] The ultimate reason for this naturally righteous self-adjustment according to Plato is that the first principle of reality has to be the cause of cohesion, One-ness, which constitutes the essence of goodness. To establish this is exactly the role and purpose of the metaphysical middle books (E-Z) in the *Republic*.

- [10] One is also tempted to recognise here the underlying drift in some contemporary economic theorising, in particular, that associated to the Austrial School and line of thought. Such cognations will appear directly or indirectly in various places of the analysis presented in this work.
- [11] From a methodological point of view, and in the present connection, it is very apposite what Menger had to say about Theoretical Economics in the context of his battle against German Economic Historicism. Theoretical Economics has the task of investigating the “general nature and general connection of economic phenomena” C. Menger, *Untersuchungen uber die Methode der Socialwissenschaften, und der politischen Oekonomie insbesondere*, 1883, translated by Fr.J. Nock as *Investigation into the Method of the Social Sciences with special Reference to Economics*, 19963, p. 3. Or of “investigating and describing their (sc. of economic phenomena) general nature and general connection (their laws)” *ibid.* p. 5. And most significantly: “Theoretical economics has the task of investigating the *general nature and the general connection* of economic phenomena, not of analysing economic *concepts* and of drawing the logical conclusions resulting from this analysis. The phenomena, or certain aspects of them, and not their linguistic image, the concepts, are the object of theoretical research in the field of economy. The analysis of the concepts may in an individual case have a certain significance for the presentation of the theoretical knowledge of economy, but the goal of research in the field of theoretical economics can only be the determination of the general nature (essence) and the general connection of economic phenomena. It is a sign of the slight understanding, which individual representations of the historical school in particular have for the aims of theoretical research, when they see only *analyses of concepts* in investigations into the natures of the commodity, into the nature of economy, the *nature* of value, of price and of similar things, and when they see the setting up of a system of concepts and judgments in the striving for an exact theory of economic phenomena”, *ibid.* p. 3 n. 4. And also, very characteristically, though cutting in a different but related direction, “Theoretical economics has the task of presenting not merely the ‘laws’ of economic phenomena to us, but also their ‘general nature (essence)’. A presentation of the above science, for example, which would, to be sure, enlighten us on the laws, but not the *nature* (essence) of goods, of value and the various forms in which value appears, of economy, of price, of ground rent, of income on capital, of speculative gain, of money,

etc., would at any rate have to be designated as incomplete. The definition of theoretical economics (not to mention that of political economy in general) as a ‘science of the laws of national economy’ is thus in any case too restricted” *ibid.* pp. 183-4. Cf. Barry Smith, *Aristotle, Menger, Mises: an Essay in the Metaphysics of Economics*, in Br.J. Caldwell (ed.), *Carl Menger and his Legacy in Economics*, Annual Supplement to vol. 22, History of Political Economy, 1990, pp. 263-288.

- [12] Fundamentally erroneous projections, especially *ex silentio*, characterise much of “primitivist” thinking in the matter of classical economy. Thus, for instance, people have often misunderstood the virtually absolute unregulation of ancient Greek developed (financial in particular) markets as their practical nonexistence. The unregulation was eminently striking in the effective lack of controlling *institutional* organization of the financial sector nationally and internationally. For some analysis of such modern “primitivist” failures in the volume (in anticipation of the detailed treatment to follow) cf. *supra*, n. [4].
- [13] A striking example of such correlation between theoretical analysis and historical fact can be seen in the case of the Walrasian tatonnement. What is required for the resolution of exchange into its elements was actually observed in primitive intercourse between Carthaginians and certain barbarians, inhabiting northwest Africa beyond the Gibraltar Straits. Logical and temporal priority coincide. The narrative in Herodotus is instructive (IV, 196): λέγουσι δὲ καὶ τάδε Καρχηδόνιοι, εἶναι τῆς Λιβύης χώρον τε καὶ ἀνθρώπους ἔξω Ἡρακλέων στηγέων κατοικημένους, ἐς τοὺς ἐπαὰν ἀπικῶνται καὶ ἐξέλωνται τὰ φορτία, θέντες αὐτὰ ἐπεξῆς παρὰ τὴν κυματωγῆν, ἐσβάντες εἰς τὰ πλοῖα τύφειν καπνὸν· τοὺς δ’ ἐπιχωρίους ἰδομένους τὸν καπνὸν ἰέναι ἐπὶ τὴν θάλασσαν καὶ ἔπειτα ἀντὶ τῶν φορτίων χρυσὸν τιθέναι καὶ ἐξαναχωρεῖν πρόσω ἀπὸ τῶν φορτίων. τοὺς δὲ Καρχηδονίους ἐκβάντας σκέπτεσθαι, καὶ ἦν μὲν φαίνηται σφι ἄξιος ὁ χρυσὸς τῶν φορτίων, ἀνελόμενοι ἀπαλλάσσονται, ἦν δὲ μὴ ἄξιος, ἐσβάντες ὀπίσω ἐς τὰ πλοῖα κατέαται, οἱ δὲ προσελθόντες ἄλλον πρὸς ὧν ἔθηκαν χρυσὸν, ἐς οὐδ’ ἂν πείθωσι. ἀδικεῖν δὲ οὐδετέρους· οὔτε γὰρ αὐτοὺς τοῦ χρυσοῦ ἄπτεσθαι πρὶν ἂν σφι ἀπισωθῆ τῇ ἀξίῃ τῶν φορτίων, οὔτε ἐκείνους τῶν φορτίων ἄπτεσθαι πρότερον ἢ αὐτοὶ τὸ χρυσίον λάβωσι. [“The Carthaginians also relate the following: - There is a country in Libya, and a nation, beyond the Pillars of Hercules, which they are want to visit, where they no sooner arrive but

forthwith they unlade their wares, and, having disposed them after an orderly fashion along the beach, leave them, and, returning aboard their ships, raise a great smoke. The natives, when they see the smoke, come down to the shore, and laying out to view so much gold as they think the worth of the wares, withdraw to a distance. The Carthaginians upon this come ashore and look. If they think the gold enough, they take it and go their way; but if it does not seem to them sufficient, they go aboard ship once more, and wait patiently. Then the others approach and add to their gold, till the Carthaginians are content. Neither party deals unfairly by the other: for they themselves never touch the gold till it comes up to the worth of their goods, nor do the natives ever carry off the goods till the gold is taken away”] (Rawlinson’s translation). This practice of “dumb commerce”, as has been termed, has continued to modern times, not only upon the western coast of North Africa, but also to a considerable extent in the interior. Cf. Remnell, *Geography of Herodotus*, 1800, p. 717; Dr. Shaw, *Travels in Barbary and the Levant*, 1738, p. 302. Lyon thus describes the external exchange in Soudan (*Travels in North Africa*, 1821, p. 149): “An invisible nation, according to our informant, inhabit near the place (Soudan), and are said to trade by night. Those who come to traffic for their gold, lay their merchandize in heaps, and retire. In the morning they find a certain quantity of gold-dust placed against every heap, which if they think sufficient, they leave the goods; if not, they let both remain till more of the precious ore is added”. For further references to sources of relevant information cf. Baehr’s edition of Herodotus, 18572, n. *ad. loc.* (vol. II p. 657). Cf. further for this dumb barter (or rather barter-sale), in the context of the European search for African “black” gold, D. Landes, *The Wealth and Poverty of Nations*, 1998, p. 73.

[13a] V. Virgil, *Ecloga IV*; cf. esp. vv.4-10.

[14] It is evident the youthful fascination of the ancient Greek mind with knowledge, esp. with novel knowledge, with knowledge of things (so far) unknown. This enchantment is mythically and poetically operative in the Homeric *Odyssey*. It was pragmatically reflected in the great drive to colonization which spread the Greek presence from the extremities of the Black Sea and the Middle East to Iberia. The word for history, *ἱστορία*, meant originally knowledge, inquiry, in particular systematic investigation, also scientific study. Herodotus represents a ravishing

example of this sweet delight at making known things hidden by distance of space and time and incommunication. The intellectual inquisitiveness quickly transformed this simple and undifferentiated desire for knowledge into a passionate search for explanations, for the reason of being, for the causes of things. Thus was philosophy born and grown, first at the “central periphery” of the Greek World, in Ionia in Western Anatolia, where the contact with the significant unknown (the oriental traditions) instigated the development of a true *frontier-spirit*, not least in economy. Money, as well as philosophy, was born at that “interface”, in the same age - evidence of the emergence of a unique *Principle of Rationality*, which also manifested itself with sweeping changes in the structure of political society transforming it from a nexus of clans tribal or religious into an integrated aggregate of free individuals. *Money, rational knowledge and political freedom as individual emancipation* (probably in this temporal order), were proven to be the three pillars of progress.

Plato caught well the spirit of *discovery* (rather than of mere *novelty*) that permeates ancient Greek mentality. By a peculiar turn in its construal he wanted to give it unshakeable metaphysical foundation. Knowledge is *re-cognition*, learning is recollection: in knowledge one, thus, comes to one’s true own. This is a formulation from the point of view of the subject of what was an underlying common theme in archaic and high classical conceptions of the nature of thinking: thought and intellection is at bottom the intelligibility of being as such, the rationality of the order of existence, the law of coherence which makes luminous the reality of things. What is discovered by mind (and the intellectual discovery itself) is reality dis-covered, the manifestation (revelation) of being, the exhibition of existence as intelligible.

The revelation of being, like a divine epiphany, is always *startling* even though representing the commonest human experience in its general form. It carries with it the freshness of *re-cognition*. It is contrasted, as a living presence with hallowed originality, to truth enshrined in a tradition and accepted as given without the lightning and light of a new dynamic re-dis-covery. In this respect, too, classical traditions kept the balance between conservatism and modernism: ancient Greek mind struck a course, Ulysses-like, between the Scylla of fossilisation and the Charybdis of insatiable craving after novelty: they provided suitable nurture for the creative discovery of the truth of being. The ancient Greek exhibits a sober intoxication at knowledge of reality, at the disclosure of things’ secret arrangement. Democritus characteristically proclaimed (68B 118

DK) - ἔλεγε βούλεσθαι μᾶλλον μίαν εὔρεῖν αἰτιολογίαν, ἢ τὴν Περσῶν οἱ βασιλείαν γενέσθαι ["proclaimed that he preferred to find out even just one causative explanation as to the nature of things rather than to acquire the kingdom of Persia"].

This fine harmony between transmission and innovation Plato expressed in his usual mythic and aristocratic way. In a story putatively narrated by Critias in the Platonic *Timaeus* Solon is made (fictionally in all probability) to encounter an Egyptian priest in Sais on the Nilotic Delta. (Sais, significantly, worshipped as patroness deity the Egyptian equivalent - according to the local priesthood - of Athena), *Timaeus*, 21e sqq. There, upon Solon proclaiming his knowledge of things past (on purpose, informs us the Platonic Critias, in order to instigate the reticent Egyptians to divulge their hidden wisdom), an Egyptian priest retorted (*ibid.* 22b): ὦ Σόλων, Σόλων, Ἕλληνες αἰεὶ παῖδες ἐστε, γέρων δὲ Ἕλληνα οὐκ ἔστιν ["Ah, Solon, Solon, you Greeks are always adolescents; there is no such thing as a Greek old man"]. He explained himself: νέοι ἐστὲ τὰς ψυχὰς πάντες· οὐδεμίαν γὰρ ἐν αὐταῖς ἔχετε δι' ἀρχαίων ἀκοήν παλαιὰν δόξαν οὐδὲ μᾶθημα χρόνῳ πολλῶν οὐδὲν ["You are all youths in your minds, which hold no store of old belief based on long tradition, no knowledge hoary with age"]. Cf. *ibid.* 23b. When Hecataeus boasted before the priests of Ammon (Zeus) in the Egyptian Thebes of his genealogy, going back to a god at sixteen removes, the priests showed him colossal statues of succeeding high-priests to the number of 345 - without starting with a god or even a hero, Herodotus poignantly adds (II, 143). There is much more at stake here than the number of known or presumed ancestors.

The eternal youthfulness and resourceful creativity of ancient Greeks makes them, however, better discoverers of truth than older civilizations, replete with transmitted information and lore of things, but unmoved by that unyielding, inquiring spirit which stops before nothing in its quest for systematic knowledge and ultimate explanations. Thus, for Plato in *Epinomis* (987d9-e1): λάβωμεν δὲ ὡς ὅτι περ ἄν Ἕλληνες βαρβάρων παραλάβωσι, κάλλιον τοῦτο εἰς τέλος ἀπεργάζονται ["let us take for sure that whatever the Greeks may receive from the barbarians (a term including the sanctified oriental civilizations of old), they bring it to a more consummate perfection"]. -The *Epinomis* is Platonic, despite insisting disclaimers of its authenticity-. In the Pythagorean account whose precis is preserved by Photius (Bibliotheca, cod. 249, p. 441a Bekker), what is known as *Anonymus Photii*, the superiority of the Greek

handling of questions regarding truth, is particularly ascribed in an eminent degree, to the Athenians, being also connected generally to climatic conditions (H. Thesleff (ed.), *The Pythagorean Texts of the Hellenistic Period*, p. 241.15 sqq.). It is noteworthy that Cicero employs the same idea audaciously, yet not entirely uncautiously, in favour of the Romans vis-a-vis Greek achievements (*Tusculanorum Disputationum*, I, 1, 1): ...sed meum semper iudicium fuit omnia nostros aut invenisse per se sapientius quam Graecos aut accepta ab illis fecisse meliora, quae quidem digna statuissent, in quibus elaborarent [“...but it has always been my judgement that our people have either invented everything by themselves more wisely than the Greeks or, with regard to what they have received from them, they have done it better -what, to be sure, they had considered worthy of their attention and occupation”]. The qualification made in the last sentence, although ushered in with Roman moral pride, mitigates all the same the exaggerated claim. Besides, here there is a question of a pious falsehood, perpetrated with a view to strengthen Latin resolve in the pursuit of Greek learning even in the, rather uncongenial for the Roman character, field of philosophy, and thus to commend Cicero’s own undertaking in endeavouring to transplant this highest form of Greek wisdom to Italian soil.

- [15] Plutarch hit precisely the mark with regard to the great works on the Athenian Acropolis executed under Pericles within less than fifteen years to a perfection securing for them eternal bloom. *Pericles*, XIII: *ἕθεν καὶ μᾶλλον θαυμάζεται τὰ Περικλέους ἔργα πρὸς πολὺν χρόνον ἐν ὀλίγῳ γενόμενα. Κάλλει μὲν γὰρ ἕκαστον εὐθὺς ἦν τότε ἀρχαῖον, ἀκμῆ δὲ μέγχι νῦν πρόσφατὸν ἐστὶ καὶ νεουργόν· οὕτως ἐπανθεῖ καινότης αἰεὶ τις ἄθικτον ὑπὸ τοῦ χρόνου διατηροῦσα τὴν ὄψιν, ὥσπερ αἰεθαλὲς πνεῦμα καὶ ψυχὴν ἀγήρω καταμεμιγμένην τῶν ἔργων ἐχόντων* [“and so it is that the Periclean works are the more admired, being built within a short time for a long one. For each one of them was already then (i.e. immediately upon its construction) classical (authoritative, ancient and, thus, tested by time) with regard to its beauty (perfection); but with regard to its prime of culmination it is fresh and newly made till now. Thus there is flowering in it a certain novelty preserving its appearance untouched by time, as if the works have in-mixed an ever-blooming spirit and an undecaying soul”].

Moderns have a difficult time with the classical experience of *stable dynamism*, of *innovative “normativism”*. For instance, there is the idea

that ancient Greek culture was alien to, and unappreciative of, the feeling and reality of novation. Cf. e.g. S. Todd Lowry, *The Archaeology of Economic Ideas, The Classical Greek Tradition*, 1987, p. 66; cf. p. 52. This standardly leads to preposterous distortions in contemporary reading of classical facts and theories - in the present case of economic realities and theorizing on them (v. for Lowry's conceit of a hypothesised administrative, as against a proper market, system of ancient exchange, *infra*, Chapter 4, n. [45]).

- [16] V. Epiphanius, *Panarion adversus omnes Haereseis*, II, 22 (vol. II, 483 Dindorf). In Alexandria, on the Day of the Epiphany, there was celebrated the birth of Aion (*Αἰών*) from the Virgin (*Κόρη*). In the syncretistic culture of Gnosticism, the Naassenes or Ophites interpreted in this way the central, sacred Eleusinian Mystery, assimilating it to the Christian belief in the terrestrial birth of Logos as the Aion of Aions; v. Hippolytus, *Refutatio Omnium Haereseon*, V, 8, 40 and 45.

EDITORIAL NOTE

The chronological scope of this inquiry regards principally the Classical Age of antiquity in the proper and strict acceptation of the term: it covers the period, roughly, of the 5th and 4th centuries B.C., the gold and silver eras of High and Late Classicism.

Original texts are normally quoted in extenso, so that the reader may follow the analysis with least distraction, having most of the required source-material at his immediate command. Translations always accompany the passages adduced. The renderings are mostly mine, unless otherwise indicated.

Full acknowledgment is offered for the material incorporated in the iconographic section of the work. Specific ascriptions are detailed in the Notes to the Illustrations.