

## APPENDIX THREE. The Aristotelian

### *Oeconomica* and Coinage

*Oikonomia* as the administration of a household is discussed in the first book of the short, peculiar treatise conventionally referred to as the Aristotelian *Oeconomica*, but the second book has a wider scope. *Oec.* II.i gives a very brief description of four different kinds of *oikonomia*: royal, satrapal, polis, and private. In this case, *oikonomia* means not household administration but “financial administration,” or “management of public revenues.”<sup>1</sup> *Oec.* II.ii, on the other hand, is a list of anecdotes describing how various states and individuals raised money in extraordinary circumstances with stratagems ranging from the sale of state monopolies to outright trickery. None of these incidents is later in date than the reign of Alexander the Great (336–323). Furthermore, as B. A. van Groningen observes in his commentary, the details of administration mentioned in *Oec.* II.i suggest that the kingdom in question is not a theoretical one but precisely the Achaemenid kingdom, either in its purely Persian form or as ruled by Alexander the Great and the early successors before its dissolution at the end of the century. The entire disposition of *Oec.* II.i, as well as the specific mention of satrapal administration, points to a historical context in which the Persian Empire could be thought of as an existing unit.

The most plausible context into which Book Two can be fitted, van Groningen argues, is the latter years of Alexander’s reign and the following decade or so during which his empire

<sup>1</sup> For the former definition, see B. A. van Groningen, *Aristote. Le second livre de l’Economique* (Leiden, 1933), commentary, p. 25; for the latter, see M. I. Finley, *The Ancient Economy* (London, 1973), p. 20, who says of *Oec.* II.i that “what is noteworthy about these half a dozen paragraphs is not only their crashing banality but also their isolation in the whole of surviving ancient writing.”

was maintained as at least a conceptual unit. This view contrasts with, for example, Niebuhr's idea that Book Two was written in the second half of the third century B.C. in Syria, then under the rule of a Seleucid king, who ruled through satrapies in the general area of the old Persian Empire in the East. Niebuhr's argument is undermined, however, by the observations that none of the anecdotes is later than the 320s and that by the latter third century satrapal administration would have been more familiar to any interested Greek than is implied by the discussion in *Oec.* II.i. Since Book Two appears to be directed at those who may be governing in a satrapal system but have little or no knowledge of such a system, van Groningen places the composition of Book Two *ca.* 325–300, perhaps by a student of the Peripatetic school originally inspired to the task by Aristotle.<sup>2</sup>

If *Oec.* II.i does belong in the last quarter of the fourth century, it has a potential bearing on the relation between royal sovereignty and the right of coinage at the start of the Hellenistic period. In the survey of four types of "financial administration" in *Oec.* II.i, coinage is mentioned only in connection with royal *oikonomia*. The text at this point is not without its own problems.

Let us look first at royal *oikonomia*. It has power with respect to everything; it has four aspects: concerning coinage, concerning exportations, concerning importations, concerning expenditures.

With respect to each of these, I say that concerning coinage it is

<sup>2</sup> See van Groningen, *Aristotele*, introduction, pp. 37–48, with references to earlier opinions from Niebuhr onwards. Renato Laurenti, *Studi sull' Economico attribuito ad Aristotele* (Milan, 1968), reviews the evidence for the nature and the date of the work, concluding that Book Two is indeed a unit composed at the end of the fourth century (pp. 54, 57). Giacomo Manganaro, "La caduta dei Dinomenidi e il *politikón nomisma* in Sicilia nella prima metà del V sec. a.C.," *AIIN* 21–22 (1974–1975), p. 30, suggests the author was Clearchus of Soli. M. I. Finley, *CR* 20 (1970), p. 317, rejects the idea of Peripatetic authorship. Heinz Kreissig, *Wirtschaft und Gesellschaft im Seleukidenreich* (Berlin, 1978), pp. 77–78, identifies discrepancies between *Oec.* II.i and Seleucid practice. For a brief survey of the situation of the Greek cities in Asia Minor in relation to the *diadochoi*, see Wolfgang Orth, *Königlicher Machtanspruch und städtische Freiheit* (Munich, 1977), pp. 12–15, with detailed treatment of the status of the cities under the early Seleucids in the main body of his text.

what sort should be made and when valuable or cheap. . . . (Ps.-Arist., *Oec.* II.i.2-3)

The controversy involves the last phrase of the excerpt translated above. The text of the manuscripts is *περὶ μὲν τὸ νόμισμα λέγω ποῖον καὶ πότε τίμον ἢ εὖωνον ποιητέον*. Although van Groningen says that "it is not impossible that the explanation had already been added in the original," he regards *τίμον ἢ εὖωνον* ("valuable or cheap") as a gloss to explain *ποῖον* ("of what sort") and excludes these words from the text.<sup>3</sup> The translation given with his approval in the Budé edition of the *Oeconomica* is "Pour les monnaies, il s'agira de savoir de quel type il faut en faire, et quand."<sup>4</sup>

The ambiguity of the text at this point causes difficulties in the interpretation of this remark on coinage. According to van Groningen (following Andreades), the remark as a whole means that the Persian King reserved to himself the minting of coinage, a monopoly which is to be explained by three motives: to affirm and maintain the unity of the kingdom, to facilitate commerce, and to standardize tribute payments and pay and prevent others from profiting from a coinage of poor alloy. With the exclusion of the words "valuable or cheap," he interprets the last phrase of the remark to mean that the King has to decide whether to coin silver or gold from his vast store of bullion at any particular moment, in order either to restore the desired rate of exchange between silver and gold when an imbalance has developed or to profit from the temporary imbalance in the rate. Since the King's decision to coin in one metal or the other would in fact affect the relative values of the two precious metal coinages in circulation, he would in effect be deciding whether these coinages should be valuable or cheap.<sup>5</sup>

There are grave difficulties with van Groningen's interpreta-

<sup>3</sup> See van Groningen, *Aristote*, commentary, pp. 31-32. His suggestion is rejected by P. Thillet, "Les économiques d'Aristote," *REG* 82 (1969), p. 578.

<sup>4</sup> B. A. van Groningen and André Wartelle, *Aristote. Economique* (Paris, 1968), pp. XXVII, 9.

<sup>5</sup> See D. Schlumberger, *L'Argent grec dans l'empire achéménide* (Paris, 1953), p. 16, n. 2, against the modern idea that the Persian king established a legal exchange rate between gold and silver.

tion. He reasonably assumed that *Oec.* II.i reflects the historical reality of the time when it was composed.<sup>6</sup> But if that is the case, and the historical context is the last quarter of the fourth century, the remark on coinage either does not mean that the King maintained a royal monopoly of the right of coinage, or the author of the treatise is very much mistaken. As we have seen, neither the Achaemenid Kings nor Alexander the Great maintained such a monopoly. The historical facts do not match the theory if one is to understand these words as the claim for the King of a monopoly of the right of coinage.<sup>7</sup> It is a contradiction to assume, as van Groningen does, that the treatise both reflects the "reality of things" and indicates that the King monopolized the right of coinage.

Further difficulties ensue with the idea that the last phrase of the quoted passage refers to the impact of royal mint production on the exchange rate between gold and silver. It may be right (we have no way to tell) to assume that the Great King did oversee the relative values of gold and silver in his territory, but it is more likely that if he did so, he did it by edict rather than by regulating the production of royal coinage. The Persian king preferred to mint as little coinage as possible, and this amount only as special financial needs required it. He cannot have used the "money supply" (as it is called in the United States today) as a tool for indirect financial management of the exchange rate. After all, that was not his style. As for Alexander, although he minted a great deal of gold and silver coinage, it would be hard to believe that he would have tried to use different levels of mint activity for this sort of sophisticated and certainly anachronistic monetary policy.<sup>8</sup>

The Persepolis Treasury Tablets, discussed in chapter 5, allow us to explain the last phrase of the passage under consideration and to construe the text as it stands. The phrase would mean

<sup>6</sup> See van Groningen, *Aristote*, introduction, p. 42: "Constatons tout d'abord que l'exposé n'a de sens pour son auteur et ses lecteurs, que s'il décrit la réalité des choses."

<sup>7</sup> As Bellinger saw, *Essays*, p. 41.

<sup>8</sup> See Bellinger, *Essays*, p. 31, for what is known about the gold-silver exchange rate in this period.

that the King has to decide what sort of coinage is to be struck. This could involve deciding whether to mint gold or silver depending on his financial needs and precious metal reserves at the moment, as well as whether large or small denominations were needed for the kind of payments which were to be made. The King also has to decide when his money will be valuable and when it will be cheap, i.e., what its value will be in terms of the commodities which represented the most common standard of payment in the Persian Empire, as we have already seen.

We cannot take *Oec.* II.i.2–3 as implying that a royal monopoly of the right of coinage existed at the time when the work was written or as advocating such a monopoly as a necessary aspect of royal *oikonomia*. Rather, the author was describing the king's unique responsibility for issuing two precious metal coinages and for establishing their value in relation to the most common standard of value in the predominantly nonmonetary Persian economy, that is, in relation to commodities. On this view, the author of the treatise essentially ignored the minting of coinage as an aspect of *oikonomia* at the various levels he treats. This was surely shortsighted on the author's part, but one can hardly argue that *Oeconomica* II.i, a very short text, even begins to cover all the topics one could reasonably expect to learn about in the financial administration of a kingdom or a satrapy or a polis. We can assume, in line with the other evidence, that it was taken for granted that kings and their satraps and the cities in their territories would issue coins when they found it expedient to do so for practical reasons.