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Market Comment

## Return of the Archons.

The recent announcements from the Federal Reserve highlight the broadening scope of their influence and waning voice of elected officials. There may be a US election in November, but we already know who is really in charge.

THE ACTIONS OF THE FEDERAL reserve reminds us of our Greek history. During the 8th and 7th centuries BC Athens moved from being ruled by a king to being ruled by a small number of wealthy, land-owning oligarchs - known as the Archons. There were nine ruling Archons, with each serving for a period of ten years. Archons were appointed by the Council of Areopagus, which consisted of all the former Archons, who remained on council board for life. The unelected were placing the insiders in charge.

The rule of the Archons came to an impasse when they rode the economy into the ditch. The oligarchs had borrowed massively, mainly to fund their merchant shipping, and were placing an 80% tax on their people's produce. Personal slavery of entire families for debt had become commonplace.

### Saviour Solon

In 594 BC Solon, poet and Archon, was called upon to solve this debt-

fuelled dilemma. He enacted the following reforms:

- Cancelled and reduced debts;
- Freed those enslaved by debt;
- Allowed interest rates to be set by the market;
- Devalued the currency by 25%; and
- Widened the political franchise making the rulers answerable to the ruled.

### Fast Forward

Today if you go to the House of Representatives in Washington D.C. you will see 23 bas-reliefs figures of the great lawgivers whose work is seen to embody American democracy.

One of the reliefs, shown on the right, is of Solon. The irony of this stone artwork has, no doubt, been lost on the Representatives sitting in the chamber. They have silently yielded the 'power of the purse' to the 'New Archons' who have now

declared an open-ended round of money creation. Economic and political power has been transferred to a dozen unelected hands.

Calling Solon. ■



	Archon	Federal Reserve
Number of members	9	12
Appointed / Elected	Appointed	Appointed
Period of service	10 years	14 years
Scope of Power	Economic / Political / Religious	Economic / (Political)

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