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Debt Structure in the West: Money and Gift, and the Influence on Community

James A. Becker
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DEBT STRUCTURE IN THE WEST:
MONEY AND GIFT, AND THE INFLUENCE ON COMMUNITY.

By
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Thesis
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Abstract

Debt structures all relationships in America as well as all of our economic material exchanges. Historically debt has always been seen thus with our religious texts being written both in the terminology of the metaphysical and the economical combining them together in an attempt to understand the social and economic systems that individuals live in. At the core of the social and economic systems is community. In America the myth of the gift is a dominant catalyst that uses debt to make community through time. In order to study the structure of debt within America I will be using an anthropological approach, specifically a method of inquiry called “Anthropology of the Contemporary” in order to build a framework that will assist in understanding the American community, and the cultural conceptions of debt.
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Chapter I

Introduction

In America there is a myth that individuals should give selflessly to others and by doing so, will not only help someone in need, but form social bonds that establish community. This thesis is about the relationship that giving has to debt in a social sense as well as the connection that money has to both giving and debt in the economic and social reality that individuals live in. To frame my questions of gift and debt I will be using the modern American soldier as a contemporary picture to illustrate the dynamic social and cultural ways in which individuals attempt to strive for the gift.

As a soldier and a former Army company commander I have had the opportunity to talk privately with numerous soldiers that have come from many economic and social backgrounds across the United States. I have asked many of them the same question, “Why did you join?” And I received many answers, but generally it came down to two things. The number one reason was that they wanted to serve their country and the number two reason was that they needed the money: either to pay off student loans or as a job.

These men and women that I talked to in the military were intelligent. “Today’s military is more educated and has a higher aptitude than the general population” (Recruiting and the AVF 2010:6). In fact, I had many enlisted soldiers with college

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1 It must be noted here that normally what the Army calls “Command influence” shapes the way that Soldiers under my command would respond to my questions. However, my questioning is based on three years as an enlisted member myself (during which there was no command influence) as well as over two year in combat living and eating with men. After one has spent every day working, 24 hours seven days a week, with the same men true feelings eventually come out.

2 Virtually all new active Service recruits are high school graduates—99% this year earned a high school diploma, whereas only about 75% of American youth are high school diploma graduates. This year, 74% of
degrees and some even with a Masters degree. Was it propaganda then that made these intelligent individuals join? Maybe, but for them, to listen to the way in which they talked told something different. Their use of words like service for the country, honor, and after 9/11 there “need to give something back to the community” resounds as something different. The point is not whether or not propaganda brought a soldier to military, but rather, what keeps them there? And for them, what got them there in the first place; what stirred within their mind or their heart; and for some why did they have a feeling of debt to the people of America?

Few of the soldiers that I talked to came from poor backgrounds. As of 2010, “A majority of new recruits come from middle and upper income neighborhoods” (Recruiting and the AVF 2010:7). And the pay that a soldier receives is reported to be on

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3 At the time I was an officer in charge of these men coming straight from college, and I didn’t even have my Masters degree.

4 Soldiers have expressed themselves like this even before 9/11. I reference it here because soldiers that came into the Army after 9/11 often reference the event as a catalyst. This is in no way meaning the soldiers serve only because of 9/11, but rather it was a significant even in the lives of many.
the average or better than a similar individual in the civilian sector (Recruiting and the AVF 2010). However, the military also has had to increase the bonuses to re-enlistees in order to give greater incentive for retention. So why has there been an increase in soldiers using food stamps (Graham 2011)? In fact, many soldiers have had to use food stamps since 1999 (Ehrenreich 2004). Unfortunately, the increase of the need to use food

(Graph taken from Recruiting and the AVF 2010:7). This graph shows neighborhood income levels, so particular individuals may not necessarily fall into the category that their neighborhood does. However, as an group assessment this data is a good indication of that soldiers that are joining the military are not coming from the poorest income bracket.

“Finally, among other things, military pay across the entire force remains at or above the 70th percentile of similarly educated and work-experienced members of the private sector.” In fact, new recruits enter at about the 90th percentile of the earnings level for high school graduates who have only a year or two in the workplace (Recruiting and the AVF 2010:5).

“The service has used with some success a program that pays civilians up to $2,000 for referring someone to join the Army. It has enlisted more than 1,300 people that way. The Army also increased its enlistment (re-enlistment) bonus from $20,000 to $40,000. Bonuses are working for the Army, says Gilroy of the Defense Department. ‘They’re using bonuses a lot,’ he says. ‘That has increased the average cost of a recruit.’ In fiscal year 2006, the Army paid $18,327 in costs per accession, or enlistee. Although this year it expects to pay $16,834 per accession, it projects to have to pay $18,842 per recruit during fiscal 2008, which begins in October” (Lubold 2007). Theses bonuses are focused on keeping enlistees rather than the quality of the enlistee.

“Oklahoma military base commissaries received nearly $1.8 million in food stamp purchases during a nearly two-year period of state data examined by the Tulsa World. The World examined food stamp data provided by the Department of Human Services covering the period from July 2009 to March 2011. During that time, the average monthly purchases in food stamps, called the Supplemental Nutrition Assistance Program, at the base commissaries grew by about 187 percent. Commissaries are available on base to active and retired military personnel and their families and offer grocery items usually lower in cost than at retail stores. The Fort Sill Army base in Lawton posted about $1.1 million in sales using food stamps, followed by about $625,000 at Tinker Air Force base in Midwest City, about $110,000 at Altus Air Force Base and about $5,000 at Vance Air Force Base in Enid. The growth in the monthly averages spent on food stamps has skyrocketed. At Fort Sill, the average monthly food stamp purchases in July 2009 was $30,968 and went up to $71,208 in March 2011. Similarly, at Tinker, the average monthly expenditure went from $14,650 to $41,741, for the same time” (Graham 2011). Commissaries are grocery stores located on post that are for the sole use of military members and their families.

“Military families on food stamps? It’s not an urban myth. About 25,000 families of servicemen and women are eligible, and this may be an underestimate, since the most recent Defense Department report on the financial condition of the armed forces -- from 1999 -- found that 40 percent of lower-ranking soldiers face ‘substantial financial difficulties.’ Senator Harry Reid, Democrat of Nevada, reports hearing from constituents that the Army now includes applications for food stamps in its orientation packet for new recruits.

The poverty of the mightiest military machine on Earth is no secret to the many charities that have sprung up to help families on U.S. military bases, like the church-based Feed the Children, which delivers free food and personal items to families at twelve bases. Before 9/11, trucks bearing free food from a variety of food pantries used to be able to drive right on to the bases. Now they have to stop outside the gates, making the spectacle of military poverty visible to any passerby.

Market forces ensure that a volunteer army will necessarily be an army of the poor. The trouble is, enlistment does not do a whole lot to brighten one's economic outlook. Frontline battle troops, most of whom have been in the military for about a year, earn less than $16,000 a year -- which puts them at about
stamps is not just happening to soldiers; it’s across the nation; with lower wages, fewer hours, and lack of jobs (Cooke 2011). Still, the military is doing a little better than the civilian sectors; compare Ehrenreich’s (2004) $16,000 salary for a initial enlistment term soldier with $13,861 the average yearly earnings for a Wal-mart associate (Wal-mart the High Cost of Low Price 2005). Across the nation this comparison is endemic of a much larger problem (Scherer 2011).

In America economic debt is what most individuals perceive as the most pervasive form of debt. Economic debt is easy to see, America is $14,892,905,009,249.61 in debt (US National Debt Clock 2011), States and cities are declaring bankruptcy across the

the level of theater ushers and Wal-Mart clerks. Even second lieutenants, at a starting salary of $26,000 a year, earn less than pest control workers and shoe repairers” (Ehrenreich 2004).

“Genna Saucedo supervises cashiers at a Wal-Mart in Pico Rivera, California, but her wages aren’t enough to feed herself and her 12-year-old son. Saucedo, who earns $9.70 an hour for about 26 hours a week and lives with her mother, is one of the many Americans who survive because of government handouts in what has rapidly become a food stamp nation. Altogether, there are now almost 46 million people in the United States on food stamps, roughly 15 percent of the population. That’s an increase of 74 percent since 2007, just before the financial crisis and a deep recession led to mass job losses” (Cooke 2011).

This is due to the fact that the average Wal-mart employer works 26 hours a week, and Wal-mart considers an employee working full time if they work 28 hours a week (Wal-mart the High Cost of Low Price 2005).

“The standard of living for Americans has fallen longer and more steeply over the past three years than at any time since the US government began recording it five decades ago. Bottom line: The average individual now has $1,315 less in disposable income than he or she did three years ago at the onset of the Great Recession… What has led to the most dramatic drop in the US standard of living since at least 1960? One factor is stagnant incomes: Real median income is down 9.8 percent since the start of the recession through this June, according to Sentier Research in Annapolis, Md., citing census bureau data. Another is falling net worth – think about the value of your home and, if you have one, your retirement portfolio. A third is rising consumer prices, with inflation eroding people's buying power by 3.25 percent since mid-2008. ‘In a dynamic economy, one would expect Americans' disposable income to be growing, but it has flattened out at a low level, says economist Bob Brusca of Fact & Opinion Economics in New York… Per capita disposal personal income – a key indicator of the standard of living – peaked in the spring of 2008, at $33,794 (measured as after-tax income). As of the second quarter of 2011, it was $32,479 – almost a 4 percent drop. If per capita disposable income had continued to grow at its normal pace, it would have been more than $34,000 a year by now… But Ms. LeaMond also notes that about 2 in every 3 seniors are dependent not on Wall Street but on Social Security. The average annual income for those over 65 is $18,500 a year – almost all of it from Social Security, she says. "This is not a part of America that is rich," she says” (Sherer 2011).

This sum is so large that it is difficult to visualize. There is an estimated population of 311,515,061 people in the United States so each citizen’s share of this debt is $47,807.98; this is only getting larger as the National Debt has continued to increase an average of $3,970,000,000 per day since September 28, 2007 (US National Debt Clock 2011).
US, and Americans ultimately toil to service economic debt (Smith 2011). Yet, this debt is not the most pervasive form of debt that we exist in; rather it is the debt to each other that we experience in community. 

Debt, in America, is a common thread that permeates both community and economics. Debt influences not only the soldiers that I talked to but all individuals in America, because it structures social and economic relationships. And the consistent action that individuals take over time becomes the habits that an individual is likely to conduct in response to debt, both of economically and socially. Individuals in America strive to give selflessly in order to form community, yet they strive to get rid of economic debt to

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14 An example is Detroit; it does not have enough money to keep its lights on. Thieves are stealing the transformers and selling the copper faster than the city can put them on; leaving 15-20 percent of the city without light (some areas it is 50%). The crews cannot replace them fast enough, nor is there city money to hire the crews necessary to do the job (Fleming 2011).

15 “The typical American household is insolvent: its debts exceed its assets. There is nothing fancy about calculating insolvency: if debts exceed assets, the enterprise is insolvent. By this measure, most American households are insolvent, if their real assets are marked to actual market.

For example:

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
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<tbody>
<tr>
<td>Auto loan balance</td>
<td>$9,000</td>
</tr>
<tr>
<td>Actual market value of auto</td>
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</tr>
<tr>
<td>Credit card balance</td>
<td>$6,000</td>
</tr>
<tr>
<td>Street value of stuff purchased with credit card</td>
<td>$300</td>
</tr>
<tr>
<td>home mortgage</td>
<td>$250,000</td>
</tr>
<tr>
<td>Auction value of house</td>
<td>$200,000</td>
</tr>
<tr>
<td>Student loans</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

Market value of education: Not applicable, as it cannot auctioned off or securitized…

…The typical American household is thus in service to its debt, not to its assets, and to the holders of that debt. This is debt-serfdom: serfdom in service to the owners of debt, debt that may well always exceed the value of the household's assets. This is debt-serfdom for life.

If we look at the American household as an enterprise, then we have to differentiate between unproductive, trapped capital, assets held in a house or retirement account, and productive, free capital which can be moved in and out of productive assets to earn a return which increases free cashflow income in the present.

By this standard, most of the typical American household's assets are trapped and therefore unproductive. In this sense they do not even qualify as capital” (Smith 2011).

16 The debt of community is more pervasive because not all people are in economic debt personally, but all people are in debt socially from friendships, parents, and even coworkers.
others. In America one of the primary ways in which an individual can give communally and economically is through money.

In a paradoxical fashion money is a means in which individuals in America communicate value, and thereby understand the significance of certain actions. For example, an individual that assists a neighbor with a chore is giving a gift of time and labor to the neighbor. In America both time and labor are valued in monetary terms as the expression, “Time is money” as well as the fact that in America there is a minimum wage that is set to a minimum monetary value on labor. Because money is generally used as a means to communicate value it influences the way that individuals in America understand the significance of a gift and the extent that one is in debt economically.

In order to help illustrate the connected relationship, that I just described, that giving, debt, and money have with one another, I have laid out the argument into five chapters and a conclusion. The second chapter will assist the reader in understanding the method of inquiry called by Rabinow (2008), “anthropology of the contemporary,” which I will be using to give a frame work for theoretical concepts that I rely on throughout the thesis. In chapter two I will also explain some of the theoretical concepts, for example concepts such as agency, habitus, social learning, structure, and an example of a structuring structure taken from Milgram (2009) that will provide the undertone for the rest of the thesis.

In chapter three I will define economic value both in a material and ideological sense and will start to give an understanding as to the nature of the relationship between money and gift. Chapter four will strengthen the reader’s appreciation of the connection that gift and debt share in respect to American views of community as seen through religious and
civic methods of maintaining community. I will examine in chapter five the differences that exist between an economist’s and an anthropologist’s view of barter and the social and economic relations that exist that bring barter into existence. As well as helping the reader to understand subtle variations of gift giving and debt in communities and to what extent gift and debt are effected by relations with enemies and those of higher or less status than a particular individual. Chapter six will demonstrate that money allowed States to expand through a system made up of war, money, slaves and markets. However the lasting value of money came not as a simple coin, but as a concept within the minds of individuals that made it possible for individuals to speak the same language during value exchanges.

Each of these chapters I have attempted to bring thoughtful reflection to a broad range of concepts, that have their roots historically in the distant past, that have shaped the way in which Americans understand giving, debt, and money. This method is required for inquiry that uses anthropology of the contemporary as a primary approach, because this method attempts to view an individual’s action not as just the present situation but as past and future situations that shape the present for the individual. I conduct this research with, and rely heavily on theoretical concepts as put forward by Pierre Bourdieu (1977, 1990a, 1990b, 1990c, 1991, and 200) and by David Graeber (2001, 2005, and 2011).

I have used the theories of Bourdieu and Graeber as a foundation on which I build the details of inquiry into gift, debt, and money. Bourdieu has developed conceptual tools, such as structuring structures and habitus, which assist an individual’s inquiry into social and cultural influences that shape thought and action. Graeber on the other hand has enlarged the historical anthropological approach to viewing debt across different social
networks through time that gives the inquirer the needed device to bring concepts into the present. However, I realize that both of these researchers’ theories are products of people, and people bring inherently within themselves their own views of the world. People also bring their own internalized theory that assists them in understanding the world.

Theory (théoria, θεωρία) meaning ‘a looking at, viewing, beholding,’ was originally defined as ‘passionate sympathetic contemplation’ (Cornford 1991), but Pythagoras later changed the word to mean a passionate sympathetic contemplation of mathematical and scientific knowledge (Russell 1946). Theories are like lenses, the modes of perception through which each individual has learned, developed, and chooses to perceive phenomena. These modes are both conscious and unconscious and inform the way that an individual understands. In understanding the lenses the researcher, as well as the audience to which the researcher has published, has a greater ability to understand the product of research. This reflexivity of self as well as conceptual theory is the base for all research that requires one human to study other humans. Even if a researcher chooses to reject scientific theory (really another lens), individual perceptions will shape how that individual comprehends any given phenomena. It is as important to understand a researcher’s mode of understanding the world as it is to understand what scientific theories apply to particular phenomena.

George Marcus, in *Critical Anthropology Now*, responds to the criticisms of anthropology since the mid 1980s, which he identifies as ‘a crisis of representation.’ He stresses the main topics of criticism: reflexivity, the changing dynamic relations between the subject and the studier and the nature of anthropological writing, what he calls ‘writing machines.’ Fundamentally, he views the answer to the crisis of representation as
“…the breaking of the frame of conventional scholarly work altogether rather than the demise and replacement of specific concepts and methods characteristic of this academic frame-and it can be seen in the way that anthropological work is evolving amid unexpected contexts, shifting constituencies, and changing agendas,” (Marcus 1995:27).

This examination of an anthropologist’s own habits of thought and work involved reconsiderations of the nature of representation, description, subjectivity, and objectivity, reconsiderations even of the notions of ‘society’ and ‘culture’ themselves, as well as of how they have ‘materialized’ objects of study and data (anthropological writing), about observed social phenomena, to constitute the perceived reality to which their work had been addressed. In other words, we materialize books about observed action and thought, and the very books that we write do not necessarily constitute the actual reality rather; the way in which the observer perceives the reality. This is the ‘crisis of representation’ that requires reflexivity of self in order to help understand the difference between the observers reality and the reality of the observed.

I address the topic of reflexivity, as a concept in motion. Individuals have psychological process that interact with each other and then interact with the outside environment17 (Cottam 2010). In an attempt to maintain consistency through many different experiences [both physical (items and people) and ideal (concepts and theories)] that are perceived in these interactions individuals resolve internal conflicts of information (Abelson 1959). However, as individuals attempt to manage change and yet remain consistent there can appear seemingly paradoxical inconsistencies within the

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17 Attitudes, emotions, values, cognitive processes, identity, and personality are examples of the deep process that shape individual thought while interacting with the environment (Cottam 2010). change due to experience, which is the seeking of consistency and the many distortions in perception and decision-making that result.
individual. According to Lee Ross the individual’s perceive and then form judgments based on their own perceptions cause many distortions in perception and decision making. Yet the attempt to understand and make sense of their inconsistencies of thought and experiences leads to a constant reflexivity that is necessary for consistent outcomes. (Ross 1977). The key point here is a constant interaction: every interaction changes the individual in some small way. The brain is constantly gathering data, coding that data, and then using that data to form new ways of understanding the environment (Bandura 1977). The best that a researcher can do is to relay the pertinent reflections that hold true at the time of the research.

At this time, relative personal views and experiences that shape my understanding of the social-cultural structures are twofold. First, I am currently an active duty Amy Infantry Officer. My experience within the U.S. Army, a very visibly structured institution, has informed the ways in which structured societies and modes of thought transmit themselves. This is done both consciously and unconsciously to provide desired stability (from all levels of the structure), authority (effecting both power and agency), and obedience to authority. The influence of the Army for this work will be considered ‘material.’ It is made up of hours training which become ingrained through action, reaction, consequence, and an assessment and reintegration of discovered positive feedback (what in the Army is called an ‘AAR’ or After Action Review: that is, a reflection, a learning then implementation of new processes to keep the structure adapting to new environments). Secondly, I am spiritual. Within the realm of religion, there is also a structure, however, unlike the Army, the structure of religion is primarily ‘ideal’. Its strength, for the purposes of this research, is that its structure is far more ephemeral.
The impetus of the structure in the church works primarily (not exclusively) on the interior of an individual, whereas the military structure works primarily, though not exclusively on the external. Of course these are oversimplifications. The point is that as a human I have a ‘material’ and an ‘ideal’ aspect to my theoretical perspective. The way in which I view the world for the purposes of this thesis are reflected through both of these modes of transmission and reception.

The effective structures that influence the individual are then both inward (ideological) and external (material) in force, influencing the individual’s beliefs and actions. A structure that is going to be analyzed must then be studied from at least two perspectives so that the external expression and the internal expression of the structure can be understood in light of the dialectic that is created by both forces in relation to the individual that is part of the structure.

However, if an inquirer only analyzes the inward (ideological) and external (material) aspects of a structure without respect to time the result will end in failure. A social and cultural structure must be viewed in respect to its ability to adapt to “new” stimuli over time. The investigation of structure in respect to time is crucial to understanding how the individual, that himself lives through time, reacts to the structure through time. The investigation of why individuals act the way they do through time and space is part of the anthropology of the contemporary. In the next chapter I will lay out for the reader what anthropology of the contemporary as a method looks like as well as define specific theories that will shape the rest of the discussion on gift, debt, and money.
Chapter II

Anthropology of the Contemporary: a method of inquiry

Anthropology of the contemporary is not studying what is new, nor is it specifically a new theory. Rather, it is a process--a system of inquiry if you will--by which investigation is conducted. Anthropologists Paul Rabinow and George Marcus have proposed developing a new form of anthropology. Neither knowing exactly what is looks like completely, since one never understands the unexplored, it is only once one reaches the undiscovered country that one can start to fully articulate it, but both authors have been making great strides toward establishing a frame work for a new mode of examination. Both are responding to the “crisis of representation” articulated in 1986 in the social sciences; anthropology’s path since this crisis was shaped by Clifford Geertz.

Clifford Geertz’s method was to “…look over the shoulder of an informant and read the script that guides the narrative’s life. Gradually, one would assemble notes that shed light on the structure of the text/culture, notes which one could then present, in the form of thick description” (restated in Rabinow and Marcus 2008:4). The description was part of the problem of representation; for Marcus and Rabinow, the key to Geertz was “…what defines it (ethnology) is the kind of intellectual effort it is,” (Geertz 1973a:6).

For Geertz, ‘thick description’ is in the details, not limiting culture to one viewpoint, and

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18 For a discussion of Geertz as a catalyst moving Marcus and Rabinow in the direction of the contemporary, see Ortner 1997.
19 In short, anthropological writings are themselves interpretations, and second and third order ones to boot. (By definition, only a “native?” makes first order ones: it’s his culture). They are, thus, fictions; fictions, in the sense that they are “something made,” “something fashioned”--the original meaning of fictio- not that they are false, unfactual, or merely “as if” thought experiments (Geertz 1973a:15).
20 Geertz writes, “From one point of view, that of the textbook, doing ethnography is establishing rapport, selecting informants, transcribing texts, taking genealogies, mapping fields, keeping a diary, and so on. But, it is not these things, techniques and received procedures that define the enterprise. What defines it is the kind of intellectual effort it is: an elaborate venture in, to borrow a notion from Gilbert Ryle, “thick description” (Geertz 1973a:6).
not limiting a culture to a theory of culture that is defined by the entirety of the culture. He saw that anthropological inquiry should be an effort to see culture as a “hybrid” and a “mosaic” that needs to be understood one layer at a time.

James Clifford and George Marcus also understood the implications of Geertz’s work, when they edited Writing Culture, with the goal of improving politically and analytically, the excellence of ethnographies as texts (1986). According to Tobias Rees, in the introduction to Designs for an Anthropology of the Contemporary, Writing Culture resulted in a “deparochialization of anthropology” for those involved in American social cultural anthropology (Rabinow and Marcus 2008:5).21 Further, the work,

…introduced an irreversible fraction between (a part of) the older generation, which defended the classical project, and (a part of) the younger one, which found itself compelled to move beyond what appeared to them as a repertoire of well-tried concepts, to find new ways of practicing ethnography, new ways of producing anthropological work about the world we inhabit-without parochial guidance (Rabinow and Marcus 2008:5).

Rabinow and Marcus take anthropology in a different direction: the contemporary. There is no set definition, nor standard for work in the contemporary, only guidance.22 With Rabinow as the guide, I outline here my approach to an anthropology of the contemporary. Rabinow states,

We understand the contemporary as a moving ratio of modernity, moving through the recent past and the near future in a (nonlinear) space that gauges modernity as an ethos already becoming historical. We regard the contemporary as an emerging assemblage, and thus find it particularly

21 The problem of anthropology today is that “…this was done without discipline, project, or coherent thinking about an alternative vision for anthropology today…there is still a great need for new concepts to fit the new experiences that are going on as well as the new problems that are emerging,” (Rabinow and Marcus 2008:25).
22 Because the contemporary has been developed out of a response to the negative “the crisis of representation,” it is easier to say what ‘work’ in the contemporary is not. I am describing what it ‘is’ here in the effort to make a clearer conception of what it is. Because it is conceptual and still being developed I will not get it completely right (for that matter it is still being invented so everyone is still trying to figure it out).
suitable for collaborative and experimental forms of inquiry (Rabinow 2008:2).

Rabinow also draws on John Dewey’s *Logic: The Theory of Inquiry* (1991) to develop how to conduct inquiry in the contemporary. Inquiry begins in the middle of a situation. This gives one the leeway to make tentative parameters and understanding of what is at stake. It is not known how long that it will take one to move from the undetermined start-the middle of a situation--into an understanding of the situation. It is bad method to claim beforehand what one is going to find, or going to do (as grant proposals demand); to do so would constitute poor logic and falsely disciplined inquiry (Rabinow, 2008:8).  

Inquiry is not empiricism, nor is it theory-driven, because what is out there to be found is not a transparent and passive particular case, just waiting to be represented. Inquiry is a form of constructivism or operationalism: problems and thought require action to exist both on the part of the situation and the inquirer that is in the situation. Hence, operations are necessarily part of the indeterminate situation once it is taken up by an inquiry. The giving of form (whether discursive, logical, artistic, scientific, political, and the like) is a primary task in living as well as in specific practices themselves conditioned by traditions and habits. Description, as well as explanation, is the essential goal of form, one that is not a naïve act, but that rises within the process of inquiry that is engaged in one, or other type of form making (Rabinow, 2008:8-9).  

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23 This is very much like Grounded Theory (see Glaser and Strauss, 1967).
24 On this point, Rabinow specifically said, “…that description rather than explanation is the goal” (Rabinow 2008:9). However, once one has read the rest of the book, as well as his other books, he inadvertently adds explanation into his dialogue (Rabinow 2008, cf. Rabinow and Marcus 2008). I have added it as, taking his works in their entirety, if he has put it back in, and I personally believe that the explanation behind social phenomena is exactly what anthropology is about. Psychology, sociology and anthropology work hand in hand to come to a better understanding of the overall explanation of what it is to be human. Ultimately what I think Rabinow is saying is that the primary goal is, drawing from Geertz, “thick description,” so that the data is there for future analysis, and that the analysis that one does in the contemporary is explanatory. Yet the explanatory is secondary to the description (data).
Since inquiry lies in a conditioned situation, only through discovering and giving form to elements that are present already is it possible for inquiry to proceed. The inquirer must then stay in the world and transform the elements in specific ways so as to give them the kind of determinative form that can be known.\textsuperscript{25} Inquiry is experimental in its form-giving. Experiments are experienced, therefore there is no abstract criteria available that one can deploy beforehand to judge whether the experiment has succeeded, or not, and the interest in experiments is their ability to represent reiterated and controlled adjustment.

A successful inquiry will rise in, work through, and seek form for concrete contexts.\textsuperscript{26} Problems and solutions are terms that are joined in practice and in that sense co-productive, because “…as the problem progressively assumes definite shape by means of repeated acts of observation, possible solutions suggest themselves,” (Dewey 1991). The solution to a particular problem consists in a series of steps whose particularities are not known before those steps are undertaken. The observation and reflection on the process can be called reason, as long as one is clear that reason is neither a faculty of mind, nor a quality of the things themselves, but rather a distinctive mode of taking up practice of inquiry (Rabinow, 2008:9-11).\textsuperscript{27} Thus, inquiry is dialectic between the practitioner and the situation, and through the experience, gives rise to a descriptive form. Form is, then, taken up as an “…object to ponder, consider, debate-in a word, to consider it as itself an

\textsuperscript{25} This concept is heavily influenced by Geertz in \textit{Thick Description} (Geertz 1973) and Clifford and Marcus’s \textit{Writing Culture} (Clifford and Marcus 1986).

\textsuperscript{26} Rabinow qualifies that, “This claim does not mean that there are no generalities in the world, or in knowledge, only that it is improper to neglect the fact that they arose from a set of operations and observations that that were partially determined by and partially determinative of a prior indeterminate situation” (Rabinow 2008:10).

\textsuperscript{27} Points 1-9 I have both summarized and used the words of Rabinow (Rabinow 2008:6-11).
object of deliberation,” (Rabinow 2008:72). Inquiry is a process, but how does one go about doing that process?

The way that inquiry is done is by adjacency. Jay Ruby, in trying to find an answer to the question of authority of the film-maker during the ‘crisis of representation,’ realized that the authority that was once part of the field as an extension of the established order needed to change its source for that authority.

On the surface, ethnographies were not supposed to have authors. Ethnographers were supposed to be like journalists and simply report the facts of another culture. In actuality, a belief in objective reality gave ethnographers the absolute power of authorship—they were speaking the truth. Now that it is recognized that all knowledge is constructed and not simply found, ethnographers propose a different approach to authority. To borrow Trinh T. Minh-ha's terms, because they cannot speak for or speak about, ethnographers are striving to speak with or alongside (Ruby 1995:80).

The adjacency then comes not from an establishment, but from authenticity that is built by working alongside subjects. Adjacency is a way of conducting inquiry that is based on relationship (both the difference and the commonality) where real curiosity that is not rushed and mutual respect and understanding are the goal. This will lead to untimely anthropology (Rabinow, 2008:33-48).

Untimeliness was at one time part of anthropology through ‘the Other.’ Every thing that an inquirer did was in the ethnographic present; one had to write every piece of data down saving it for later use to be analyzed and interpreted later. This had the appearance of an “…enduring temporality, even if, it now seems, an imagined one,” (Rabinow and Marcus 2008:60). The task for inquirers was to move the form the other way convincing others that the information was relevant and of use. That is, it was timely. Now, however, we need to understand that form needs to have depth; that is, it is ‘thick.’
Inquiry needs to be taking still all the data, but the analysis of all the data needs to be done slowly, and it may be that it is not done at all. The data may produce a contemplative state that is restricted to the field worker alone. In the real world of grants and deadlines, this is impossible. However, what is possible is to analyze realistically only the layers of the ‘thick description’ that one is able to do, and leaving the rest until one has better tools, more information, or someone else picks up the work latter (Rabinow and Marcus 2008:58-67; see also Rabinow 2008).

This type of thick description is part of the contemporary by design. The intent is that it be done by a group of specialists, each in different fields. The experiments should be done in unison, and data analyzed together; not each one working on a part and then collaborating together at intervals, rather, all work is collaborated on, and every one analyzes data at the same time. This allows for a synthesis of ideas and multiple ways of approach being brought to bear on a problem at once. The thick description will naturally flow out of this, as there will be many different ways of looking at the same problem, with many rich forms that will illuminate the situation of study with in the contemporary (Rabinow and Marcus 2008; see also Rabinow 2008).

**What is the Contemporary?**

As a mode of inquiry, Rabinow separates ‘anthropology of the contemporary’ from Michel Foucault’s ‘history of the present.’ For Rabinow, the history of the present develops an understanding of the past as “…a means of showing the contingency of the present and thereby contribute to making a more open future,” (Rabinow and Bennett; Toward Synthetic Anthropos an online paper). Rabinow defines the contemporary as a (re)assemblage of both old and new elements and their interactions and interfaces. That
is, contemporary problems are emergent. Emergence refers to “…a state in which multiple elements combine to produce an assemblage, whose significance cannot be reduced to prior elements and relations,” (Rabinow and Bennett, 2008:399). It follows that the history of the present, while often helpful, is not fully adequate to work on the contemporary, because the contemporary is a synthesis of multiple histories that have merged at the present to become the contemporary.

Rabinow identifies ‘the contemporary’ as a temporal and ontological problem space. In *Marking Time* (2008) he distinguishes two senses of the term, contemporary. First, to be contemporary is to exist at the same time as something else. This meaning has temporal, but no historical connotations. The second sense, however, carries both temporal and historical connotations; it is this meaning on which Rabinow relies. He takes up the contemporary as a ‘moving ratio,’ and just as ‘the modern’ can be thought of as a moving ratio of tradition and modernity, so the contemporary “….is a moving ratio of modernity, moving through the recent past and near future in a (non-linear) space,” (Rabinow 2008:2-3). Inquiry into the contemporary is both analytic and synthetic. It is analytic, in that sets of relations must be decomposed and specified, and it is synthetic, in that these relations must be recomposed and given new form. In this sense, work on the contemporary falls within a zone of analytic consideration, in that it consists of linking the recent past to the near future and the near future to the recent past.28

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28 Rabinow draws his technical vocabulary and ideas from Michel Foucault, and his use of the terms, ‘Anthrops,’ ‘Logos,’ and ‘Equipment’ are examples (Foucault 2005). I will not discuss these terms, but their concepts have been with anthropology for some time and are ingrained into my work.
Moving Forward from the Past

It appears, at first glance, that Rabinow wants the past to be done away with. This is not so. What he is trying to do is make a separation to allow one to reach back to the rich work done by generations who had a colonial worldview which marred their work. The task is to do this without imitating them, by taking up their work differently this time. So as to make a contemporary anthropology that is not a duplicate history in the present. Rather, a better image of the past in the present. Most importantly, the present is not fixed in the past; it is informed by the past, and needs to adapt as it continually comes into contact with the future. What this looks like, no one knows (Rabinow and Marcus 2008 see also Rabinow 2008:116-122). For my purposes, in the contemporary, the conceptual ideas that have informed my mind to this point combine to form a synthesis of ideas, but this synthesis, because it is in contact with the future, will and does change into a new synthesis.

For the purposes of this thesis, another synthesis is required. One of the strengths of anthropology of the contemporary is that many different persons bring different specialties to bear on the subject form producing thick description. In order to maintain the thick description that is desired, it is necessary to draw from other social science concepts that inform on the situation in an effort to keep the spirit of the contemporary.

Habitus and Social Learning

Bourdieu has developed a concept for analyzing the everyday processes through which social form becomes structure. He seeks to understand the relationship between the institutional and structural properties of society and the interaction with human agency to produce the behavior (action) that defines the “explanandum of sociology”
Bourdieu and Wacquant (1992). Bourdieu tries to rise above the conventional opposition of structure and agency by recognizing that:

On the one hand, the objective structures which the sociologist constructs in the objectivist moment, by setting aside the subjective representations of the agents, are the basis of subjective representations and they constitute the structural constraints which influence interactions; but, on the other hand, these representations also have to be remembered if one wants to account above all for the daily individual and collective struggles which aim at transforming or preserving these structures (Bourdieu, 1990a:125-26).

Thus, for Bourdieu, the relationship between structure and agency is dialectical, rather than oppositional. Of course, only the statistical probabilities or tendencies of actors in the aggregate can be understood with structural factors. Structuralist analysis has been inclined to leave obscure the mechanisms involved in the interaction of structure and practice at the individual level. Bourdieu tries to find a remedy by ‘bridging’ this gap with what he refers to as ‘habitus’ (Allen and Anderson 1994). He uses the word to refer to an ‘open set of dispositions’ of the individual actor that is constantly modified or reinforced through experience (Bourdieu and Wacquant, 1992:133). ‘Dispositions’ refers to a “way of being,” “inclination,” and “predispositions,” which in turn organizes action, “produces practice,” and constructs social structures and worlds in the context of a

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29 Agents act, and agency is the capability, the power, to be the source and originator of the autonomous ability to act on the basis of independent cognitive processes; agents are the subjects of action. This can be influenced by both, the actual ability to or the perceived ability to act, which is the intersection point of power. Agency also refers to the socio-culturally mediated capacity to act. According to this bare bones definition, all action is socio-culturally mediated (for the individual and the supra-individual), both in its production and in its interpretation. It is especially important for anthropologists to ask themselves how conceptions of agency may differ from society to society, and how these conceptions might be related to notions of personhood and causality (Jackson & Karp, 1990, Skinner et al,1998). Ahearn has maintained that it is important to ask how people themselves conceive of their own actions and whether they attribute responsibility for events to individuals, to fate, to deities, or to other animate or inanimate forces. It is also important to determine how those meanings may shift over time (Ahearn 2000: 202, 2001b). The weakness in treating agency as a synonym for free will is that such an approach ignores or only gives lip service to the social nature of agency and the pervasive influence of culture on human intentions, beliefs, and actions (Ahearn, 2001a).

30 Habitus is a Latin term that refers to a habitual or typical condition, state, or appearance.
specific situation (Bourdieu, 1990b: 73-87, 214). Moreover, such dispositions are said to be transposable in that they are “…capable of generating a multiplicity of practices and perceptions in fields other than those in which they were originally acquired,” (Bourdieu 1991:13). The Individual is able to adapt to the situation in which they find themselves.

This is a constant interplay between structure and subjective disposition, such that social structures become a part of social actors, and guide the actor’s engagement with the world. However, the social actor, “…working from productive schema born of social structure result, largely, in the reproduction of those embodied structures. Thus, the reproduction of social order is neither inevitable nor mechanical, but occurs through the everyday practices of participants in the social world,” (Johnson-Hanks 2006:21).

Bourdieu explains as follows:

The conditioning associated with a particular class of conditions of existence produce habitus, systems of durable, transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles which generate and organize practices a representations that can be objectively adapted to their outcomes without presupposing a conscious aiming at ends or an express mastery of the operations necessary in order to attain them (Bourdieu 1990b:53).

This means that a rationalist view of reproduction in which people are consciously weighing out the good and bad of every decision or action does not work. This analysis would suggest that, “…reproduction, schooling, and socialization, insofar as systematicity may inhere neither in intentionality nor in visible coercion, but in

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31 Imagination is the key in this depiction: the key resource in consciousness, the key to human being. Imagination is an activity in which human individuals are always engaged; and it is through their imagination that individuals define the limits for the interplay between structure and subjective disposition. This is not to say that this is solely a conscious endeavor, rather the unconscious imagining also informs on the conscious to produce change as well.
‘structuring structures,’ habits of thought and preferences so common as to become invisible,” (Johnson-Hanks 2006:21).\footnote{An example that Bourdieu uses is common sense. What might be common sense to one culture may not be common sense to another, and what might be common sense to one individual may not be common sense to another individual. Intellectual levels being equal an individual chooses what is common sense. This choosing (by habitus) comes from within an individual who is also taught from outside the individual. Common sense that is taught from outside the individual teaches the individual what common sense is. Common sense is a structuring structure in that it structures the way an individual thinks. The individual has some agency to manipulate his own common sense but even the way he manipulates common sense will have in part come from the outside thereby structuring the way the individual thinks. Because the individual is an agent he’s able to come up with a different common sense than somebody else; in fact the opposite of another individual (Bourdieu 2000:97-99).

Bourdieu describes it like this: “…Common sense is a stock of self-evidence shared by all, which, within the limits of the social universe, ensures a primordial consensus on the meaning of the world, a set of tacitly accepted commonplaces which make confrontation, dialogue, competition and even conflict possible, and among which a special place must be reserved for the principles of classification, such as the major oppositions structuring the perception of the world. These classificatory schemes (structuring structures) are, essentially, the product of the incorporation of the structures of the fundamental distributions which organize the social order (structured structures). Being, as a consequence, common to all the agents participating in that order, they are what makes possible the agreement and disagreement of agents who are situated in opposite positions (high/low, visible/obscure, rare/common, rich/poor, etc.) and who are characterized by distinctive properties, themselves different or opposite in social space. In other words, they are what makes it possible for all agents to refer to the same oppositions (such as high/low, visible/obscure, rare/common, rich/poor, etc.), gifting the world and their position in the world, while sometimes giving opposite signs and values to the terms they can propose: that is the same freedom of manners may be seen by some as ‘shameless’, impolite, rude and by others as ‘unaffected’, simple, unpretentious, natural” (Bourdieu 2000:98).}

These perceptions, expressions, actions, and habits of thought are habitus. Albert Bandura understood this and developed a social learning model that helps to break down what is happening within the individual as habitus is produced. He states that, “A comprehensive theory of behavior must explain how patterns of behavior are acquired, and how their expression is continuously regulated by the interplay of self-generated and external sources of influence,” (Bandura 1977:13). The first thing, according to Bandura, that is needed for an individual to learn patterns of behavior (habitus) is a model.\footnote{It is important to understand that the individual is the fundamental subject of inquiry. Handwerker has demonstrated that the individual is the learner and transmitter of knowledge, “…only individuals learn, and individuals embody and constitute the only source of cultural data. To make the world we live in sensible, all of us assemble out of our individual sensory experiences ways of thinking about what we have experienced,” (Handwerker 2002:109).} That
is to say that there must be a structure outside of the individual to learn from. Once this has been met the individual will then proceed through the following steps:

1. Attentional Processes: This requires that the individual attend to, and perceive accurately, the significant features of the model. This is affected by the intellectual capacity of the individual, the complexity of the structure, and amount of time of observation. This does not always mean that the individual is consciously aware of the attention, as the brain is far more aware of the environment than just what an individual is conscious of at a given moment. The strength to which a stimuli is observed is varied depending on various factors, for example, distinctiveness, affective valence, complexity, etc…past reinforcement. The last factor is important, it reflects that once the last of these four steps has taken place the individual will immediately start the process again using the newly acquired information to inform on the self as well as the structure in order to maintain stability by using any new stimuli as it comes in.

2. Retention Processes: This involves the proper coding into symbols (through images, language, and imagination) of the observed structure, behavior, or other environmental factors to be able to use the information in the present as well as any future situation. It goes without saying that all things being equal the individual that encodes the best will learn the best. However, there are so many competing classes of importance that it is very difficult to understand fully the reason for the way one individual encodes one way and another does it a different way. Bourdieu would say that the nature of the external structures have a part in this as well. With that said incorrect coding does happen depending on perspective and competing priorities.

3. Motor Reproduction Process: This involves converting symbolic representation into appropriate action. This is really dependant on the ability of the individual to take the symbolic information (from self, the environment, and structures) and then apply it correctly to the situation at hand. The better the understanding of all competing information the better reproduced the action is. This is not done on a trial–and–error fumbling fashion. Most learning is done by taking the symbolically encoded information and applying it to new situations, and adapting all the code to make a perceived model that will fit the new situation (this can cause error).

34 Hefferline and his associates have successfully demonstrated this by using Electromyogram waveform duration to observe normally unobservable responses by reinforcement. (Hefferline, Bruno and Davidowitz, 1970).

35 I think that a study could be conducted here to help us understand, and support the concept in anthropology that language and culture are intertwined; thereby making it important to learn the language of the persons that are being studied. The same could be said for the images (art, symbol, ritual, etc.) that are produced by varying groups. Bandura did not mention imagination, however it is the imagination that informs and helps to give the mind the ability to use information in a non-mechanistic way. It is the imagination that will allow an individual to use a situation that he or she has not been in and then translate that situation into a learning model. At the foundation of the social learning theory as it is proposed by Bandura is imagination, a way of perceiving things in terms different than they actually are.
The better that the individual can do this the faster the learning process. In situations where there is no prior experience, poor encoding, poor attention, etc… the less approved method of trial–and–error comes into play.

4. Motivational Processes: Value is placed on all competing information as I have stated above, and value is also placed on the outcome by the individual. This outcome value for habitus is based on the situation of the contemporary. That is, that at this point the individual makes a choice (not necessarily a conscious choice) based on all information and determines if the response (both internally and externally) is wanted or valued. The complexity of this is underestimated because it involves undetermined values such as how will the response affect the future or which response is best for the future. Once this step is completed as I have alluded to in step one the outcome and response (internal and external) of this step is feed back into step one as a continuous loop of producing habitus (Bandura 1977:22-29).

Not only does this model help to understand the way an individual interacts with structuring structures, it is a structuring structure in itself because every step of the process will become imbedded in the external structuring structures. Experiments in other fields other than anthropology can inform on contemporary work in ways that might not otherwise be expected. One experiment that demonstrates how deeply within the individual that the influence of structures reaches is the Stanley Milgram Experiment.

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36 Value is not a cost benefit analysis. It is experiential, self-regulated, and structurally informed. Bandura understands learning as an informative process. “A vast amount of evidence lends validity to the view that ‘regulation’ serves principally as an informative and motivational operation, rather than as a mechanical response strengthener (Bandura 1977:21). The original word here is reinforcers. Bandura does not think that reinforcement theory answers the experiential evidence here and uses the term more for the sake of use established terms. “The dubious status of both automaticity and response strengthening, and vestigial connotations of the term reinforcement, make it more fitting to speak of regulation than reinforcement of behavior by its consequences,” (Bandura 1977:21).

37 Steps 1-4 are quoted and summarized from (Bandura 1977:22-29).

38 Using this there may be a way to isolate each step in order to get an understanding of what external structures have the most influence of a particular step; however I am not currently in a position to do that.
Depth of Influence of Structuring Structures on the Individual: Authority as example

Stanly Milgram, a psychologist at Yale University, conducted a study focusing on the conflict between obedience to authority and personal conscience. He examined justifications for acts of genocide offered by those accused at the World War II, Nuremberg War Crimes trials. Their defense often was based on ‘obedience;’ with the explanation that they were obeying orders whilst under the authority of their superiors. The experiment began in July 1961, a year after the trial of Adolf Eichmann in Jerusalem.\(^{39}\) Milgram’s experiment demonstrated that,

Obedience is as basic an element in the structure of social life as one can point to. Some structure of authority is a requirement of all communal living and it is only the man dwelling in isolation who is not forced to respond, through defiance or submission, to the commands of others (Milgram 1963:371).

The experiment has taken place in many different settings over time, and it has been conducted by different scientists with roughly the same results. Because the experiment has been varied and controlled in this manner, it was able to isolate the behavior that was perceived and determine the likely root of the behavior. The subjects answered an advertisement in the paper to be a part of a learning experiment in which they would be given four dollars for participating. Milgram was able to find multiple, varied participants. Initially the subject of the experiment (called the teacher) was given the instruction that he would be helping another subject (the learner who was really an actor and part of the experiment conditions) to learn by asking a battery of questions to the

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\(^{39}\)Adolf Eichmann headed Gestapo Department IV B4 for Jewish Affairs, and was the man responsible insuring that Jews from all over Europe moved efficiently to death camps during the Final Solution (Browning 2004).
learner. If the learner got the question wrong the subject was to give the person an electrical shock from a box that had push buttons that had been labeled with varying degrees of lethality from minor to lethal. There were four different experimental conditions for the main experiment.

Experiment 1. The subject had earlier been shown the room that the learner was going to be in. It had a chair with some wires coming from a box that would be used to shock the learner (or so the subject was told). In this version of the experiment subject could not see or hear the learner speak (the subject and learner were in adjacent rooms so the subject could hear the learner banging on the wall). The learner responded to questions by pushing buttons to light up numbers in front of the subject correlating to answers. The box that was set before the subject had varying degrees of voltage, ranging from light to a lethal dose of electricity (30 Levels in all). Each switch was clearly labeled with a voltage designation that ranged from 15 to 450 volts. The labels showed a 15-volt increment from one switch to the next, going from left to right. If the learner (an actor) got the answer to the question wrong a man dressed in a lab coat (the experimenter) would tell the subject that he had to shock the person. If the subject did not want to continue with the test a man with a lab coat would simply, in a calm assertive voice, tell him that he had to continue until the subject either continued to the end of the experiment or the subject refused to proceed any farther, stopping for good. At lower levels of shock the learner hit the walls once or twice to make it sound like he was in slight pain. At about level 25 the learner would violently beat on the walls every time that he was shocked. If the subject continued to the last two levels no sound at all was given simulating that the subject had either killed, or knocked unconscious the learner. This process would continue until the subject
refused to continue with the experiment or the subject had given the person a lethal shock of electricity three times.

Experiment 2. In this version of the experiment the subject could hear the learner in the other room by way of a speaker but he could not see the learner. Once the experiment was started the learner would be in the other room answering the questions given him by hitting a prerecorded message, and if he gave the wrong answer (predetermined) the subject pushed the button that was to give the learner a shock. At this point the learner in the other room would hit another prerecorded message pretending to be shocked. If the subject kept increasing the shocks as the learner gave the wrong answers to the questions, the learner had a recording that sounded increasing like he was in more and more pain. At about level 25 the learner would send the prerecorded message of him yelling and that he was in great pain and wanted to stop the experiment. If the subject went beyond this the learner message became increasingly painful, screaming and begging to stop the experiment. At this point the learner also sent a message letting the subject know that he had a heart condition, and the he felt that his heart has going to give out. As with the other experience the subject was encouraged by the man in the lab coat to continue to the end.

Experiment 3. This version of the experiment was similar to the second except that the learner was in the same room as the subject. In this experiment the learner conducted all of the acting himself instead of using a prerecorded sound.

Experiment 4. This version of the experiment was similar to experiment 3 except that the learner was sitting right next to the subject, and the subject had to physically place the
learner’s hand on a electrical plate that gave a shock (for each experiment above, see Milgram, 2009:33-34).

The results were startling. Experiment 1: 26 out of 30 went to lethal levels, Experiment 2: 25 out of 30 went to lethal levels, Experiment 3: 16 out of 30 went to lethal levels, Experiment 4: 12 out of 30 went to lethal levels. The individuals (the subjects) that went to lethal levels demonstrated enormous stress and mental anguish. They continued even though they really thought that they were seriously hurting the learner (Milgram, 2009:35). Milgram found that,

...many subjects would obey the experimenter no matter how vehement the pleading of the person being shocked, no matter how painful the shocks seem to be, and no matter how much the victim pleads to be let out. This was seen time and again in our studies and has been observed in several universities where the experiment was repeated. It is the extreme willingness of adults to go to almost any lengths on the command of an authority that constitutes the chief finding of the study (Milgram 2009:6).

What was fundamental to the study was the fact that ordinary people can become agents in a terrible destructive process. When asked to carry out actions incompatible with essential standards of morality, relatively few people have the resources needed to resist authority. Many people were unable to maintain their values in action and found themselves continuing in the experiment even though they disagreed with what they were doing (Milgram, 1963). Milgram found six fundamental reasons for continuing the test to the end. First, level of empathic cues: in the first two experiments the pain the learner suffered was felt in an almost abstract and remote quality for the subject; and did not provoke an emotional response in the subject. Second, denial and narrowing of the

40 “Typically there is a close relationship between responsibility and intent—we are responsible for what we intend to do, what we are trying to do” (Sabini and Silver, 1993:200). Like Sabini and Silver I understand that individual action has consequence, and for intentional violence that is done by an individual that individual is responsible.
cognitive field: this allowed the learner to be put out of the mind of the subject. Third, reciprocal fields: with this the learner is now able to put social pressure on the subject, which helps to overcome the pressure from the authority figure. Fourth, experienced unity of action: this helps to explain why the subject would stop once he was in close proximity to the learner. Fifth, incipient group formation: by taking the learner away from the subject the subject starts to form a bond with the experimenter and wants to please the experimenter more than the learner. Sixth, acquired behavior disposition: the subject may have strongly learned to be either peaceful or aggressive (Milgram 2009:36-40). Sabini and Silver found one more that may help understand some structure situations, duty: some of the individuals felt that they had to go on because it was their job. It was what they were supposed to do; they had to continue to follow the dictates of the structure (Sibini and Silver, 1993:201).

The roles that each person took were instrumental in the experiment, so long as the subject thought that he was taking orders from an authority figure he would more than likely (65%) continue the experiment. This demonstrates a hierarchical structuring. Milgram concluded that “...men are not solitary but function within hierarchical structures” (Milgram, 2009:123). The human, that is bound within a hierarchical structure, must change behavior based on the relationship that one human has to another. In different situations one will need to change from an authoritative, an equal, or subservient position in relation to another person. This changing of attitude affects the perceived agency of an individual, and is usually so pronounced that it expresses itself physically in an individual. An agentic shift is defined by Milgram as the attitude transaction from a state of autonomy to a state where the individual became the agent of
another, hence agentic shift or shift in agency. Milgram through his experiments, in his final conclusion, found that individuals not only shifted agency but shifted responsibility from the subject to the perceived authority (Milgram, 2009:132-134). In fact the, subjects, after the experiment was over,

…often excused their behavior by saying that the responsibility belonged to the man who actually gave the order. This may illustrate a dangerously typical situation in complex society: it is psychologically easy to ignore responsibility when one is only an intermediate link in a chain of evil action but is far from the final consequences of the action. The person who assumes full responsibility for the act has evaporated. Perhaps this is the most common characteristic of socially organized evil in modern society (Milgram, 2009:9).

Milgram found that there are antecedent conditions that will move an individual from an autonomous to an agentic state. For example, “…family views of authority, institutional settings that an individual has had experience with, and what type and how effective the rewards and punishments have been in the structures the individual is involved with…” (Milgram 2009:135-138). Once the shift has occurred there are behavioral and physiological consequences (called antecedent consequences) of the agentic shift. For example, perception of authority (authority is contextually perceived and it is normatively supported), the person being identified must be an authority relevant to the individual, the context defines the range of commands that will be excepted by the individual of the agentic shift, and overarching ideology in that the individual must recognize the higher structure of authority (Milgram, 2009:138-143).

The agentic state has properties of its own. For example: entry into the agentic state changes the set of activities carried out by the individual and they become pervaded by the relationship to the authority, the individual tunes into the authority figure and will exclude many other sources of information, redefining of the meaning of a situation
(there is a propensity for people to accept definitions of actions provided by legitimate authority), loss of responsibility, self image,\(^{41}\) and specific commands that serve as the triggering mechanism (Milgram, 2009: 143-148). The forces that keep an individual in the agentic state are called binding forces. For example, the nature of the action that is commanded can be so repetitive so as to keep the individual bound to stop would be an admission of guilt, the individual must break the structure in order to stop the command, and the individual anticipates fear of breaking one of the most deep rooted structures the respect for authority.

Milgram’s conclusions demonstrate the enormously strong influence that the structuring structures have on the individuals that find themselves a part of and that inform on their habitus. In some instances, the structure has almost more power over the individual than the individual has agency. It seems that the only way to lose the hold that a structure has over an individual is for the individual to see; to see beyond the structure and see the situation in a larger context, for instance, that we are all human and that we empathize with the other (Monroe, 1996:215-216). In some cases, finding the proper perspective is difficult.\(^{42}\) Milgram’s work has far reaching implications for work on many types of structures and the dialectic that each individual develops with it.

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\(^{41}\) Monroe demonstrates that for those that did not follow orders during WWII and hid Jews their altruistic acts were dependent on their empathy. It is the importance of “seeing of others” and seeing the common humanity in us all that stops us from abstracting the other and only seeing self (Monroe 1996:215-216).

\(^{42}\) For example Elizabeth Krause demonstrated that one of the fundamental reasons for the lowest fertility rates in the world (in Italy) is due to the structuring structure that has developed between the women of Italy. They desire more children individually but they have all learned socially that working and having their own life is more desirable. If an individual wants to have more children, than is socially acceptable there is no higher source of authority (such as, we are all human) from which to draw. There is only the individuals desires, and because the structure is co-opted with many women (even though, they say they all want more children, they are influenced by the structure to have no more children) the individual is weighed down by the social pressure to have no children, which is step four from Bandura’s social learning model: motivation (Krause 2005).
Milgram’s work demonstrates, ironically, that the observer, who thinks he or she is outside of the structuring structure, is, in fact, a part of the structure. Milgram set himself as an observer watching a grand play that focused on the subject and the subject’s inability to escape the structure that inexorably moved the individual’s will to conduct atrocities. However, he was also caught inexorably as the structure uses his authority to move the individual to conduct action. The structuring structures therefore do not have authority of their own; rather they draw their agency from the collective individual.\(^\text{43}\) The individuals have given their agency, as a group, to someone else (this can be a concept such as a moral value or norm or an individual representative), in the hopes of a greater good. The social learning and the structure that uses this collective will to enforce the will of the group is created by the group as a whole, and collectively acts individually. Milgram was even more responsible for conducting acts of violence, because he was the authority; that is, he abdicated his responsibility to the group of individuals that gave him his authority, namely the collective belief that science is a greater good.\(^\text{44}\) Milgram did actual harm; many of the individuals that were the subjects of the test had mental breakdowns, suffering form the realization of what they had done (Milgram 2009). Milgram, in his book *Obedience to Authority*, does not reflect on whether his experiments on unsuspecting people were acts of violence on the individual. However, because he does mention that many of individuals had some kind of psychosis as a result of the

\(^{43}\) This “collective individual” is really society that is made of individuals combining their voices together to make one voice the collective individual see Thomas Hobbes (1997) *Leviathan*.

\(^{44}\) Kelman has demonstrated that, “Authorization processes create a situation in which people become involved in an action without considering its implications and without really making a decision. Once they have taken the initial step, they are in a new psychological and social situation in which the pressures to continue are powerful” (Kelman 1993:237). Milgram, even though he sees men going through such mental anguish as to move them to the point of a fractured psyche, never even stopped the experiment for any of the thousands of individuals (Milgram 2009).
experiment, Milgram’s experiments and therefore his actions were psychologically violent.

**Summary**

In the contemporary, the individual is the unit of study, because it is with the individual that the structuring structures, which exist in the ‘real,’ inform the individual’s habitus. Inquiry into the past development of contemporary structures will not determine, but will construct a form of the structure to help see the present, and near future, of the structuring structures that shape the social economic credit system in the West. In the following chapters, we will see that ‘material’ gives way to ‘ideal.’ That in life, the structuring structure of ‘debt’ within the individual is expressed as both the ‘creditor’ and ‘debtor.’ We will look at money and ‘new dialectic’ that structures ‘value’ and the individual’s internalization of this new language. I assert that the imagination of the individual is the ‘chaos theory,’ if you will, of what really is the ‘humanizing’ affect that exists between structuring structures and our habitus. That, for the most part, soldiers, even though there maybe external manipulation to get them to join, serve voluntarily, because of the ‘gift’ not with reciprocity, but community as ‘ideal.’
Chapter III

Money as a Symbol of Value

This chapter is laid out in five sections in order to give the reader an understanding of economic value, and an appreciation of the dual nature of money and its relationship to the gift. I have separated the dual aspects of money into two different sections. The first section on money represents the external material aspect of money as a commodity of labor, which is the common economist’s understanding of money. The second section on money represents the internal ideological aspect of money, which represents the common anthropological view of money. I have chose Marx to represent the material view and Mauss to represent the ideological view, and in the third section on money I will combine the two views into a comprehensive understanding of money as symbol of dialectical values that are set in a sociocultural context.

Economic Value

Value is expressed and modified outside of an individual in exchange with others. Through the subjective externalization of one's desires onto an object that is both independent and separate, the process of valuation begins. Our “…object of volition is different from the object of our representation,” (Simmel 2011:80). Within each individual lies the original desire, and the object of our representation becomes a symbol of that desire.

….the subjective events of impulse and enjoyment become objectified in value; that is to say, there developed from the objective conditions obstacles, deviations, demands for some kind of ‘price’ through which the cause or content of impulse and enjoyment is first separated from us and becomes, by this very act, an object and a value… (Simmel 2011:80).
Through the process of individuals trying to exchange these objects of enjoyment, price is formed.

Within the economic sphere, this process develops in such a way that the content of the sacrifice or renunciation that is interposed between man and the object of his demand is, at the same time, the object of someone else's demand. The one has to give up the possession or enjoyment that the other wants in order to persuade the latter to give up what he owns and what the former wants... Two value formations are interwoven; a value has to be offered in order to acquire a value. Thus it appears that there is a reciprocal determination of value by the objects. By being exchanged, each object acquires a practical realization and measure of its value through the other object.... (Simmel 2011:81).

Through the process of interweaving values, a practical and measured understanding of values themselves, results in the formation of an entirely new and sometimes unexpected value namely, social relationship, and through relationships social organization has its beginning (Graeber 2005).

Individuals in social organizations have their reality constructed through relationships with others in the course of many different modes of relational sharing, for example, through language (Gumperz & Levinson 1996, Hill & Mannheim 1992, Lucy 1992, Sapir 1949, Spender 1980, Whorf 1956, Williams 1977) and artifacts (Bourdieu 1977 and Miller 1994). Money, as an artifact, is no different. When it is used, it helps, in part, to define the individual. This is part of the processes of socialization and enculturation. This process happens unperceived by the individual. Routines of daily life orient the spaces of use of money, and small, yet important distinctions in object forms, through which individuals shape their classifications and habits. In turn, individual expectations are created, allowing the world to become immersed as a subconscious context for social
lives. In this structure, cultural identity is not only personified, it is plainly ‘objectified.’ (Bourdieu 1977:90).

Through the socialized objectification of cultural and individual identity, the value of money is formed. Confusion over the value of money does not lie so much in the value, but in the form the value should take, and to which object should then be chosen by the individual. Simmel contends a key problem of the modern age is the proliferation of artifacts has produced situations in which individuals cannot assimilate their symbolism, and hence their value (Simmel 1968: 43-44). For example, anthropologists have found significant social and cultural meaning in the smallest of objects used by others (Foster 1994:377). These objects are always assumed to be full of meaning, integrating multiple elements of cultural life. “On the other hand all contemporary anthropologists, as members of their own societies, also relate to objects, for example, by going shopping” (Miller 1994:397), or by simply using a piece of paper and a wooden number two pencil without ever consciously realizing the socially and culturally internalized meaning (Sahlins 1976).45

Sahlins (1976) saw that within these objects are both the ‘material’ and the ‘ideal,’ a “materialism” and “idealism” if you will. For Sahlins, objects are not separate and

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45 Sahlins pointed out that one of the problems of anthropology from the beginning was, “…how to account for the functional relations between aspects that had at first been conceived as distinct. Much anthropology can be considered a sustained effort at synthesizing an original segmentation of its object, an analytic distinction of cultural domains it had made without due reflection, if clearly on the model presented by our own society. But the project was doomed from the beginning, because the very first act had consisted in ignoring the unity and distinctiveness of culture as a symbolic structure, hence the reason imposed from within on the relations to an external nature. The error was to surrender this reason to various practicalities and then be forced to decide how one set of requirements is reflected in the relations devoted to another—the economic to the social, the social to the ideational, the ideational to the economic. But it follows that a retotalization is not effected merely by considering material goods, for example in the context of social relations. The unity of the cultural order is constituted by a third and common term, meaning. And it is this meaningful system that defines all functionality; that is, according to the particular structure and finalities of the cultural order. It follows that no functional explanation is ever sufficient by itself; for functional value is always relative to the given cultural scheme” (Sahlins 1976:205-206).
individual modes of utility; nor “merely a fetishized utility” but rather dialectic symbol between the material and ideological. That takes place within the individual and between individuals; each with their own “cultural emphases” (Sahlins 1976:vi-x, 211). In reality the material forces and the ideological forces cannot be separated, as they both influence and form each other. However, in order to understand them better, initially, I consider each aspect in turn.

Material symbol: The value of material exchange

Generally economists view money has been a symbol of labor, a symbol of goods that can be exchanged easily and equitably, and that money as a medium of exchange assists in eliminating inefficiencies of barter (Smith 1776, Smith 1859, and Ferguson 2008). They also see money as a unit of accounting that allows for valuation, as well as the storing of that value and calculation; it allows for economic transactions that can be done over long distance and time. In order to do this, “…money has to be available, affordable, durable, fungible, portable, and reliable,” (Ferguson, 2008:25). Metals such as gold,

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46 Sahlins attempted to reconcile the differences between Marx’s historical materialism and French structuralism. For Sahlins, “... The problem of historical materialism-a problem it shares with all naturalistic theories of culture-is that it accepts the practical interest as an intrinsic and self explanatory condition, inherent in production and therefore inescapable in culture.” Even though on the surface this may appear to be true it is not. He continues, “… The material forces taken by themselves are lifeless. Their specific motions and determinate consequences can be stipulated only by progressively compounding them with the coordinates of the cultural order. Decompose the productive forces to their material specification alone; suppose in industrial technology, a population of men, and an environment. Nothing is thereby said about the specific properties of the goods that will be produced, or about the rate of production or the relations under which the process shall proceed. Industrial technology in itself does not dictate whether it will be run by men or by women, in the day or at night, by wage laborers or by collective owners, on Tuesday or on Sunday, for profit or for a livelihood; in the service of national security or private gluttony; to produce hand-fed dogs or stall fed cattle, blue collars or white dresses; to pollute the rivers and affect the atmosphere or to itself slowly rust away like Singer sewing machine posed majestically in front of the house of an African chief…” (Sahlins1976:208-210). What Sahlins is trying to say is that, “The material forces become so under the aegis of culture” (Sahlins 1976:208). That these cultural markers and cultural symbols are products not only of material forces but ideological forces.

47 This seemingly historical transaction from barter to money never happened (Graeber 2011:395).
silver, and bronze have been regarded, for thousands of years, as a monetary raw material because they fit most of these criteria. However, money can be made from anything. Rather than the material of which money is made, it is a collective agreement to hold a particular material, modified in some fashion, to represent labor and/or accumulated capital, as well as being a standard of value.

Since money, generally, can be made of anything, a wide variety of materials have been used, including, but not limited to: seashells, beads, obsidian, disk-shaped stones, bamboo, grain, salt, tobacco, cigarettes, liquor, tea, cocoa beans, honey, butter, dried fish, spears, swords, arrows and arrowheads, axes and axeheads, knives, guns, bullets, empty bullet cartridges, hoes, spades, nails, plastic, paper, animal skins, cloth, clothing, blankets, gemstones, jewelry, feathers, whale teeth, shark teeth, ivory, bone, cattle, camels, slaves, and wives (Opitz 2000). Today, in America, individuals use bank notes that have their origin five thousand years ago with the ancient Mesopotamians. They initially used clay tablets to record business transactions, and then transitioned these tablets into promissory notes to be redeemed at a later date and traded as money just like the bank notes used today (Nissen, Damerow, and Englund 1993:49,84-89).

Yet, clay tablets never became a widespread unit of value. Mundell (2002) believes, that by far, the most common material to represent value was the ox.

The ox was used widely as a standard of value in all the ancient civilizations and certainly over all the Middle East. This animal had many advantages as a unit of account. As a basic instrument of production it was widely known and the most important asset held on farms outside the land itself. Its value was relatively stable in terms of grain and other basic commodities. But as good as the ox was as a standard of value, it was bad as a medium of exchange. It was neither homogeneous, divisible, or portable (Mundell 2002:7).

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48 Mundell believes that “all ancient civilizations” used the ox as a unit of value. This is clearly not the case and is an over exaggeration. For example Native Americans did not even have ox. I use him as an example of what the thinking is among general economists and historians concerning the origin of money.
Mundell’s view is that as personal wealth and populations grew, it became necessary to convert the value of the ox into a material that was more easily traded over distance, and with diverse people. In order to do this, a system of value had to be established in the material that was universally recognized, namely gold.

Mundell points out that gold in the form of decoration and ornamentation had been in use by wealthy individuals, of many socially and culturally separated people, for themselves and as a way of paying tribute to others (Mundell 2002). Because gold had been used for decoration and ornamentation by so many individuals in different countries, it was easily recognized as a candidate. Mundell (2002) and Ridgeway (1892) believe that gold became the unit for measuring value in exchanges. They also judge gold as a unit of measure became universal across Asia, Europe, and Africa with the unit tied to the value of gold measured in weight to represent the same value as one cow. The average gold weight standard was 130 grains to equal one cow (Ridgeway, 1892:132).

In the regions of Asia, Europe, and Africa, where the system of weight standards, which has given birth to all the systems of modern Europe had its origin, the cow was universally the chief unit of barter. Furthermore, gold was distributed with great impartiality over the same area, and known and employed for purposes of decoration from an early period by the various races which inhabited it...Practically all over the area there was but one unit for gold, and that unit was the same weight as the Homeric talanton ...Gold was the first object for which mankind employed the art of weighing...and over the area in question there was a strong evidence to show that from India to the shores of the Atlantic the cow originally had the same value as the universally distributed gold unit. From this we drew the conclusion that the gold unit, which was certainly later in date than the employment of the cow as a unit of value, was based on the latter (Ridgeway 1892:231).

49 The case that Ridgeway (1892) makes for the relationship of gold weight equaling one cow is valid, yet he needs to be a little more accurate as to the cow as a universal unit of barter in the regions he mentions. His and Mundell’s (2002) views as to the exact origin of money is wrong as I will demonstrate in chapters V and VI of this Thesis.
Rideway and many economic historians believe that gold became a substitution of value, and that individuals took the value of the cow’s usefulness for sustaining life and substituted it with the value of gold’s ability to add aesthetic beauty (Mundell 2002, Rideway 1892, Smith 1776, and Ferguson 2008). The latter became money in the form of ingots, rings, coils, and other pieces of precious-metal bullion, typically silver, though unlike coins these had no mark of authority. Gold was not, however, the first metal to be a substitute for value thus becoming money; rather, it was bronze.

Bronze became the first metal used to make coins as a result of individuals in China that developed a technique to cast refined bronze. This technique was soon adopted by city state to make coins called cowrie (sea shells) as money, to represent labor and commodities. In the Shang Dynasty (16th ~ 11th century BC), natural sea shells were replaced by bronze sea shells as a major form of currency. These were quickly replaced by bronze cast into shapes that resembled miniatures tools of the time such as hoes, shovels, spades, and knives.\(^{50}\) They eventually carried inscriptions and mint marks, perhaps first appearing this way about 700 BC. A circular metal disc without designs with a square whole punched out of the center, so that the disk could be carried on a string, soon replaced the implements (about 600 BC).\(^{51}\) This remained the basic style that many of the warring kingdoms used until succeeded by Western-style coinage in the late nineteenth century (Tameanko, 2005:2-23).\(^{52}\) City states in China were not the only

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50 Glyn Davies, argues that Chinese miniature tool money came before the Lydian Lion coin (the first gold coin) but calls them “quasi-coins” (Davies 1994:54-57, 62).
52 It was not until 221 BC that a standardized bronze coin was introduced to China by the ‘first Emperor’, Qin Shihuangdi” after he stabilized the region (Ferguson 2008:25).
locations that money was being developed in; Lydia and India both developed coins independently.

The first coin in the West has traditionally been the Lydian Lion (between 650 BC and 600 BC) and it is this coin that directly preceded ancient Greek coinage. Greek coins migrated to Rome influencing their denominations and Roman coins became the base for all the rest of Western coinage (Mitchiner 2004). The Lydian Lion coins were made of an alloy known as electrum, a gold and silver alloy, and were stamped with the image of lion’s head. These coins were the precursors to the standardized silver coin the Athenian tetradrachm. The Romans eventually produced three different coins that were ranked according to the relative scarcity of metal the aureus (gold), the denarius (silver),

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53 Each system of coinage had a “stater” that was the standard denomination upon which the smaller denominations were based, and it could refer to an electrum, gold, or silver coin. As is customary in numismatics, the word “stater”, which the ancient Greeks used and which in ancient times meant “weigher” or “that which balances the scales.” The term “trite” was also used by the ancient Greeks as a denomination of electrum coins, for one-third of an electrum stater. Silver fractions were typically referred to as drachms, obols, and so on instead of as trites, hektes, and so on. Mitchiner makes a case that instead of “stater” a more appropriate term that should be used in conjunction with these Lydian coins is “shekel,” which was a traditional Mesopotamian term for a given weight of bullion, which became the term for the standard coin denomination of the Asian kingdoms and many Eastern cities, and which the Greeks subsequently Hellenized to “stater” (Mitchiner 2004:215). The term “shekel” or “shiklus” goes back to ancient Sumer, according to (Mundell 2002:5-6).

54 In the Temple of Artemis at Ephesus is where archaeologists found the Lydian Lion coins dating back to 600 BC. Many claims have been made as to the origin for the first coin in the West: C. Thompson argued for Cisjordan (Israel and the West Bank of the Jordan River) (Thompson 2003), T. Chandler argued for Jerusalem (Chandler 1992), and M. Balmuth argued for northern Syria (Balmuth 1971), and Mitchiner, argued as others have before him that Indian coins developed from Western prototypes, which Indians came in contact with through Babylonian traders (Mitchiner 2004:741-742). Schaps disagrees, feeling that Indian coins developed independently of Lydian and Greek coins, but later than them (Schaps 2004). Mundell agrees with a date between 650 and 600 BC (as did Mitchiner and Schaps from the above references) and he agrees that many conservative scholars hold that the Lydian coin was the first coin. However, he makes a case that a small colony called Argos on the island of Aegina, a small island near Athens, produced the first coin. (Mundell 2002). I have listed the Lydian coin because it has been held traditionally as the first coin in the west. Despite the argument as to where the first coin in the West originated there is general consensus that a date between 650 and 600 BC is accurate.

55 The Lydian lion influenced other coins that were developed through the Seleukids, Parthians, and Sassanians who begot all Islamic coinage (Mitchiner 2004). Indian coinage has largely been a product of Greek, Roman, and Islamic influences (Schaps, 2004).

56 Stone and clay seals with pictorial designs predated coins, and some scholars have argued, persuasively, that the idea of stamping coins with designs developed from the use of seals to designate ownership or authority (Seaford, 2004: 115-118, Balmuth, 1971:2, Holloway 1998).
and the *sestertius* (bronze). “In each case, coins made of precious metal were associated with powerful sovereigns who monopolized the minting of money partly to exploit it as a source of revenue,” (Ferguson, 2008:25).

Ferguson (2008) argues that the Islamic empire monopolized coinage to such an extent that there was a chronic shortage of silver in Western Europe by 800 AD. This was due in part to the fact that the Islamic Empire had developed its commercial centers to a greater extent than the West and the East; allowing the Islamic Empire to dominate the near East and Southern Mediterranean which tended to drain silver from Europe. Eventually, the Islamic Empire became the center for trade between the West and the East. The *denarius* had become so rare by Charlemagne’s time that it took twenty-four for them to buy a Carolingian cow (Ferguson, 2008:25).58 To overcome the metal shortage in Europe, peppers and squirrel skins were used as currency in some parts, and in other parts ‘pecunia’ were used to mean land instead of money.59 European authorities, with the desire to continue the monopolization of money, overcame the shortage by

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58 “Charlemagne was crowned Impertor Augustus in 800 AD” (Ferguson 2008: 25).
59 “The chief terms used in Greek and Latin for money are ἄργυριον, χρήματα, νόμισμα, aes, pecunia, moneta, nummus (or numus), and numisma. It was called ἄργυριον from ἄργυρος, because the prevailing coinages in Greece were of silver [Ar-gentum], (so at a later period we have χρύσιον and χάλκιον, which, however, are seldom used, except in their specific senses,) and aes, because that of Rome and Italy was of copper; χάλκιον, simply as the representative of value; pecunia, from the same cause, in connection with pecus, which either meant originally cattle, and thence, in an early age, valuable property in general, or, perhaps, vise versa; and νόμισμα (ἀργυριον) from νόμος, because it was a medium of exchange established by custom and law, current coin. These last terms, nummus and numisma, were transferred into the Latin language through the Greeks of Sicily and southern Italy, who applied the word νόμος (or, as it is also written, νομισματος), not only to money in general, but specifically to the chief silver coin of their system; and thus, in Latin, the word is used both in the specific sense, as equivalent to *sestertius*, and in the generic meaning of any sort of money. Some writers give the ridiculous derivation of *numus* from *Numa*, who, they say, first coined money: here the process has been, first, to fancy the connection of the words, and then to invent the fact to account for it. The word *moneta*, from which, through the French, we get our word money, was a surname of Numa, in whose temple the standards of weight, measure, and money were preserved: the epithet itself seems to correspond in meaning and derivation (from *moneo*) to the name of the Greek deity *Μνημοσύνη. [Moneta]” (Smith 1859:808-809).
exporting labor and goods such as exchanging slaves and timber in Baghdad for silver, or for African gold in Corboda and Cairo.

Philip Smith takes the stand that money can only be money if it is tied to a commodity that the people want, because of its built-in exchange value, and that it has to have a seal of approval, having been established by a recognized authority. If a material that has no value in and of itself, is stamped by of a recognized authority, such as paper, and then it is credit, rather than actual money.

Aristotle traces its invention to the early felt necessity of a common medium of exchange, to obviate the inconveniences of barter. At first, he tells us, it consisted of masses of metal and other convenient substance, determined by size and weight, and, lastly, with marks stamped upon them, to save the trouble of always weighing them. It is unnecessary to quote other authorities in confirmation of this statement. The things which are essential to money are the material and the stamp—the former giving it the reality of value, the latter its assurance. In the early state of commerce, described in the Homeric poems and other ancient works, when the transfer of commodities was affected by means of quantities of unstamped gold, silver, or copper, which were determined by weight, money, properly speaking, did not exist. On the other hand, a mere stamp, on a material of little intrinsic value, does not make it money, but a mere token of credit, which is sometimes loosely and inaccurately called money. This sort of so-called money was sometimes, though rarely, employed by the ancients, and that chiefly by the barbarous nations; the civilized states preferred the subterfuge of debasing their coinage to any attempt to introduce the element of credit avowedly into their monetary system. They had nothing like our paper money or bills of exchange (Smith 1859:809).

Smith implies that debt tied to the monetary system is worse than the debasing of a coinage monetary system. Yet, Smith is wrong in his assessment that money can only be money if the money, in and of itself, has some exchange value. He did not understand that objects such as money are symbols for individuals, and as such represent not only necessities for survival but internal values of the individual and culture.
Money, as a symbol, having more value to individuals than the material makeup of the money itself has been demonstrated by many countries, including the U.S., where the use of material with no exchange value such as clamshells, paper, even rocks, represent these values. I want to turn now to this idealized aspect of money, an aspect that is not dependent upon the material composition of the money regardless if it is paper or large stones.

**Ideological symbol: The value of ideal exchange**

Large stones of limestone were used on the island of Uap (now called Yap) as money. In 1903, an American anthropologist named William Henry Furness spent several months in what used to be a German colony, on the island of Uap, in the Caroline Islands of Micronesia. In Uap, Furness observed a people that had no need for bartering and no real need for any medium of exchange, as all their food, drink, and clothes were readily available in nature around them. Yet, they had a desire for personal decoration and adornment, things such as polished shells, tortoise-shell, variegated beads, etc., and all these demand a labor and time in making them. And he said that the Uap, “…have solved the ultimate problem of political economy, and found that labor is a true medium of exchange and the true standard of value,” (Furness 1910:93). The island had no metal and very little stone, so the Uap in an effort to have a lasting and tangible symbol of their labor developed, known as *fei*.

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Fei is the word that the Uap use for stored labor: not just everyday labor, but rather, labor that represented the will that it takes to persevere through hardship over long periods of time through physically strenuous work, and the perseverance of suffering even separation from family. As a physical symbol of fei the Uap quarried, large, solid, thick, stone wheels, ranging in diameter from a foot to 12 feet, having in the center a whole varying in size with that diameter of the stone, were in a pole may be inserted sufficiently large and strong to bear the weight and facilitate transportation. These stone “coins,” if I may so call them, are not made on the island of Uap, but were originally quarried and shaped in Babelthuap, one of the Pelao Islands, 400 miles to the southward…(Furness 1910:93).

The larger the stone was the greater its worth, but size alone did not make up its total worth. The quality of limestone, and the marksmanship of the cut both added greatly to its value. Through this medium of exchange, any transaction was possible.

Some transactions required a fei too large to be conveniently moved. In this case, after concluding a bargain the new owner of the fei accepts the acknowledgment from the former owner of the fei that the fei has now changed hands and belongs to the new owner. Despite the changing of ownership the fei would continue to reside at the original owner's failu (home). There was no new mark or symbol placed upon the newly exchange fei just the acknowledgment between two people that the exchange had been done, and from then on the new owner of the fei could exchange the fei with the stone symbol remaining undisturbed at its original owners premises the entire time. For the Uap, Fei, the honesty of their people, and their faith in fei once collected was unquestionable,61 and ultimately led to an internalization of the symbol of fei. As the Uap became familiar with all of the fei that existed in neighboring households one did not have to go physically look at fei to

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61 This is not to say that the Uap were naïve and believed that everybody was totally honest; sometimes it was necessary to go back to the actual stone.
know its size and value. Fei then became an internalized value making the stone circle ultimately no longer necessary.

Furness recounted,

my old faithful friend, Fatumak, assured me that there was in a village nearby a family whose wealth was unquestioned, acknowledged by everyone, and yet no one, not even the family itself, had ever laid eyes or hand on this wealth; it consisted of an enormous fei, whereof the size is known only by tradition; for the past two or three generations it had been, and at that very time it was lying at the bottom of the sea! Many years ago an ancestor of this family, on an expedition after fei, secured this remarkably large and exceedingly valuable stone, which was placed on a raft to be towed homeward. A violent storm arose and the party, to save their lives, were obliged to cut the raft adrift, and the stone sank out of sight. When they reached home, they all testified that the fei was of magnificent proportions and of extraordinary quality, and it was lost through no fault of the owner. Thereupon it was universally conceded in their simple faith that the mere accident of its loss overboard was trifling to mention, and that a few hundred feet of water offshore ought not to affect its marketable value, since it was all chipped out in proper form (Furness 1910: 96-98).

The belief that fei is more than the symbol that represents it is the intrinsic value of money whether it be a stone wheel or gold coin. The intrinsic value of money is not in the material itself (limestone or gold as both are just stones) rather it is the belief that what was represented by these materials cannot be diminished and therefore it can be traded, it can be transported, and it can be stored. Unfortunately, it can also be manipulated, as the Germans did.

Germany bought the Caroline Islands from Spain in 1898. At that time, many of the paths and highways that Spain had established through the Uap, in order to increase trading, were in bad condition. The Germans repeatedly commanded the Uap to repair the paths and some highways, but the Uap would not comply. The Germans decided to

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62 The Uap had used, coral in the roadways and while the “roughly dressed blocks of coral were, however, quite good enough for the bare feet of natives” it was not good enough for the Germans (Furness 1910:99).

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impose a fine upon the chiefs of the districts. The problem was how the fine should be imposed, as the Uap had no gold or silver. The fei was useless to the Germans, and ultimately, they had no building that was large enough to hold all the enormous stone coins.

At last, by happy thought, the fine was exacted by sending a man to every failu (home) and pabai (bachelor house or a men's club) throughout the disobedient districts, where he simply marked a certain number of the most valuable fei with a cross and black paint to show that that the stones were claimed by the government. This instantly worked like a charm; the people, thus dolefully impoverished, turn to and repaired the highways to such good effect from one end of the island to the other, that they are now like park drives. Then the government dispatched its agents and erased the crosses. Presto! The fine was paid, the happy failus resumed possession of their capital stock, and rolled in wealth (Furness 1910:99-100).

The money never moved. For all practical purposes, the money stayed in the physical possession of the owner. However, by the German government claiming possession of the stones, to the Uap, it was as good as if the German government came and physically confiscated them.

What is fascinating is that the belief system of the Uap allowed the Germans to manipulate the Uap successfully. The Uap were totally convinced that money was more than a physical possession, and that it lies within the minds of men. There was a physical representation of the money: the stone fei, but this was nothing more than a symbol of the fei. The symbol, once seen by other men, would inscribe within their minds that the owner did indeed possess fei in sufficient quantities for whatever purchase that was being made. And even further, if someone of authority, or established integrity and honesty, had once seen the fei then the transference of this thought-icon of money from his mind to another was as good as his word (recall that fei lost at sea were still valid). So, for the
Uap, the Germans, who clearly had the physical power and the ability to physically remove the fei for themselves, did not need to go through the trouble of physically removing the stones; simply planting the thought-icon was the same as actually taking possession of the fei.

Milton Friedman likened the use of the thought-icon by the Germans on the Uap to a gold exchange that happened between the United States and France between 1932 and 1933. In 1932, the Bank of France, in order to ensure that the U.S. would continue to hold the price of one ounce of gold at $20.67, had the U.S. convert French-owned American dollar assets in the U.S. to gold. In order to get around the security and shipping costs of moving the gold from the U.S. to France, France requested that the Federal Reserve Bank of the U.S. simply store the gold for France within their banks. The Federal Reserve Bank simply put some of the gold that it already had stored within its vaults into drawers marked, ‘property of the French Government.’ This was similar to marking an X on the stones that now belonged to somebody else (Friedman 1991:3-4).

The result was headlines in the financial newspapers about “the loss of gold,” the threat to the American financial system, and the like. U.S. gold reserves were down, French gold reserves up. The markets regarded the U.S. dollar as weaker, the French franc as stronger. The so-called “drain” of gold by France and the United States was one of the factors that ultimately led to the banking panic of 1933” (Friedman 1991:4).

Friedman goes on to ask rhetorical questions:

Is there really a difference between the Federal Reserve Bank’s believing that it was in a weaker monetary position because of some marks on the drawers in its basement and the Yap Islander’s belief that they were poor because of some marks on their stone money? Or between the Bank of France's belief that it was in a stronger monetary position because of some marks on drawers in the basement more than 3,000 miles away and the Yap Islander’s conviction that he was rich because of the stone under the water some 100 or so miles away? Or for that matter how many of us have literal personal direct assurance of the existence of most of the items we regard as constituting our
wealth? Entries in the bank account, property certified by pieces of paper called shares of stock, and so on and on (Friedman 1991:4).

Friedman here juxtaposes two systems of exchange: the use of commodities to be exchanged one for another and the use of a thought-icon, or belief system, where value is stored not in the hard substance that you can carry in your hand, but within the symbol that represents value in one’s mind.

The Dialectic value of the money symbol

Friedman juxtaposes two, seemingly different, belief systems of money. The first: money is the ‘material’ being used in the exchange of two things of equal value, both commodities desired by the parties involved. The second: money is the exchange of value through the ‘ideal’ that represents more than just the perseverant struggle that the labor of survival for man and his family entails, but of happiness as well. At the root, both systems of exchange are the same economic system, because any economic system is an exchange of value (Simmel, 2011:78-85). In Western civilization, this exchange of value is a combination of both the material and the ideal.

The task of combining the material world and the ideal world is done everyday. Take for example the conversation in the U.S. Economic Outlook and Monetary Policy meeting on 13 July, 2011. The Congressional House Financial Services Committee on Monetary Policy Chair, Ron Paul, congressman from Texas, questioned Ben Bernanke, the United States Federal Reserve Bank Chairman.

Congressman Paul: “The price of gold today is $1580. The dollar during these last three years has de-valuated almost 50%, when you wake up the morning do you care about the price of gold?”
Chairman Bernanke: “Well I pay attention to the price of gold, but I think it reflects a lot of things. It reflects global uncertainties. I think the reason people hold gold is a protection against what we call ‘tail risk,’ (really, really bad outcomes) to the extent of the last few years has made more people worried about the potential of a major crisis, then they have gold as a protection.

Congressman Paul: “Do you think gold is money?”

Chairman Bernanke: “No. It's a precious metal. ”

Congressman Paul: “It's not money! Even if it had been money for 6000 years somebody reversed that and eliminated that economic law?”

Chairman Bernanke: “Well, you know it's an asset. Do you think the treasury bills are money? I don't think their money either, but their a financial asset.”

Congressman Paul: “Why do central banks hold it?” (He's referring to gold here.)

Chairman Bernanke: “Well, it's a form of reserves.”

Congressman Paul: “Why don't they hold diamonds?”

Chairman Bernanke: “Well, it's tradition, long-term tradition.”

Congressman Paul: “Huh, some people still think its money.”


Congressman Paul is a long-term advocate of returning to the gold standard, whereas Chairman Bernanke is a strong advocate for the current fiat system that replaced it.63

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63 The gold standard is the economic policy of backing every paper dollar with an actual dollar worth of physical gold. “In 1924 John Maynard Keynes famously dismissed the gold standard as a ‘barbarous relic’. But the liberation of bank-created money form a precious metal anchor happened slowly. The gold standard had its advantages, no doubt. Exchange rate stability made for predictable pricing and trade and reduced transaction costs, while the long-run stability of prices acted as an anchor for inflation expectations. Being on gold may also have reduced the costs of borrowing by committing governments to pursue prudent fiscal and monetary policies. The difficulty of pegging currencies to a single commodity based standard, or indeed to one another, is that policymakers are then forced to choose between free capital movements and an independent national monetary policy. They cannot have both. The currency peg can mean higher volatility in short-term interest rates, as the central bank sees to keep the price of its money study in terms of the peg. It can mean deflation, if the supply of the peg is constrained (as the supply of gold was relative
Congressman Paul holds that gold is true money, and that is why Central Banks hold it. His belief is that it has value, because gold has demonstrated the ability to be a store of wealth historically, but also, it has intrinsic characteristics that will not diminish. He represents the historical material side of the argument. Chairman Bernanke acknowledges the intrinsic characteristics of gold, by calling it a commodity, and a reserve with the ability to protect wealth, but he refuses to call gold money. He does so, because he is the producer of money, based solely on the belief that a piece of paper which has no intrinsic value, and which, once stamped with the symbol of authority, is of equal, or greater value than gold. Chairman Bernanke represents the ideal position on money.

The paper, that makes up the idealized U.S. dollar bill, does not carry the same intrinsic value as gold, which can be used for jewelry, computer components, and even screens in catalytic converters that assist cars in running environmentally cleaner. Both positions miss their commonality: they are talking about value. Both Congressman Paul and Chairman Bernanke agree; both speak past each other, and both are right. Congressman Paul establishes the value of gold: it is valuable to people, and he alludes that people value gold more than diamonds. Yet, the only way he can describe the actual value is in terms of the dollar. He states, “The price of gold today is $1580.”

Congressman Paul knows that the dollar is only as strong as the faith of the people who use it. Gold is only as valuable as people hold it to be. Chairman Bernanke agrees. His system of money, consisting of paper dollar bills, relies solely on the faith of the people,

to the demand for it in the 1870s and 1880s). And it can transmit financial crisis (as happened throughout the restored gold standard after 1929). By contrast, a system of money based primarily on bank deposits and floating exchange rates is freed from these constraints. The gold standard was a long time dying, but there were few mourners when the last meaningful vestige of it was removed on 15 August 1971, the day the President Richard Nixon closed the so-called gold ‘window’ through which, under certain restricted circumstances, dollars could still be exchanged for gold. From that day onward, the centuries-old link between money and precious metal was broken” (Ferguson 2009:59).
and the value of the dollar will maintain so long as people have faith in the country. He also holds that people have more value in gold then they do the dollar, “I think the reason people hold gold is a protection against what we call ‘tail risk,’ (really, really bad outcomes) to the extent of the last few years has made more people worried about the potential of a major crisis then they have gold as a protection.” Chairman Bernanke alludes that people can change what they hold value independent of the circumstances and their perceptions as influenced by the traditions to which an individual belongs.

One such circumstance that influences an individual is time. Because society, culture, and the individual change over time, so does the understanding of value and how it is objectified. A

…relationship between artifacts and persons is derived from a temporal equivalence in which objects stand for the particular states of persons at that time, so that a change in the material attributes of the person is indicative of a change in the person him-or herself. This is the relationship which commonly most concerns anthropologists, because their technique of participant observation tends to freeze the relationship between persons and artifacts in one frame of time, within which the logic of the relationship maybe studied (Miller 1994:411).

Because individuals exist in time, our past acts as a base, or springboard for all that is done; and the future is the location that the springboard pushes us toward; and the present is how both the past and the future are simultaneously observed. This is an ever fluid motion with each individual member never really being able to grasp the full meaning of the past, nor the full implications of the future. The past and future have a dialectical interplay between each other to create the present within the individual (Ortner, 1990:89-92).
A similar dialectical interplay between culture and its expression by individuals through societal relationships occurs, as well as a similar “…dialectical interplay between ordering objects and being ordered by them” (Miller 1994:415). The balance between these two has been debated in anthropology for a long time. For Durkheim, social life came into being through the sacred. Myth and ritual maintenance of the sacred was explicit, generating social unity that resulted in a homogenous order, and this order was a sacred domain encompassing the totality of existence (Durkheim 2001:46,317). He provided a theoretical understanding of kinship, allowing whatever cultural sphere of influence studied to be treated as symbolic of underlying social relations (Durkheim, 1997:127, 234, 287). With this, artifacts were seen to have meaning through sacred symbolic systems; however Durkheim did not view artifacts as shaping individuals, rather, the individual shaped artifacts. Appadurai (1986:3-63) and Miller (1987) explore how objectification transcends dualistic, or reductionist approach to material culture. Contrasting Marx and Mauss’ views on the dialectical process involved in objectification illuminates the value of money further.

For Marx, the value of a commodity was based not in its material, but in its production. He distinguished use-value and exchange value, “In my opinion, the ‘value’ of a commodity is neither its use-value nor its exchange value” (Marx 1881:247). For Marx, the exchange value of a commodity is established when two commodities have a similar value relationship and are exchanged one for another. Each commodity had its own value before the exchange, but during the exchange the original value of the commodity is ‘masked’ by the new established exchange value. The original value’s essence,
…is that of being a social reality and an expenditure of social, therefore abstract, labor; it makes this value a feature of things, thus creating the enigmatic and fetishist nature of commodities. With the development of market relations, the equivalent form of the value of commodities is determined for a particular category of commodity which then plays the roll of general equivalent for the value of other commodities, i.e., the role of money, money itself becoming capital each time it is invested for profit (Godelier 1977:169).

According to Marx, the simple relationship between two commodities involves all the ambiguity of market production because it entails value, money, and capital. Marx writes that in a capitalist mode of market production value is hidden even further.

It is an enchanted, perverted, topsy-turvy world in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters and at the same time directly as mere things. It is the great merit of classical economy to have destroyed this false appearance and illusion, this mutual independence and ossification of the various social elements of wealth, this personification of things and conversion of production relations into entities (Marx 1881: 809).

Fetishism in the market world is derived from the perceived form of value, a characteristic that, in effect, conceals the real essence of the value and shows the exact opposite. In effect, the topsy-turvy experience of the exchange is its deception. Man is not necessarily deceiving himself, but being deceived, since value inevitably appears in a form that is upside down. Value is concealing and presenting itself to the “…consciousness of people living in the commercial world,” (Godelier 1977:170).

This is a result not of a lack of consciousness of the individual, but rather, a spontaneous fantasy and illusionary belief in the individual’s social reality twisting the base value labor.

The fetishist nature of commodities is not, therefore, the result of alienating the consciousness, but the effect in and for the consciousness of the dissimulation of reality in social relations from and behind their appearance. As soon as a product of labor circulates as a commodity, its commodity form
conceals the origin and content of its value, i.e., the human labor required for its production and, irrespective of social relations, what it was that organized this production (slave, feudal, capitalist, socialist modes of production). In the capitalist mode of production, as labor power becomes itself a commodity, its value assuming the form of wages, not only are the origin and content of the value concealed, but also the origin and content of surplus value, i.e., the very nature of capitalist relations of production in so far as they represent an exploitation of the workers by capital (Godelier 1977:170).

Then, for Marx, the “…fetishism of commodities has no foundation in consciousness or rather outside it in the objective reality of the social relations historically determined and it cannot disappear from the consciousness without the removal of the social relations in which it was developed,” (Godelier 1977:170-171). If an individual gives an artifact, the original value stays intact.

**The exchange of value through Gift**

In contrast, Mauss establishes the concept of gift as obligatory and self-interested; with the division of labor principal behind the exchange of the gift. He writes,

…prestations which are in theory voluntary, disinterested and spontaneous, but are in fact obligatory and interested. The form usually taken is that of the gift generously offered; but the accompanying behavior this formal pretense and social deception, while the transaction itself is based on obligation and economic self-interest. We shall note the various principles behind this necessary form of exchange (which is nothing less than the division of labor itself)...(Mauss 1967:1).

Because Mauss considers that the gift is an exchange, the gift given demands a return. And, as such, the exchange creates an obligation and a permanent relationship between individuals.

Furthermore, the obligation is expressed in myth and imagery, symbolically and collectively; it takes the form of interest in the objects exchanged; and the objects are never completely separated from the men who exchange them; the
These communions and alliances are the basis for societies, in which hegemony was established through giving more than others, and thereby creating obligations to control them. This control is emotional. “Things have values which are emotional as well as material; indeed in some cases the values are entirely emotional,” (Mauss 1967:63).

Emotional hegemony does exist, and I will discuss it in Chapter V; here I point out Derrida’s critique of Mauss: gifts do not demand return. According to Derrida, a true gift must be disinterested. “For there to be a gift, it is necessary [il faut] that the donee not give back, … and that he never have contracted a debt,” (Derrida 1992:13). He continues, “A true gift has to be given without thought of recompense. One could go so far as to say that a work as monumental as Marcel Mauss’s *The Gift* speaks of everything but the gift,” (Derrida 1992:24). “Not only should the giver not expect a return, he should not even recognize that he gives a gift,” (Siegel 2006:5). If the giver recognizes that he gives a gift, he will inadvertently think of another object that would have similar value. “This simple recognition suffices to annul the gift. Why? Because he gets back, in the place… of the thing itself, a symbolic equivalent,” (Derrida 1992:13). The gift is a sign, a symbol, addressed to us, and with that there is the possibility that we will need to respond. And with that, there is no more gift (Derrida 1992; Siegel 2006). There is no more gift, because debt is incurred. It is this debt that reinforces community giving every individual a sense that a “gift” needs to be repaid.

Nevertheless, this does not preclude holding the gift as an ideal, even if it is never really attainable (Derrida and Kamuf 1992:184-185). For example, Freuchen tells us one
day, after coming home unsuccessfully from the walrus hunting expedition, he found several hundred pounds of meat that had been dropped off by another hunter. Freuchen tried to thank him, but the other man, an Inuit from Greenland, objected angrily: “Up in our country we are human!” said hunter. “And since we are human, we help each other. We don't like to hear anybody say thanks for that. What I get today you may get tomorrow. Up here we say that by gifts one makes slaves and by whips one makes dogs,” (Freuchen 1961:154). This hunter had two forms of gift. One was the ideal that had no debt, while the second had debt, in fact it would make others bound. Giving meat did create debt, which is why, if Freuchen had better luck next time, he would have to give some in his meat to hunter. The hunter had an ideal in mind, and made a distinction that there was no debt in this gift, because he was a human.

Americans hold a similar ideal, historically. In America, those who believed in Christianity held that giving was the basis for religion. In the Christian concept God gave of himself to Man, and it was impossible for Man to give anything back to God. So, man was to give back to other men. “Pure religion and undefiled before God and the Father is this, to visit the fatherless and widows in their affliction, and to keep himself unspotted from the world,” (The Holy Bible, James 1:27). In effect, the gift, once received, could not be returned to the giver; rather, it had to be given to somebody else. There is no reciprocity in this gift, it continues to be given to others, until the individual that received the gift in the first place would receive the gift again, and then be able to give that gift to someone else again. The system does not create an exchange of value, but rather a passing on of value and debt. In this way, the gift is able to be passed because individuals do not look at the gift as a gift unto themselves, but a rather a gift to everybody, in effect,
making relationships not just on a basis of reciprocity, but community. Mauss described this as the spirit in the gift, or *hau*.

I shall tell you about *hau*. *Hau* is not the wind. Not at all. Suppose you have some particular object, *taonga*, and you give it to me; you give it to me without a price. We do not bargain over it. Now I give this thing to a third person who after a time decides to give me something in repayment for it (*utu*), and he makes me a present of something (*taonga*). Now this *taonga* I received from him is the spirit (*hau*) of the *taonga* I received from you and which I passed on to him. The *taonga* which I receive on account of the *taonga* that came from you, I must return to you. It would not be right on my part to keep these *taonga* whether they were desirable or not. I must give them to you since they are the *hau* of the *taonga* which you gave me. If I were to keep this second *taonga* for myself I might become ill or even die. Such is *hau*, the *hau* of personal property, the *hau* of the *taonga*, the *hau* of the forest. Enough on that subject” (Mauss 1967:8-9).

The gift must be passed on due to the strength of the original *hau*. It is a spirit and an energy or force, one that creates a bond between those who give and receive, eventually bonding the whole community into one in social solidarity (Komter 2005).

The bonding of the community into one happens because two values are being experienced, the ideal, where emotions associated are positive, and reinforce the necessity of the ideal, and debt, where the emotions associated are not necessarily negative; rather they encompass a sense that something is owed. Debt keeps the gift moving from one person to the next, eventually creating a feeling of mutual debt with the whole community. Mauss noted this was present in Western civilization, but because he could not logically see an ideal that once initiated, would become greater than the individual, and that that ideal, once given, could initiate the gift. For Mauss, the gift had to be self-interested because the first person to give a gift was a person of labor, and material value and not an ideal that grew spontaneously,
spreading rapidly from person to person as a gift. “The theme of the gift, a freedom and obligation in the gift, of generosity and self-interest in getting, reappear in our own society like the resurrection of a dominant motif long forgotten,” (Mauss 1967:66). I would argue that it never left; instead of being resurrected, it was always there.64

The dominant motif in the U.S. society misunderstood by Mauss is that even if we can never truly achieve a gift without reciprocity the ideal that you can give a pure gift is a value that is held by the individual. And it is this ideal that during the exchange can sometimes be passed. As Mauss said sometimes the exchange is made up of nothing but pure emotion, and it is during these times something more than labor is past-- something more than the intrinsic value of an item. What are past are the socially learned and individually construed objects of value that represent ideals like identity, belonging, and happiness. An example is Santa Claus. Parents,

64 Bellah speaks of two movements similar to this; both had visions of community and are known as Establishment and Populist visions. The Establishment vision was popular with segments of the industrial and financial elites they believed in community, but also believed that all property belongs to the community and an individual had charge of the property so long as he was a proper steward of it. The Establishment vision wanted to expand regulatory power over economic life by increasing the power of private institutions. The Populist vision claimed to be for ‘the people’ and ordinary citizens. The Populist community is a community in which the power of government was increased for the common good. Both of these led to Progressivism, which wanted to create a national community in the form of a national Republic (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996:258-262). The sense of community that I’m talking about is not a nationalist movement, or an ‘ideal’ that can be regulated by government; it can only take place between individuals. Bellah after talking to two different kinds of community organizers says that, “the civic minded professional and the professional activists are often motivated by community concern, but they see the community largely in terms of a variety of self interested individuals and groups. However else they differ they tend to view the community as a context in which a variety of interest should be expressed and adjudicated. This seems particularly hard for those we interviewed to articulate a language of citizenship based neither on the metaphor of extended kinship nor on a conflict of interest. It is difficult for them to conceive that a common good or public interest that recognizes economic, social, and cultural differences between people that sees them all as parts of a society in which they all depend” (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996:191-192). Bellah goes on to say that he found one example of an individual that got involved, and eventually, moving from volunteerism, developed into a citizen. Bellah believes that it was the respect for “the dignity for others, concern for the welfare of society as a whole, and putting aside selfish interests to serve others” that made community (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996:192). This is community of gift.
disguised as Santa Claus, in order to give autonomy to themselves and thereby the inability for the recipient of the gift to pay the gift back, give gifts to their children, who in return, give gifts to each other. This ritual enculturates. Parents continue this ritual, until the children realize that their parents are not Santa Claus. However, by this point the children have learned a valuable lesson, namely that the ideal gift is one that is given to somebody else with no reciprocity, and in our social world all strive to be Santa Claus. Yet, Mauss is correct: the gift can never be given purely, because debt is always incurred, and the debt of the gift must be passed to others to continue feeling of connectedness and community.

Summary

Both Marx and Mauss describe a dialectic of labor and the ideal, the individual, time, space, and the social which take symbolic form. These forms dance competing values.
together becoming a topsy-turvy fetishism of commodities at one instance, and in the next a gift, depending on the context, the culture, time, and individual. At times the exchange of value is nothing more than labor, as we retrieve items off the grocery store shelf and exchange them for money at the cash register. Most of these basic items that we buy with no thought to value other than they’re worth compared to labor. At other times labor is turned upside down as one buys clothes from JCPenneys, Walmart, or the Gap with not just the clothes themselves being symbols of who we want to be, because even where we bought them describes the value of who we are. Again as we pay over $25,000 for a Barry Bonds 1986 Tiffany BGS 10 9.5 baseball card (whose intrinsic value is worth nothing more than a small piece of cardboard) what is being exchange is not labor (for the same person would balk at a mechanic charging $80.00 an hour to fix his car); what is being exchanged is one ideal for another. And in the efforts we make to give gifts to people we do not know (for example the ever-increasing amount of money given to

behavior. When looking at symbols and trying to find meaning, eliciting meaning not itself part of the cultural-ecological system being investigated, cannot be used to define categories. It is those elements of a peoples experience, which they heed in selecting appropriate actions and utterances that the cognitive methodology seeks to discover (Frake 1962). See also Neisser 1962.

Saussure argues that the value of objects lies in the way that objects are dissimilar to another object. “All values are apparently governed by the same paradoxical principle. They are always composed: (1) of a dissimilar thing that can be exchanged for the thing of which the value is to be determined; and (2) of similar things that can be compared with the thing of which the value is to be determined. Both factors are necessary for the existence of a value to determine what a five-franc piece is worth one must therefore know: (1) that it can be exchanged for a fixed quantity of a different thing, e.g., bread; and (2) that it can be compared with a similar value of the same system, e.g., a one-franc piece, or with coins of another system (a dollar, etc.). In the same way a word can be exchanged for something the similar, in idea; besides, it can be compared with something of the same nature, another word. It’s value is therefore not fixed so long as one simply states that it can be “exchanged” for a given concept, i.e., but it has this or that signification: one must compare it with similar values, with other words the stand in opposition to it. This content is really fixed only by the concurrence of everything that exists outside it… Instead of pre-existing ideas then, we find in all the foregoing examples values emanating from the system. When there said to correspond to concepts, it is understood that the concepts are purely differential and defined not by their positive content but negatively by their relations with other terms in the system. The most precise characteristic is in being what the others are not” (Saussure 1966:115, 117). However, for money this is not true one of the values of money is in its ability to become the value of the other object that is desired.

The actual price for a Barry Bonds 1986 Tiffany BGS 10 9.5 was $25,099 and sold on 02/2005 (See the website collectables.about.com at http://collectibles.about.com/od/pricesports/a/PGbaseball0106.htm).
charities in the pretense of helping the hungry overseas) there is no exchange, its giving
an ideal. In reality these four events are varied expressions of the dialectic of values that
takes place within the individual everyday. Each expression is never truly devoid of labor
or the ideal, but rather a choosing that is both conscious and unconscious of the
appropriateness of the degree to which one should be expressed more or less.\textsuperscript{70} In
America this expression leads to the accumulation of many varied object forms.

The number of objects that we have to choose from is so great that their value at times
become lost on us. An object that is seen as having the value that we want, once bought,
at first exudes that value into us filling the perceived need, but eventually that value gets
subsumed in the plethora of other objects and their values in which we have surrounded
ourselves. Once this happens the feeling of lack arises within the individual, and the
desire to fill the lack will motivate the individual to exchange again in an ever circular
attempt to reach the ideal. Because this ideal can never be attained more and more money
will be needed to fill our lives with an ever increasing mountain of idealized material.

In Western civilization money is a medium through which exchange happens. No
longer is money just a store of wealth or the exchange of one commodity for another; it is
an object that symbolizes the totality of the dialectic that takes place between individual
and the social during the objectification of cultural. Not only does money represent the
dialectical values of “labor” and the “gift,” it is able to change its aspect so as to fit every
varying degree of each. It is the proverbial philosopher stone [the stone that could change
something of little value (lead) into something of great value (gold)], a piece of paper
(money) during the exchange transforms into any value needed. Unfortunately, because

\textsuperscript{70} Appropriateness here is chosen by the dialectic that was outlined earlier that takes place between
individual, his social learning, time and space, and culture. Each individual is unique and therefore
appropriateness changes from one person to the next.
money represents all values at once it also brings with it one of the intrinsic values of the gift, debt. And because in America money is debt, once the debt overwhelms us our mountain of value comes crumbling down.

Economic crises at some time are a fact of life for most individuals, and currently Europe and America are in one. Individuals have attempted to find solutions to various crises of debt both economically and socially. I turn now to religious texts and historical records to gain understanding into the methods that others have used to cope with debt, and how those view may continue to influence American conceptions of giving and debt.
Chapter IV

Religious and Civic Debt in Community

“c'est l'amour, l'amour, l'amour, Qui fait le monde A la ronde”
(Dumerson and Ségur 1866:180)
“it is love, love, love, that makes the world go round.”

“Money makes the world go round.”
(Kander and Ebb 1966)

“But it is Debt that makes them both go round.”
(Nameless)

Debt in Western Religion

Does one really have to pay one’s debts? For that matter, does one have to have debt at all? Historically, arguments about debt occur between individuals, and between the individual and the state. “For most of human history—at least, the history of states and empires—most human beings have been told that they are debtors,”71 (Graeber 2011:8). The struggle between rich and poor, which has been largely a consequence of creditors and debtors to include “…arguments about the rights and wrongs of interest payments, debt personages, amnesty, repossession, restitution, the sequestering of sheep, seizing of vineyards, and the selling of debtors’ children into slavery,” (Graeber 2011:8). Quite regularly, popular insurrections have been started with the ritual destruction of the debt records, and after that, usually the records of landholding tax assessments. According to the classicist, Moses Finley, revolutionary movements had similar agendas “…to cancel the debts and redistribute land,” (Finley 1960:63; ibid, 1963:24; ibid, 1974:80; ibid, 1981:106; and ibid, 1983:108).

71 “If we consider tax responsibilities to be debts, it’s the overwhelming majority—and if nothing else the two are closely related, since over the course of history, the need to assemble money for tax-free payments has always been the most frequent reason for falling into debt,” (Graeber 2011:393).
Debt has played such a large role in history and is at the core of the major religions in the West. Judaism, Christianity, and Islam all involve debt. In all three religions, Man owes a debt to God greater than he can repay, because God has made the world and given it to humanity. “It is He Who hath created for you all things that are on the earth…” (The Holy Qur’an, Sūrah 2 Al-Baqarah: 29) and “In the beginning God created heaven and earth… And God said let us make man in our image, after our likeness: and let them have dominion over the fish of the sea, and over the fowl of the air, and over the cattle, and over all the earth, and over every creeping thing creepeth upon earth” (The Holy Bible, Genesis 1:1 and 26). As was detailed in Chapter III, this gift incurs debt, one to another. As this sense of debt is encultured from one generation to the next, the feeling of perpetual obligation pervades these religious cultures.

Another aspect of debt that was placed on individuals from these three religions is the idea of sin. The concept of sin is that debt is incurred for not conducting one’s life in alignment to the will of God. Once this debt is incurred, it can only be removed in a very specific way. For Islam, the sin of debt is relieved by the giving of the gift, “Those who believe, and do deeds of righteousness, and establish regular prayers and regular charity, will have their reward with their Lord: on them shall be no fear, nor shall they grieve” (The Holy Qur’an, Sūrah 2 Al-Baqarah: 277). For Judaism and Christianity, only God can cancel the debt. One of the functions of religion then is a method of controlling the spiritual debt that individuals have, and priests and imams assist individuals in controlling that level. When debt structures the very way of looking at the world, one’s self, and others debt can be a method of manipulation (Graeber, 2011). Not surprisingly, every society has a unique way of managing debt.

72 Death and/or torment of the soul.
The Forgiveness of Debt: Religious

In each culture, people have different ways of maintaining the economic debt threshold in society.\(^{73}\) One way established to help people of lower means from being manipulated by those of more comfortable means was to establish a system of debt forgiveness. In Judaism, there was to be a year of Jubilee, and in that year all debt was canceled, all slaves were released, and every man was allowed to go back to his own land. The Israelites were to count seven sabbatical years (7 periods of 7 years = 49 years) and during the following year (the 50th), the year of Jubilee was to take place. The year was proclaimed on the tenth day of the seventh month, the Day of Atonement.

And thou shalt number seven sabbaths of years unto thee, seven times seven years; and the space of the seven sabbaths of years shall be unto thee forty and nine years. Then shalt thou cause the trumpet of the jubile to sound on the tenth day of the seventh month, in the day of atonement shall ye make the trumpet sound throughout all your land. And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all the inhabitants thereof: it shall be a jubile unto you; and ye shall return every man unto his possession, and ye shall return every man unto his family (The Holy Bible, Leviticus 25: 8-10).

In Judaism, then, there is very specific method to which economic debt needs to be forgiven; it is not based on the amount of debt but rather specific times that debt is released in order to ensure that debt pressure within society does not build. Christianity and Islam, on the other hand, take a different approach.

In Christianity, and also in Islam, the approach is much more subtle. Instead of debt relief being demanded by institutions, both religious and the state, debt needed to be handled by individuals. In this system, debt relief was conducted by social pressure being put on both the upper-class (those with money) and the lower class (those who needed

\(^{73}\) Later in this chapter I'll discuss a few different ways that other societies use to maintain the debt threshold for now I'll continue focus on the fundamental concept in the West.
money). The subtle social pressures put on individuals would inspire them to do the right thing. Most of the arguments focus on the rich and how they should act in relation to the poor. For example by juxtaposing the difference between the rich and the poor, in their giving, the poor are shown to give more than the rich which is a way of humiliating the rich into giving more.

And Jesus sat over against the treasury, and beheld how the people cast money into the treasury: and many that were rich cast in much. And there came a certain poor widow, and she threw in two mites, which make a farthing. And he called unto him his disciples, and saith unto them, Verily I say unto you, That this poor widow hath cast more in, than all they which have cast into the treasury: For all they did cast in of their abundance; but she of her want did cast in all that she had, even all her living (The Holy Bible, Mark 12:41-44).

In these texts, the rich were expected to give beyond just their abundance and give of themselves. In order to make community the gift shared needs to come from more than just surface relations but from deep within (Derrida and Kamuf 1992:185). Not only were the rich and poor compared; the rich were shown that if they put their faith in nothing but themselves and their ability to store wealth that evil would come about because it.

Consequently, the love of money became evil itself. “For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows,” (The Holy Bible, 1 Timothy 6:10). If a person rejects community thereby wanting to live a life of separation from others by hoarding gift then sorrow and heartache will become their lot. Another demonstration is a conversation between a rich man and Jesus. After a series of questions about how the wealth

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74 In Christianity all things are given by God; so abundant money that is not passed on, and thereby passing the debt that the rich owe to God, causes the “gift” to become stagnant with themselves and this causes sorrow and illness. Remember what the man told Mauss about the hau (spirit of the gift) and what would happen to him if he did not pass taonga (the gift) on. “If I were to keep this second taonga for myself I might become ill or even die (Mauss 1967:8-9).
man had been living it was shown that the rich man had been living an upright life, and Jesus says that there is one final thing that he needs to do to be perfect.

Jesus said unto him, If thou wilt be perfect, go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me. But when the young man heard that saying, he went away sorrowful: for he had great possessions. Then said Jesus unto his disciples, Verily I say unto you, That a rich man shall hardly enter into the kingdom of heaven. And again I say unto you, It is easier for a camel to go through the eye of a needle, than for a rich man to enter into the kingdom of God (The Holy Bible, Matthew 19:21-24).

A man does everything right takes care of himself, but does not take care of the community of people around him, he will not enter heaven. With heaven here being communion both with God and with men.

Practically, as an attempt to maintain balance between those who have money, creditors, and those that do not, debtors, it is better to forgive a man of his debts then to send him into debtor’s prison (The Holy Bible, Matthew 18:23-35). The passage stresses forgiving others, from your heart, debt as it pertains to individuals and affairs of relationships such as gossiping, lying, and generally conducting ourselves in ways that would stop relationships between individuals. Yet, the whole story is understood within

Therefore is the kingdom of heaven likened unto a certain king, which would take account of his servants. And when he had begun to reckon, one was brought unto him, which owed him ten thousand talents. But forasmuch as he had not to pay, his lord commanded him to be sold, and his wife, and children, and all that he had, and payment to be made. The servant therefore fell down, and worshipped him, saying, Lord, have patience with me, and I will pay thee all. Then the lord of that servant was moved with compassion, and loosed him, and forgave him the debt. But the same servant went out, and found one of his fellowservants, which owed him an hundred pence: and he laid hands on him, and took him by the throat, saying, Pay me that thou owest. And his fellowservant fell down at his feet, and besought him, saying, Have patience with me, and I will pay thee all. And he would not: but went and cast him into prison, till he should pay the debt. So when his fellowservants saw what was done, they were very sorry, and came and told unto their lord all that was done. Then his lord, after that he had called him, said unto him, O thou wicked servant, I forgave thee all that debt, because thou desiredst me: Shouldest not thou also have had compassion on thy fellowservant, even as I had pity on thee? And his lord was wroth, and delivered him to the tormentors, till he should pay all that was due unto him. So likewise shall my heavenly Father do also unto you, if ye from your hearts forgive not every one his brother their trespasses” (The Holy Bible, Mathew 18:23-35).
the terms of money. The passage says that God forgive the man 10,000 talents\textsuperscript{76} but that the same man would not forgive 100 pence ($1.58). This is then also a refinement of the year of Jubilee; instead of debt forgiveness happening every fifty years individual were to give another man his economic debts if it was obvious that he could not pay it back. And if one didn’t their very soul could end up in debtor’s prison (Hell) as well. This is same for Islam.

In Islam, canceling the debt of a man who could no longer repay would help save one’s soul. “If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if you only knew. I fear the day when ye shall be brought back to Allah. Then shall every soul be paid what is earned, and none shall be dealt with unjustly” (The Holy Qur’an, Sūrah 2 Al-Baqarah: 280-281). This type of practice had practical applications in ancient societies; in fact the canceling of debt was not uncommon in the ancient world.

\textbf{The Forgiveness of Debt: Civic}

In some of the large civilizations of the ancient world, creditors charged interest on debt as a way of making money for themselves. What is seen in many civilizations is that, as time went on, debt built to such levels that eventually it led to a crisis within the country. Money is borrowed by someone who does not have it, from someone who does. Eventually, those without continue to pile up debt, to the point that they are no longer able to bear underneath it and they revolt. In order to alleviate this, many civilizations

\textsuperscript{76} 1 Talent weighs about 75 Pounds. 10000 talents equal about 750,000 pounds. 1 pound of gold equals 12 ounces of gold, so 750000lb of gold would way 9,000,000oz of gold. Gold is worth about $1618 an ounce (2 Aug, 2011). 9,000,000oz of gold would then be worth $14,562,000,000 (ironically this is very similar to the United States National deficit). The point is that it is an amount that is impossible to pay off.
canceled personal acquired debt, once it had built up to a certain point, entirely. In Mesopotamia, clay tablets were used as promissory notes. These promissory notes were used as money intended to circulate with a merchant guild and by relatively well-off neighbors that did not know each other well enough to use traditional forms of mutual aid, yet knew each other enough to trust that the debtor would pay the debt (Veenhof, 1997). Not only was it common for a Mesopotamian debtor to pay his debt, he had to pay with interest, and in many cases, compound interest.

The Sumerian King Enmetena of Lagash, in 2402 BC, complained that an enemy, King Umma, had been using farmland that rightfully belonged to Lagash for decades. King Enmetena calculated that with all the rental fees and interest for land compounded annually, King Umma owed four and a half trillion liters of barley. This was an excuse for war, but he did use it to legitimize his actions (Mieroop 2002:63; ibid, 2005:20). The King won the war, and within two years was forced to make a proclamation, due to a debt crisis within his own country, for the cancellation of general debt throughout his kingdom. He bragged, “…he instituted freedom (amargi) in Lagash. He restored the child to its mother, and the mother to her child; he canceled all interest due,” (Lemche 1979:16). This is the first recording in history of the canceling of debt, and it is the “…first time in the history of the world ‘freedom’ appears in the political document,” (Graeber 2011:216).

King Enmetena’s successor Uruinimgina also made a decreed a general amnesty in 2350 B.C. laying out who would henceforth be classic of such anesthetics: “canceling not only all outstanding loans, but all forms of debt servitude, even those based on failure to

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77 See page 40 in this thesis for more information.
78 Emmetena’s amount that he claimed was more than 1000 times its own palace’s annual revenue of roughly 37,000,000 L (Mieroop 2002:63).
pay fees or criminal penalties—the only thing accepted being commercial loans” (Graeber 2011:216). For example, in Babylon the same idea was kept, namely, the protection of widows and orphans and the restoration of justice and equality so that as Hammurabi said in Babylon, in 1761 BC, “…but the strong might not oppress the weak,” (Hudson 1993). This was done to restore the economic balance to maintain inequitable kingdom.

The designated occasion for clearing Babylonia’s financial slate was the New Year festival, celebrated in the spring, Babylonian rulers oversaw the ritual of “breaking the tablets,” that is, the debt records, restoring economic balance as part of the calendrical renewal of society along with the rest of nature. Hammurabi and his fellow rulers signaled these proclamations by raising the torch, probably symbolizing the sun-god of justice Shamash, whose principles were supposed to guide wise and fair rulers. Other debtors were restored civilian rights to the customary lands, free of whatever mortgage liens had accumulated (Hudson 1993:20).

This was a ceremony of the recreation of the social universe, of the cancelling of debt and sin. It was done to stop the world from plunging into chaos, “…with farmers defecting to swell the ranks nomadic pastoralists, and ultimately, if the breakdown continued, returning to overrun the cities and destroy the existing economic order entirely,” (Graeber 2011:217).

Egypt on the other hand, for many of its years did not experience an economic breakdown. A wealthy country for much its ancient history, Egyptian society did not have interest-bearing debt. The Pharaoh had tight control on taxes and watched the distribution of the wealth carefully. There were substantially large loans made, but they appear to be rare, and they did not have any interest. Debt slaves and debt-bondservants recorded occasionally, and there seems to be no phenomena of debt getting to crisis.

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79 According to Jasnow, debt slaves or debt-bondservants didn't happen in Egypt until the very late Demotic period, which is about the same time to Greek sources speak of these (Jasnow 2001:42).
proportions (Jasnow 2001). In Egypt, because of the tight economic control, not paying a debt was really looked at as a criminal matter.

When a debtor failed to repay his debt on time, his creditor could take him to court, where the debtor would be required to promise to pay in full by a specific date. As part of this promise—which was under oath—the debtor also pledged to undergo 100 blows and/or repay twice the amount of the original loan if he failed to pay by the date specified (VerSteeg 2002:199).

This was done to allow for punitive action punishing the debtor as either a perjurer or thief. But eventually, the pharaohs of Egypt were not as wise with their economic control; by Egypt's Iron Age, before being conquered by Persia, debt crisis became common.

For example, Pharaoh Bakenranef (720-715 BC), declared that debt bondage and all outstanding debt responsibility would be canceled, (Graeber 2011:219). Further, he stated that future debt would be controlled and regulated. The total accrued interest on debt could not be more than double the debt, and that for those not paying their debts, only property could be confiscated as payment, not the person themselves. Bakenranef did not believe in capital punishment and therefore ordered that all citizens belonged to the state, making it a crime for private individuals to subjugate another private individual for debt; rather, the state would be responsible and had debtors pay off their debt to the state.

In the case of debtors the lawgiver ruled that the repayment of loans could be exacted only from a man's estate, and under no condition did he allow the debtor's person to be subject to seizure, holding that whereas property should belong to those who had amassed it or had received it from some earlier holder by way of a gift, the bodies of citizens should belong to the state, to the end that the state might avail itself of the services which its citizens owed it, in times of both war and peace. For it would be absurd, he felt, that a soldier, at the moment perhaps when he was setting forth to fight for his fatherland, should be hauled to prison by his creditor for an unpaid loan, and that the greed of private citizens should in this way endanger the safety of all (Siculus 1933:1.79).

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80 This is one of the earliest known reference to a debt prison (Graeber 2011:219).
Bakenranef saw the economic crisis as a result of the greed of wealthy private citizens taking undue advantage of those either in hardship or poverty. He allowed debt which he saw as necessary, but the crisis came into effect when people charged excessive or compound interest. This is why he limited interest to no more than double that of the debt.

He was not the last. By the time that the Ptolemies, the ruling Greek dynasty that developed after Egypt was conquered by Alexander the Great, came to power the intermittent wiping of debt had become institutionalized throughout the country. For example, the Rosetta Stone (written in both Greek and Egyptian and was the key that made it possible to translate Egyptian hieroglyphics) was “…originally put up to finance an amnesty, both for debtors and for prisoners, declared by Ptolemy V in 196 BC,”(Graeber 2011:219).

Both the Mesopotamian and Egyptian examples show civic authorities in the ancient world understood that debt is both a benefit and burden for people, and that debt had to be managed in order to keep order in the community. This same principle was found in the religious texts of the West. In Judaism, Christianity, and Islam debt was inevitable, and it had to be paid whether through good works or by God, as a gift it could not just be forgotten. However, in the religious texts, that have been locked at so far, there is a distinction between economic debt and the debt that an individual is born with or conducts socially. It is social or innate debt that, according to American religious texts, that can not be paid by the individual.

Aglietta and Orléans, both anthropologists, have attempted to understand the concept of innate debt. They hold that debt is one of the founding principles of society in
a theory called “primordial debt theory” (Graeber 2011). The basis of this theory is that some force, God, or the ideal of gift is unpayable to the giver, who, in turn, spreads the gift from person to person. Secondly, Man has sinned and therefore has to repay a debt with his life. Ingham writes, “…primordial debt owed by the living to the continuity and durability of the society that secures their individual existence… The ultimate discharge of this fundamental debt is sacrifice of the living to appease and express gratitude to the ancestors and deities of the cosmos,” (Ingham 2004:90). All are guilty and owe a debt to society. Ingham presents etymological evidence for the connection of debt and sin and with money. Ingham says, “…there is considerable indirect etymological evidence…”

In all Indo-European languages, words for “debt” are synonymous with those for “sin” or “guilt,” illustrating the links between religion, payment and the mediation of the sacred and profane realms by “money.” For example there is a connection between money (German Geld), indemnity or sacrifice (Old English Geild), tax (Gothic Gild) and, of course guilt (Ingham 2004 he is citing from Hudson 2002:102-103 and Grierson 1977:22-23).

In the West, combining economics with a profane sense of debt is not new. For example, the word, redeem means, “…to buy back, to get or win back, or to free from a lien by payment of an amount secured,” (Merriam-Webster online dictionary found at webpage http://www.merriam-webster.com/dictionary/redeem). It also means “…to free from the consequences of sin.” From Christianity, “And they sung a new song, saying, Thou art worthy to take the book, and to open the seals thereof: for thou wast slain, and hast redeemed us to God by thy blood out of every kindred, and tongue, and people, and nation” (The Holy Bible, Revelation 5:9). Major religions around the world have an economic and spiritual connection (Graeber 2011). Aglietta and Orléans contend that the
oldest religious texts discuss the innate nature of debt, and that in the texts can be found both the economic and social relationships to debt that individuals experience.

**Debt through the gift of birth, life, and death**

The earliest reflection of primordial debt comes from Vedic poems in which they discuss the very nature of debt, both economical and socially. Aglietta and Orléans focus on early Sanskrit religious literature collected in the Vedas and the Brahmans, the foundation of Hindu thought. Within these prophetic poems dating from 1500 and 1200 BC emerges an overwhelming concern for debt, which in the text is equivalent with guilt and sin. These texts oscillate between literal and metaphorical meanings; at times, when speaking of Yama, the god of death, the debt owed Yama is possibly the result of inner

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81 Aglietta’s and Orléans’ works are in French so I used Graeber (2011) and Grahl (2000) as sources to understand their work and I read Girard (1972) to get a better understanding of their concept for what motivates society. *La violence de la monnaie* by Aglietta and Orléan (1982) drew heavily on Girard (1972) and met with general antagonism, in part because of Girard’s theory of the sacred and his views on the process of what Girard calls mimesis or imitation. (For a compilation of positive and negative reactions see Dumouchel 1988). Classically, the term mimesis is a term used to represent the imitation of nature through artistic representations. Girard uses the term in the sense that he believes men imitate other men. For Girard men imitate other men in violence and imitate that violence as sacred sacrifice to mitigate violence. Aglietta and Orleans use Girard’s sacred excluded/elected victim and money’s ability to take on any value in order to substitute money in the form of first cattle (and other sacrificial animals) then eventually into coins itself to explain a transition between sacrificing humans to eventually being able to offer a payment in the form of a blood debt. Eventually monarchies and states as guardians of the social interactions of individuals (and here drawing on Girard they refer to the base of society being a mix between violence and the sacred) become responsible for money and its production. Eventually money escapes the control of “the sovereign and becomes itself the primary embodiment of wealth” (Grahl 2002:293). In Aglietta’s and Orléans’ work after Dumouchel (1988) (*La monnaie souveraine* Aglietta and Orléan 1998) they tend to leave some of Girard’s theory behind in favor of changes that Dumouchel suggested. By Aglietta’s recent work (2002), which is in English, he has left Girard completely and seems to rely more on Simmel (2011) much the same way that I have.

82 Sylvain Lévi (1898), Marcel Mauss’s mentor studied the Brahmanic and Vedas and determined that according to the text our lives are on loan and that tribute had to be paid to death. For example in Satapatha Brahmana (3.6.2.16) “Verily, even in being born, man, by his own self, is born as a debt (owing) to death. And in that he sacrifices, thereby he redeems himself from death, even as Suparni then redeemed herself from the gods.” To live life then is to be guilty, and the only way to satisfy this guilt is destruction. It’s with this that the tribute of sacrifice was seen as an interest payment with the life of the animal temporarily acting as a substitute for the life of the individual, which in the end was really putting off the unavoidable. Lévi said that if one takes the text seriously, “the only authentic sacrifice would be suicide” (Lévi 1898:133). I’m choosing to go a slightly different direction then this based off a Western religious
suffering, that leads to sacrificial giving to the community, or physical relief from debt in life as actual sacrifice. In practice, both meanings exist simultaneously from the test, similar to Christian texts that speak of the same concept of debt paid to the community, and by God, to redeem one from sin. Ultimately, the conclusion is that human existence, itself, is a form of debt.

Verily, whoever exists, he, in being born, is born as (owing) a debt to the gods, to the Rishis\textsuperscript{83}, to the fathers, and to men. For, inasmuch as he is bound to sacrifice, for that reason he is born as (owing) a debt to the gods: hence when he sacrifices to them, when he makes offerings to them, he does this (in discharge of his debt) to them. And further, inasmuch as he is bound to study (the Veda), for that reason he is born as (owing) a debt to the Rishis: hence it is to them that he does this; for one who has studied (the Veda) they call ‘the Rishis’ treasure-warden. And further, inasmuch as he is bound to wish for offspring, for that reason he is born as (owing) a debt to the fathers: hence when there is (provided by him) a continued, uninterrupted lineage, it is for them that he does this. And further, inasmuch as he is bound to practise hospitality, for that reason he is born as (owing) a debt to men: hence when he harbours them, when he offers food to them, it is (in discharge of his debt) to them that he does so. Whoever does all these things, has discharged his duties: by him all is obtained, all is conquered (Satapatha Brahmana 1.7.2.1-5).

Everyone owes debt to the gods, to the Rishis, to their fathers, and to other men in a social obligation that cuts through time, becoming primordial-debt, making everyone a debtor as well as creditor, (Graeber, 2011:55-57).\textsuperscript{84}

Primordial-debt theorists examine the concept of debt from the Vedic texts and translate it as essential to the nature and history of human thought. They presume the texts do not come from a particular certain intellectual tradition for a specific context and

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\textsuperscript{83} The Saints.

\textsuperscript{84} We are creditor as we pass the gift from ourselves to another, and a real physical manifestation is present after one has parented their own children.
time only, but rather, these were intended as general sayings and guidelines for all. They presume the texts are relevant today.

Recently, Aglietta’s and Orléans’ ideas have been taken up by Bruno Théret, an economist, who, writing about justification for the Euro when it was proposed in 1999, said:

At the origin of money we have a “relation of representation” of death as an invisible world, before and young life—a representation that is the product the symbolic function proper to human species in which envisages birth as an ordinal debt incurred by all men, a debt owing to the cosmic powers from which humanity emerged.

Payment of this debt, which can however never be settled on earth—because its full reimbursement is out of reach—takes the form of sacrifices which, by replenishing the credit of the living, make it possible to prolong life and even in certain cases to achieve eternity by joining the gods. But this initial belief-claim is also associated with the emergence of sovereign powers whose legitimacy resides in their ability to represent the entire original cosmos. And it is these powers that invented money as a means of settling debts—the means whose abstraction makes it possible to resolve the sacrificial paradox by which putting to death becomes a permanent means of protecting life. Through this institution, belief is in turn transferred to a currency stamped with the effigy of the sovereign—the money put in circulation but whose return is organized by this other institution which is the tax/settlement of the life debt. So money also takes on the function of the means of payment (Théret 1999:60-61).

Théret makes an intellectual amalgamation here that individuals by nature do not just “truck and barter;” they always create symbols of value like money itself (Graeber 2011:58). 85

85 Théret turns money as a symbol created by the state back into a “state theory of money” which is one aspect of primordial debt not discussed. He believes that debt is a social bond that makes citizens, and that the state as custodians of all citizens is therefore tasked with managing that debt. This gives them the power to use taxes to create money and use that money for the benefit of all individuals in the effort to manage the debt of every citizen. In essence, this debt is the core of society itself. This is incorrect, because the state did not start using money as a way to pay for the debt of the citizens. The State taxed newly concurred peoples, not their own citizens, in order to pay for war and generate markets. I will discuss this more in Chapter VI.
From primordial debt theory, these authors saw debt as a driving force that individuals experience in the social-cultural relations through time. The impetus for this debt is violence and sacrifice according to Girard (1972). If this were the case, social relations would consist of a high degree of violence toward one another; this is not the case. In the West, violence does exist and is a part of our social relation; however higher moral ideals predominate, one of them being the gift. The debt, that is created through higher moral ideals like the gift of self sacrifice, of sharing, and of love, supersedes violence. From the Vedas, the true outgrowth of debt is to form relationships. This principle is very similar to western religious tests, specifically Christianity.

In Christian texts, debt is incurred at birth, because sin has been inherited from Adam, the first man. From birth, individuals are born with an undeniable propensity to sin, and sin once committed accrues debt in this case death of the flesh and the soul. The only way to cancel debt is to believe by faith Jesus is the Son of God, and God Himself, and that he cancelled individual sins by paying the debt Himself with his death on a cross. To conduct good works in life, the debt remains. “Now to him that worketh is the reward not reckoned of grace, but of debt. But to him that worketh not, but believeth on him that justifieth the ungodly, his faith is counted for righteousness” (The Holy Bible, Romans 4:4-5). In Christianity, the cancellation of one’s debts was freely given and cannot be earned; it can only be given by God. Since debt is so freely canceled as a Christian the debt of others is something done freely as well. In the example that Jesus gave as a way to pray, he said that individuals should forgive others of their debts as God forgives us, readily and easily.

After this manner therefore pray ye: Our Father which art in heaven, Hallowed be thy name. Thy kingdom come, Thy will be done in earth, as it is
in heaven. Give us this day our daily bread. And forgive us our debts, as we forgive our debtors. And lead us not into temptation, but deliver us from evil: For thine is the kingdom, and the power, and the glory, for ever. Amen (The Holy Bible, Matthew 6:9-13).

Debt cancellation in times of economic crisis should be common in the West. That is not the case.

In the West, paying economic debt is held a moral value; individuals can go to prison if they do not pay their debts. The reason for the seriousness of debt in Christianity that influenced the individual to look at debt in their lives and other lives as something that had to be paid no matter what was the fact that an individual’s ultimate debt, the sin debt, had to be paid with the life of God Himself. So even though for Christianity grace is predominant, and to forgive others of their debts even up to “seventy times seven” times a day is the way a Christian should conduct his life toward others; it was impossible for Christians in the past to not form the debt in their daily lives into something that was so bad it had to be repaid even unto death. It’s almost like Christians rebel against the notion that debt could be freely canceled, in fact traditionally for them, it can never be canceled it always has to be paid. Just as their sin debt always has to be paid. This includes, paying back someone that has saved your life.

**Debt of shared life**

In America there is a sense that if a man saves the life of another individual the saved individual owes his life to the one who saved him. The saved owes his life to him, and has a debt to him that has to be paid even if it takes a lifetime to pay it off. This belief can

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86 “Then came Peter to him, and said, Lord, how oft shall my brother sin against me, and I forgive him? Till seven times? Jesus saith unto him, I say not unto thee, Until seven times: but, Until seventy times seven” (The Holy Bible, Matthew 18:21-22).
be seen in literature and movies, and when it is seen is always understood and accepted as being right. One example is the movie *Robin Hood: Prince of Thieves* (1991) with Kevin Costner as Robin Hood and Morgan Freeman as Azeem the Moor.\(^7\) In the movie Robin Hood saves the life of Azeem, which in turn follows Robin Hood, even leaving his homeland, in order to fulfill the life debt that he owes to Robin Hood. In the end Azeem saves Robin Hood just in the nick-of-time from being killed by a witch. For a Christian because God has saved his life from the sin debt, and as a human it is impossible to save the life of God, the next best thing is to become the servant of God. “But now being made free from sin, and become servants to God, ye have your fruit unto holiness, and the end everlasting life. For the wages of sin is death; but the gift of God is eternal life through Jesus Christ our Lord” (The Holy Bible, Romans 6:22-23). The extraordinary gift of one’s life being saved by another compels the one saved into viewing the savior, even though he or she is a stranger, as someone owed a debt, and ultimately, as a friend.

Individuals that do not acknowledge debt, for example the debt of a child to his parents, are immediately recognized by Americans as conducting a morally wrong action. Atwood begins with an outrageous story of a father who demanded that his son repay him for everything his father had ever done for him.

Nature writer Ernest Thompson Seton had an odd bill presented to him on his twenty-first birthday. It was a record kept by his father of all the expenses connected with Ernest's childhood and youth, including the fee charged by the

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\(^7\) This example is an ethnographic anecdote. I could just as well of used *The Count of Monte Cristo* by Alexandre Dumas (2002) or *Les Misérables* by Victor Hugo (1987) because each are excepted in America as being culturally accurate representations of the power that giving someone their life has on the individual saved. For example Jean Valjean changes his whole life in response to being saved by the Bishop Monseigneur Bienvenu, and returns the gift received to other individuals because he could not give back to the Bishop that died. The point that I am trying to make is not in the accuracy of *Robin Hood*. The point is in the fact that individuals in America here such stories and recognize an ideal that is present in the culture in America, and because they recognize the ideal as being a part of the American culture the ideal exists for them.
doctor for delivering him. Even more oddly, Ernest is said to have paid it\(^{88}\) (Atwood 2008:1).

The character of the father disrupts the whole moral fabric of community. Parents’ gifts to their children, such as raising them, are not based on reciprocity; they are based on an individual attempting to continue a moral community, a lifetime relationship between children and the parents. For example, the Lugbara of Uganda attempt to maintain the family community by continuing their relationships to family members, that have died, turning them into the ancestor spirits, or ghosts and eventually into the ancestors.

Ancestor spirits are the recently deceased, the ones who are most active, and who will cause misfortune for those whose actions are such that they will break the community of the kin group (Middleton 1971:488). Knowledge through time, (from great-great-great parents in other words our ancestors), that is passed down through generations, comes to us as lessons that we use in our everyday life and are in essence, gifts. Gifts that cannot be repaid, and because they cannot be repaid, in order to solve the debt, the lessons have to be passed on to children. Once I have passed on the gift during my lifetime I become an ancestor once I die. In other words, I become elevated to a higher position in which it is impossible for anybody who is living to pay me back, and yet I stay attached to the

\(^{88}\) This payment came to $537.50 an enormous sum back in 1881, the son later change his name and tried to develop better techniques for raising healthy kids (Atwood 2008).

\(^{89}\) Middleton here uses Mbiti’s model. Mbiti during this study of East and Central Africa demonstrated that the status of spirits (ancestors) may change through time. Those spirits whose memory is still fresh in the minds of the living are called ancestor spirits, “living dead” they are still primarily beneficial to the surviving kin. After the living dead are no longer remembered by the kin (usually four to five generations) is understood they will be transformed into “nameless spirits” or non-ancestors did bring misfortune of all kinds (Mbiti 1970). You find interesting that once a family member transitions into a non-ancestor or rather out of the mind of the people community is broken and no debt is believed to be owed them anymore. It is at this time that they turn malevolent in other words, because the debt that is still owed them is forgotten or simply not acknowledged, the spirits become enemies.
living through the gift (the lessons) that I gave them in which they now share with others. These lessons are both practical and ideal and they last through time.\textsuperscript{90}

In America an individual’s sense of community fits in with the social and cultural understanding that it was built in. However, once an individual takes their sense of community out of the context that it was developed in, and endeavors to understand another individual’s sense of community, which was established in a different context, the first individual will experience a sense of community that seems strange and oddly unfamiliar. For example, Lévy-Bruhl tried to demonstrate that “natives” functioned with a completely different common sense than those in the West. He lists many examples of Western people that helped “natives” only to find that the “native” was asking him for more and more in seemingly ungrateful tones. As if they were greedy and had no sense of gratitude.

A British missionary in Congo: a day or two after we reached Vana we found one of the natives very ill with pneumonia. Comber treated him and kept him alive on strong fowl-soup; a great deal of careful nursing and attention was visited on him, for his house was beside the camp. When we were ready to go on our way again, the man was well. To our astonishment he came and asked us for a present, and was as astonished and disgusted as he had made us to be, when we declined giving it. We suggested that it was his place to bring us a present and to show some gratitude. He said to us, “Well indeed! You white men had no shame!” (Rev. W. H. Beatley in Lévy-Bruhl 1923:411).

Lévy-Bruhl lists many other examples: of a man who was once saved from drowning then proceed to ask his rescuer to give him nice clothes; as well as one man that was once saved from being eaten by a tiger then demands a knife from his rescuer.

The missionaries saw the actions of the saved individuals as greed and “ungratefulness.” However, the men that were saved understood that they received a gift

\textsuperscript{90} Remember Santa Claus and the way we pass the “ideal gift” from one generation to the next from chapter III.
from the person that saved them; a gift that could never be repaid and in reality should
not be repaid. Both the missionaries and the saved individuals had a sense of community,
but they were both different based on social and cultural context. Despite the differences
of social and cultural understanding of how each expressed community between the
individuals, in these examples, each acknowledged that a bond had been established
between the saved and savior. The bond that they both understood was present was based
on a common understanding of what a gift was and that one was given.

The gift, that was given, is similar to the gift that a mother and father give to their
children. These men once saved understood that a bond of community was established
between those that saved them and themselves. They expected that the person who saved
them understood this sense of community as well. So when the man asked for a present
he was not asking for a present out of greed; he was asking as one brother would ask
another brother for something that he may need. The relationship of inequality of wealth
between the “native” saved and the missionary was great. It is common in the West that if
one family member has a lot of money that he or she gives to other family members to
help them out. So when the “natives” now in a new position of community with the
missionary naturally thought that the missionary now being his “brother” would want to
share his wealth with the rest of his family (Graeber 2011:92-94).

The saving of another person’s lifetime is the instantaneous process of making a
friend, of making family, and of making community. Normally this is done over time, but
there are instances in our lives when something happens that is so extraordinary that it
supersedes time. Whether the friendship continues or not is based on the individuals. The
point is, when the debt was created by the extraordinary event it inadvertently created,
other things more substantial than debt, things like gratitude, happiness, and the sense of 
fellowship. And in reality these emotions, as Mauss called them, are products of the 
exchange of debt becoming a positive motivator that reinforces the desire to continue a relationship.

In America, the emotions that are created in the act of saving a life form death bind 
the saved and the saviors in social bonds so strong that they should not be broken. So for 
a Christian, not only must he or she become a servant to someone who saves his or her life (first and foremost to God, then to other men who helped them through life), what is said is that men are in commune with other men. They are now family, and the debt of 
the saved life will be paid to the family. Community does not cancel debt it just makes 
everyone owe everyone else until all have equal debt. At this time the debt seams to 
reach despair, but it is still there being experienced as community.

Individuals in the community still have a deep desire to pay all debts, but debt that has 
been absorbed by the community is paid by the community. Still, just as sin has to be paid, any debts that are made with another man have to be paid. This is a dual nature that debt has. The dual nature of debt, in other words, is that as community debt is not felt as debt because the community pays it, but individual debt is felt by the individual and paid by the individual.

The dual nature of debt is that we live in a social economy that is based on the 
individual, culture, time, and our relationships in which our existence is comprised of being both creditor and debtor. With debt being a positive force that establishes 
community as well as a negative force that destroys community, and it is the balance of 
this dichotomy that individuals try to maintain in their social relationships around them. It

91 This is the reason that many religions call each other brother and sister.
is not surprising then that religions have made such an effort to help understand this dual nature of debt and ways in which to manage it; willingly setting forth high positive ideals in an effort to balance the destructive nature of debt. The destructive side of debt is scowled on to the point that a debtor of money that cannot pay his debts is a criminal. At one time the dual sided nature seemed to be understood which is why some countries and religions have periodic forgiveness of debts or the day of Jubilee. In America the concept of forgiving debt was stubbornly conducted and as a consequence the United States was one of the last countries to adopt bankruptcy laws.

American changing view of debt

From the colonial era, Americans have been the people least understanding to debtors. Traditionally, America has been a country where the morality of paying one’s debts ran stronger than almost any other, to the point that during the colonial days a bankrupt debtor’s ear was frequently nailed to a post. “The United States was one of the last countries in the world to adopt a law of bankruptcy: despite the fact that in 1787, the Constitution specifically charged the new government of creating one, all attempts were rejected on moral grounds until 1898” (Graeber 2011:16). In order to control the

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92 A look at the number of court cases in early America (eighteenth- and nineteenth-century American courts) gives a glimpse in to the seriousness of paying ones debt for early Americans. Robert Kagan (1984) list numerous examples: “Bruce Mann reports that in a six-month period in 1754, a Windham, Connecticut, justice of the peace heard 47 actions on promissory notes, 4 debt actions on book accounts, and only 9 other kinds of cases (Mann, 1980:31). Wayne McIntosh tells us that debt collection cases accounted for over 80 percent of civil cases filed in the St. Louis, Missouri, Circuit Court in 1820 (a depression year), over 50 percent in the 1820-1850 period, and over one-third (still the largest single type of case) in 1865-1895 (McIntosh, 1980-81:829-30). Debt collection cases were similarly prominent in California trial courts in 1890 and 1910 (Friedman and Percival, 1976:128), in Chippewa County, Wisconsin, between 1865 and 1894 (Laurent, 1959), and in the Boston Municipal Court and the Suffolk County Superior Court in 1880 and 1890 (Silverman, 1981)” (Kagan 1984:324-325).

93 England had a national bankruptcy law in 1571. An attempt in 1800 to create a U.S. federal bankruptcy law stalled. There was one in place between 1867 and 1878 in order to help the indebted veterans of the Civil War but was eventually do away with on moral grounds until 1898 (Mann 2002).
destructive side of debt Americans, with such a strong ideal that it takes God ultimately pay debts, disregarded the other side of debt that is responsible for building communities in first place. This is ironic because many of the first Americans were debtors themselves, having come to America with little or no money and in effect were indentured servants.

There has been a lot of change, in regard to the way Americans view debt, from colonial times into the present. Debt is not seen as something that needs to be avoided rather it is a part of life for many Americans today. Bankruptcy is a part of the American economic system; according to Stanley and Girth, (1971:40) it diffuses losses across the population through higher interest rates and higher prices from businesses, and has very low repercussions on individuals (compared to the old penalty of the bankrupt debtor’s ear nailed to a post). Americans no longer look at someone in bankruptcy as a dead beat (Stanley and Girth, 1971). Although there are many facture that have led to Americans using bankruptcy as an option (Kagan 1984) it is not unusual for individuals

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95 In fact:

- “70: Percentage of American consumers are in debt”
- “73: Percentage of American consumers between 18-49 in debt”
- “60: Percentage of those over 50 years old in debt”
- “30: Percentage who have credit card balances not paid in full every month”
- “40: Percentage of those in debt with monthly obligations greater than half their monthly income”
- “10: Percentage of consumers who have filed, or at least considering filing, for bankruptcy” (U.S. News Staff 2009)

96 Stanley and Girth found that from the years 1965-68, 70 to 75 percent of bankruptcy cases were “no asset” cases meaning that the creditors recovered nothing. Likewise the “nominal asset cases” in which creditors got little were only 10 to 15 percent. In the “asset cases” remaining creditors recovered only $70 million of the $431 million claimed, equaling about 16 cents on the dollar (Stanley and Girth, 1971: 21).

97 This “non-stigmatizing” view of Americans toward bankruptcy was helped by court rulings prohibiting limits on lawyer advertising. As a result individual bankruptcy filings increased dramatically from 1950-1982: 25,040 in 1950, 191,724 in 1967 and an estimated 450,000 in 1982 (Stanley and Girth, 1971: 25).
and States to make ways to clear slates (as in years of Jubilee and Mesopotamia), because debt is a part of life.\footnote{\ldots it appears that three factors have contributed to the increased attractiveness of non-litigation alternatives. One such factor has been legal rationalization, especially the development by lenders of legally ‘airtight’ contractual provisions and security arrangements specifically designed to forestall litigation, and their increasing use of lawyers and other specialists in the routine settlement of debt cases. These measures presumably reduce the proportion of debt disputes involving viable defenses and make settlement correspondingly more attractive. The second factor is an increase in the political activity of debtors and their allies. Political action—primarily on behalf of homeowners, farmers, and small businesses in the 1930s and on behalf of consumers in the 1960s—has shifted the locus of demands for reformed debtor-creditor laws away from courts and toward legislatures and regulatory agencies, stimulated the enactment of a multitude of new defenses for consumer debtors, and enhanced opportunities to learn about and assert these rights. Judging from the fact that the number of contested debt cases has not increased in recent decades, the primary effect of the expansion of debtors’ rights and remedies has been to increase the cost of litigation for creditors in cases in which debtors show some inclination toward legal resistance. The third factor forestalling debt collection litigation, and undoubtedly the most significant one, has been a trend toward systemic stabilization—the development of methods of loss spreading, diversification, insurance, and economic stabilization that prevent financial panics, blunt the edges of individual disputes, and encourage consensual refinancing or absorption of losses rather than protracted litigation. In the 1880s (and even in the 1920s, in the South) the farmer who could not pay off his crop mortgage was threatened simultaneously with the loss of his home and livelihood” Kagan 1984:364-365). Now bankruptcy laws are quite different and allow individuals to retain certain amounts of property.}

**Summary**

In America, giving and receiving debt through gift is in fact preferred. The earliest concepts of debt come from religious texts, in which debt is seen as unavoidable, and being born incurs debt. Man owing a debt which cannot be repaid, was given a gift (the canceling of a debt), which must be passed on. In religious texts, this is the beginning of a cycle that builds community. In America today, it recalls selfless service, social solidarity, helping others, charity, and self-sacrifice for others. These principles are taught at Christmas, when people exchange gifts with each other in a reciprocal manner; each brother and sister trading one gift to another; mother and father trading gifts among themselves; simultaneously creating debt and the release of debt and thereby making happiness. Yet, there is one more aspect, the anonymous gift from Santa Claus; one
which cannot be paid back, because he doesn’t even exist. This gift from Santa Claus also teaches community.

Part of the condition of community is that debt needs to be forgiven. However, not in an arbitrary fashion, nor for just anyone; the morals, wealth and power of individuals or groups, and will of the State dictate who are the deserving. Mesopotamia and Egypt are two examples in which the outcry of individuals for economic debt relief came in such a chorus that the governing structure was forced to respond. This is common in economic crises even today in America.

In America, debt is an economic experience we live everyday. We owe money for cars, homes, on credit cards, and school; in fact it seems like we are always in debt one way or another. We live in a rotation of working just so we can pay power bills, phone bills, insurance bills, and health bills in a never ending monthly cycle that we have so lovingly titled “the rat race.” The world in which we live is made of those who have, those who do not, and those caught in the middle are getting smaller and smaller. Those who do not have borrow from those who do and this debt has to be paid back with interest; with no feelings or remorse; it is just business. The debtor must work day in and day out to pay his or her debts back, and if the debtor can’t pay the debt he loses all he has. This debt was a choice that was made by the debtor, so it’s really his fault if he chose to overextend himself with debt. Isn’t it? But what if he lost his job, or the money was put on credit cards for food?

Debt is both a blessing and a curse; it moves relationships forward both for good and bad. It also piles upon the individual despair as economics situations become greater than

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99 Rosalie Maggio (1992), in the *New Beacon Book of Quotations by Women*, states that William Sloane Coffin said, “even if you win the rat-race, you’re still a rat” as a chaplain at Williams College or Yale University in the 1950s or 1960s. The other source was the movie *The Rat Race* (1960).
what can be borne, causing states to cancel debt in order to relieve the strain. Debt gives us a sense of belonging and a sense of beholding that comes to us from our ancestors, from our current kin based relations, and to our future generations. It is the “ideal” that is strived for and held as the thrust of the gift; a gift that is first given to us at birth and lasts throughout our lives, and the lives of our children as we will see.
Chapter V

The Social Economic Credit System

Barter and debt in a social economic credit system

In chapter III I described the material aspect of money, and mentioned that generally economists and many economics historians have asserted that barter was the first form of exchange that eventually led to money (Mundell 2002, Rideway 1892, Smith 1776, and Ferguson 2008). However, these scholars overlooked the social and cultural implications of their barter theory. Money is used in the exchange of values between individuals, but it is the social debt (value given as gift) that is first shared among individuals that allows them to stay in socially connected groups. It would seem logical, from an economics standpoint, that money appeared first, and then debt. After all, it would appear, strictly from a materialist point of view, that without some kind of monetary system one cannot have debt in the first place. However, this not the case, as individual lives are not made up of just the materials with which they come in contact, as we have previously discussed; individuals are social beings formed and construed from themselves and those around them. The system of barter does not happen in a vacuum; it presupposes other social organizations. However, in a pure system of barter, things of equal value are exchanged and individuals part company, going their own way, with both individuals feeling satisfied that each made the best deal out of the exchange. In this view, barter does not involve debt, and without debt being involved, there is no social bond. This is the position of those that follow the classic history of debt (Mundell 2002, Rideway 1892, Smith 1776, and Ferguson 2008).
For those that follow the classic history of debt, debt is viewed as money, and money is the means to track that history. In order to find the classic history of debt, one simply has to follow the forms of money that have been used throughout history. Normally, this begins with first barter, then money, and credit then necessarily develops at a later point. However, the problem of this history as I have laid it out does not take into account social-cultural factors, and it relies on the assumption that people started with barter. And the reason we see money being formed is a natural extension of that barter system “…despite the fact that almost all subsequent historical research has proved it wrong” (Graeber 2011:395).

In reality, the myth of barter as a base for economic history is nothing more than an imaginary tool used to explain a phenomenon which economists did not understand. Graeber points this out,

It’s important to emphasize that this is not presented as something that actually happened, but as a purely imaginary exercise. “To see that society benefits from a medium of exchange” Write Begg, Fisher and Dornbuch (Economics, 2005:384), “imagine a barter economy.” “Imagine the difficulty you would have today,” write Maunder, Myers, Wall, and Miller (Economics Explained, and 91:310), “if you had to exchange your labor directly for the fruits of someone else’s labor.” “Imagine,” write Parkin and King (Economics, 1995:65), “you have roosters, which you want roses.” One could multiply examples endlessly. Just about every economics textbook employed today sets out the problem the same way. Historically, they note, we know there was a time when there was no money. What must it have been like? Well, let us imagine an economy something like today’s, except with no money. That would have been decidedly inconvenient! Surely, people must have invented money for the sake of efficiency…. The story of money for economists always begins with the fantasy world of barter (Graeber 2011:23).

This make-believe land is supposed to be very much like the present, except that money is somehow absent. This make-believed land would also necessitate very different process, than the ones we have previously discussed, in which value would be established
and exchanged. It is this very same myth that is the founding principal for the discipline of economics (Graeber 2011).

This fantasy of barter has its root in Aristotle (Aristotle 350 BC), and it was Bernardo Davanzati (1529-1606) that first put forth the idea of a historical sequence from barter to money to credit (Waswo 1996).\(^\text{100}\) Then in 1776 Adam Smith initiated the principles relating to the discipline of economics today. The explicit theory that is most followed by economic historians was put forth by Bruno Hildebrand (1864), and his student Karl Bücher (1907) canonized the theory. The sequence of a prehistoric stage of barter, an ancient stage of coinage, a reversion back to barter in the Middle Ages, and the modern stage of credit economy has become universal and appears in its initial forms in Marx and Simmel. But it was Smith's work which had a drastic effect on the way explorers, understood and reported what they saw.

Smith’s work had a drastic influence on the way explores saw the world, most 16th and 17th century travelers, in the West Indies and Africa, when reporting about the societies they came in contact with understood that each society would have their own money and their own governments to issue the money. And in the years after Columbus, that led to the Spanish and Portuguese exploration of the New World for gold and silver no stories of barter appear. It was not until after Smith’s work in the late 18th century that the accounts change and are replaced by never-ending sightings of “primitive barter” in the Americas, Africa, and Oceania (Servet 1994 and 2001). Smith did not believe that

\(^{100}\) Many modern translations have the word barter as translation for Aristotle's actual term métadosis which he is day usually meant “sharing” or “sharing out” (Polanyi 1957:93). Polanyi has said that barter is probably inaccurate, unless Aristotle was putting forth a new meaning. There are some that have said that the origin of Greek money could have been tied in with customs of appropriating goods (Laum 1924 and Seaford 2004). For good look at that the Aristotelian tradition that does assume that Aristotle is referencing barter see Fayazmanesh (2006).
money was a creation of government. He followed in the footsteps of John Locke and took his views a step further; he argued that economics was its own field of human inquiry with its own principles and laws. Smith argued property, money, and markets existed before political institutions and were the very foundation of human society, with the government as far as economics were concerned should limit itself to guaranteeing the soundness of the currency.

Even though Smith makes up the stories of barter, his idea of what makes up an exchange really is the basis for much of the principles that I have discussed concerning the dialectic that takes place between “material” and “ideal.” He alludes to the use of language (speech) and reason, both of which are needed for the formation of cultural symbols and their precursors for the use of material symbols.

It is the necessary, though very slow and gradual, consequence of a certain propensity in human nature, which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another. Whether this propensity be one of those original principles in human nature, of which no further account can be given, or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to inquire (Smith 1776:1.2.1-2).

Smith had defined his definition of trucking and barter earlier, writing that these are founded on principles of the human mind.

If we should enquire into the principle in the human mind on which this disposition of trucking is founded, it is clearly the natural inclination everyone has to persuade. The offering of a shilling, which to us appears to have so plain and simple a meaning, is in reality offering an argument to persuade one to do so and so as it is for his interest (Smith 1762:vi56).

Anthropologically speaking, this makes Smith the first one to realize that exchange is founded upon mental functions that manifest themselves as language (he uses exchange
words) and the exchange of material goods. Normally this concept is attributed to Claude Lévi-Strauss (Lévi-Strauss 1963:296), and is ultimately the beginning of the dialectic of Marx and Maus which I laid out earlier.

Smith never grasps the full implications of his thoughts instead he maintains a materialistic and narrow understanding of the processes that comprise our economic social situation. For him as well as modern economists and historians we are still bartering and trucking and we always will be. It’s really anthropologists who take a different view because of their understanding of social forms of structure that allow for more complete picture of economic history to be developed.

For example Lewis Henry Morgan’s writings describing the Six Nations of the Iroquois do not talk about trading arrowheads for buckskins and other such barter, he described a social economic system where most goods were stockpiled into long houses and were allocated out by women’s councils. Morgan’s works emphasize the extraordinary importance of women within economic life, and that the economy was largely controlled by women's councils. He also described that property rights were really a collective organization (Morgan 1851, 1877, and 1965). Yet in 1871 Jevons took his examples from Smith’s barter system rather than from Morgan (Jevons 1871). During this time when missionaries, colonial administrators, and others were fanning out across the world expecting to find barter systems none ever did. What they found was an almost never-ending diversity of economic systems (Graeber 2011). In fact, “no example of a barter economy, pure and simple, has ever been described, let alone the emergence from it of money; all available ethnographies suggest that there never has been such a thing”

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101 The economic life that Morgan portrays here “so impressed many radical thinkers-included Marx and Engels-that they became the basis for a kind of counter myth, of primitive communism and primitive matriarchy” (Graeber 2011:395).
Although there was no pure barter economy there have however been three “primitive” economies dominated by barter (Crump 1981:54).

One of the biggest impediments to a good understanding of economic history has been our failure to take into account how people interact socially. Economic systems change dependent upon social-cultural context of the situation. Classic Anthropologist saw barter as part of the primitive economy, and recognized that there was an enormous complexity of distribution and ethnographic diversity that was subjected to more socially embedded activities like gifts, ceremonial exchange, dues to chiefs, and simply sharing of food. Barter was a small portion of the economy and was loathed by people and anthropologists alike (Malinowski 1920, Thurnwald 1932, and Sahlins 1972). According to Sahlins barter was “negative reciprocity, the unsociable extreme” and was characterized as “haggling” which took place with outsiders and was a process of “chicanery” and “theft” with each contestant trying to outsmart the other for his own gain (Sahlins 1972:195). It’s important to see here that barter was a very small part of the economy. Yet barter taking place with outsiders does not always preclude that it is regarded as “negative reciprocity,” and “It does not necessarily imply antagonism” (Humphrey 1985:49). The nature of the barter that takes place is dependent upon social-cultural context.

Barter is not the primary economic means for people it is an alternate. And when it is conducted is conducted by individuals that do not know each other very well or could even be enemies of each other. Strong social units don’t barter with each other they give and take as needed in a gift exchange in what be called a “social economic credit system” that is highly regulated with objects being arranged into categories by value. This social economic credit system has within it “spheres of exchange” in order to establish
precedence over what types of things that are appropriate to give based on occasion, kinship, wealth value of an object, and other social-cultural values (Bohannon 1955, Barth 1969, Munn 1986, Atkins and Robbins 1989, Gregory 1982). However when groups or individuals that do not have strong social ties find it necessary to exchange goods trade or barter is necessary to overcome the lack of social ties. Groups with social ties conduct what Mauss calls system of “total prestations.”

In the systems of the past we do not find simple exchange of goods, wealth and produce through markets established among individuals. For it is groups, and not individuals, which carry on exchange, make contracts, and are bound by obligations; the persons represented in the contracts are moral persons—clans, tribes, and families; the groups, or the chiefs as intermediaries for the group A confront and oppose each other. Further, what they exchange is not exclusively goods and wealth, real and personal property, and things of economic value. They exchange rather courtesies, entertainments, ritual, military assistance, women, children, dances, and feasts; and fairs in which the market is but one element and the circulation of wealth but one part of a wide and enduring contract. Finally, although the prestations and counter-prestations take place under a voluntary guise they are in essence strictly obligatory, and their sanction is private or open warfare. We propose to call this the system total prestations (Mauss 1967:3).

Mauss is not saying that individuals cannot do this. What he’s saying is that an individual by himself will not. It’s only the individual who is the “moral person” one who already belongs to a clan, tribe, or family; somebody in other words who has social debt that will “carry on exchange, make contracts, and are bound by obligations.” The social debt that allows for theses social debt relations shape the economic debt actions forming into a larger community wide economic system that forms the real economy of the community. A communities real economy is one that is social, cultural, material, individual, and makes up what I call a “social economic credit system.”

102 Gregory uses an example of a Highland Papua New Guinea with six categories with life pigs and casaworry birds consisting of the first rank, the second rank consisting of “pearl-shell pendants, worksites, stone axes, casaworry-plume headdresses, and cowrie-shell headbands” and so on. Gregory 1982:48-49.)
For Mauss, the economy of the community did not conform to the classical principles of so-called natural economy, utilitarianism, or the exchange-barter system that classic economists and economics historians had argued so much for. He understood that social economic life consisted of more than just material and physical needs. Mauss said:

Here is the answer to the question already posed by Durkheim about the religious origin of the notion of economic value. The facts also supply answers to a string of problems about forms and origins of what is so badly termed exchange-the barter or *permutatio* of useful articles. In that view of cautious Latin authors in the Aristotelian tradition and their *a priori* economic history, this is the origin of the division of labor. On the contrary, it is something other than utility that makes goods circulate in these multifarious and fairly enlightened societies. Clans, age groups and sexes, and view the many relationships ensuing from contact between them, are in a state of perpetual economic effervescence which has little about it that is materialistic; it is much less prosaic than our sale and purchase, hire of services and speculations (Mauss 1967:69-70).

This means that there is an underling force that is not based solely in the material but rather in the bonds established between individuals and groups. And these bonds preclude barter. The reason that some groups would view barter as a hated action is because it lacked the social aspect of all life or it was conducted with somebody whose very existence wanted to destroy their social life otherwise known as an enemy. If a social group had very distant ties with another social group barter could be done without any antagonism. Yet the bartering did not make up an economic system; it was done rarely and for specific items as groups for the most part relied on the social-cultural cohesion of the group to provide for needs (Graeber 2011:29-34). So bartering is really just a smaller part of a larger economic system in this case a social system.

In fact, for the most part, bartering is always part of a larger economic system. And there is good reason to consider that barter only recently came into common use. In the
majority of the cases it only comes into use with people who have come in contact with
some sort of money system and understand its use, but do not have access to the money
any longer. Quite often extensive barter systems come into use after the collapse of
national economies: for example in Argentina in 2002 and Russia in the 1990s
(Humphreys 1985). Interestingly enough, what is more common than a barter system is a
system of substitution for the money that no longer exists.

Many economists have called this substitution system “barter,” but it is really
exchanging one form of money for another in a “social economic credit system”.
Prisoners here in the United States and prisoners of war often take cigarettes and start
using them as currency (Redford 1945). This is not barter, the cigarettes are money.
Other good examples that are classically listed as societies reverting to barter systems
happened after the cave in of Rome and after the Carolingian Empire fell. From the fall
of the Carolingian Empire in the 10th century A.D. to the mid-1600s people used what
was called old Carolingian denominations which were really “imaginary money.” For
800 years people continued to call their imaginary money pounds, shillings, and pence
(or livres, deniers, and sous) despite the fact that the few coins that were in existence
were different coins entirely. In actuality most people simply didn’t have coins yet they
still priced everything as if they did (Einaudi 1953).

These old Carolingian denominations were in effect for using a “social economic
credit system” based on money as a way to continue the old “spheres of exchange” with
which everyone was culturally familiar. The shortage of coins was nothing new in
history. Often wages could be delayed by a year more, making it common practice for
employees to carry some of their own products or leftover work materials like nails, lumber, and fabric home with them at night.

The nails were de facto interest on what their employers owed them. So they went to the pub, ran up the tab, and when occasion permitted, brought in a bag of nails to charge off against the debt. The law making tobacco legal tender in Virginia seems to have been an attempt by planters to oblige local merchants to accept their products as a credit around harvest time. In effect, the law forced all merchants in Virginia to become middlemen in the tobacco business, whether they like it or not; just as all West Indian merchants were obliged to become sugar dealers, since that's what all their wealthier customers brought in to write off against their debt (Graeber 2011:38).

In these cases we see the workers getting paid “interest” until they could actually get paid their wage. In actuality those products were often taken out of their wage and were as good as a wage, and are often times actually “the wage.” If somebody does not get paid for a year there is no way that they or the family would survive. In fact the worker would leave the job and go find a job somewhere else. So the material that was being taken, off the job site, was in fact a wage. However when the worker went to use this material to exchange it for something else both materials in the exchange had an established market price at what was then the current coin price, and was treated as if the material was money, and in fact it was. From the outside one would think that this is a barter system however as you can see from the inside it is a social economic credit system.

**Social variations of debt in the community**

Individuals contribute to a social economic credit system and there are many variations within the system. Debt is handled in slightly different ways between each individual. Unfortunately, many scholars have attempted to use universal theories to understand the way individuals manage giving and debt, for example reciprocity. I have
said that I do not believe that the driving force in society is one of reciprocity of debt. In past anthropological thought reciprocity was a driving force in society, however recently it has been put on the shelf but not really strongly replaced (Graeber 2011). Richard Thurnwald (1916) was the first to propose reciprocity is a universal principle, and it was Malinowski (1922) that developed reciprocity to the level that others started to use the concept. Reciprocity has been used as an underling social force for many social theories, for example “Social Exchange Theory” by George Homans (1958) and Blau (1964). It was also used by Claude Lévi-Strauss (1963) in many of his ideas on “Structuralism.”

Lévi-Strauss argued that human life was made up of social structures that were comprised of three spheres: language (which he saw as the exchange of words), kinship (which he saw as the exchange of women), and economics (which he saw as the exchange of things) (Lévi-Strauss 1963:296). For Lévi-Strauss the engagements that took place within each of these three spheres, if studied, would give a bigger picture to the overall social structure. He believed that one had to look at any instant in time to be able to understand what the true exchange taking place between individuals was. For him history should not be taken into account for an anthropologist. In other words as an observer observed individuals and the interaction taking place between them no thought to what had come before or even what their thoughts may have been for the future should be taken into account in order to understand the reciprocal exchange that was taking place at the time.

Lévi-Strauss was very rule orientated, following the work of Van Neumann, he believed that mathematical models could be made, so long as the definition of well-chosen essential representative traits were precise and exhaustive, that would yield
numerical results that would get at the heart of the exchange (Von Neumann and Morgenstern 1944). Even though Lévi-Strauss made the comment that mathematics need not be involved, he made a distinction between mechanical and statistical structures. Statistical structures, for him, were almost always mathematical. He believed that the mechanical model was the realm of historians and that the statistical structure model was the realm of anthropologist. Lévi-Strauss determined that the structure model had to meet several requirements:

1. The structure exhibits the characteristics of a system. It is made up of several elements, none of which can undergo a change without effecting changes in all the other elements.
2. For any given model there should be a possibility of ordering a series of transformations resulting in a group of models of the same type.
3. The above properties make it possible to predict how the model will react if one or more of its elements are submitted to certain modifications.
4. The model should be constituted so as to make immediately intelligible all the observed facts (Lévi-Strauss 1963:279-280)

For Lévi-Strauss the social-cultural world around him was a mathematical structural formation that one could empirically test, see in the present, and in which all the observable facts were known. This is clearly not the case. Although I agree with Lévi-Strauss in that we have structures around us that inform the individual the structures are like water pushing and being pushed, moving and being moved at the same time. They are not rigid and we cannot know all the facts about them. Bourdieu determines that,

It is necessary to abandon all theories which explicitly or implicitly treat practice as a mechanical reaction, directly determined by the antecedent conditions and entirely reducible to the mechanical functioning of pre-established assemblies, “U models” or “U roles” - which one would, moreover, have to postulate in infinite number, like the chance configurations of stimuli capable of triggering them from outside, thereby condemning oneself to the grandiose and desperate undertaking of the anthropologist, armed with fine positivist courage, who recorded 480 elementary units of behavior in twenty minutes observation of his wife in the kitchen (Bourdieu 1977:73).
He believes, quite rightly, that it is impossible for any individual to have a mechanical reaction to social influences, because the individuals thought process is formed by a historical process (Bourdieu 1977). It is rather impossible to record all the elements that take place even in single interactions. In many cases it is difficult to even determine what the hidden elements are.

One of the reasons that we cannot know all the facts about interactions that happen between individuals is due to a large element that Lévi-Strauss insisted on leaving out of anthropology. His view that history was not the realm of anthropologist in fact leaves one of the prime moving forces that inform on individuals as they react relationally. For example culture itself is not static but is made through the process of time, including past, present, and future. Ortner understands that culture exists by individuals acting through time.

It can be shown that there is pattern in history itself: Cultural modes of constructing and interpreting relations may, in complex ways, constrain the forms that historical change will take. Such patterning or structure, moreover, intervenes between material causes and institutional outcomes. Indeed such symbolic patterning is itself part of the causal sequence, without which one cannot fully understand why events took the particular course they did (Ortner 1990:91).

In other words if we do not understand the historic patterns that influence individuals, both past and future, we will not understand the action we see individuals take.

And it is this action through time that works on us both consciously and unconsciously even when individuals are by themselves the interaction of time within the individual is always working. Bourdieu, the one who took Lévi-Strauss’s concept of structure and put history back into it as well as the understanding that social structure are fluid said,
The “unconscious” is never anything other than the forgetting of history which history itself produces by incorporating the objective structures it produces in the second natures of habitus: “...in each of us, in varying proportions, there is part of yesterday’s man; it is yesterday’s man who inevitably predominates in us, since the present amounts to little compared with the long past in the course of which we were formed and from which we result. Yet we do not sense this man of the past, because he is inveterate in us; he makes up the unconscious part of ourselves. Consequently we are led to take no account of him, any more than we take account of his legitimate demands. Conversely, we are very much aware of the most recent attainments of civilization, because, being recent, they have not yet had time to settle into our unconscious” (Bourdieu 1977:79).

Bourdieu left out the future but it needs to be there (Rabinow 2008:2). Individuals think about the future when they make decisions, and they do this in order to select from among multiple threads as perceived by the individual (Wolf 1982).103

Reciprocity and Gift in social credit systems

Because Lévi-Strauss’s social exchange theory, “Structuralism,” did not take into account time. Time has an effect on the individual’s perception of the social reality that he lives in. What has happened in the past gives the individual a comparison to assist in an understanding of the present, and the future gives the individual choices and goals to move the present toward. 104 Without taking the past, present and the future into account

103 Eric Wolf talking about how ideas are made said, “if the mode of production gives rise to the idea-systems, these are multiple and often contradictory. They form an ‘ecology’ of collective representations, and the construction of ideology takes place within a field of ideological options in which groups delineate their positions in a complex process of selection among alternatives” (Wolf 1982:390). This includes debt.

104 Remember the example I gave earlier of the British missionary in the Congo the response that he got from a man who was sick and then was nursed back to health. The healed man’s thoughts were on the future, a future of community and relationship not reciprocity. Which is why the missionary was so surprised and couldn’t understand why a man was not acting with reciprocity (the feeling that that the missionary would have obviously felt). [A British missionary in Congo: a day or two after we reached Vana we found one of the natives very ill with pneumonia. Comber treated him and kept him alive on strong fowl-soup; a great deal of careful nursing and attention was visited on him, for his house was beside the camp. When we were ready to go on our way again, the man was well. To our astonishment he came and asked us for a present, and was as astonished and disgusted as he had made us to be, when we declined
there is no way to understand an individual’s method for managing debt. The management of debt takes many forms; yes reciprocity is one of them if the individual feels that the one that is owed the most is themselves.

The primary reason that our relations are not just relations of reciprocity is that reciprocity is itself the outcome of a sense of debt. Reciprocity takes place because a sense of debt first was established within an individual. Debt is the root of reciprocity and as I have demonstrated so far there are other forms of debt than the reciprocal one, for example, “gift.” Social debt is then the root of both reciprocity and gift, and the difference between the two is the extent to which the individual chooses to focus on himself, paying back the debt reciprocally or on others and giving to someone else to form community.

The community that is made of individuals transitioning through time as debtors and creditors in their social economic credit systems is not the “communism” that one would normally think about when Karl Marx, the former USSR, or China is mentioned. The concept of community as has been described thus far is not a political or romantic community, nor is it socialism. However, I am talking about an idea that Louis Blanc used in 1839 to help describe the French workers’ movement, “a chacun selon ses besoins, de chacun selon ses facultes” (Blanc 1841). James Scott (1976:3) called this...
type of community a “moral economy” comprised of ‘ideal value’ at its core that influences individuals to action. For example, individuals express community every day in the things they do with each other, for instance two carpenters at work building a house assist each other throughout the day. One way that they assist one another is by allowing each other to use the tools that belong to each of them individually in a communal way. At the end of the day each person realizes and acknowledges which tools belong to whom.

Each individual’s daily live is made up of the balance between individual and community. For example, individuals when faced with disasters like flooding, earthquakes, and tornadoes immediately revert to a sense of community, and help each other out of whatever situation confronts them. Not for the good of the “self” but for the good of as many people as can be helped. It is in situations like these that the true meaning of “from each according to his abilities, to each according to his needs” can be seen. It is this mutual aid that forms community, not with reciprocity, rather it is the debt that we owe to one other and the moral ideal that we hold as originator of that debt. “In

[105]Scott sees a moral center to the actions of peasants in Southeast Asia. A moral economy that for the peasant is, “…their notion of economic justice and their working definition of exploitation” (Scott 1976:3) Farming is a risky job with that entails laboring near the margin of subsistence. In order to minimize risk a farmer will engage in family like patron client relations. In the long run these relations may result in debt forgiveness, food, money, or other help in hard years. The moral economy for Scott is based on reciprocity that forms communities that redistribute wealth and give assistance back to the community even in revolts. “Woven into the tissue of peasant behavior, then, whether in normal local routines or in the violence of an uprising, is the structure of a shared moral universe, a common notion of what is just. It is this moral heritage that, in peasant revolts, selects certain targets rather than others, certain forms rather than others, and that makes possible . . . action born of moral outrage” (Scott 1976:167). Reciprocity is not the only motivator in a moral economy however, in my opinion, gift is a motivator as well. His approach to ‘ideals’ that form community are in line with what I have been attempting to describe. I do need to note also that the moral economy is a larger picture of relationships in a community than I am attempting to describe. I am focused on debt, gift, and value of money in community.
fact, communism is the foundation of all human society. It is what makes society possible” (Graeber 2011:96). Of course different communities apply different standards based on culture, time, and individuals.

Different standards apply to different individuals in a community based on individual perceptions and attitudes that one individual might have toward another. In America, someone that does not acknowledge debt is seen to be an individual that does not uphold the moral standard of the community. An illustration of this in America comes from a concept that has been drawn from Native Americans. A hunter who kills an animal should acknowledge the debt and the death of the animal. By the hunter acknowledging the gift, of himself, from the animal the hunter understands that it is impossible to pay the animal back, however by passing the meat to others, who need it, the debt of the gift is satisfied. If the hunter does not acknowledge the debt it would be because the hunter viewed the animal not as a part of a bigger relationship, but rather as one that no relationship exists nor does the hunter want there ever to be a relationship. The hunter would then view the animal as an enemy.109

Unless someone is an enemy one often does simple tasks and even mundane tasks to help them, tasks that at times are unimportant. An interesting example among Americans can be observed very easily by watching smokers. There seems to be an unwritten and unsaid rule that if you’re a smoker and somebody else asks you for a cigarette if you have one you give them one. If they don’t have a lighter to light the cigarette

109 The point is not that hunters in America actually practice this; the point is that in popular culture, for example movies like Avatar (2009), it is depicted and accepted by those who watch it. This acceptance started from the romanticized notion that European Americans have had for the “Noble Savage.” Now that we’re in a time in America where the people are focused on the earth, the environment, and our relationship with them the things that once were romanticized have become an “ideal,” even if not fully practiced. It is that popular culture both represents a snapshot of culture and an over exaggeration of culture that simultaneously represent what is, what is dreamed of, and what is not in order to present ourselves to ourselves (During and Trahair 2008 and Papanikolaou and Duncan 2006).
cigarette then you light it for them as well. You’d think it would only happen among friends, people who knew each other, between people who knew that the other person would eventually give them another cigarette back. This is not the case. I have observed individuals smoking by themselves outside; when approached by a stranger given them a cigarette when asked. It was clear that the strangers were not going to give that particular individual a cigarette back, yet a cigarette was freely given. On the same hand I’ve seen individuals lie to somebody they knew when asked for a cigarette saying, “I don’t have any more.” Only to give a cigarette to another individual out of their pocket once the other person left. Later it was found that there was great animosity between the individual that did not give the cigarette and the individual that asked for one but did not receive one.

The smoking community is a good example of how debt works within the community of individuals. If you have your own cigarettes you use them. If somebody doesn’t have them, and you do, you share regardless of whether you will get one back from that individual or not, because you know that eventually the “gift” comes back around. However if someone is your enemy you don’t. Ironically enough in this community there are those who never give, they only take, everybody knows it, yet everybody still continues to give, because, in the sense of debt, we are all creditors and debtors. What makes the community possible is “the presumption of eternity. Society will always exist… This is why no accounts need to be taken” (Graeber 2011:100). In a community

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110 For the purposes of my thesis I have focused on the anthropological view of ‘creditor’ and ‘debtor,’ namely social and cultural effects from the individual and on the individual. However, the emergence of individuals as ‘creditors’ and ‘debtors’ to community through the psychological processes of ‘Ego’ and ‘Alter Ego’ has been put forth by Wallace (1969:33). Lebra (1972) greatly expanded and revised Wallace’s work, but they both use reciprocity as the impetus for theses actions.
of creditors and debtors with each owing and being owed by everyone equally debt is transformed into the gift.¹¹¹

**Enemies and hierarchy in debt**

Since communities strive to function through the gift, it is not unusual for a lost individual to walk up to another individual on the street and asks him or her for directions. In America it is not uncommon that the lost individual receives accurate directions. An individual in America never expects that a total stranger would give him wrong directions on purpose. In the exchange of the gift of directions that takes place between two strangers, it’s always assumed that there is no deliberate intention of miss guidance. Yet that was exactly what happened to E.E. Evans-Prichard in the 1920s as he was conducting research among the Nuer, Nilotic pastoralists in southern Sudan. Evans Pritchard writes,

> On one occasion I asked the way to a certain place and was deliberately deceived. I returned in chagrin to camp and asked people why they had told me the wrong way. One of them replied, “You are a foreigner, why should we tell you the right way? Even if a Nuer who was a stranger asked us the way we would say to him, ‘you continue straight along that path,’ but we would not tell him that the path forked. Why should we tell him? But you are now a member of our camp and you are kind to our children, so we will tell you the right way in the future (Evans-Pritchard 1940:182).

To help understand this one needs to understand that the Nuer are constantly occupied in warfare, and any stranger may very well turn out to be an enemy scout. It is also relevant

¹¹¹ Marshall Sahlins (1972) first coined “generalized reciprocity” in order to explain the type of relation that I am describing with the smoking community. He believed that reciprocity would help circulate something freely and eventually all accounts would balance out. Marcel Mauss (2007) was making much the same argument however he saw these same relationships as rarely balancing out, for example relationships between parents and kids. His solution was “alternating reciprocity.” Alternating reciprocity is achieved once a parent has a child, because it is at that point the parent is able to repay his or her parent back. Mauss clearly draws this from his study of the Vedas under his mentor Sylvain Lévi. As I have shown I do not hold reciprocity as the answer.
that Evans-Pritchard was an agent of the British government that had recently sent in the Royal Air Force to strafe and bomb the inhabitants.

With enemies individuals act only as creditors or rather as a collector of debt. This can take the form of revenge, which is a feeling that a debt must be paid back, and justice served on the enemy is taking back what was taken. The religious texts that say, “an eye for an eye” is understood to mean that exactly what was taken originally is exactly what can be taken by the collector to balance the debt. There is no community in this exchange of debt as the actions of both parties consist solely of taking instead of giving. Individuals respond to other individuals dependent on the perception that the individual has for the other person, either friend of foe. Unfortunately the perceptions of individuals are seldom accurate; it is at times difficult to tell who ones friends and enemies are. Individuals can be in close proximity, and still be far off socially, in which case they become a stranger (Simmel 1971).

Georg Simmel understands the stranger as:

The union of closeness and remoteness involved in every human relation is patterned in a way that may be succinctly formulated as follows: the distance within this relation indicates that one who is close by is remote, but his strangeness indicates that one, who also is remote is near. The state of being a stranger is of course a completely positive relation; it is a specific form of interaction (Simmel 1971:143).

There is a certain ambiguity that comes with a stranger, because we really don’t know whether their friends or enemies. Normally individuals will want to move the stranger into one category or another. For example if one is more positive, believing friends are

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112 Simmel instead of ambiguity uses the term objectivity. He says that another expression of being a stranger, “…is to be found in the objectivity of the stranger. Because he is not bound by roots to the particular constituents and partisan dispositions of the group, he confronts all of these with a distinctly “objective” attitude, an attitude that does not signify mere detachment and nonparticipation, but is a distinct structure composed of remoteness and nearness, indifference and involvement” (Simmel 1971:145).
better than enemies, the way to handle the situation in America seems to be to show some dramatic gesture of generosity that will overwhelm the stranger by encouraging them into a “mutual sociality that is the ground for all peaceful social relations” (Graeber 2011:101). In English the etymology of the words “host,” “hostile,” “hostage,” and “hospitality” are all derived from the same Latin root “hostis” (Benveniste 1972:72) showing a connection between how ones actions should be towards ones enemies. This relationship between friends and enemies was predominant in Western religion. Jesus while talking to a crowd of people said,

    Ye have heard that it hath been said, Thou shalt love thy neighbour, and hate thine enemy. But I say unto you, Love your enemies, bless them that curse you, do good to them that hate you, and pray for them which despitefully use you, and persecute you; That ye may be the children of your Father which is in heaven: for he maketh his sun to rise on the evil and on the good, and sendeth rain on the just and on the unjust (The Holy Bible, Mathew 5:43-45).

The way, then, in Christianity, to turn an enemy into a friend is to overwhelm them with debt. That is to give them the gift until they acknowledge debt. Of course this is a moral ideal, but it plays out everyday in social economic credit systems.

    Within these social economic credit systems, attempting to make an enemy or a stranger into a tighter part of ones community is possible so long as the individuals that are in the system are of equal status. The principle of equality generally holds true for all

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113 According to Benveniste the Latin expression here concerning hospitality is really looking at the absolute master of the house by its “male” owner before any act of hospitality can take place. Derrida (2000 and 2001) argues that this can only take place if the male has absolute power over others as well (Graber 2011:405). There is another way of looking at this. Instead of being concerned with power over others, have power over yourself. If a person has power over himself in that he or she is secure with whom they are, inwardly as a person, then that person will be able to provide hospitality to everyone regardless of the situational surroundings.
debt; in that for debt to work as I have thus far been describing it requires the assumption of equality of participants. However, very rarely are all individuals of equal status.

In America individuals live in a social-cultural system comprised of relationships, status, and prejudices between parents and children, students and teachers, workers and bosses, the haves and have-nots, whites and blacks, and men and women. These examples above are juxtaposed extremes but in reality the hierarchical and prejudicial relationships that individuals experience every day are far more complex than this. As a worker it is very easy to see the relationship that is shared with a boss, and to understand his authority over the things one does pertaining to work. It is not so easy to see the difference of equality in groups of people that are of nearly equal status, yet it is there. Each member of the group almost imperceptibly ranks themselves and takes on a specific function within the group (Janis 1972:2-47, 242-259), and the group as a whole will look very differently at other groups depending on one group sees another group (Brown 2000, Rothbart and Oliver 1993).

Most intergroup situations involve status and power differences, which complicates the search for positive distinctiveness, especially for members of ‘inferior’ groups. Dominant groups generally show more in group favoritism than subordinate groups, particularly if the status quo is seen to be legitimate and stable” (Brown 2000:358).

What is interesting is that despite an in groups initial prejudice, groups that have to work together in cooperation will have individual members prejudice decreased.

Intergroup prejudice can be reduced by bringing groups into contact with one another in conditions that involve cooperation between equal-status participants and where social norms actively support a change in attitudes. Through such means, attitudes towards out group members that one has

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114 The exception would be the originator of a gift as in this instance equality is not important so long as the debt is not to be paid back to the original creditor but rather to be paid forward to other members of the society.
encountered will usually become more positive. It may be harder to get those positive attitudes to generalize to the out group as a whole (Brown 2000:359).

Once the initial prejudices are set aside for the common good the differences can be overcome with mutual aid, a sense of community, or debt.115

Not all inequality differences are so easily rectified, as the farther apart in status or equality individuals perceive themselves to be, the harder it is for them to gain a sense of community. In fact the farther apart the two groups are the likelihood of them becoming more and more unequal is higher than two groups that are closer together in equality (Greaber 2011). “The rich become richer and the poor become poorer.” This process does not happen instantaneously, and divides of inequality rarely start out that way. What starts out as one group always being overgenerous (giving the “gift” and there by debt) over time soon becomes routine.116 It is then expected that the friendly group is going to be overgenerous all-time, and if they stop being overgenerous the group that was the recipient of the generosity will feel slighted; even if the new level of generosity has done nothing but moved the generous group to the same level as the rest the groups. In other words once our expectations as a group become set at a certain level changing them to a different level causes a re-shifting of perception.117

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115 This is the same principle concerning enemies that talk about later on in this chapter; when overcoming enemies one overwhelms them with the “gift.”
116 Routine here is a sense that the “gift” is no longer a “gift.”
117 Although I'm talking about group identity the smaller norms that make up the larger identity can often become the force that is impossible to change. Once perceptions or expectations are set it is difficult to change them. In fact sometimes it can be impossible to shift expectations of communistic distribution to relationships of equal exchange. One example is from Firth, he describes a man by the name of Tei Reinga who lived among the Maori of New Zealand. Tei Reinga was a notorious glutton; he would move up and down the coast continuously asking fishermen for the choice portions of their catch. It was impossible for the fishermen to refuse the request for food so even though his actions aggravated them they put up with it. One day fishermen have had enough, they promptly killed him (Firth 1956: 411-412 and Graeber 2001:175). Tei Reinga was taking advantage of a norm the prescribed that everybody should take care of everyone else especially if somebody asked for something. The concept that the fishermen could simply ask Tei Reinga to exchange something for the fish was completely foreign to them. In fact it would break
This is a process that starts slowly and over time can generate expectations that identify individuals and groups. For example Bloch (1969) believed that with the rise of agriculture changed the way individuals viewed one another depending on the in group they were involved with. He saw that as the means to produce more food increased so did the spare time that could be used by people to do other jobs. Bloch contended that, some individuals chose to continue to work the ground; some chose to develop skills at arms in order to protect their community from other raiding communities; and some chose to spend more time in the pursuits of God, philosophy, and science. Eventually, according to Bloch, this led to the point that Medieval writers viewed society as a hierarchy in which peasants feed everyone, nobles (elevated warrior class) fight for everyone, and the priests pray for everyone (Bloch 1961). This is based on a larger scale model of community, which in reality produces inequality; one group eventually ends up developing an unequal burden of the debt for the entire community. This is really the oversaturation of debt.

What I mean by the oversaturation of debt if that one group or individual, much as an enemy would, begins to take from the other individual without either giving to others or back to the source individual. In instances were the individuals involved are of equal status this can lead to hardships in relations and even death as we have seen, however when one looks at whole groups of people the oversaturation of debt leads to a perception of superiority and inferiority; with one group feeling that they are of a higher status (a feeling of entitlement) and the other group feeling that they are lower status (a feeling of their established norm, in effect saying they would not help him. That left them no choice but to continue to let Tei Reinga take their food or to simply be done with problem.
debt to the higher status group). Once this feeling of being owed (entitlement) has developed over time, it becomes ingrained, it becomes a way of live, or rather a custom.

Hierarchy operates by principle that is the very opposite to reciprocity. Whenever the lines of superiority and inferiority are clearly drawn accepted by all parties as a framework of relationship, and relations are sufficiently ongoing that we are no longer simply dealing with arbitrary force, and relations will be seen as being regulated by a web of habit or custom (Graeber 2011:110).

Force then no longer becomes the motivating factor in status of equality. It may have been a starting factor; there may be a lingering threat of force, but once the status of inequality has been established through time (multiple generations) force is no longer necessary. And over time it is possible for feeling of inequality (debt to the higher status), from the lower status group, may become established as culture. For example a king and a serf are not just status positions they represent cultural positions as well.

What starts out as a simple action, directed at others or directed at self, once repeated over time can become customary; eventually the actions start to define the individual’s fundamental nature. This is not only true for the individual self assessments but the population as whole starts to treat others in light of their status (Hocart 1936). No longer does exchange occur equally; the objects of wealth, that are passed back and forth between higher status people and lower status people no longer have relative value. In

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118 In the early days of the Persian Empire, each providence competed to send the most unique and valuable products as gifts to the King, eventually each province was expected to provide similar “gifts” every year which became the basis for the Persian tribute system (Briant 2006:193-194, 394-404).
119 For example a clan that starts cutting hair for the King becomes known as barbers, the clan who brings fish for the Kings feast becomes known as fishermen, and the clan that makes ceremonial garments become known as the weavers. Even though men took on these titles it is important to remember that these occupations were not necessarily their only jobs; much of the time people remained farmers like nobody else. However it was what they did for the King, the community, or for ritual occasions that defined their essential nature and became their identity in the community as a whole (Hocart 1936).
120 The value in exchange between individuals of highly unequal status takes on the ideological value of the higher status individual. For example a napkin signed by the President of the United States is worth more than a napkin signed by a man who cleans port-a-potties for living.
other words, the status of an individual or group becomes a value that is attributed to the said status.

Most people agree that human life has value, but are all lives of equal value? The United States would say that lives are of equal worth; however our actions and thoughts do not betray this view. For example, all little girls because of their young age and innocence would be treated the same; that if one was missing that the same news coverage would be used for all, however this is defiantly not the case. The very act of recognizing one status class and overlooking another demonstrates the value that is placed upon the class (Ewen and Ewen 2006). Stillman points out that the death of Jessica Lunsford, a nine-year-old girl that belongs to a higher status group is given preferential news coverage over a lower status girls, and unfortunately this is the norm

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121 Stillman says, “My own academic and personal inquiry into the ‘Missing white girl syndrome’ and related media myths of female disposability began in early 2005, when I found myself immersed in a disturbing tale of two corpses. That February, it was difficult for anyone who owned a television set in the USA to ignore the widespread media coverage of Jessica Lunsford, a nine-year-old girl who had disappeared from her bedroom in Homosassa, Florida. Lunsford was last seen alive on the evening of 23 February, asleep in her pink silk nightgown. The next morning, she was nowhere to be found. Within several days, the crisis exploded in the national media, prompting massive out pourings of public empathy. Celebrity donors offered a $110,000 reward for information leading to her safe return, and nearly 540 volunteers joined law enforcement officers to scour the area where she lived, on ‘foot, horseback, and all-terrain vehicles’ amid heavy rains and a tornado warning, in search of her. But as I sat with my eyes glued to the Fox News coverage of the case, a different body suddenly captured my attention, a corpse mentioned only for a brief instant in a ticker-tape scroll that crawled along the bottom of the screen: ‘Body found in lake was not Jessica’s’. The headline grabbed me not for the tragic loss that it intended to document, but rather for the loss that it blatantly erased. Whose dead body was floating in the lake, if not Jessica’s? Did this body have a name? Did this body have a gender, a race, a story, a family awash in fear or grief? Few clues proved forthcoming. A subsequent Internet search revealed a series of similar headlines: ‘Police confirm body found is not Jessica’s,’ ‘Body found in lake is not missing [Florida] girl’s - but none addressed the secondary body’s identity, other than to convey a sense of relief at what, or who, it was not. To make the morality tale even more stark, local authorities held a televised press conference in which Sheriff Jeff Dawsy proclaimed: ‘We have confirmed it is not our girl. I repeat, it is not our girl. And for that, we are very happy.’ Witnessing this drama unfold, I felt compelled to learn more about how such gross acts of dehumanisation could not only be possible, but typical, in mainstream reporting. Soon thereafter, I began to document transnational activists’ efforts to resist media narratives that naturalise the deaths of certain ‘kinds’ of women (poor, non white, precariously employed), while commodifying others” (Stillman 2007:493).
not only America but for the world. As one looks to other ways of evaluating status it becomes apparent how this could be. One girl is a white school girl that had a life of potential for the community and the other one was a brown dropout (of school) that became a sex worker that had no potential for the future. The potential here is the future debt through the “gift” that would be of use to the group as a whole. One is viewed as giving the other taking. So the loss of life for one is seen as a loss while the other life is not seen at all.

The point is not, whether or not status is justified. In matters of debt, the perception of status shapes thinking about the degree to which individuals of different status groups will be debtors and creditors, takers and givers. All are, to varying degrees, debtors and creditors. Individuals fit into many status groups, with certain ones identified as more relevant than others. The relevant become essential;

The logic of identity is always and everywhere entangled in the logic of hierarchy. It is only when certain people are placed above others, or everyone is being ranked in relation to the King, or the high priest, or Founding Fathers, that one begins to speak of people bound by their essential nature: about fundamentally different kinds of human beings. Ideologies of cast or race are just extreme examples. It happens whenever one group is seen as raising themselves above others, or placing themselves below others, in such a way that ordinary standards of fair dealing no longer apply (Graeber 2011:111).

Individuals identifying themselves with a particular group are a part of everyday life, and groups that view themselves as being of a different status than another will act differently

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122 News treatments of child abductions in the USA have shown enormous partiality towards young white females. In the USA between 2000 and 2005 53 per cent of total reported abductees were white. However during this same time frame 76 per cent of child abductions featured on CNN were white children (Hargrove and Haman 2005).
123 Status and hierarchy are irrelevant, and should not be a part of society. “We are all created equal,” is the American creed, however the fact remains that it is a part of society.
124 The Milgram experiment, where Milgram concluded that, “men are not solitary, but function within hierarchical structures,” (Milgram 2009:123). The human, that is bound within a hierarchical structure, must change behavior based on the relationship that one human has to another. At any given time, one will need to change from an authoritative, an equal, or subservient position in relation to another person.
toward the unequal group than they would toward an equal group. For example a group of individuals that view themselves a being higher than another group may not receive a gift from the lower status group as a gift, but rather as a duty that the lower group owed to the higher.\textsuperscript{125}

Mauss (1967) observed that status changes the gift from community to reciprocity and competition. In some societies status is seen as being welcome and a sought after ideal. Some hold status to such an ideal that striving for higher status has become the cultural norm. These societies reveled in the celebration of inequality; one could call them ‘heroic societies’ usually with people organized around warrior noblemen that had loyal retainers. Poetry like, the \textit{Iliad} (Merrill 2010) and \textit{Beowulf} (Leonard 1939) refer to these societies; the Maori and the Kwakiutl (Codere 1950) are modern examples. Here, contests and feasts are fighting with property, or food, accompanied by the highly developed art of boasting with colorful speeches. “Kwakiutl chiefs liked to speak of themselves as great mountains from which gifts rolled like giant boulders, and how they conquered their rivals through gifts reducing them to slaves,” (Graeber 2011:117). For societies with competitive gift exchange, these are affairs of honor; honor is all.

Honor for the types of societies that I have just mentioned is a social mechanism that helps the community maintains order. Rules and norms governing specific way honor can be lost or gained curtal an individual. In order to control the use of gift for hegemony, a strict formalized rule system developed to prevent individuals from gifting others outside

\textsuperscript{125} Marc Bloch notes that “…in the ninth century, when one day there was a shortage of wine in the royal sellers at, Ver the monks of Saint-Denis were asked to supply the two hundred hogs-heads required. This contribution was henceforth claimed from them as of right every year, and it required an Imperial charter to abolish it. At Ardres, we are told, there was once a bear, the property of the local load. The inhabitants, who loved to watch the fight with dogs, undertook to feed it. The beast eventually died, but the Lord continued to exact the loaves of bread… Every act, especially if it was repeated three or four times, was likely to be transformed into a precedent-even if in the first instance it had been exceptional or even frankly unlawful” (Bloch 1961:114-115).
their status. Individuals can only challenge, through the gift, those who are relatively equivalent in status (Valeri 2001). These societies have fine graduations of status and dignity. In a different setting, Bourdieu described a “…dialectic of challenge and riposte” that governs the competitions of honor among the Kabyle Berber males of Algeria. Exchange of thefts, threats, insults, and attacks both in feud, or battles are conducted precisely as one would see during the exchange of gifts (Bourdieu, 1965; Bourdieu 1990c:98-101). One would not challenge an individual richer, older, or more honorable, because one would be humiliated, or ignored. Conversely, if an individual challenged a poor, yet respectable man, the reputation of the challenger would be damaged, because the man challenged could obviously not reciprocate.126 In these societies, the feeling of debt that comes from the gift is used as a weapon to overwhelm enemies. The oversaturation of debt makes the losers slaves, because they can never reciprocate, and hierarchy through the gift is prized as a moral ideal for those that are not slaves.

Egalitarian societies hold a different moral ideal. In these societies, individuals do not see a gift as something given unreservedly, “…not mutual aid that we can ordinarily expect human beings to provide to one another. To thank someone suggest that he or she might not have acted that way, and that therefore the choice to act this way creates an obligation, a sense of debt-and hence, inferiority,” (Graeber 2011:116). People have different abilities and needs, and disproportionate distribution of skills causes natural inequality between individuals. Egalitarian societies rejecting hierarchical inequality, and the emotional hegemony of debt ensuing, developed means to mitigate inequality. In

126 Onvlee tells a story from Indonesia about a rich man who sacrificed a fabulous ox to shame an impoverished adversary; the poor man calmly took a chicken and proceeded to sacrifice it. The rich man was completely shamed and lost the contest (Onvlee 1980:204).
egalitarian small scale societies, hunters downplay good hunting, and are suspicious of anything that might cause one to feel genuine debt to another. Rather than draw attention to accomplishments, they mock them, in order to not be mocked by those around them. Freuchen details how, in Greenland, the host downgraded the food given to guests in direct proportion to the quality of the food they would receive.

The old man laughed. “Some people don’t know much. I am such a poor hunter and my wife a terrible cook who ruins everything. I don’t have much, but I think there is a piece of meat outside. It might still be there as the dogs have refused it several times.” This was such a recommendation and Eskimo way of backward bragging that everyone’s mouth began to water…(Freuchen 1961:154).

This strategy manipulates debt. By not giving the gift, no debt is passed, because the gift would have to be reciprocated. This is double speak, because the gift was passed to ensure that the debt is not passed back to the giver, but rather, paid forward to somebody else, thereby constituting a social economic credit system.

**Summary**

The social economic credit systems are social and economic debt structures that function within a specific culture, time, and space, and the way that an individual reacts and is reacted to by others from within this structure determine the extent to which community is formed. Individuals are involved in the social economic credit system from birth. A child receives a gift from his or her parents, who received it from their parents, and eventually the child becomes a parent and passes the gift on to his or her child. This does not pay the gift, it only pass on to one’s children, who then become debtors and creditors in life. The ideal hope in America is that persons will be more of a creditor than a debtor.
Debt is a moral ideal that is constructed by individuals to produce community through gifting and/or exchange relationships of reciprocity that makes up the “dialectic of challenge and riposte.” In this dialectic, debt produces emotion, the need to be paid, how we answer that emotion is dependent upon the desired result. If the individual establishes a relationship of slavery, then the debt will be paid back to whom it is owed with a little interest. In the same way, to give debt (at the time it would be called a gift) to another individual with the intent of making a slave of the individual, the debt is thoroughly announced, and called gift. However, if the intent is to establish a relationship of community then the gift, called debt, will be passed on to someone else. In the same way, to give a gift as debt to another individual with the intent of making community, is to thoroughly downplay the gift, or to give it anonymously. At the core of both acts is the self. Whether elevating one’s self, and thereby say that something is owed, or diminishing one’s self in order to elevate the other person will determine the outcome of the relationship.

Debt is also a physical economic reality; so it makes sense that as individuals objectify themselves through symbol that the very symbol for debt (money) would be a dialectic symbol as well. A symbol that is dialectic ideal value and ideal material just as debt is dialectic moral ideal and monetary realism. The gold coin is just that.

Symbols represent ideas or states of being that came before, therefore debt came before coinage. Our social economic lives did not start with barter they started with debt. Everyday items became money; being symbols of the debt in our lives, and we exchanged these through gift in order to make community. Barter was something that only made a small part of our economy; reserved for enemies or strangers. Then coinage
came, and coins became the ultimate symbol of our debt. A symbol that would last for thousands of years; even during times when coins were no longer being produced we invented a barter system there was a substitute for and was based on the ultimate symbol of our debt. Once we had a physical symbol that fully represented us so well it became impossible to do without.

Symbols point us to the real. A symbol is not the actual it is a likeness. Coinage represents our debt, and it is debt. Because money is a symbol of such an enormous part of what it means to be human (debt) it’s easy to see why we humans have such a strong attraction for money. We desire relationship, community, honor, respect, and to be loved by others; but this is not all that some want. Some want to make slaves of others, to dominate others, and to elevate themselves to the highest status positions. I find it interesting that every society has some way to manipulate debt, in one form or another, to get what one wants. In fact States have used the combination of war, money, slaves, and taxes to form markets.

127 “The love of money is the root of all evil,” makes more sense in this light. Loving money loves the symbol more than the actual; the actual being other individuals in the relational community that we share with them.
Chapter VI

The New Dialectic of Money

Oh, Life! Here I am, proud as Greek god, and yet standing debtor to this blockhead for a bone to stand on! Cursed be that mortal inter-indebtedness which will not do away with ledgers. I would be free as air; and I’m down in the whole world’s books. I am so rich, I could have given bid for bid with the wealthiest Praetorians at the auction of the Roman Empire (which was the world’s); and yet I owe for the flesh in the tongue I brag with. By heavens! I’ll get a crucible, and into it, and dissolve myself down to one small, compendious vertebra. So. (Captain Ahab, in *Moby Dick*; Melville 1992:678).

War, coinage, slaves, and the market

Individuals in community improvise social economic credit systems. These systems range in form and variety and are very dependent upon materials that are in the environment, cultural context, social context, time, and the individual. Debt is always involved. The social undercurrents flowing through debt cannot be denied; and neither can the religious undercurrents that flow through debt in the West be denied. It always moves and pushes the individual and the group to be paid. It's always remembered, and what is given must be paid back. In the past the social economic credit system, which was made up entirely of one's worldview, was comprised of value as the dialectic of labor and gift, the social relations that we have with others, time, and the relation an individual had with a deity.

The relation that individuals have had with the Spirit world has been various and ever changing. The shift was a slow procession. Religion that was individualistic and kin-based eventually moved to religion that was dominated by spiritual individuals such as shamans and priests as people began to congregate in larger and larger groups (Moro and Myers 2010). Eventually wealthier individuals started to congregate, creating enough
wealth and power to establish dominance within groups; ultimately attaining the
influence and structure necessary to establish kingdoms. The rise of these two entities
took place simultaneously each striving for power and acting as a counterbalance for the
other (Gibbon 1845).

However, as States gain power and people have more time to think about “reason” the
there is a shift from religion to government, with government now taking the place of
what once would’ve been religion. It is a weaker form of debt than religion is, in that the
people no longer feel as obligated to serve it as before, but nevertheless there is a feeling
of service. It is not quite accurate to say that government or the state has superseded
religion in reality much like the dialectic of labor and gift, state and religion have melded
into a form that did not existed before the state. This melding within the individual is
different for each person with each individual having a different understanding of the
dialectic between state and religion dependent upon the individual, social relations, time,
and culture. It is in this rise; this dialectic of the palace and the temple that coinage is first seen.

As I mentioned earlier coinage seems to have risen independently roughly between 650 and 600 BC in the peoples of North East India, northern China, and Lydian; with each using techniques that were different from each other. There’s no indication that this was the process of diffusion of information, rather each invented separate systems independently (Schaps 2006). The growing city-states and kingdoms within these

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128 A good example of this can be seen in the power shift between the Sasanian rulers and the Zoroastrian clergy of Persia: “Authority and power centered on the Sasanian shahanshah (Persian state rulers), and all the institutions and constituencies proceeded from and were dependent upon him. Similarly, descent in the Sasanian family was a prerequisite to be shahanshah. The only successful revolts were internecine within the Sasanian descent group. Some rulers designated sons, but designation, or ascension in its absence, seemed to require acknowledgment of fitness to rule and support for the Sasanian religious establishment and reachable notables. The balance of power between Sasanian rulers and the Zoroastrian clergy seems to have shifted. Early Shahanshahs appointed priests, mobad, and appointed them titles, but with the institutionalization of Zoroastrianism and the emergence of a pre-eminent priest, the mobadanmobad (middle Persian, mobadan moded), whose title approximated the shahanshah’s, the clergy developed a more independent sense of themselves. The ruler required clerical instruction in Zoroastrian tenets, ritual, and law, and symbolized the community as he performed fire ritual. At the shahanshah’s coronation—and each Sasanian ruler had his own distinctive crown and mace, both symbols of sovereignty-Ahura Mazda’s grace and legitimacy was made in the eyes of the ruler’s subjects. Moreover, the linkage between government and religion was made when the mobadanmobad crowned the shahanshah (Garthwaite 2005:100-101). I am presenting here mainly the dominant view, however for an alternate view see Maekawa (1974) who believes that palaces (the state) ruled over temples from quite early on in the temples were for the most part subordinate in power to the palace. Maekawa’s theory may very well be accurate for certain locations, but for the purposes of my argument I’m taking more the general view.

129 Up to this point I’ve used money to represent exchanges of value regardless of what item individuals used throughout history. I use coinage here but really what I mean is the classical system of money that is produced by states, governments, and Kings. It’s the material that the authority of the land has put the stamp upon authorizing its use as money. As I quoted in the last chapter from Philip Smith, “The things which are essential to money are the material and the stamp—the former giving it the reality of value, the latter its assurance” (Smith 1859: 809). As I have pointed out, in chapter 2 and latter in this chapter, this is not a good contemporary definition of money. I’m making a distinction here between coinage and a definition of money that I’ve given you before so that as you read you can make a distinction between them as well.

130 The Chinese coins were cast, the Indian coins were punched, and the Aegean (Lydian) coins were stamped. One historian talking about the Chinese coins said, “If there’s one thing that seems clear from a punch-marked coin, is that the person who thought it up had never seen a Greek coin-or if he had seen one, it had not impressed him. The punch-marked coin is made by an entirely different metallurgical process” (Schaps 2006:9).
regions very quickly evolved from social credit systems to a *coinage* system (Li 1985).\(^{131}\)

Why this social transformation proceeded this way is uncertain. However something caused the rulers in all three of these areas to change from a social credit system that had long been established to a system that used small pieces of precious metal. It happened right at the beginning of what is called The Axial Age (800 BC-600 AD).\(^{132}\) Over the past 5000 years of Eurasian history there has been a broad cycle dominated by social credit systems or *coinage* with one rising and the other following. The single most central factor that is present, not only in all three regions that *coinage* originated in (China, India, and Lydia), throughout time and that correlates with the rise and fall of *coinage* is war (Graeber 2011).\(^{133}\)

*Coinage* is an accomplice of war.\(^{134}\) Social credit systems deteriorate in war; soldiers use a lot of provisions and move great distances during the course of battles (Gardiner 2004). It entails leaving one’s land in order to invade into a foreign country or at the minimum defend the borders of your own. Raping and pillaging is one method of keeping an army moving, but by doing this causes a great hindrance on any further relations with the people that are being destroyed. This process of reaping as you war redistributed

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\(^{131}\) You will remember that in China the first coins were in the shape of tools and quickly evolved into a standard coin. The first written record of *coinage* in China (524 BC) refers to the reformation of an older currency system (Li 1985:372).

\(^{132}\) The term Axial Age was first used by Karl Jaspers. Jaspers argued that China, India, and the Mediterranean saw an upsurge in philosophical trends; for example Confucius (551-479 BC), Buddha (563-483 BC), and Pythagoras (570-495 BC). He believed that these kingdom/city states that were constantly at war externally were in steady political discourse within; and it was out of this age that grew concepts such as the beginnings of human existence, the cosmos, the mind, and action to form the basis of philosophy to this day (Jasper 1949). Jasper did not understand that it was from the very same epicenters of religious, philosophical, and city-states development that we get the birth of coinage.

\(^{133}\) Graeber gives five broad cycles: the age of “…the First Agrarian Empires (3500-800 BC) dominated by virtual credit money… The Axial Age (800 BC-600 AD) which saw the rise of *coinage* in the general shift to metal bullion… The Middle Ages (600-1450 AD) which saw returned to virtual credit money… The Age of Capitalist Empires (1450-1971 AD) with a massive planetary switch back to gold and silver bullion… (1971-present) this is the beginning of another phase of virtual money” (Graeber 2011:214).

\(^{134}\) “Bullion is the accessory of war, and not of peaceful trade” (Gardiner 2004).
wealth that had been consolidated by temples (the religious orders) and by other powerful nobles as well as allowing the soldier to get valuables back to his family.\textsuperscript{135} However, by making coins and giving them to the Generals the commander is able to buy supplies from the local populace as the Army is moving (Kraay 1964 and Price 1983).\textsuperscript{136}

This system in which the upper nobles retained the wealth and attempted to redistribute it had its limitations. As states attempted to expand their power they shifted from using precious metals, in the form of utensils and jewelry as tribute to other states and as a means of exchange, to large denominational coins being used by the upper class citizens. However this system was short-lived because it put the burden of generating money for the battles solely upon the nobles. The amount of wealth that could be generated in this type of centralized system was limited to the ability of a noble to manage every asset and every situation as closely as possible in order to: maximize production of the properties they controled, to maximize forced production of any newer

\textsuperscript{135} David Shaps gives a very good argument describing how the common man ended up with precious metal and stones that was then used as adornment as well as a means of exchange. “Soldiers who plunder may indeed go first for the women, the alcoholic drinks, or the food, but they will also be looking around for things of value that are easily portable. A long-term standing army will tend to accumulate many things that are valuable and portable-and the most valuable and portable items are precious metals and precious stones. It may well have been the protracted wars among the states of these areas that first produced a large population of people with precious metal in their possession and a need for everyday necessities… Where there are people who want to buy there will be people willing to sell, as innumerable tracks on black markets, drug dealing, and prostitution point out… The constant warfare of the archaic age of Greece, of the Janapadas of India, of the Warring States of China, was a powerful impetus for the development of market trade, and in particular for market trade based on the exchange of precious metal, usually in small amounts. If plunder brought precious metal into the hands of the soldiers, the market will have spread it through the population (Schaps 2006:34 see also Schoenberger 2008).

\textsuperscript{136} A social credit system is a very poor system for maintaining an army, and would only allow for limited small-scale warfare within the borders of the social credit community. Trying to take provisions from the social credit community and shipping them continuously in an effort to maintain battle worry soldiers would be difficult to do in a war that involved a neighboring enemy, but would be nearly impossible to an enemy any distance away. Keep in mind as well that a soldier, let alone an army, is not going to be in a position to establish social credit systems with a populace from a different city-state or kingdom that the soldiers are moving through or invading. The first coins were high denominations and used for paying taxes and fees for buying large quantities of goods other than for everyday use. The upper nobles first had these coins and exchanged them with other nobles for goods (Kraay 1964 and Price 1983).
or acquired properties, and to get hold of and redistribute what their armies could obtain as they conquered other lands.

The solution for these problems was to move to a more decentralized system of production. This solution required three steps that would totally revolutionize economic systems to the point that the some of the cornerstones of all modern economic systems would develop. The steps went like this: issue coinage in lower denominations down to the people themselves, require the conquered people to pay taxes in the coin of the state, and subjugate a portion of the conquered populace into slavery; all of which revolved around war.

In these warring states the military consumed a large portion of the available product. It is unsurprising then that at this time, for the first time, we also see the rise of professional soldiers (Ward 1967). With the coming of the professional soldier comes a more disciplined and lethal force; for example during this time the Greeks developed their famous phalanx tactics which required the hoplite soldiers to be in constant drilling training. This could not be done with farmers as farmers had to spend their time in the field making a living, but by taking men and devoting them solely to training you could make a better soldier. However in order to feed them you had to pay them. With these new soldiers not only could countries be conquered easier, but the nobles then had the ability to gather the pillaged goods, through disciplined soldiers, to themselves instead of much of it remaining at the soldier level. By issuing the coins and lower denominations to the soldiers the burden of supplying the Army is pushed down from the nobles through
the ranks down to the individual soldier with each administrative rank having the funds and the ability to acquire and pay for specified needs.\textsuperscript{137}

In order to ensure that the coinage that the soldiers had were accepted by, local populations, the ruling nobles that had just conquered a new area would impose taxes to be paid only in the coins that were issued to the soldiers (Finley 1981).\textsuperscript{138} This would force people to accept coins from the soldiers in order to pay for the tax that was placed upon them, and it also immediately did away with any coin system that may have been there previously.\textsuperscript{139} The transition into the new coinage system took time especially since

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\textsuperscript{137} One such theory that soldiers were among the first to be paid in coinage is that the first Lydian coins were invented to pay mercenaries from Greece (Cook 1958). This would help explain why most of the mercenaries came from the Greeks and why coinage spread so rapidly through the region; in fact the Phoenicians were believed to be the greatest bankers and merchants of that time (Hudson 1992). There are those who do not believe the theory that coins were first used to pay soldiers see Schaps (2004), Price (1983), Kraay (1964), and Wallace (1987). They argue that one can’t pay soldiers with coins unless there is already a market for them; for example Schaps 2004:96-101. However, by instituting taxes to be paid in the coins issued a market is automatically and immediately made.

\textsuperscript{138} Taxes, in the ancient world, for the most part were generally imposed on conquered countries and not populace of the core conquering country. For example: according to Finley Athenian citizens did not pay direct taxes of any sort and he said that “Classical Greeks looked upon direct taxes as trickle and avoid them whenever possible” (Finley 1981:90), within the Persian Empire the Persians themselves did not have to pay taxes to the Persian King (Briant 2006:398-399), and Roman citizens did not pay taxes and in fact were paid shares in the tribute that was collected from other states. China and Pharaonic Egypt did however levy taxes, and it seems that early India did not only to be replaced during the monarchies (Rhys Davids 1922:198-200). The point here is that in the ancient world, for the most part, taxes were characteristic of subjugation. Another interesting note here is that the Phoenicians (whom I had mentioned as being the greatest bankers and merchants of this time (Hudson 1992), used promissory notes and not coins until after they were, “forced to do so to pay Sicilian mercenaries; and its issues (coinage) are marked in Punic, ‘for the people of the camp’ ” (Starr 1977:113, see also Lee 2000).

\textsuperscript{139} If demanding taxes was nothing more than trying to gain people’s money in the form of gold and silver wouldn’t it be easier for the state to take control of all the gold and silver mines? In fact they often did this and from those gold and silver mines they issued coinage with it. Yet the key to a healthy State is not massive amounts of gold and silver, rather it’s balancing multiple factors of the economy to maintain a steady economy that is growing at a moderate pace. Spain is a classic model where the nobility failed to do that. In fact Spain had one of the biggest silver mines ever found, and it was found among people who didn’t even use gold or silver for coinage.

Throughout history there have been societies and empires that existed without coinage. One such empire that thrived using a coinless system was the most sophisticated society in South America, the Inca Empire. The Incas enjoyed the aesthetic qualities of rare metals gold and silver represented more of link to their gods than to a method of bartering for goods. For the Incas gold was ‘sweat of the sun’ and silver was the ‘tears of the moon.’ Similar to the proposed communist society of Karl Marx labor was the unit of value for the Inca Empire. The economy for the Inca (as has happened in every communist state) depended on often cruel central planning and forced labor (Ferguson 2008:20). Consequently once the Incas met the
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Conquistadors it was not until after a lot of bloodshed that they started to realize that the Conquistadors were after gold and silver.

The Incas could not understand the insatiable lust for gold and silver that seemed to grip Europeans. ‘Even if all the snow and the Andes turned to gold, still they would not be satisfied,’ complained Manco Capac (Manco Capac was an Inca that lead a rebellion against the Spaniards in 1536 which was quickly put down). The Incas would not appreciate that, for his REO and his men, silver was more than shiny, decorative metal. It could be made into money: a unit of account a store of value-portable power (Ferguson 2008:22).

The Conquistador Francisco Pizarro in 1502 traversed the Atlantic to search for and monetize precious metal (Smyth 2007). He was one of the first Europeans to make it across the Isthmus of Panama to the Pacific and eventually led three expeditions into Peru. The first expedition took place in 1524 and the initial indigenous population proved to be hostile. During his second expedition he chose to go to the Tumbes region, where the title of ‘children of the sun’ was bestowed upon him and his expedition by the inhabitants. He then returned to Spain in order to get royal approval ‘to extend the empire of Castile.’ [“From the marriage of Ferdinand and Isabella in 1474 until the 18th century the country we call Spain was technically the unit two kingdoms: Aragon and Castile” (Ferguson 2008:21)]. Rosario, being the governor Peru, was granted three ships, twenty-seven horses, and one hundred and eighty men, outfitted with the finest European weaponry: guns and mechanical crossbows (Wood 2002:128). On 27 December 1530 the third expedition of Pizarro started from Panama. With a relatively small contingent of men he annihilated the Inca army. “The Spaniards relied mainly on the fear inspired by their horses, animals unknown to the Incas” (Ferguson 2008:21). The Conquistadors ended up collecting 13,420 pounds of 22 karat gold and 26,000 pounds of pure silver (Burkholder 1994:46). In short order the Inca Empire was torn apart by the Spaniards who formerly dissolved the Inca Empire in 1572 and established their new world capital, Lima (Ferguson 2008:21).

Even though Pizarro was stabbed to death in Lima in 1541 the search for gold and silver that he had started in the area proved to be a changing point for money in the world. Many of the conquistadors had heard of the legend of El Dorado, and the Indian King that was said to cover his body with gold dust for celebrations. In the mountains of Upper Peru (Upper Peru was named by Pizarro’s men) the high altitudes and mist covered peaks revealed something just as valuable. In 1545 Diego Gualpa discovered that within the mountain there were five great seams of silver that once excavated changed the economic history of the world (Ferguson 2008:22).

This great mountain of silver came at a price. At first the Spaniards paid wages to the inhabitants of nearby villages to work the seams of silver, but the conditions became so harsh that the Spaniards had to rely on forced labor. By the late 16th century men ranging in age from 18 to 50 living within the sixteen Highland provinces located around Mount Cerro Rico were required to work for 17 weeks a year (Hemming 2004:392). A new silver-rush city named Potosí there grew up near the mountain was declared Domingo de Santo Tomás, “a mouth of hell, into which a great mass of people enter every year and are sacrificed by the greed of the Spaniards to their ‘god.’ Rodrigo de Loaisa called the mines ‘infernal pits’, noting that ‘if twenty healthy Indians enter on Monday, half may emerge crippled on Saturday” (Hemming 2004:356). The death rate among the miners became extraordinary the patio process of refinement, a method in which ground-up silver ore was trampled into an amalgam with Mercury, washed and then heated to burn off the Mercury (Bakewell 2004:186), produced deadly levels of mercury fumes within the 700 foot mine shafts that still remain today. With men climbing out of these mine shafts rock falls were prevalent and hundreds were killed and maimed. Ferguson recounts that an Augustinian monk named Fray Antonio de la Calancha, writing in 1638 said, “Every peso coin minted in Potosí has cost the life of 10 Indians who died in the depths of the mines” (Ferguson 2008:24). Eventually the Spaniards ran out of Inca men (due to death) to work the mines and imported thousands of African slaves to replace them as ‘human mules.’

Despite the fact that Potosí was known for its death it grew rapidly eventually having a population, at its height, between 160,000 and 200,000 people, larger than most European cities at the time. From the years 1526 and 1783, their ‘rich hill’ surrendered 45,000 tons of pure silver to be changed into bars and coins in the Casa de Moneda mint. “Valer un potosí, to be worth a potosí, is still a Spanish expression meaning to be worth a fortune” (Ferguson 2008:24). However it is ironic that Spain’s newfound riches would
the devastation and chaos that was present after war took time to balance out; the people having to adjust to the deaths of loved ones and to the slavery imposed on others. For example Alexander the great conducted an extended siege during the battle of Tyre in which 10,000 died in battle, and 30,000 survivors were sold into slavery (Robinson 1973).

In fact it was slaves that made the third part of this new economic system. Slaves were needed to work the gold, silver, and copper mines. Existing mines and new mines found in subjugated countries were requisitioned by the nobles and slave labor was used to cheaply produce the ore needed to produce the coins. The ore from the mines and a portion of newly acquired wealth from the conquered nobles palaces and temples were combined together to be minted into coinage there was soon distributed not only to soldiers but to the populace in general. The enormous amount of slave labor allowed for things to be produced cheaply and sold at a higher value. For example when Athens discovered a new vein of silver in the mines at Laurium in 483 BC they used 10,000 to 20,000 slaves to produce the ore (Robinson 1973).

ultimately lead to its downfall. All of this silver being imported into the country caused rampant inflation that soon broke the backs of the citizens and eventually greatly contributed to the downfall of Spain. It’s no wonder then that some of the classic examples of the thoughts of Kings revolves around the market that was formed around armies; for example two classical comprehensive treatise of statecraft the Kautila’s Arthasasarta (Nath 1914) (a description of the nature of the state and its role in maintaining the material status of both the nation and its people in India) and the Haun’s Discourses on Salt and Iron: A Debate on State Control of Commerce and Industry in Ancient China (Huan 1973); both detail the amount of effort that these rulers, Kautila and Haun, went to in order to maintain a balanced relation between slaves, food, minds, taxes, and soldiers.

Thucydides (most authorities list this citation is as 6.97.7 but it is actually 6.27. see Thucydides 1958:458) claimed 20,000 slaves escape the mines in 421 BC. However, Robinson (1973) believes these numbers may have been a little exaggerated and that at least a constant 10,000 slaves worked for most of the century in the Laurium mine shackled together under atrocious conditions.
Slavery was the last step in the three tiered system that revolutionized our economic system. It was a “military-coinage-slavery complex” (Greaber 2011:229). A classic example during this time was Alexander the Great. Alexander the Great conquered the Persian Empire, but in order to do so he borrowed vast sums of money. Initially he minted his own money to help pay back his creditors and to supply his army, and he used the gold and silver from his initial victories to mint more (MacDonald 2006:43). However, his enormous army, by ancient standards, of close to 120,000 men required a little over a ton of silver a day just for wages alone. Alexander the great overcame this by immediately reorganizing the Persian mine and mint system with tens of thousands of slaves producing coinage to pay his debts (Davies 1994:80-83 see also Engels 1978). He not only produced hundreds of thousands of coins he also destroyed the old credit systems that had been in place throughout the land he conquered such as Babylon, Persia, and West India insisting that all taxes to his new Empire be paid in his own coinage. Green said that Alexander the Great produced coinage so fast that he released roughly 180,000 talents (estimated in modern terms to about $285 billion) in a few months, and in fact it was equivalent to releasing “… the accumulated specie of a century

142 Geoffrey Ingham calls the system a, “military-coinage complex” and did not see slavery as being instrumental to the complex (Ingham 2004:99-100). Yet the market for the coinage that ensued was made possible because of slavery, not only because the coins were produced so cheaply, but the goods themselves that were bought on the market were produced by slaves which allowed for higher profit margin. Allowing countries that had just been devastated by war to recover quickly and thereby become stable; ultimately sending more funds back to the core dominant state through taxes.

143 Another poignant example is Madagascar. When the French general Joseph Gallieni conquered Madagascar in 1901 he immediately imposed a head tax to be paid only in Malagasy francs that he himself minted. He gave this money to soldiers and used it to pay for any governmental projects such as roads, highways, and bridges. In fact he described this tax as the “impôt moralisateur,” the “educational” or “moralizing tax.” This tax eventually created a market between the people of Madagascar, the Chinese and Indian merchants, and the state. Vestiges of which can still be seen today (Forstater 2005 and 2006). Recent governments that have changed hands, such as Iraq, do this on a smaller scale when they throw out old currency and issue new.
into the market in a matter of months…” (Green 1993:366). What we now know as global markets had there first glimmering in Alexander’s new Empire.

The markets that formed around these military-coinage-slavery systems continued to develop into full-fledged market economies. The local market that was developed, in Greece by the fifth century around the warring city states produced coinage in greater numbers and varying denominations, and it was Alexander the Great that revolutionized a significant portion of the Mediterranean and Southwest Asia at this time by exporting this market.\(^\text{144}\) After him Rome exported coinage and the market society even farther with a traditional coinage date for Rome of 338 BC (Scheidel 2006). Speaking economically, what these warring states did in effect was to reorganize society.

No longer would there be three broad economic classes: the nobles, the poor working class, and slaves. Instead there for broad economic classes: the nobles, the middle-class, the poor working class, and the slaves. It was his middle-class that also allows for the changing of society. Traditionally the poor, working class, borrow money from the nobles and end up as bonded laborers on the estates of the nobles. However, with coinage moving from hand-to-hand at the individual level, individuals could acquire wealth and sufficient enough qualities to put pressure on the nobles and become free peasantry. This middle-class free peasantry now had enough wealth and time to allow their sons to join in the states armies, an endeavor that took all of their time. With the sons of these wealthier free peasants now serving in the armies of the states eventually we see the welfare of the state be forced more and more to come back to the people in forms of a share in the spoils

\(^{144}\) For Schaps (2004) and Vickers (1985) during the fifth century ordinary citizens of different city states in Greece used to carry small silver and copper stamped coins in their cheeks for safekeeping as they shopped, and it is at this time there we can see the first real markets forming in Greece. The first market city to use coins instead of credit was Miletus (Kraay 1964:67).
to soldiers, veterans, and the families (Cornell 1995:266-267 and 330-332, Buckler 1895, and Brunt 1974).\textsuperscript{145} As the middle-class continued to gain power in city states such as Greece and Rome government policies were created; designed to encourage the development of markets and the continuous merging of the power of religion and the power of civil leaders into a religion of the state (Livy 2002). From these newly emerging nations, Western civilization is formed.

**New dialectic**

As city states, in an effort to consolidate power, used war on each other. Coinage was developed to pay for the war debts through taxes, because wealth was pushed down to the individual it created a larger economic base that allowed the city states to gain power and eventually become states. They create a middle-class with enough wealth to give people the time for other endeavors such as being a soldier, being a merchant (mercantilism greatly expanded during this time taking advantage of high productivity and low cost usage of slaves to make new products in which to sell), and the pursuit of the greater understanding of the nature of the cosmos and humans through philosophy.\textsuperscript{146}

In fact it seems almost as if the innovation that created coinage was the very same innovation that moved men to rethink the nature of themselves. After the first coin was

\textsuperscript{145} I find it interesting that the first bronze coins paid to Roman soldiers seems to traditionally have been around 338 BC this seems to correlate very closely to the date according to Scheidel (2006) when debt bondage was finally outlawed in Rome in 326 BC and lends credence to Cornell’s (1995) theory of the development of the middle class. Cornell never calls it a middle-class he keeps using the term free peasantry but middle-class seems to fit when you read Buckler (1895) and Brunt (1974) as well.

\textsuperscript{146} I will be focusing primarily in the region around the Mediterranean, the area that is classically seen as the foundational sources for Western philosophical thought and society. However, similar circumstances happened in India and China. However, China started with conversations on ethics and then turned to philosophies of the cosmos (Schwartz 1985) whereas people in India and Greece started with philosophies of the cosmos and then turned to debates on ethics (Seaford 2004).
minted in Lydia (what is now west Turkey) the practice quickly spread to Ionia (Greek cities on the adjacent coast) that quickly developed the bulk of all mercenaries (professional soldiers) active in the Mediterranean, during that time, with Miletus as their headquarters. It’s not surprising then that the greatest commercial center of the Ionian region was Miletus, and it was in Miletus that the first coins in Ionia were minted. It is Miletus that became the first city in the world where everyday market exchange could be carried out chiefly in *coinage* as a substitute for credit. And, not surprisingly, at the exact same time in the exact city Greek philosophy began with three men: Anaximenes, of Miletus (c. 585 BC-c. 525 BC), Thales, of Miletus (c. 614 BC-c. 546 BC), and Anaximander, of Miletus (c. 610 BC-c. 546 BC) (Seaford 2004).

The men are remembered mainly for the philosophies on the nature of matter from which the world and man were created: Anaximenes said air, Thales said water, and Anaximander said *apeiron*. Anaximander understood *apeiron* to be a kind of pure fabric, an abstract substance, that was unlimited, one that could not be perceived yet made the basis for the material world that could be. It was by the compressing, extending, cooling, heating, dividing, combining, or setting in motion of *apeiron* that all reality is assembled from, and it was back to *apeiron* that all things eventually returned. For Anaximander the cosmos is partially made up of opposites that form an overall balance and measure. For Anaximander this was social. “Society (the polis) depends on overall balance and measure by which oppositions (conflict) between its citizens are contained; this is made possible because the opposites are controlled by its judicial process. In this respect the cosmos is a projection of the polis” (Seaford 2004:207).
This political explanation lends credence to modern science with a view of the cosmos with an impersonal law (natural selection), however in Greek philosophy the emphasis was not on an impersonal law but rather impersonal substance or apeiron. In this impersonal substance combined the characteristics of money. Anaximander described apeiron the very same way that I described money in previous chapters, to the point that it is sometimes hard to distinguish between when he is talking about money and when he is talking about his impersonal substance. As apeiron is, so is money, both are all things and forms all things. One starts with money and transforms it into a clay (by buying the clay with money), the clay that “is transformed will be used to make more pots which will be transformed, into another resolution of opposition, back into money” (Seaford 2004:205).

Yet this impersonal substance (apeiron or gold) once it takes form takes on an ideology greater than its form.

Money and apeiron are both substance and as “Anaximander projects reciprocity and justice onto the cosmic process; in no case is this a metaphor” (Seaford 2004:11). The very gold of a coin is apeiron, the substance of everything. And gold shaped into a double-sided coin is both a valuable metal and something more than valuable metal; it is value that if taken to the right person at the right time is the value for anything and

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147 Shell (1978) also makes a very good argument that material is the base for philosophy, because it is the material that we experience first and from that, by trying to understand the material, we lead into the ideological. In fact he saw opposing ideologies as different ways of viewing the material, “Every ideology would demonstrate that all other ideologies are idealist expressions of the basic matter to which it alone has real access” (Shell 1978:1). He goes further to say that not all thought is derived in matter. “Not all thought, after all, seeks to explain thought by matter alone. For example, the Platonic dialectic originates in matter but finally incorporates, diagnoses, and surpasses it. The Hegelian dialectic, diagnosing the Platonic dialectic, presents a phenomenology of mind that looks to (or is itself) the spirit of human history” (Shell 1978:2). So in effect he sees that matter comes first and once the “ideal” is added to it dialectic is formed that itself can be the new base for new ideas. I tend to agree with this reasoning, and have throughout this thesis, even stylistically, always attempted to represent the material first and then the ideal. I must also note here the most scholarship instead of emphasizing the material first emphasizes the transcendental; especially during the Axial Age: Schwartz (1975), Eisenstadt (1982, 1984, and 1986), Roetz (1993), and Bellah (2005).

therefore can be exchanged for anything. It is not surprising then these double-sided coins of gold are always worth more than the actual gold itself.  

Seaford refers to this extra value as ‘fiduciary’ a term which is derived from the word meaning public trust and is what economists’ today call ‘fiat’ money. The material or the substance is seen first, but once one looks past the material and adds the “ideal” dialectic takes place that makes them almost inseparable. In fact the ideal can become the dominant aspect of the dialectic to the point that even if the material is destroyed the dialectic through the ‘ideal’ still remains. For example, in America christian religious text says that man was formed from dust (material) and that God breathed into him the breath of life (the ideal) and that man then became a form (a human) greater than both of them separately. “And the LORD God formed man of the dust of the ground, and breathed into his nostrils the breath of life; and man became a living soul” (The Holy Bible Genesis 1:27).

Take for example a current (as of 03 November 2011) estimate for the price of a US gold coin. From goldline.com (a well known and advertised national American coin dealer) the price of a one ounce Gold American Eagles coin (the standard gold coin produced by the US mint) is $1,853.00 (goldline.com). The spot price (the actual price for one ounce of gold) is $1767.70 (barchart.com). There is a $85.30 markup, and it’s even more to go directly to the mint itself. The price directly from the US mint is $1978.00, because the coins have not been handled by anybody else (usmint.gov). The point here is that the wealth value of gold coins has always been worth more than the base metal, otherwise the coin would just be melted down and the metal sold.

Ludwig Von Mises defines the three type of money we see today in the economy from an economics perspective: “We may give the name of commodity money to that sort of money that is at the same time a commercial commodity; and that of fiat money to money that comprises thing with a special legal qualification. A third category may be called credit money, this being that sort of money which constitutes a claim against any physical or legal person. But these claims must not be both payable on demand and absolutely secure; if they were, there could be no difference between their value and that of the sum of money to which they referred, and they could not be subjected to an independent process of valuation on the part of those who dealt with them. In some way or other the maturity of these claims must be postponed to some future time. It can hardly be contested that fiat money in the strict sense of the word is theoretically conceivable. The theory of value proves the possibility of its existence… The decisive characteristic of commodity money is the employment for monetary purposes of a commodity in the technological sense. For the present investigation, it is a matter of complete indifference what particular commodity this is; the important thing is that it is the commodity in question that constitutes the money, and that the money is merely this commodity. The case of fiat money is quite different. Here the deciding factor is the staff, and it is not the material bearing the stamp that constitutes the money, but the stamp itself. The nature of the material that bears the stamp is a matter of quite minor importance. Credit money, finally, is a claim falling due in the future that is used as a general medium of exchange” (Mises 2009:61-62). What I find interesting is that it is the stamp that makes ‘fiat’ money. What is a stamp? A symbol; a physical representation of ‘ideal.’

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What was formed then was a ‘living soul’ something that even though the body may
die it still carries on the actual essence of the ‘new dialectic.’

Coinage is then ‘material’ and ‘ideal’ that makes a dialectic that once combined even
if the material (gold or paper) is destroyed the ‘new dialectic’ remains. In America
coinage is digits running on the electrons between the brains of individuals and
computers. Coinage is internalized and externalized in thin air because the ‘new
dialectic’ of ‘material’ and ‘ideal’ is greater than the material. Is the extra value of
coinage the dialectic of ‘material’ and ‘ideal?’ Why is it that those religious texts that
have been looked at so far combined economics and faith? The answer lies in community
and the individual.

Internalization of the ‘New Dialectic’

As has been shown during the Axial Age states made war upon other states instituting
“military-coinage-slave complexes.” These complexes formed markets through taxes and
formed, on average, wealthier individuals producing a middle-class; which in turn gave
the individual more time for contemplation. The states were a combination of King and
priest, the power of nobles and the power of religion; and coinage was a symbol of these
combined powers. The first Miletus coin stamped a lion; representing their god and the
power of the state.151 In fact even to this day coins produced by states combined symbols
of state and the ‘ideal.’ For example in America are coins have admired heads of state
one side and on the other symbols representing ideals such as freedom, independence and
reason.

151 For a picture see wildwoind.com.
However, these coins were given to individuals from soldiers that had just conquered them, making slaves of their families and friends or worse killing them. So the individuals took the coinage and use it not because they had faith in the state that conquered them but because they had to pay taxes. We see examples of such transactions in the Christian religious texts in America. The historical setting is one in which Rome had conquered and was also occupying Israel. Rome who used a “military-coinage-slave complex” demanded tax from the Israelis in Roman coinage that was circulated. The Pharisees (one sect of Jewish priests in Israel) try to catch Jesus in a trap. The Pharisees knowing that the people of Israel do not like the occupation of Rome attempt to trap Jesus, whom they see as a threat, in one of two ways. If he sides with the Jewish community, of which he himself is a part, and who do not want to pay the taxes to Rome; the Pharisees can turn him into the Romans. The Romans would see him as breaking the law and as a rebel rouser which in effect is treason punishable by death. If Jesus sides with the Romans saying that it is lawful to pay the tax, and that it is something that every citizen should do; He would make enemies of his own people.

Then went the Pharisees, and took counsel how they might entangle him in his talk. And they sent out unto him their disciples with the Herodians, saying, Master, we know that thou art true, and teachest the way of God in truth, neither carest thou for any man: for thou regardest not the person of men. Tell us therefore, What thinkest thou? Is it lawful to give tribute unto Caesar, or not? But Jesus perceived their wickedness, and said, Why tempt ye me, ye hypocrites? Shew me the tribute money. And they brought unto him a penny. And he saith unto them, Whose is this image and superscription? They say unto him, Caesar’s. Then saith he unto them, Render therefore unto Caesar the things which are Caesar’s; and unto God the things that are God's (The Holy Bible Mark 22:15-21).

Jesus got out of the trap by saying that the coin itself belonged to the state, and because it belongs to the state when they ask for the coin back, give it back them.
In fact the idea here is that the community is stronger than the occupying state. Taxes may have been enforced which in turn did produce markets, but community with the occupying state was not supposed to happen.

And when they were come to Capernaum, they that received tribute money came to Peter, and said, Doth not your master pay tribute? He saith, Yes. And when he was come into the house, Jesus prevented him, saying, What thinkest thou, Simon? of whom do the kings of the earth take custom or tribute? of their own children, or of strangers? Peter saith unto him, Of strangers. Jesus saith unto him, Then are the children free (The Holy Bible Mathew 17:24-26).

In this economic context taxes are taken from strangers. And it is only when individuals hold the bonds of their community stronger than the bonds that the occupying state has with the individual, through taxes, that people would then be free even though they are occupied. This sentiment is common for the majority of occupied people.

In a situation such as this then how does money become a symbol of value, as the item itself is a symbol of a state that is hated? The answer lies in the new dialectic. As people used coinage they learned a new language for value. A language that described value a completely different way and once that language was learned it became a part of the individual.

Human speech (langue) and money are languages (langages). Languages differ from nation to nation, but are all identifiable with some common term. In the case of speech, this common term comprises natural things or our ideas of these things, which are common to all nations. In the case of money, the common term is value... Speech and money are both measures. Speech is measure the ideas of men, since the lexical and syntactical divisions of reality require the speaker to organize natural things on the basis of analogies that size them up. Money is the measure of the value of wares, but, being merely a quantitative measure, it can measure extension (étendue) only by extension itself. We cannot evaluate money except by other money, just as we cannot interpret the sounds of one human speech except, in translation, by the sounds of other human speech (Shell 1978:4).
As individuals learned the language of *coinage*, this new dialectic of ‘material’ and ‘ideal,’ they used it wherever they went, and that language became part of their thought, became part of the way they looked at the world, and the way that they related to others. It became *money* (Shell 1992).152

**Summary**

Because the ‘new dialectic’ of *money* is a language of value in America whether one has the physical coin or paper no longer matters, and because it is a language it is carried by the individual. Remember the way in which *money* and *value* has been described so far in this thesis, and compare it to the way some anthropologists describe language. “We say that linguistic anthropologists view language as a vehicle that people themselves are continually in the process of building together. According to this approach to language, meanings are co-constructed by participants, emergent from particular social interactions” (Ahearn 2001:111). Value is co-constructed and because money describes the value money itself becomes co-constructed as well by the participants emerging from particular social interactions through time. *Money* is also symbol.

Consequently, when the child learns the conventional use of these well-traveled symbols, what she is learning is the ways her forbears in the culture found useful for manipulating the attention of others in the past. And because the peoples of a culture, as they move through historical time, evolve many and varied purposes for manipulating the attention of one another (and because they need to do this in many different types of discourse situations), today’s child is faced with a whole panoply of different linguistic symbols and constructions that embody many different attentional construals of any given situation (Tomasello 1999:516).

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152 I refer to money here as I’ve tried to define it throughout this thesis. For the rest of this thesis will use it as such.
In order for individuals to understand value within their culture, they must learn the symbol of money. They must be able to compare their own internal value with another individual’s value and this comparison takes place through the language of money. It is a way in which individuals can gain the attention of others and understand that intention as well as describe their own intention of value. It is a description that is both relational and personal and yet impersonal because it disguises itself as a thing, an object of value.\(^\text{153}\)

Then as individuals use this language of money to describe value it ties back into the social economic credit system that is the base for all economies. A base built on gift and on debt. Once the language of money was integrated into a way of describing debt and gift it did not matter what State is currently occupying a country, ones own or someone else’s. It did not matter if there was coins or no coins because the language of money would continue to be used. And because individuals form the base for every nation (Hobbes 1997) even if individuals in a nation despise their nation they will continue to use money.

This is because money is far more than public trust in the states ability to redeem the value of coinage. For Hobbes it is the individual who confers, “all the power and strength upon one man, whereupon one assembly of men, that they may reduce all their Wills bipolarity of voices until one Will” (Hobbes 1997:95). The individual does this in order to defend from invasion, the injuries of one another, and to secure their own industries to

\(^{153}\)“The integrative (socially transcendent) interpersonal power of monetary value depends both on excluding from itself all the empirical qualities of the things transferable into it and on disguising itself as indeed nevertheless a thing independent (unlike sacrificial communality and monarchy) of all interpersonal relations. Whereas the relations between the participants (human or divine) in the sacrifice, or between monarch and subject, are direct, money bestows apparent autonomy on human beings by being interposed between them, mediating but also (because seeming to be impersonal substance) naturalizing and thereby concealing the power relations between them. Whereas in the sacrifice the current and future well-being of the participants seems to depend on personal relationships with each other and with deity, it is precisely on the uniform transcendent impersonality of monetary value that individual autonomy and prosperity and collective cohesion at prosperity seem to depend” (Seaford 2004:209).
nourish themselves with the fruits of their own work so that the individual may live contentedly. It is the individual who create that great power, the Leviathan, that speaks and acts for all individuals:

This is more than Consent, or Concord; it is a real Unity of them all, in one and the same Person, made by Covenant of every man with every man, in such manner, as if every man should say to every man, *I Authorize and give my Right of Governing myself, to this Man, or to this Assembly of men, on this condition, the thou give up that thy Right to him, and Authorize all his actions in like manner.* This done, the Multitude so united in one Person, is called a Common-wealth, in Latin *Civitas.* This is the Generation of that great Leviathan, or rather (to speak more reverently) of that Mortal God, to which we owe under the Immortal God, our peace and defense. For by this Authority, given him by every particular man in the Common-wealth, he hath the use of so much power and strength conferred on him, that by terror thereof, he is enabled to conform the wills of them all, to Piece at home, and mutual aid against their enemies abroad. And in him consisteth the essence of the Common-wealth; which (to define it), is *One Person, of whose acts a great multitude, by mutual Covenants one with another, have made themselves everyone the Author, to the and he may use the strength and means of them all, as he shall think expedient, for their Piece and Common Defense* (Hobbes 1997:95-96).

Because it is the individual that as a creditor and debtor in a community that form the State ultimately even though the State may initiate *coinage,* but once it becomes *money* only the individual can be the possessor. The State cannot possess a language; it may try to dictate words in a language or how language is used, but it is within the individual that language is formed, used, and held. And it is by individuals that it is transmitted. So it is in America.

It should be no surprise that in America ‘fiat’ money is far more than public trust. If it was just public trust Americans would have stopped using the dollar some time ago. As of 26 September 2011 81% of Americans were dissatisfied with the way in which the US was being governed and almost half of “Americans believe the federal government has become so large and powerful that it poses an immediate threat to the rights and freedoms
of ordinary citizens” (gallup.com). There are currently protest, (albeit for the most part small, but are getting larger) in the streets of larger American cities (Gautney 2011), individuals are protesting because the balance between being a creditor and a debtor is unbalanced. Yet, no one is refraining from using *money*. In fact if America fell tomorrow money would still be used just as it was used after the Roman Empire and then again after the Carolingian Empire valuing everything in terms of *money* even when no physical symbol existed, just the language of *money*.

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154 Key Findings of the 26 September 2011 Gallup pole:
- 82% of Americans disapprove of the way Congress is handling its job.
- 69% say they have little or no confidence in the legislative branch of government, an all-time high and up from 63% in 2010.
- 57% have little or no confidence in the federal government to solve domestic problems, exceeding the previous high of 53% recorded in 2010 and well exceeding the 43% who have little or no confidence in the government to solve international problems.
- 53% have little or no confidence in the men and women who seek or hold elected office.
- Americans believe, on average, that the federal government *wastes 51 cents of every tax dollar*, similar to a year ago, but up significantly from 46 cents a decade ago and from an average 43 cents three decades ago.
- 49% of Americans believe the federal government has become so large and powerful that it poses an immediate threat to the rights and freedoms of ordinary citizens. In 2003, less than a third (30%) believed this (gallup.com).
Chapter VII

Conclusion

Myth of the Gift

Robert Bellah found that the self-reliant individual was an ideal for which Americans strive, what I would identify as a myth.155

….powerful American myths have been built around the self-reliant, but righteous, individual whose social base is the life of the small farmer or independent craftsmen and whose spirit is the idealized ethos of the township. These myths are important sources of meaning in the lives of a number of the characters we described in this book,…Myths often tell important truths about the tensions people experience in their hoax for resolving those tensions were somehow turning them to constructive use (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996:40).

However, for Americans as individuals, another ideal competes with that of self-reliance: the idealization of community. During his research, Bellah witnessed these two ideals as structures that act upon the individual. For the individual, both are right; Americans strive for a balance: as a self-reliant individual for certain situations, and conducting selfless service in community in others. Individual responses, through time, develop into habitus through the social learning process.

In America, Bellah found that the myth of self-reliance was taught by parents to their children, and that “…self-reliant and independent notions of the self show up prominently in precisely those families whose offspring report the greatest felt continuity

155A myth is a story whose truth seems self-evident. They are sacred and true, and as such often make up the core of larger ideological systems (Oring 1986:124). For an anthropologist, it is not important if the myth is objectively, or scientifically true, but the cultural context; myths are valid within their own cultural context (Bascom 1965). Within their own cultural context, myths serve “…as authoritative precedents that validate social norms” (Moro and Myers 2010:42). Malinowski said, “…the function of myth is to strengthen tradition and to endow it with a greater value and prestige by tracing it back to a higher, better, more supernatural, and more effective reality of initial events (1931:641).

One hurdle with myth is that Americans perceive it as “fallacy,” a connotation originating from Plato who thought that myth “…was synonymous with ‘falsehood’ or ‘lie’” (Moro and Myers 2010:43).
between their parents and themselves” (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996:57). The question then becomes: how does someone who is totally self-reliant feel continuity with their parents? Continuity here founds community, based on the bonds shared between the parent and the child. The consequence is that the child feels not simply self-reliant, but grateful for a reliance on the parent. In fact, throughout Bellah’s entire book Habits of the Heart there is not one single interview in which Bellah identifies an individual as entirely self-reliant, representing the American myth of the rugged individual (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996).

Myths in America are ideals for which Americans strive, whether or not they are attained. This process is codified within religious texts. Recall in Christianity, ‘….the rich man that came to Jesus and asked him what he must do to be saved. And Jesus told him to ‘gift’ all his wealth to the poor and follow Jesus. Jesus’s disciples later asked him who can actually keep this teaching, and Jesus said, “With men this is impossible; but with God all things are possible,” (The Holy Bible, Matthew 19:16-26).

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156 Bellah juxtaposes the concept of an individual’s ability to be self reliant on one side and a member of the community on the other. There is a sense that every individual to one degree or another is weighing both of those myths, trying to determine what is right for them in the situation. For Belleh it came down to the degree to which an individual wants to serve themselves or others. See pages 56-58 for child rearing and independence, pages 212-218 for serving others, and for serving self see pages 75-81 (Bellah, Madsen, Sullivan, Swidler, and Tipton 1996).
157c. 16And, behold, one came and said unto him, Good Master, what good thing shall I do, that I may have eternal life?
17And he said unto him, Why callest thou me good? there is none good but one, that is, God: but if thou wilt enter into life, keep the commandments.
18He saith unto him, Which? Jesus said, Thou shalt do no murder, Thou shalt not commit adultery, Thou shalt not steal, Thou shalt not bear false witness, 
19Honour thy father and thy mother: and, Thou shalt love thy neighbour as thyself.
20The young man saith unto him, All these things have I kept from my youth up: what lack I yet?
21Jesus said unto him, If thou wilt be perfect, go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me.
22But when the young man heard that saying, he went away sorrowful: for he had great possessions.
23Then said Jesus unto his disciples, Verily I say unto you, That a rich man shall hardly enter into the kingdom of heaven.
24And again I say unto you, It is easier for a camel to go through the eye of a needle, than for a rich man to enter into the kingdom of God.
The gift in America, is one such mythic ideal, for which individuals strive, even though it is rarely, if ever, achieved. In discussing the ethnographic record, Mauss explains how reciprocity motivates gift, yet his prose suggests that it is not a social dynamic, but a mythic ideal. For example, take another look at Mauss:

I shall tell you about hau. Hau is not the wind. Not at all. Suppose you have some particular object, taonga, and you give it to me; you give it to me without a price. We do not bargain over it. Now I give this thing to a third person who after a time decides to give me something in repayment for it (utu), and he makes me a present of something (taonga). Now this taonga I received from him is the spirit (hau) of the taonga I received from you and which I passed on to him. The taonga which I receive on account of the taonga that came from you, I must return to you. It would not be right on my part to keep these taonga whether they were desirable or not. I must give them to you since they are the hau of the taonga which you gave me. If I were to keep this second taonga for myself I might become ill or even die. Such is hau, the hau of personal property, the hau of the taonga, the hau of the forest. Enough on that subject” (Mauss 1967:8-9).

Clearly, he is describing myth, albeit through reciprocity, which is to say that Mauss attempts to rationalize something that cannot be rationalized.

Sacred truths that are self evident cannot be reduced to rational acts an individual might take. Individuals do not always make rational choices (Abelson 1959:343), for an individual, the ideal of ‘gift’ is a structuring structure in itself. While individuals do experience gift through a mode of reciprocity as well, there are times when individuals are attempting to achieve something beyond reciprocity, and therefore, gift cannot be merely defined through reciprocity. Reciprocity may be the outcome of ‘ideal’ action, but

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25When his disciples heard it, they were exceedingly amazed, saying, Who then can be saved?
26But Jesus beheld them, and said unto them, With men this is impossible; but with God all things are possible” (The Holy Bible, Matthew 19:16-26).
158 Abelson uses inconsistency or “imbalance” rather than rationality; believing that the imbalance may not be a logical inconsistency but a psychological one. “…A belief structure may or may not contain inconsistencies. By inconsistency is meant not logical inconsistency but psychological inconsistency, or, as it has been variously referred to, imbalance, incongruinity, or dissonance. We shall use the term “imbalance” (Abelson 1959:343).
by calling it reciprocity, the researcher denies or misses the actual cultural impetus, and the structuring structure which are both key to understanding a visible action.

Secondly, consider such actions, as ritual, which is defined as myth enacted. “Ritual is religion in action; it is the cutting edge of the tool. Belief, although its recitation may be part of the ritual, or a ritual in its own right, serves to explain, to rationalize, to interpret and direct the energy of the ritual performance…” (Wallace 1966:243). Belief itself may then be ritual. If an individual believes in the gift, by his or her attempt to achieve the gift, one is conducting a ritual in that action. The primary ethnographic ritual I have discussed in this thesis for the gift is Christmas. The example of parents engaging the ritual of giving presents to their children by dressing up as Santa Claus is a clear example of engaging the ‘myth of the gift.’

**Money, debt, and the gift**

In America, Christmas gifts are bought with money. Americans spent $452,900,000,000 on Christmas in 2010 (National Retail Federation 2011: Holiday FAQ) amazingly it was close to the amount of money that was allocated for the war in Afghanistan for fiscal year 2011, $459,800,000,000 (costofwar.com). The myth of the gift is strong in America. However, if one just looks at the amount of money spent, the amount of production, and the seemingly impersonal exchange that takes place between

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159 “Total costs of the wars in Iraq and Afghanistan allocated by Congress to date – which include funding through the end of the current fiscal year on September 30, 2011 – are $1.26 trillion, with $797.3 billion to Iraq and $459.8 billion to Afghanistan. These figures include both military and non-military spending such as reconstruction. Spending includes only incremental costs – those additional funds that are expended due to the war. For example, soldiers’ regular pay is not included but combat pay is included. Potential future costs, such as future medical care for soldiers and veterans wounded in the war, are not included. These figures also do not include additional interest payments on the national debt that will result from higher deficits due to war spending” (costofwar.com). This does not include all the trillions lost through graft, corruption, and mismanagement.
individuals and local merchant for goods, one will conclude that Americans’ exchange relations are nothing more than a ‘cash nexus’ based on the ability to produce.

For example,

According to Frederick Engels and Karl Marx, money was merely an instrument for capitalists exploitation, replacing all human relationships, even those within the family, with a callous ‘cash nexus’. As Marx later sought to demonstrate in *Capital*, money was commoditized labor, the surplus generated by honest toil, appropriated and then ‘reified’ in order to satisfy the capitalist class’s insatiable lust for accumulation (Ferguson 2008:18).

Marx even went so far as to say the greed was the community of the west (Marx 1973:223). Marshall Sahlins, following Marx, said,”… But money is to the West what kinship is to the rest it is the nexus that simulates every other relation to standing in production” (Sahlins 1976:216). This has been demonstrated in the military-coinage-slavery complex, that is, itself, a mode of production that generates money, through markets that it generates, in order to pay debt. This is the system in which Americans live. So, it’s understandable when someone claims that Americans are governed by

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160 Marx once said, “Money greed, romance for wealth, necessarily brings with it the decline and fall of the ancient communities. Hence it is the antithesis to them. It is itself the community (Gemeinwesen), and can tolerate none other standing above it” (Marx 1973:223).

161 Sahlins says that in the West everybody must buy and sell to live, and can only do this through one’s relation to production. “In primitive society, economic, political, and ritual action are organized by the one generalized kinship structure…” After talking about British anthropologist putting their own economic structure on a primitive society Sahlins continues to elaborate on the core element that organizes Western structure. “… My point is not that these observations have been incorrect. On the contrary, they are essential, and no structuralist or symbolist analysis is entitled to ignore the differences in institutional design. For they correspond to different modes of symbolic production, contrasting both in objective medium and in dynamic capacity. The two cultural orders elevate certain institutional relations to a position of dominance, as the site from which the symbolic grid is precipitated in the code objectify. In bourgeois society, material production is the dominant locus of symbolic production; in primitive society it is the set of social (kinship) relations. In the Western plan, the relations of production constitutes a classification reiterated throughout the entire cultural scheme, inasmuch as the distinctions of persons, time, space, and occasion developed in production are communicated throughout, to kinship, politics, and the rest, despite the discontinuities in institutional quality. At the same time, as the accumulation of exchange-value proceeds by way of use-value, capitalist production develops a symbolic code, figured as the meaningful difference between products, which serves as a general scheme of social classification. In this economic integration of the whole, the transmission of both grid and code, social differentiation and objective contrast, is assured by the market mechanism-for everyone must buy sell to live, but they can do so only to the extent that they are empowered by their relations to production (Sahlins 1976: 212-213).
production. However, if one stops at this assessment, by looking at the physical actions that are present, one will miss something.

We will miss the actions and thereby the meaning of a gift that creates community. Human existence is more than ‘material’ as mentioned before; cultural ways of life are dialectical, involving both material and ideal. Individuals in America, at the material level, do live in ‘production.’ However, they strive for the ‘ideal’ as well. The myth of ‘Gift’ shapes how individuals live ‘in’ debt, and being in debt can mean material debt (for example the amount owed on a mortgage) or the ‘ideal’ of debt; such as the debt that comes from a gift. In America money becomes a metaphor between gift on one hand, and debt on the other. Because of money’s ability to become all things, it allows individuals that live in production to transcend production; turning items of production into the ‘ideal’ through symbolism and striving for community.

Because money is a metaphor for the desires of individuals it can be hoarded, and in the sight of an individual all other these potential desires are then accumulated unto themselves. “The love of money is the root of all evil; which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows” (The

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162 In America there is a hierarchical relationship between gift and money; gift being the ideal is higher and money or rather a dollar bill is material and there fore lower. “The crisis of the gift economy, which are always particularly tragic, coincide with the breaking of enchantment that reduces the logic of symbolic exchange to the order of economic exchange…” (Bourdieu 2000:199). For example, normally if an individual receives the gift at Christmas a higher value ideal is passed with the gift. However if the same individual received an envelope with the same amount of money that it would’ve cost to buy the gift originally a lower value ideal is passed, and is evident by the change in the internal feelings within the receiving individual. This is particularly true when the object that was going to be given does not have a high monetary value.

163 By no means is money the only way to do this. In America production is not just utilitarian, in many cases it is the mass production of symbols. These symbols get their meaning not from their relationships with each other or the production itself, but from the roles they play in people’s lives. “Whatever, or wherever, symbol systems ‘in their own terms’ may be, we gain empirical access to them by inspecting events, not by arranging abstracted entities into unified patterns” (Geertz 1973a:17). For Geertz, culture is “an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and their attitudes toward life” (Geertz 1973d:89).
Holy Bible, 1 Timothy 6:10) then takes on new meaning. By hoarding desires individuals focus on themselves instead of focusing on others; they keep the gift unto themselves.\footnote{Compare with what the old man told Mauss, “If I were to keep this second taonga for myself I might become ill or even die. Such is hau, the hau of personal property, the hau of the taonga, the hau of the forest” (Mauss 1967:8-9).}

This, in turn, hurts the community and the individual. The myth of gift in America is a way to keep the community strong by the circulation of selfless service and resources.

**Soldiers, gift, and debt**

In fast-paced America propaganda is everywhere.\footnote{A classic example of what propaganda is and where it comes from was given to us by Bernays. He believed that propaganda was all around us, and that it had an enormous influence on individuals within America: “…The conscious and intellectual manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country. We are governed, our minds molded, our tastes formed, our ideas suggested, largely by men we had never heard of. This is a logical result of the way in which our democratic society is organized. Vast numbers of human beings must cooperate in this manner if they are to live together as a smoothly functioning society. Our invisible governors are, in many cases, unaware of the identity of the fellow members in the inner cabinet. They govern us by their qualities of natural leadership, their ability to supply needed ideas and by their key positions in the social structure. Whatever attitude one chooses towards this condition, it remains a fact that in most every act of our daily lives, whether in the sphere of politics or business, and or social conduct or are ethical thinking, we are dominated by the relatively small number of persons… Who understand the mental processes and social patterns of the masses. It is they who pull the wires which control the public mind, who harness old social forces and contrive new ways to bind and guide the world” (Bernays 2005:37-38). I find it interesting that an individual’s desires and ideals are manipulated, targeted, and exploited by corporations through commercials, advertising, and marketing in an effort to increase revenue. And it works; in fact the system is so good that desires can be regulated in some individuals to the point that buying an object of desire only satisfies that desire for a specified amount of time. In other words the individual will buying an object, be satisfied for a small amount of time, and then need to buy the same object again. With the only difference between objects being miniscule changes either in color, a small accessory, etc…(Spurlock 2011).} Despite this, the soldier is there because of the myth of gift. “Greater love hath no man than this, that a man lay down his life for his friends” (The Holy Bible, John 15:13). Soldiers join

\footnote{For example, the main reason that the US entered into the Vietnam War, in which about 58,000 soldiers were killed, was that the North Vietnamese twice attacked US ships in the Gulf of Tonkin. Elizabeth Bummiller published a story in the New York Times in 2010 showing classified documents the US government finally released with information showing that the Gulf of Tonkin instead never happened, and all the news and press releases were all based off of intentionally contrived US intelligence (Bummiller 2010). For an example, and the intentional targeting (recruitment) of certain males in the US see Klaschka (2011).}
to give the gift for the country, selfless sacrifice to the American community. In America, this soon changes as the soldiers go to war in a foreign land under the auspices of fighting for foreign people, that is, people with whom they had no community originally.\textsuperscript{167}

When the soldier gets into his first firefight with an enemy (one he does not know), propaganda and recruitment influences are left behind, and the soldier who, at his core, still has a deep desire to achieve the myth of gift, turns to his fellow soldier. In America, this new community created by the soldier in war has been coined “the Band of Brothers,” (Ambrose 2001). It’s amazing how hardship and adversity bring out aspects of the myth of gift. The debt that is generated between individuals in hardship bonds the community together in ways that last lifetimes. Debt of solidarity, friendship, and community do not hold a record, because for the soldier, he or she owes a debt to the other soldiers which cannot be repaid. And, because each feels this way, each owing debt to one another, there is no record of it.

Americans have not been the recipients of the gift in the wars that the American soldier has fought in recent years. The debt that makes community between the soldier and the citizen is not as strong as it would have been if the soldier were fighting for Americans. The soldier feels, in many ways, that he or she has fought for America, but, in fact, they have not.\textsuperscript{168} Most Americans feel that the war should never have happened.

\textsuperscript{167} There was a transition in Iraq during 2007 and 2008, soldiers started to have a broader perspective of community and the way in which they started to treat Iraqis was different. Instead of looking at Iraqis as enemies soldiers started to see that the gift could apply to them as well. I have personally witnessed from that time on many accounts of the gift between soldiers and Iraqi citizens; people for whom the soldier would never get anything back. The soldiers were indeed enacting the myth of the gift, and not reciprocity. As the global community gets smaller and smaller, it is going to be imperative that the soldier has this sense of global community. That the gift applies to the world and not just home. I think this will apply to all citizens as well.

\textsuperscript{168} I am not trying to make a political statement here just a physical fact that the War in Iraq that lasted for ten years was conducted on another countries soil without the Americans having a lasting feeling that they personally were threatened. This has contributed greatly to a since that the war was not necessary.
59%, and only 37% feel that it should have happened (Montopoli 2010). “Only one in five say the war was worth the loss of life and other costs that came with it. Seventy-two percent say the war was not worth it. The opinions of households with Iraq veterans mirror the opinions of all Americans on this question” (Montopoli 2010).

To feel as if a soldier has given a gift to the country, only to perceive later, that one did not give the gift, has lasting effects on some soldiers. The soldier gave a gift by signing up and going to war, however the return to the soldier as community instead appears as actual debt and feelings of guilt. The rise of suicides in the military has been attributed to multiple deployments in recent years, and soldiers are committing suicide at record levels (Wong 2011).169 Goodman (2009:28) calls these suicides, “the uncounted casualties of war.” These debts are going to be paid, it is just a matter of who is going to pay them, and will remain, among other things in the broken families and wounded soldiers, as the hidden cost of war. The myth of gift creates community, and one of the ways that an individual can rise above “the rat race” it is through engagement with this fundamental, even mythic principle of gift in American culture.

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169 “Defense Department statistics indicate that since January, 2001, 2,293 active-duty service members have taken their own lives, including the ones who never deployed overseas. By comparison, 6,139 service members have died in Afghanistan and Iraq in the same period… Despite conventional wisdom, military suicides are not necessarily linked to overseas deployments. For the first time, however, there’s evidence of an increase in suicides among those who have had more than one deployment, Army Deputy Chief of Staff Maj. Gen. Thomas Bostick testified” (Wong 2011).
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