

MYTHSTAKES BOOK SIX: 'FORGIVE US OUR DEBTS'.

INTRODUCTION

Debt. It is something we can hardly ignore. A large part of our lives seems devoted to concerns over how indebted we are and how we are going to repay what is owed. If anyone understands just how much debt we have gotten ourselves into, it's probably New Yorkers. This is thanks to what a real-estate tycoon called Seymour Durst (1913-1995) did in 1989. In that year he put up a digital counter on a building in Times Square. He called this counter the 'National Debt Clock' and its main purpose was to highlight the fact that the national debt had reached over two trillion dollars and was still rising.

In 2004 the clock was replaced with an improved version that could count backwards, in order to show the debt shrinking were it ever paid off. But this feature was never needed because the debt never shrank. Instead, as the noughties progressed the count climbed higher and higher until, on September 30 2008 it could climb no more. This was not because the debt itself had stopped rising but because the figure by then stood at over ten trillion dollars. The National Debt Clock was not able to display a number higher than that.

So, by 2008 (the year of the last great financial crisis) the United States owed at least ten trillion dollars and probably more. And this was just one country. Given that the financial crisis turned into a global issue, it's fair to say that the world probably owes even more.

"The world owes even more". What a strange thing to say. What does it even mean? Saying an individual owes ten thousand pounds seems perfectly straightforward, since we can identify a particular lender to whom this debt is owed. She borrowed the money from her bank or some other lender within the financial sector.

This line of reasoning also works with countries. Since there are global financial institutions like the World Bank, we might suppose a debtor country owes money to such an institution.

But when it's the whole world that's said to be in debt, to whom, exactly, is this debt owed? Who can claim the authority to speak for the whole world and tell humanity how its 'debt' is to be paid back? And, anyway, should we really presume that all debt must be repaid?

These are not actually new questions, but thoughts that have occupied minds for thousands of years. In this book I am going to look into the theories that have developed as a consequence of framing our lives in terms of debt, consequences that have taken on cosmic proportions.

CHAPTER ONE

Nietzsche and the Debt-God

In 1887, Friedrich Nietzsche (1844-1900) wrote 'On the Genealogy of Morals'. This essay was basically a thought experiment, the purpose of which was to see what would follow if you assumed "man is the inherently calculating animal". You may have noticed that this description is more or less the ones economists adopted when developing supply-and-demand economic theories. Such theories model people as rational, calculating agents (see Books One and Two).

Taking this concept as given, Nietzsche decided that commercial self-interest had to come before society. Indeed, the urge to compare values and calculate costs would be the most primitive of all human abilities and relationships, predating even language and emotions. "To set prices, to measure values, to exchange things- that preoccupied man's very first thinking to such a degree that in a certain sense it's what thinking itself is", he wrote.

Since any system of commercial exchange produces creditors and debtors, Nietzsche decided that the acts of buying and selling "are even older than the beginnings of any form of social organisations and groupings; out of the most rudimentary form of personal legal rights the budding feeling of exchange, contract, guilt, law, duty and compensation was instead first transferred to the crudest and earliest social structures".

In other words, by the time individuals have organised themselves into even the simplest societies, they have already, through their natural tendency to engage in acts of commercial calculation, built up a huge amount of debt.

So, when Community does emerge, it comes with a vast debt. At this point, Nietzsche made an interesting observation about the German language, pointing out that the word 'Schuld' means both 'debt' and 'guilt'. He concluded that this had to be because our ancestors considered being in debt and being guilty one and the same thing. He even suggested that 'Barbarian Law Codes' (which were usually interpreted as listing the compensation one could expect to receive for bodily injuries) were in fact established to determine how much of the debtors' body a creditor could take in order to settle a debt.

But, overall the debt owed to the ancestors is not repaid. Each generation owes an incalculable debt to its ancestors, and ancestry only grows as time and history marches on. "In this people recognise a debt which keeps steadily growing because these ancestors in their continuing existence as powerful spirits do not stop giving the tribe new advantages and lending them their power".

Indeed, the larger and more powerful the community becomes, the greater the debt owed to the ancestors also becomes, and through this debt the ancestors seem to grow in power until, by the time kingdoms have emerged, "the ancestor is necessarily transfigured into a god". Then, as kingdoms expand into universal empires, 'the gods' become more universal and powerful, until we arrive at the concept of monotheism and the Christian god who brings about "the maximum feeling of indebtedness on Earth".

At this stage of maximum indebtedness, what the people owe to society is an infinite debt. "With the impossibility of discharging the debt, people also come up with the notion that it is impossible to remove the penance, the idea that it cannot be paid off ('eternal punishment').".

We can now no longer redeem ourselves. There's no way to repay an infinite debt. The trap can only be avoided through "the paradoxical and horrifying expedient with which a martyred humanity found temporary relief, that stroke of Christianity...God paying himself back with himself, God as the only one who can redeem man from what for human beings has become impossible to redeem".

So, basically, Nietzsche argued that Christianity is really just a way of talking about the consequences of framing human life in terms of commercial exchange. Again, I should point out that this was a thought experiment and not everything he wrote should be regarded as facts that can stand up to verification. For example, Nietzsche didn't provide any proof that debtors had to pay back debts with body parts and he didn't care that no such proof exists. His point was not to recreate an actual history but rather to run with the assumption that commercial exchange is the very essence of what it is to be human. So in a way this essay is something of a joke, not to be taken entirely seriously. "He is starting out from ordinary bourgeois assumptions and driving them to a place where they can only shock a bourgeois audience", is how David Graeber described the punchline.

But, if Nietzsche wasn't taking his premise entirely seriously (or maybe it would be more accurate to say he took the premise seriously; he just didn't believe it was the premise was objective fact) others certainly did. Indeed, round about the time when the idea of the modern nation-state was born, there was also the emergence of ideas just like those that the famous German philosopher imagined; a view of society as a sort of secular god that all citizens owe an infinite debt to.

Comte

In the early 19th century, a French philosopher and political pamphleteer called Auguste Comte (1798-1857) (now recognised as the person who coined the term 'sociology') proposed a new religion, which he called 'positivism'. Although it was roughly based on medieval Catholicism, this was not a religion that worshipped supernatural beings but rather a religion of society. Comte's last work was something he called 'Positivist Catechism' and in it he wrote down a theory of social debt.

An imaginary priest speaks out against the notion of human rights, arguing that to even suppose such rights exist is to commit a profound error. Positivism shows that there are only duties.

"We are born under a load of obligations of every kind, to our predecessors, to our successors, to our contemporaries. After our birth these obligations increase or accumulate before the point where we are capable of rendering anyone any service. On what foundation, then, could one seat the idea of 'rights'?".

So, just like Nietzsche, Comte supposed that the individual has accumulated what is essentially an infinite debt before they are old enough to even begin to understand this. Only by dedicating oneself to humanity as a whole can this debt be redeemed.

Comte's notion of unlimited obligations was taken up by social reformers and socialist politicians who developed it into the idea that "we are all born as debtors to society", and that the State stands as administrator of that infinite debt we owe to the society that created us. The founder of sociology, Emile Durkheim (1858-1917) argued that there's no need to develop an explicit religion of society, because 'god' and 'society' have always been the same thing, really just ways of acknowledging the infinite mutual obligations that is the sum total of Humanity.

CHAPTER TWO

Chartalism

The notion of society as a sort of secular god that the State speaks for was eventually incorporated into one of the major theories of the origins of money. Historically, there have been two such theories. One, the 'Barter Theory' (which we debunked as a Mythstake in Book One) imagines money to have evolved from individuals bartering who then go on to use gold or silver coins as the most convenient way of smoothing over the complexities of swapping goods of various value. It is an article of faith among believers in this theory that commercial markets emerge naturally without requiring State intervention, and that gold or silver coins are real money.

The alternative major theory of money is known as Chartalism (after the Latin 'Charta' or 'token'). It stands opposed to its rival in two ways. Firstly, it considers the State to have always been instrumental in the emergence of commercial markets. Secondly, it does not consider gold coins to be 'real money'.

If a gold coin is not real money, what is? According to the credit theory of money, nothing is. Or, more accurately, no thing. This is because, from the credit theory perspective, money should not be thought of as a commodity but rather as an abstract unit of measurement.

As one of the major advocates of this theory explained, "the eye has never seen, nor the hand touched, a dollar. All that we can touch or see is a promise to pay or satisfy a debt due for an amount called a dollar...All our measures are the same. No one has ever seen an ounce or a foot or an hour".

All we really see, then, are the tools used to calculate those abstract units of measurement. A clock can be a sundial, or glasswear that sand pours through, or a mechanical device comprised of cogs and gears, or a setup involving lasers and mirrors. It doesn't matter what a clock physically is so long as the equipment tells the time accurately enough for our purposes.

Similarly, a credit theorist would argue that it doesn't matter if a pound is a gold coin, a slip of paper, or a digit on a computer screen, so long as it measures...Well, what? If money is indeed an abstract unit of measurement, what is it measuring?

Iou

Money is the means by which we quantify and compare the values of different things: X amount of A is equivalent to Y amount of B. As Book Three explained, when something is described as priceless this is because it cannot be quantified and compared with anything. Debt is an obligation that has been quantified so that two parties in an exchange know precisely what's owed. Since the exchange of any money necessarily involves at least the partial settlement of debt, if it could be said to be anything it would be an IOU. As David Graeber explained, "whereas conventional wisdom holds that a banknote is, or should be, a promise to pay a certain amount of 'real money'....a banknote is simply the promise to pay something of the same value as an ounce of gold. But that's all money ever is".

There's a moment in the film 'Dumb And Dumber' when the members of some criminal organisation finally catch up with the movie's dim-witted heroes and take back a suitcase full of money. When the big crime boss opens the case, he discovers to his fury that there's no longer any money in it, just a pile of paper slips. "Those", the Jim Carey character confidently assures him, "are as good as money". They are IOUs stating things like "we owe you two hundred thousand dollars".

The crime boss does not accept that these IOUs are 'as good as money', but why should those slips of paper not be when the banknotes he expected to find were? The obvious answer is because he had no reason to believe that our hapless duo had the ways and means to pay their debts.

But what if somebody was 'creditworthy' and you could be reasonably sure they could pay you back? In that case, you might well accept a promissory note as a kind of representation of future payment. And, so long as others also have faith in the original debtor's ability to pay, they too would accept those IOUs and slips of paper would circulate as 'money'.

As the anthropologist Kieth Hart (b1943) noted from family experience, this sort of thing does happen. In the 50s his brother, who served in the British Army, was stationed in Hong Kong. He and his fellow soldiers paid for their bar tabs by writing cheques on accounts back in England, and those cheques circulated as currency, thanks to local merchants endorsing them over to each other. At one point, Hart's brother noticed one of his own cheques, an IOU he had signed six months before, on the counter of a local vendor. It was covered in about forty tiny Chinese inscriptions, signifying the amount of times it had changed hands before ending up on the counter of this particular merchant.

Money and Taxes

Those cheques, and indeed any physical representation of money, successfully circulate as 'money' if there is sufficient trust that the debts they represent can be repaid. In other words, people continue to trust in the value of a piece of paper if they can be sure the original issuer remains 'creditworthy'. So, for such a debt-token system to become a national currency system, with millions of slips of paper being exchanged, whoever is guaranteeing these IOUs would have to be staggeringly rich and powerful.

Precious few people can realistically claim to have the necessary wealth and authority to endorse such a gargantuan IOU. Historically, only monarchs and emperors have possessed the power needed to provide such guarantees. In "The State Theory of Money", the historian GF Knapp (1842-1926) pointed out that monarchs almost always strive to establish uniform systems of weights and measurements throughout their kingdom, so we shouldn't be surprised if the State should also be concerned to establish a stable and uniform system for measuring credits and debts.

At this point it would be worth highlighting a common fallacy regarding the workings of money in our societies. As anyone who has seen a political debate knows, questions concerning money and taxes often come up, and it's equally common to hear the phrase

'Taxpayers' Money' being used when the topic of how wisely the country's budget is being spent arises.

Now, think about that phrase 'taxpayers' money'. What does it imply? The implication is that the State gets the money for its budget by demanding we citizens hand over some of our earnings.

But, isn't this an unnecessarily complicated way of obtaining money? You can see this is so by thinking of those times when money has come in the physical form of coins. If the State needs money, wouldn't the easiest way to get it be to take over the gold mines and the facilities for stamping coins out of that gold, thereby giving the Government the ability to make whatever money it deems necessary? Actually, history shows that the State does indeed step in and take over the means of making money. Having done that, why would the State let the money it makes spread throughout society via market exchanges, only to demand its citizens give some of that money back in taxes so that the State can afford its public services?

The answer is that the State does not need 'your' money, rather it needs your time and energy directed towards the purpose of building and maintaining the country's infrastructure. By imposing taxes and other fines and fees, and by insisting such things must be paid for in the national currency, the State compels its citizens to work in order to pay those debts that the State ensures will arise throughout your life. This is how commercial markets are created in the first place.

Now, here we talked about coins. But Knapp insisted that it makes no real difference what money physically is. The only important thing is that, whatever it is, the State will accept it in payment for taxes. This provides another explanation for why some slips of paper have value while others don't. Since we have to pay taxes, we are obliged to compete in order to obtain sufficient amounts of 'that which is used to pay taxes' or 'money', otherwise we're guilty of not having repaid a portion of that infinite debt we owe to society and can expect punishment. At the same time, so long as we trust in the State's ability to roll debt forward into the future and recognise that other folk seek to get their hands on 'money', those IOUs will be accepted as payment for commercial goods and services.

So, what this theory is arguing is that the State and its taxes are actually necessary for the creation of commercial markets. Far from being an impediment to free-market economics, a non-contributing rent-seeker that just extracts value without adding any, the opposite is true. A society without a State tends to be one without commercial markets, either.

If anything confirms this, it's the fact that when mainstream economists of the Adam Smith mould work with governments, they typically use decidedly chartalist methods to create markets where they don't exist. Even though they have faith in Smith's argument that markets must emerge spontaneously from individuals swapping goods and services, they always come up with tax policies designed to create those markets.

To give one example, soon after Joseph Galliani (1846-1905) conquered Madagascar in 1901, he imposed a head tax that was only payable in newly issued Malagasy Francs. As

Graeber said, "Galliani did indeed print money and then demand that everyone in the country give some of that money back to him".

The real purpose of this tax could be guessed from the name Galliani gave it. He called it the 'educational tax'. Its purpose was to teach Madagascans the 'value of work' but what resulted would be more appropriately labelled 'wage slavery'.

The 'educational tax' came due just after harvest time, meaning the easiest way for farmers to pay it was by selling a portion of their rice crop to merchants who by then had installed themselves in towns across the country. As you can imagine, the market price for this crop was at its lowest just after harvest when it was most plentiful. That meant the farmers had to sell a lot of it to meet those tax requirements, meaning they often didn't have enough left to feed the family until next year's harvest. This put them in the position of having to buy their own rice back on credit from those merchants (who doubled as loan shark operators). Now they were really, really in debt and were obliged to send their children away to work on the plantations established by French colonists across Madagascar.

As Graeber argued, "the whole project might seem no more than a cynical scheme to squeeze cheap labour out of the peasantry, and it was that, but it was also something more...The colonial government was also quite explicit (at least in their own internal policy documents) about the need to make sure that peasants had at least some money left over, and to ensure that they became accustomed to the minor luxuries- parasols, lipstick, cookies- available at the Chinese shops. It was crucial that they develop new tastes, habits and expectations; that they lay the foundations of a consumer demand...and keep Madagascar forever tied to France".

In other words, they didn't think Madagascans would discover consumerism all by themselves, and indeed we find anywhere that has A) been conquered and B) not already a market economy, mainstream economists have always used the very chartalist techniques they dismiss in order to force commercialism into being.

CHAPTER THREE

Keynes and Empiricism

In Book One I talked about the 'deductive' and 'empirical' methods for determining what is actually the case. Both mainstream economics and Big Bang cosmology are deductive theories in that they both begin with idealised assumptions, an initial 'perfect' state that no longer exists anywhere, and then attempt to work forward from there in a way that can account for the imperfect world of today. This methodology tends to elevate the mathematician to the status of a priesthood, where theories are not confirmed through experimental and observational verification but because the priesthood's own baffling equations are claimed to be 'beautiful' and therefore must be true. I call this elite group of experts a 'priesthood', because they are rather like the temple priests of older religions who claimed to be able to interpret the "will of the gods" through reading texts and practicing arcane rituals which were deliberately obscure and hard to understand by anyone who did not go through the requisite formal training.

In contrast to this method, the empirical approach begins with observations of the world as it appears today, and then works backwards through history as far as our current understanding can take us, using maths as a handy tool rather than the ultimate authority on what must be the case.

John Maynard Keynes (1883-1946) possibly the greatest of all economists, turned to the empirical method when he tried to determine the origins of money in the 1920s. For several years, he studied Mesopotamian cuneiform banking records and set out his findings at the very beginning of his 'Treatise on Money'.

"The state, therefore, comes in first of all as the authority of law which enforces the payment of the thing which corresponds to the name or description in the contract. But it comes doubly so when, in addition, it claims the right to determine and declare what thing corresponds to the name, and to vary its declaration from time to time...This right is claimed by all modern states and has been so claimed for some four thousand years at least. It is when this stage in the evolution of money has been reached that Knapp's chartalism...is fully realised...Today all civilised money is, beyond the possibility of dispute, chartalist".

Let's examine what Keynes is saying here. First of all, notice that this does not actually explain the origins of money. The ability to make some sort of economic calculation is probably older than human thought and it certainly predates the written word. Therefore, it's not really something you will find in any historical record. What Keynes and anyone who has examined the historical record does determine is the fact that credit existed before coinage.

Since credit is something that can be brought into being by private contractual agreement, Keynes sensibly refrains from claiming money is necessarily created by the State. No, the role the State plays is one of enforcement. It dictates the legal terms binding such contracts.

As societies grew larger and, in some cases, the need for centralised authority structures became more obvious, legal systems of enforcing contracts became established as well; all those courts, police, rules, and so on that allows for a uniform measurement of value. It is

from such enforcement that commercial markets are made viable. Without this state-backed guarantee, we wouldn't trust all those contractual agreements implicit in the exchange of money, or at least we would grow less trustful as such exchanges occur not within trust networks where everyone is related to everyone by blood or marriage, but rather between groups and individuals who are effectively strangers.

This is the reason why, if the State should collapse, the value of the currency collapses with it. In other words, hyperinflation is not really caused by printing too much money but is instead a measure of the lack of trust in the authority guaranteeing its value.

The Magic Money Tree

If the State merely enforces the contractual agreements guaranteeing the value of money, who actually creates money? In modern civilisations, at least, that's obvious. Banks create money by extending credit.

Keynes recognised that banks create money and argued that their ability to do so knows no intrinsic limit. This rather flies in the face of that oft-heard statement "there's no magic money tree". To see the truth of Keynes' statement, it helps to imagine a simplified system in which there's only one bank. Let's suppose this bank owns no assets of its own of any kind whatsoever. A person walks into this bank and asks for a loan of ten pounds. The bank does not actually have that money in its vaults, but that's OK because banks never actually lend money in the sense of lending a commodity one already owns. No, they figure out the probability of being able to get more money from this guy (or from somewhere else) in the future and if that seems likely they create that £10 through their legal authority to do so.

This is done through 'Double-Entry Bookkeeping'. The bank records that it has a liability in the form of the £10 it is lending and simultaneously records an asset in the form of the money the debtor now owes the bank. The debtor has a liability in the form of the money she owes recorded on one side of her ledger, and an asset in the form of £10 on the other side of that ledger. Money is literally made in this process of recording numbers on banks/ debtors' ledgers.

In other words, the money is created out of debt. Whenever banks talk about their 'assets', they really mean the debts that others owe them.

Ok, so our borrower is now in possession of a tenner. Now, what's going to happen to that money, ultimately? The answer is that our borrower will end up paying that money back into the bank again. Or maybe she spends it and somebody else deposits it back into the bank. However it invariably ends up deposited back into the bank, we now have a situation where the bank has £10 in debt on its books and, simultaneously, £10 working assets. Debts and assets therefore perfectly balance each other out.

So long as banks coordinate their actions, this simplified version applies to the banking system as a whole. No matter how much they lend, borrowers have no choice but to pay that money back into some bank. So as far as the banking system as a whole is concerned, the total number of credits and debts always cancel out.

This mathematical trickery is rather similar to the way mainstream cosmology gets around the problem of a universe created from nothing, even though that's in violation of a fundamental physical law that says energy cannot be created or destroyed, only transformed.

The observable universe contains something like ten to the power of eighty particles. This kind of matter is said to be made out of positive energy. Matter is attracted to itself by gravity. Since energy must be expended in order to separate two particles from the gravitational force that's trying to pull them together, we can say that two pieces of matter have less energy than would be the case if those same two pieces of matter were further apart.

Or, we might put this another way and say that, since it's gravity that's causing those particles to have less energy, the gravitational field has negative energy.

So, just as how in the banking system as a whole the total of debts and assets sums to zero, Big Bang cosmology imagines a condition- not observable today- one of a universe that's uniform in space and therefore one in which positive energy of matter is exactly cancelled by the negative energy of gravity. In such a condition the total energy of the universe would be zero. This would mean that the universe could double in size and double again, and the law of conservation of energy would not be violated because twice zero is still zero.

Like I said, what we are talking about here is an entirely conceptual universe that bears no resemblance to the one that exists today (we observe an inhomogeneous universe in which matter is organised into definite structures, such as galaxy clusters). It was a theory born of the deductive method, accepted as true not because it is supported by experiment or observation but because the equations such models produce are said to be 'beautiful' by those authority figures who claim the right to make such judgements. Nevertheless, it's accepted as established fact by most people.

Curiously, though, the Chartalist theory of money, which as Keynes discovered has been a true historical account of money for at least four thousand years, has not been accepted as fact but rather pushed to the lunatic fringe of academic theory. Why should it be that one 'something from nothing' theory is accepted as true despite a complete lack of real evidence for it, while another such theory, one in agreement with historical records, is largely rejected?

A Dangerous Idea

I would say that Chartalism is rejected not because it's an idea that's wrong, but rather because it's deemed to be dangerous. After all, it does present a radical (read: politically controversial) theory of debt. Rather than accepting debt as an immutable fact of life, Chartalism reveals it to be merely a social arrangement created by government policies. There is a magic money tree if by that we mean some way of conjuring the stuff 'out of thin air' as the popular expression goes. Really the only thing this expression gets wrong is claiming it's 'thin air' that money is created from. Actually, it's created from debt. So, since money is debt and debt is money to say money is a finite resource is to say there is a definite limit to how much debt there can be. That's akin to saying that there's a finite amount of negative numbers, like that debt clock I talked about which could only display the number ten trillion. Obviously 'minus ten trillion' is not the lowest negative number in existence.

To return to the 'magic money tree' metaphor, the image this conjures up is one where money can be plucked from a special tree, in much the same way as one might pick apples from an apple tree. Obviously, it's foolish to suppose money is actually obtained this way, but the way money is spoken about does encourage us to suppose it is 'harvested' somehow. After all, what is often said when a proposal to build a new hospital or something is put forward? We wonder "where is the money going to come from" or "where will they find the money to pay for that?", as though money were some kind of resource like timber, or iron ore, or apples, existing somewhere in the world, just waiting to be gathered. But just as money does not really grow on trees, nor is it something drilled out of seams running through rocks, or dug out of the ground. It cannot even be created 'out of thin air'. The reason why not is because money is not a resource at all, nor is it strictly speaking a commodity. No, money is a form of measurement.

With that in mind, imagine the following scenario. The Pharaoh has ordered a giant pyramid be built, and a team of dedicated workers set about turning the pharaoh's wish into reality. But then the work grinds to a halt, and Pharaoh summons the foreman to explain why.

Pharaoh: "Yesterday, everything seemed to be going well. All the workers were hard at it, and construction was coming along nicely. But today I find you have stopped working altogether. What's the problem?"

Foreman: "Ah, well, you see, I'm afraid we used up all our inches, and now we don't have enough left over to complete the job".

Pharaoh: "Not enough inches left? You mean we have run out of space? But I thought we calculated that the pyramid would easily fit within my chosen location before the foundations were laid down?"

Foreman: "No, space is no problem. We could build a pyramid twice the size of the one you ordered. No, like I said, the problem is we've run out of inches".

Pharaoh (scratching his head, confused) "so, you mean you do not have rulers or tapes or anything to carry out measurements with?"

Foreman: "You are not listening to what I am saying! We have all the tools we need. We have all the resources necessary to complete the job. We have all the expertise required to get the job done, and enough willing workers to ensure it is done. But we cannot complete the job because we have run out of inches. There are no more inches left. We used them all up".

'We have run out of inches' sounds like a bizarre and, frankly, ludicrous reason for why the pyramid's construction had to be abandoned. An inch is an abstract unit of measurement, not a physical thing. Therefore there is no way that builders can run out of inches because they used too many (which, remember, is not the same thing as taking up too much space or running out of materials). Since abstractions are purely conceptual they cannot be compared to physical resources like 'space' or materials, things that can be exhausted if not managed

properly. When it comes to abstract units of length, I trust that it does indeed come across as absurd to say something like “we ran out of inches”.

But notice how, if we instead imagine the foreman used “we’ve run out of money”, as a reason for why the build could not be completed, somehow that does seem like a legitimate excuse. Indeed, you’ve no doubt heard of real projects having to be abandoned because “we ran out of money”. But why should this come across as a legitimate excuse when “there’s not enough inches left” is just silly? After all, money, like ‘inches’, is nothing but an abstract unit of measurement, albeit one we use to calculate relative value and cost rather than length. So really, the same logic that applied to ‘inches’- abstract concepts are not something you can ‘run out of’- applies to money too.

In fact, if you think about it, even if Pharaoh had an ‘empty’ bank account and couldn’t lay claim to a single penny, it would still have been possible in principle to complete construction of his pyramid. In truth the only reason why any particular project cannot be completed is if we either lack the physical resources, lack the expertise required to solve all problems that crop up, or lack the will to see the job through to the end. If the Pharaoh wants a giant pyramid constructed out of huge blocks of sandstone, a giant pyramid built out of huge blocks of sandstone is what he’ll get, because there’s plenty of building material available, Egyptians have the knowledge required to carry out the construction, and as their living god he inspires sufficient dedication to ensure this project is seen through to completion.

On the other hand, were Pharaoh to order the pyramid be made of solid gold or able to float in the air, that would be impossible regardless of how much money or power he is imagined to have, because there is not enough gold in the world and we don’t know how to make giant pyramids levitate. It is limited resources and the limitations of willing expertise that determine what can and cannot be done. It therefore follows that “we’ve run out of money” is as lame an excuse as “we’ve run out of inches”.

Or is it? Maybe I am being unrealistic in imagining there is just this one project going on? In reality, a huge society like the Egyptian empire would have an enormous amount of things to be done and not all of them would have equal priority. Realistically, it is necessary to have some way of prioritising how resources are to be used, what problems should be tackled first, and how expertise should be directed. In order to do that you need to calculate relative value and cost, which is to say, you need money.

Since that is so, it must be the case that people who claim to “live without money” are doing no such thing. What they really mean is “I do not carry out transactions using cash or private bank credit”, which is not at all the same thing as abandoning the use of money. When a new day dawns, such people face the choice of spending all day in bed or getting up, and throughout the day they will no doubt face many situations where they’ll have to decide whether some action or use of resources is worth doing or if it is too costly. All such considerations require we calculate relative value and cost and whenever we do so we rely on ‘money’.

From this perspective, money is something far older than humanity itself, because without ‘money’ evolution could not select genes in the non-random way that it does. That’s why the

language of economists tends to show up in books about evolution, as in this example from Richard Dawkins' 'The Selfish Gene':

"Making a shell is costly for a snail. It requires energy. It requires calcium and other chemicals that have to be extracted from hard-won food. All those resources, if they were not spent on making shell substance, could be spent on something else such as making more offspring. A snail that spends lots of resources on making an extra-thick shell has bought safety for its own body. But at what cost?"

Of course, no snail goes into a shell shop, looks at the price of a thicker shell and decides whether or not it can afford it, but the way evolution by natural selection works means there is a sense in which we can talk about Nature calculating the relative value and cost of thicker shells or greater fertility, and other examples of personal survival or reproducibility. Predators instinctively choose whether to spend energy chasing their quarry or if it's not worth the cost. Birds 'decide' to build a bigger nest or make do with what they already have, and so on and so on.

Likewise, whenever we ask "is this worth my time and effort?", we are, in a sense, 'using money' just as animals or plants can be said to be 'using money' whenever we can talk as if they are faced with the choice of spending resources, weighing up the cost of this versus that. The only difference is that we can plan for the future to a far greater extent, thanks to our linguistic abilities, and we have symbolised and commodified money, meaning it is more apparent where human activity is concerned that money is being spent, because transactions result in digits in a computer database or symbols written in paper or marked into clay changing, or coins and notes in our purses and wallets increasing and decreasing.

OK, but what does this tell us about money? All it really tells us is that money is necessary whenever there is a need to calculate relative values and costs. It is reasonable to assume that money- the calculation of relative values and costs- will remain a necessity so long as we face many problems with many possible solutions, which I think we can safely say we always will. But notice that saying money predated human existence, that we use money even if we do not handle cash, and that we will always need money, is not the same thing as saying money can 'run out'.

We should not confuse money itself with the ways in which we find it convenient to represent it. Yes, cash in a wallet can run out if you keep on spending, and digits representing a balance will register £00.00 if you keep on making withdrawals and never make deposits. But nevertheless 'money' itself is not running out. Why? Because of what I said earlier, about money being debt, and there being no such thing as the lowest possible negative number.

Notice how, when it comes to financing wars or bailing out their masters in the financial sector, somehow governments always have the money and indeed they do because, ultimately, it's just a matter of inputting whatever number is equivalent to the money needed into a computer, once the highest authority has authorised that spending. The term 'spending' is kind of misleading, though, because it is a truth of life for most of us that you cannot spend what you do not have. Instead, you must either first earn that money, or borrow it. But, as the issuer of money, the State does not have to do either, simply because it

has the unique capability to literally spend money into existence. Don't take my word for it, ponder what the authors of "Where Does Money Come From?", said:

"Central bank reserves cost nothing to produce, as one billion can be created in the same length of time that it takes to type the following numbers: 1000,000,000".

From this it follows that if the central bank needs to 'find' twice as much central bank reserves, that's just a case of typing a 2 instead of a 1. To create three times as much those vested with the authority to do so type a 3 and...well you get the idea.

Just in case it's not quite clear what is going on, here is another quote, this time from the Boston Federal Reserve:

"When you or I write a check, there must be sufficient funds in our account to cover the check, but when the federal reserve writes a check there is no bank deposit on which that check is drawn. When the federal reserve writes a check it is creating money".

We find a similar situation when we turn our attention to private banks. Private banks lend money to borrowers. But, as 'Modern Money Mechanics' makes clear, this is not 'lending' in the sense of handing out money the bank already has.

"Of course they [meaning the banks] do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do is to accept promissory notes in exchange for credits to the borrowers transaction accounts. Loans (assets) and deposits (liabilities) both rise".

As "Where Does Money Come From?" says, "note that the bank has expanded its balance sheet and all it has done is add some numbers to a record in a database, recording that it has a liability to [the borrower] and also an asset in the form of [the borrower's] agreement to repay [the] loan. This is the process of extending credit or, more accurately, of creating credit".

Also, the Federal Bank Of New York reckoned, "commercial banks create checkbook money whenever they grant a loan, simply by adding new deposit dollars in accounts on their books in exchange for a borrower's IOU".

Since this is how credit and central bank reserves are created, we can see just how disingenuous the language concerning money is. For example, the Labour Party has claimed that we will need £224 billion if we are to build an infrastructure that can transition us away from reliance on fossil fuels. As ever, this figure prompted cries of "where is the money going to come from?", as if it were a resource to be gathered/ harvested/ dug up, and that this money was being 'borrowed', as if somebody or some organisation had this money to hand and were lending it out, as one might rent out a car. In reality, two hundred and twenty four billion can be created as easily as inputting the equivalent numbers into some computer belonging to an authority vested with the power to create credit out of debt.

Again, we see in the process of extending credit that if money can be said to come from anywhere, it is created out of debt. Since there is no limit to the amount of debt that can be

created (because there is no such thing as 'the smallest possible negative number') there is no limit to the amount of money we could have to spend. And yet, when it comes to financial support for ordinary lives, suddenly the ability to create money is denied and we're supposed to believe money is a precious commodity like gold that will 'run out' if overspent. What's going on here?

Plausible Deniability

At this point we should note that the banking/ financial system has various forms of 'plausible deniability' that enable it to claim in all seriousness that it cannot just create money and yet at the same time it can make trillions of dollars appear from nowhere when wars need funding or major banking conglomerates need 'rescuing'.

Roughly speaking, the banking/financial system can be said to comprise of three major players, and these are the State (or the government), the central banks and private banks. If you consider each player in isolation to the rest, then it is true to say that each, in and of itself, cannot just 'create money'. In fact, for the most part, 'money' tends not to be mentioned when the process of money creation is discussed. The State can issue 'Treasury bonds' (which in reality is just a kind of IOU) the central bank can issue 'central bank reserves' (which, again, is in reality just a kind of IOU) and private banks can create 'credit'. But if you were to ask each in turn if they have the power to just create any amount of money, each in turn would deny they possess such power and, individually, this would be a legitimate claim because, in isolation, there are genuine limitations on each player's ability to create money. However, when you combine all their abilities and limitations into one single system, these three players can, by swapping the different kinds of IOUs they are permitted to create back and forth between themselves, and appropriating the time and energy of taxable subjects, create any amount of money.

There is an optical illusion that I think represents this situation quite well. It's known as the 'rolling circle illusion'. This illusion consists of several small circles arranged into a larger circle, and that larger circle is clearly rotating. But, if you look at each individual circle, its movement is not circular at all. One small circle moves back and forth along a horizontal line, another moves up and down, and the others move in straight lines at varying degrees between the horizontal and the vertical. If you could ask each individual circle "are you moving in a circle or rotating?", it would say "no I can only move along a particular straight line. I have no power to rotate or move in a circle at all!". However, when you combine the paths each individual circle follows, what that creates is, undeniably, rotation and circular motion. The pattern itself is rolling even though its component parts only ever follow straight lines, as if they are sliding back and forth along the invisible spokes of a wheel.

Similarly, the banking/financial system is made up of component pieces that do not have the power to create unlimited amounts of money, only the limited ability to issue certain kinds of IOUs. But don't let that fool you into believing the banking/ financial system itself does not have the power to create unlimited amounts of money, because it can and it does.

Another form of plausible deniability lies in the way we are encouraged to think of national or global debt as though it were somehow comparable to personal or household budgets. As individuals, or when running households, we are used to having finite amounts of money to

work with. We have only so much cash in our purses or wallets, only so much funds deposited in our bank accounts, and only so much we can put on our credit cards. So, from our perspective, money is indeed a limited commodity that can run out. So, when the powers that be claim “there’s not enough money” or “where are we going to get the money from” when proposals to pay for this or that are raised, we think of our own experience and such statements ring true.

But, always remember, that money is debt and debt is money. Since there is no theoretical limit on how much debt there can be (because it is not as if -999,999,999,999 is the smallest possible negative number; in fact there is an infinite amount beyond it) there is no limit to the amount of money that can be created.

Material Limits and Taxes

Actually, I should point out that there is a limit. Recall how money is best thought of as a measurement of the relative costs and values of commodities circulating in the economy. In theory, there is a finite amount of material resources practically available to us, given our current standard of knowledge and capabilities, and a finite amount of viable business proposals. All of that sums up to a certain amount of money. One can then imagine a hypothetical creditor who has enough money to buy every last material resource humanity can lay its hands on, and who can invest in every viable business.

But, should any more money be created, after 100% of the money needed to buy and invest in every commodity and viable business, it won’t have anywhere useful to go, because everything of value (or that could plausibly be of value) has been paid for already. Therefore, any additional money will just dilute the value of money already in existence, which will manifest as a rise in prices (in other words, inflation).

In theory, then, the ideal would be to create exactly as much money as needed to match the sum total of the wealth of the world. In reality, it is incredibly difficult to figure out what the true value of every resource and every viable business idea is, so the next best thing to have is a means of not only increasing the supply of money, but also to decrease that supply, should there be an excess of money in the economy.

This is where tax comes in again. As we have seen, a popular misconception, which for some reason is perpetuated by politicians (who should really know better) is that taxes are the way in which governments get the money needed to pay for public services and key infrastructure. Economist Stephanie Kelton (b 1969) calls this the (TAB)S model, or the belief that government must first tax and borrow before it can have any money to spend.

But, this is entirely wrong, at least for any government that is able to issue its own money (not every government has such power). In that case, why would the state need “your money”? It has its own money, which it can spend into existence. This is what Kelton calls the S(TAB) model. In other words, if a government is the issuer of its own currency, it can create as much of that money as it likes, and the only limits on its ability to do so are a: the total value of the real economy and b: the political will to fund X.

The Government does not need your money (in fact it's not your money, it's the government's) but it does need your time, converted into the work that provides all those public goods and key infrastructures the modern world requires to function at all. By taxing us, the government provides the incentive for people to get out there and work, and that creates commercial markets. Taxes are also the means by which the government takes money out of the economy, thereby preventing inflation from getting out of control.

This provides further evidence that taxes do not really pay for what the Government wants to do. When you pay your taxes to the Government, it is like a negative number being added to a positive number. If you try adding -1 to 1 you'll see the result is zero. The two positive and negative numbers cancel each other out. In monetary terms getting into debt is what creates money, and paying off debt not only wipes out that debt but the money too. Every time you pay taxes to the Government, that payment reduces some of its debts and eliminates that money you sent in the process. It no longer exists to fund anything.

So, when Margaret Thatcher (1925-2013) stated, "the trouble with Socialist governments is that they always run out of other people's money", there were three ways in which this was incorrect. She was wrong to say that States that are money issuers get that money by taxing their citizens; she was wrong to say money belongs to 'the people' because, if it is Chartalist money it belongs to the State and all other participants in the national economy are merely users permitted to spend it on anything legal. And, finally, she was wrong to say money-issuing governments can run out of money. That can never happen.

Bear in mind, though, that all this applies only to currency-issuing governments. Local officials like Councils are not currency issuers, they are currency users like the rest of us. Your council tax does actually serve the purpose of paying for the services the council has pledged to provide.

This is important to remember because, just as the S(TAB) model shows there are limits to how much money money-issuing states can spend into existence (those limits being what can be achieved given the resources at our disposal and what is feasible given our current capabilities), from an individual perspective, there is a limit to how much debt you can repay. But this is because you are a human being whose lifespan is measured in decades, at the most. This means that there is a definite limit on how much debt you can get into and realistically pay back. But the situation is obviously very different for countries and even more so for the world. The lifespan of countries is measured in centuries and millennia and the world (by which I mean the human race, not the planet) has existed for millions of years and, for all we know, has billions of years left to live out its life. Obviously an extremely long-lived entity like a nation or the World is in a position to borrow much more money than an individual human being.

In fact, if you think about it, whether the human race is destined to live forever or is going to become extinct at some point in the future, we should be far more relaxed about debt than we are. Take that £224 billion that the Labour government intends to borrow. Whenever such sums are suggested we always hear the cry "but this is debt that our grandchildren will have to pay back! We cannot burden them with it!". The very name of State-issued IOUs- 'Treasury bonds'- is meant to remind us of a burden being forced on future generations, because 'bond' is short for 'bondage'. By borrowing money and getting into debt, we are

imposing a duty to repay that debt on future generations, whose time and effort will have to be spent paying what is due. But why should it be that our grandchildren should be burdened with onerous debt repayment that leaves them financially crippled? If the human race is going to live forever, we could spread those repayments over vast stretches of time, ensuring no particular generation is burdened with much debt repayment at all. Hell, if we are going to live forever, we could pay it back at the rate of one pound per year and 224 billion years from now (nowhere close to eternity) it would be paid back.

But what if the human race were to become extinct? Well, if that happens, who would this debt be owed to? Our global extinction would be, in effect, the ultimate debt jubilee rendering all debts null and void. So, regardless of whether humanity will live forever or die tomorrow, there's no good reason to concern ourselves overmuch with debt repayment. Use of resources and use of our time, yes, those considerations should be taken very seriously. But debt: Why should we care so much about that?

CHAPTER FOUR

Primordial Debt

While it does fit the historical record of the past few thousand years, Chartalism by itself does leave some questions unanswered. Most importantly, although it provides us with a reason why the State imposes taxes (in order to bring commercial markets into being and to help keep inflation in check) it provides no moral justification. Why do rulers believe they have the right to tax their citizens?

Primordial Debt Theory

Scholars seeking such justification turned to primordial debt theory, using it to construct a concept known as the 'social contract'. Primordial debt theory came into prominence around about the time when the euro was created. The basic idea of primordial debt theory is very much in line with Nietzsche. Primordial debt theorists insist that monetary policy and social policy are one and the same and that, therefore, any attempt to treat them as separate must be wrong. As for debt, it is absolute. It's not just something people in society owe, it's more fundamental than that. It is the very essence of society itself and has been for as long as 'society' has existed. If we take this point of view, we see debt as being older than both money and markets, which were later adopted as convenient ways to chop up and rearrange bits of this infinite debt we are all born owing to society.

As for the State, it claims to be the guardian of this debt and it derives its right to impose taxes from its claim to speak for the Absolute. Consider the words of a French economist called Bruno Theret (b. 1956), who published "The Sociological-Cultural Dimensions of the Currency: Implications for the Transition to the Euro" in 1999:

"At the origin of money we have a 'relation of representation' of death as an invisible world, before and beyond life- a representation that is the product of the symbolic function proper to the human species and which envisages birth as an original debt incurred by all men, a debt owing to the cosmic powers from which humanity emerged.

"Payment of this debt, which however can 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 debt- a means whose abstraction makes it possible to resolve the sacrificial paradox by which putting to death becomes the permanent means of prolonging life.

"Through this institution, belief is in turn transferred to a currency stamped with the effigy of the sovereign- a money put in circulation but whose return is organised by this other institution which is the tax/settlement of the life debt. So money also takes on the function of a means of payment".

Well, that's a lot to take in. What is he saying here? First of all, Theret makes a claim about human nature. What our nature compels us to do, he claims, is to create symbols and symbolic representations. 'Money' is one such symbol/symbolic representation. But so is the concept of debt, which is here presented as a web of invisible forces that surround each and every one of us, putting us in the position of being in infinite debts to god, the Universe, the Absolute, however you care to frame it.

So, the individual is born owing their lives to Death, and can only fully redeem themselves through complete annihilation. In the meantime, we may turn to the ritual of sacrifice, with the life of the animal acting as a sort of interest payment against the thing that's really owed, which is our own life. Later, the notion that we can pay interest by dedicating ourselves to the service of humanity, is also adopted.

The State holds a sacred position in primordial debt theory, one in which the first kings are themselves gods or act as mediators in the privileged position of being able to speak for the Absolute and tell us what we owe. Symbolic animals that we are, we invent the idea of god, and only later come to realise that this is just a word representing the infinite debt owed to the society that created us.

This is pretty much what Nietzsche was claiming. Only, in his case he wasn't being entirely serious. However, in the case of primordial debt theory, its advocates are presenting what they think is an actual historical account of debt, money, taxes and society. What reasons do they have for believing such a tale?

The Language of Guilt and Debt

Primordial debt theorists point to language, Barbarian Law Codes and certain texts in Hindu religion in order to justify these claims. In the case of language, it's revealing how often the language of the market turns up in legal terminology. A person suspected of lawbreaking is charged with a crime. If guilt is established the guilty individual must pay a debt to society. Once the injured parties have been adequately appeased the guilty party has redeemed himself.

Obviously words like 'debt', 'pay' and 'redeem' comes from the world of finance and commercial transactions. Also, the word 'appease' has its roots in the Latin 'Pacara', which meant "to make peace with". Pacara is also related to 'Pacere' or 'to come to terms with an injured party'. And it was from pacara that we got the French term 'Payor' which is where we got the English term 'pay' from.

As Geoffrey Ingham (b. 1942) pointed out, "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".

Barbarian Law Codes

Such a strong etymological connection between money and the law does seem to suggest that the origins of commercial money might indeed lie here. One person who made a particular contribution towards establishing the theory that money emerged from legal practice was a numismatist called Philip Grierson, who was an expert in the Dark Ages. In the 1970s, he turned his attention to what we now call 'Barbarian Law Codes', early law codes established by Goths, Franks and other Germanic people after the Roman Empire fell in the 600s and 700s, and which were soon followed by similar such codes in many other countries.

What these Barbarian Law Codes consist of are very detailed inventories for the compensation due to personal injury, and the price of household possessions. So, if we take medieval Welsh law codes as an example, we find not only commodities like milk cows costed in terms of varying ages and conditions, but also highly specific inventories of every household, down to the cost of every single piece of timber. This very specific breakdown and costing of household objects is particularly strange from a commercial market perspective, because while one can imagine cows and other farm animals being sold on the open market, there's no reason to believe most of the household items ever were.

So why go to all that effort to cost such things? We find a big clue in something mentioned already, which is costs for personal injury. As Grierson wrote, "their detail is remarkable, not only in the personal injuries envisioned- specific compensations for the loss of an arm, a hand, a forefinger, a nail...but in the coverage some of them gave to the possessions of the individual household".

This is useful to primordial debt theory, because it seems to suggest a way around a major problem. You see, this theory is based on the idea that the State derives its right to charge taxes from its privileged position as guardian of that infinite debt owed to society by every citizen. But, the thing is, it's actually hard to think of an infinite debt as a debt at all. This is because a debt is a quantified obligation, a particular sum owed to a particular party. It's a sum you can imagine repaying. But how could an infinite debt to the Absolute ever be repaid? It's an unquantifiable obligation to be paid to everyone and no-one simultaneously. What does that have to do with anything that can deservedly be called a debt? Or, as Graeber framed the problem: "How do we go from that absolute debt we owe God to the very specific debts we owe to our cousin, or the bartender?".

What we need to look for, then, is some kind of reason why people in a society might be driven to calculate much more specific obligations than the vague notion of returning a favour. If there's any situation in which people are likely to feel aggrieved unless they receive what they deem to be adequate recompense, it must surely be situations of conflict resulting in personal injury, damage to personal property, or the death of a loved-one.

As David Graeber pointed out, "it is hard to imagine how a system of precise equivalences- one healthy milk cow is equivalent to thirty-six chickens- could arise from most forms of gift exchange. If Henry gives Joshua a pig and feels he has received an inadequate counter-gift...he would have little occasion to come up with a mathematical formula for precisely how cheap he feels Joshua has been. [But situations involving conflict resulting in

injury or death] is precisely the context where people are most likely to become petty and legalistic and express outrage if they feel they have received one groat less than was their rightful due”.

Hence, we end up with Barbarian Law Codes that detail the specific compensation due to personal injury and loss of personal property, down to the payment due for a lost fingernail and the exact price of a milk cow, varying in value according to age and condition. If the guilty party does not have any milk cows to hand over to compensate an aggrieved party, an adequate alternative payment would have to be found instead, leading to the calculation of precise equivalences, and so we end up with detailed costings of a home's entire inventory, down to the value of every piece of timber.

So, perhaps we can imagine the passions, rivalries and conflicts that are a part of any human groupings resulting in rough rules of thumb for how to calculate the various values of items or favours that might serve as adequate compensation. Then, as the need to establish centralised structures of authority grows with the difficulty of avoiding destructive conflict among large numbers of distantly-related people, those rules of thumb become systematised into legal codes and the legal apparatus of police, judges, lawyers and courts that are required to interpret and properly enforce such rules. With the king as head of State with the tendency to turn superstitious beliefs into organised religions that justify the divine right to rule and to appropriate the fruits of collective effort, it's perhaps not surprising that the idea of the head of State as a kind of god, or a spokesperson for god, one who can tax those citizens who owe an infinite debt to the Absolute, was eventually established as well.

The Vedas

Primordial debt theorists claim this version of the origins of money is pretty much confirmed thanks to translations of certain texts from Sanskrit religious literature that date back to 1500 BC. These are known as the Vedas and the Brahmanas, and they are believed to be the founding texts of Hinduism.

More importantly, they are also the earliest known reflections on the nature of debt. Just as is the case today, what we find in these texts is debt being treated as synonymous with sin and guilt. Life itself is viewed as a debt we must one day pay back to Death. For example, in the Satapatha Brahmana we find:

“A man, being born, is a debt; by his own self he is born to Death, and only when he sacrifices does he redeem himself from Death”.

This does sound like the situation we discussed earlier, whereby we owe our lives to society and only fully repay that debt through self-sacrifice. Until that day, we must live in debt and guilt, and while full repayment comes at the cost of complete annihilation, we may turn to the ritual of sacrifice as a kind of interest payment.

As well as animal sacrifice, the Vedic and Brahmana texts broadened the notion of debt so that the term could encompass social responsibilities of one sort or another. In so doing, the notion that we owe a debt to gods to be repaid in sacrifice becomes, in addition to this, a notion that a debt is owed to our ancestors, who we repay through having children; a debt

owed to the sages who created the sacred texts, who can be repaid through study, and Humanity itself, which is repaid through humanitarian acts.

As Graeber explained, “anyone, then, who lives a proper life is constantly paying back existential debts of one sort or another; but at the same time, as the notion of debt slides back into a simple sense of social obligation, it becomes something far less terrifying than the sense that one’s very existence is a loan taken against Death”.

What’s Wrong With This Picture?

By now it may seem as though primordial debt theorists have proven their argument. Our language shows a clear link between debt, guilt and money. Barbarian law codes around the world show how societies devised precise calculations of the relative value of stuff in order to establish systems of compensation to repay those who have been wronged and with whom the criminal stands in a relation of guilt. And, to cap it all off, the earliest reflections on debt seem to confirm what Nietzsche only jokingly suggested was true: That as societies grew more powerful, evolving into chiefdoms, kingdoms and empires, the rulers took on increasingly godlike pretensions, imagining themselves to be deities or speaking on behalf of the gods, taking the infinite debt we owe to society and reimagining that absolute debt as a god to whom we owe our lives.

But, actually, things are not quite so settled. You see, primordial debt theory is actually a myth, a grand narrative justifying collectivism. If we look more closely at its premises, we will see that it is just another Mythstake.

CHAPTER FIVE

'The Go-between', a novel by L.P Hartley (1895-1972), has an oft-quoted opening passage. "The past is a foreign country. They do things differently there". Thus, we are reminded that it may not be accurate to take customs and practices that are so widespread today as to seem an immutable part of society and human nature, and map them onto a past assuming things have always been this way.

In the case of Primordial debt theory, it makes certain assumptions about society that fits very well with modern conceptions of the term but may not be all that compatible with ancient societies.

When we moderns speak of 'society' we have a pretty strong sense of what that means because we are citizens of nations or supranational states that, in most cases, have remained fairly stable for many generations. If somebody says "I am French" it's no difficulty to point to the spot on a map that defines the territory known as France.

Indeed, nation states and economic communities such as the European Union are so firmly established that people feel very strongly that their national identity is intrinsic to their personal identity, and it's hard for us to imagine that there could ever have been a time when French citizens did not feel thoroughly French, Germans were German, and so on. But, as David Graeber pointed out, historically it has rarely been the case that people always knew precisely what nation they belonged to. Nor did it occur to them that they should bother to find out:

"Imagine I am a Christian Armenian merchant living under the reign of Genghis Kahn. What is 'society' for me? Is it the city where I grew up, the society of international merchants (with its own elaborate codes of conduct) within which I conduct my daily affairs, other speakers of Armenian, Christendom (or maybe just Orthodox Christendom) or the inhabitants of the Mongol empire itself, which stretched from the Mediterranean to Korea?...Kingdoms rise and fall; they also strengthen and weaken; governments may make their presence known in people's lives quite sporadically, and for many people in history it was not at all clear whose government they were in [or] of what country they were citizens, or why it should matter".

Another fact of modern life is the requirement to pay taxes. It's said that "the only certainties in life are death and taxes", a saying that conveys just how strongly we feel taxation to be a fundamental (if not universally welcome) part of life.

Partly in order to pay those taxes, we are obliged to engage in commercial exchanges. Every day, in our consumer-driven economies, billions of such transactions are carried out, immersing each and every one of us in a vast and dense network of reciprocal relationships. Perhaps even more than taxation, this need to engage in the buying and selling of goods and services, the necessity to engage in self-interested competitive material acquisition, feels to us like the very essence of human nature. So, if we see, say, ancient art depicting one person handing some pieces of gold to another person, we just assume the image is depicting a commercial transaction of some sort or other, and don't consider the possibility that the image may in fact be depicting an entirely different kind of symbolic act.

But, as Hartley reminded us, the past was a place where things were done differently. Can we really be sure that our ancestors had just as strong a sense of 'society'? Should we really assume taxation has always been a part of societal living? And has reciprocal exchange always been the essence of human existence and the foundation upon which society must be built?

There's a great deal of anthropological evidence to show this premise is not actually a universal and fundamental part of human nature.

The Example of the Inuit

One such example would be the encounter retold by the Danish anthropologist Peter Freuchan (1886-1957) in his 'Book of the Eskimo'. He tells of having been on a hunting expedition for walrus meat that had not been successful. Upon his return home he noticed an Inuit man dropping off several pounds of meat at his doorstep.

Now, what was his reason for doing so? Assuming the position of commercial self-interest, we might suppose this was a successful hunter who considered his haul as putting him in a strong bargaining position with someone like Freuchan who had returned empty-handed. The Inuit intended to sell the meat and drive a hard bargain with an eye for making a tidy profit.

But, actually, this was not the man's purpose at all. He was giving the meat away. Still, he must have expected something in return for such generosity, right? At the very least, he would have expected some expression of gratitude. So Freuchan did what I suspect most of us Westerners would consider the basic decent thing. He offered the hunter his thanks.

But, far from pleasing him, being thanked actually made the Inuit angry. His response is said to be something of a classic among anthropologists:

"Up in our country we are human! 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".

What are we to make of such a response? Well, first of all, in order to formulate such a reply, the Inuit would have had to have known that people do sometimes engage in commercial transactions that place one person in a subordinate position relative to another. If he had not been aware of this, he would have been simply baffled by this man thanking him, rather than expressing a clear anti-commercial statement like "by gifts one makes slaves". It's just that, so far as this Inuit was concerned, this situation was not one of them.

More than this, the situation must have been one in which one particularly did not seek to gain material advantage, or else why would the Inuit have responded so indignantly? In an egalitarian hunting society such as Inuit culture, it's entirely normal that something as basic to human survival, such as food, is communally shared. It's often the case with such societies that, especially when it comes to essentials, there is a refusal to calculate credits and debits. Far from considering himself human because he had a propensity to make such

calculations, the Inuit took the opposite stance and considered refusing to think commercially as essential to his humanity.

Indeed, a person can never really be defined in terms of one particular form of exchange because we are normally pushed and pulled by several such propensities simultaneously. Economic relations have never been based purely on exchange but also other moral principles, with the major ones being 'communism' and 'hierarchy'. There are degrees of equality and inequality in operation in human societies, and these main ways of categorising the main possibilities operate within their own moral framework, providing their own ways of thinking about the rights and wrongs of any given situation.

What makes human life so interesting is that, while these main possibilities operate according to their own moral logic, they don't actually operate entirely independently and elements of one may bleed into another. So, we might find some aspects of exchange in operation among a mostly hierarchical society, or some hierarchy might be in evidence amidst what is basically an egalitarian culture. Society is rarely exclusively focused on one particular main moral principle, but of course there are times and places in which one of them (communism, hierarchy, or exchange) comes to dominate. Since in our consumer culture it's obviously 'exchange' that dominates, let's talk about that first.

Exchange

When we use the term 'exchange' we are implying that this is a form of relationship in which things are swapped back and forth between two parties. With consumer culture so prevalent it's understandable if people suppose that by 'things' we mean material stuff. But that need not be the case. Immaterial things can be exchanged as well. For example, we can exchange words. When we imagine two people exchanging words, the kind of verbal back-and-forth that most readily springs to mind is an argument. This is a particularly competitive form of dialogue, and there tends to be an element of competition with most forms of exchange.

But there's something more important to exchange than competition, and that's 'equivalency'. It's only when two parties are more or less evenly matched that an exchange of words or an exchange of blows doesn't quickly end with one side being quickly defeated. As Graeber has pointed out, "there's something of a paradox here: each side is trying to outdo the other, but, unless one side is utterly put to rout, it's easiest to break the whole thing off when both consider the outcome more or less even".

When it comes to exchange of material things, again we find an element of competition and a drive towards equivalency. In the case of commercial exchange, economics textbooks tell us that buyer and seller both seek maximum material advantage from the exchange but money typically won't change hands unless it's considered by both sides to be equivalent to the product on offer.

It's worth pointing out that the sphere of exchange actually encompasses another form of exchange of material things, and that's 'gift exchange', where we find people often behave in ways contrary to how economics textbooks think they should. But let's stick with commercial

exchange for now, as this is the form of exchange most familiar to us in our consumer cultures.

The Human Factor

It turns out that, even in the case of commercial exchange, people rarely behave in the way economics textbooks say they should. The only thing we're supposed to be interested in when it comes to commercial exchange is the value of objects. That's what we're trying to ascertain and other, more personal factors, such as the mood of the buyer or seller, ought not to figure in the transaction at all.

A moment's reflection should be enough to see this is not true in most cases. I would say that people only really carry out commercial transactions in a completely impersonal manner when they are interacting with tech like a vending machine. Although, having said that, when it comes to automated tills somebody thought it was necessary for these gadgets to have the facsimile of a sunny personality, probably because some market research showed we actually don't want our shopping experience to be completely cold and impersonal. As for shopping assistants, contrary to what economics textbooks say they are not expected to take our money with all the unemotional demeanour of Mr Spock but are supposed to reassure customers with smiles and friendly greetings.

In somewhere like a supermarket it might be enough to have the minimal sociality of smiling and saying meaningless niceties like 'missing you already!'. But in other places there might be more elaborate displays of sociality. In bazaars and markets where haggling takes place, we find almost ritualistic practices that may well involve the sharing of drinks or tobacco or other commodities we tend to associate with friends getting together. The exchange will be anything but impersonal and will instead involve dramatic displays of outrage, incredulity and indignation as each 'friend' accuses the other of making unreasonable demands ("35 pesos? You're robbing me!". "I can't let it go for less than that, think of my poor old mother").

I put 'friends' in scare quotes because, when it comes to commercial exchange between strangers the relationship is always a temporary one. Even if, during a haggle, there's a sharing of food and drink and displays of emotion typical of friends, everyone knows these are just theatrical displays and that once the transaction is concluded, the two parties will not have anything more to do with one another.

If commercial exchange is a temporary relationship, when does it exist and when does it end? That's easy: it exists while there's a debt to be paid and ends when it's paid off. If we move on to commercial exchange between neighbours rather than strangers, we often find situations where such exchanges occur in a way so as not to cancel the debt entirely and so end the relationship, but rather to sustain the relationship through ongoing obligations.

In such communities some actions are a definite no-no. If a neighbour offers you something it would be quite inappropriate to offer nothing in return. To do so would be to act like a scrounger. But it would also be considered a snub if what you returned was exactly equivalent in value to whatever your neighbour gave you. In communities where this sort of almost tit-for-tat exchange predominates, to do so is to say you want nothing further to do with your neighbour. Normally in such societies, exchanges are calculated to ensure the

values being swapped back and forth are always slightly more or less, thereby never cancelling out entirely and ensuring the community itself is being constantly recreated through these ongoing obligations.

Gift Exchange

If we move on to gift exchange, it differs from its commercial counterpart in a couple of ways. Firstly, as mentioned before, commercial exchange is supposed to be impersonal in that all we're supposed to be interested in is the value of the objects being swapped back and forth. The opposite is true of gift exchange. In such an exchange, the objects' interest really lies in how it reflects upon the people involved in the exchange, and on its capacity to rearrange those relationships. A wedding ring would probably count amongst most people's most prized possessions and it's obvious that its value cannot be calculated purely on material matters like the fact it's made from gold but more so because of the immense social and sentimental value associated with it. When it comes to gift exchange, it's the relationships between people that really matter, not so much the objects being swapped back and forth.

As with commercial exchange, there may well be an element of competition involved in an exchange of gifts. But, in the case of gifts, it really, really doesn't operate in the way economics textbooks say we're supposed to act. Supposedly, every human interaction is supposed to be conducted like a business contract, where the point is to try and gain maximum advantage while incurring minimal cost. If that were so, anyone who received a gift or was taken out for a drink would think 'yay, freebies' and never consider paying their friend back.

But, in stark contrast to what economic models predict, in actual fact people do feel an obligation to return such favours. Moreover, if an element of competition does creep into this kind of exchange, it will most likely be a contest of generosity. If a friend takes you out to dinner at a fancy restaurant, you wouldn't save money by 'repaying' her generosity with a trip to some greasy-spoon, but you might well try some form of one-upmanship by taking your friend out to a slightly fancier place. When villages engage in competitive gift-exchange, it again typically involves displays of generosity, with each side trying to outdo the other with more extravagant displays of giving stuff away.

However, as is always the case with exchange, equivalency is in operation here. Only, in this case it's status that's equivalent. We feel the urge to repay a gift most strongly among friends and colleagues, and in most cases such people are equivalent to us in socioeconomic terms. Few people are friends with somebody who is completely out of their social class and if somebody very much richer than you should offer to gift you something, most likely you'd consider yourself lucky to have gotten something for nothing. Remember that moment when Oprah Winfrey (b. 1954) announced to her audience "you get a car!"? In this case it's doubtful that these people felt uncomfortably in debt to Oprah.

When competitive one-upmanship involving gift exchange does evolve into elaborate games and rituals (as sometimes happens) it's always among those of near-equivalent status. Therefore, the gift must also be slightly grander, not overwhelmingly so. One only risks humiliation if one attempts to engage an obviously richer and more powerful person in

competitive gift exchange, and it's equally bad for one's honour to overwhelm an obviously poorer person with a magnificent gift they could not possibly repay.

True, sometimes the richest and most powerful people of all- kings and emperors- do display ostentatious acts of generosity, but this is not an economic game that is being played, not a commercial exchange or a gift exchange. Rather, it's a matter of status, a display intended to reinforce the understanding that theirs is absolute.

I think we've said enough about 'exchange' now. To sum up, 'exchange' involves equivalences, of value and of the status of those involved in the transaction. It is also a temporary relationship, one created through debt and ending when the debt is cancelled. So exchange involves not just equality but also separation. When a debt cannot be repaid or there is too big an equality gap, it's most likely that we're dealing with another moral principle like communism or hierarchy. In the next chapter we'll talk about the latter.

CHAPTER SIX

Hierarchy

Commercial exchange is not the only thing to predominate in modern society. Something else very familiar to us is 'hierarchy', which is a relation between at least two people in which one is said to be superior to the other. It's not all that hard to run off a list of figures who assume a position of superiority over others. After all, we have lived in societies with kings and queens, presidents and prime ministers, bosses and managers, all with the authority to tell others what to do. And sometimes we ourselves assume a position of superiority over others, such as when we become parents and restrict children's freedoms for their own good, or when we pay for the services of someone and therefore feel entitled to boss them around.

We have a tendency to imagine hierarchies operate on reciprocal terms. Old images of feudal hierarchy saw the king as providing protection and the peasants reciprocating by providing food. In modern times, the workplace is imagined to be one where subordinates earn profit for their superiors who reciprocate by paying their workers wages.

Since it's often framed in reciprocal terms, it's tempting to suppose that the logic of hierarchy must work along much the same lines as the logic of exchange. But that's not actually the case. In fact, the moral principles by which exchange and hierarchy operate stand in opposition to one another. Whereas exchange operates on the logic of a potential for formal equality, hierarchy has a tendency to work by a logic of precedent.

A good way to understand how hierarchy comes about, then, is to investigate ways in which precedents are set. Somewhere we might cast our view is the extremes of one-sided social relations.

One-Sided Social Relations

In our discussion concerning exchange, we saw how economics textbooks imagine all human relations to be like a business transaction, with our interest focused solely on the value of objects being swapped back and forth. In reality, even actual business deals typically involve a theatre of sociality, with clients being entertained and taken out for drinks, and lots of handshakes and other social gestures involved in sealing a deal.

But if we go to the extremes of social relations and consider the actions of the most selfish or the most altruistic people, we can find material interactions between two parties that involve no social relations.

So let's start with the extremes of individualism. Imagine you were a really selfish person and wanted to get your hands on other people's stuff. What would be the most logical thing to do? Obviously, the easiest way would be to steal other people's stuff. Since you don't want to get caught you're not going to mug your neighbour but will instead prey on strangers, sneaking into their homes and making off with their possessions. In a similar fashion, as Graeber pointed out, "a band of marauding soldiers or nomadic horsemen falling on a

peasant hamlet to rape or pillage also obviously have no intention of forming social relations with the survivors”.

Logically, then, the most selfish materially driven people would seek a way of taking other people's stuff while remaining largely anonymous. But it should be noted that this is how it should be for the polar opposite of extreme selfishness.

You see, if you are really altruistic and take putting others before yourself to an extreme, you would want to ensure that any act of charity you carry out cannot put the recipient in a position of indebtedness. The most effective way to ensure this is through anonymous donation, so the recipient has no idea who their benefactor is.

So, at the extremes of one-sided social relations we have examples of material interactions between people who otherwise have no social relationship.

Tribute and Custom

However, you only have to move just a little way from the extremes of the selfish/altruistic continuum for things to change. If Nomadic raiders run out of foreign villages to pillage and have to return to those they have robbed from before, they would do well to try and reframe their relationship to those villagers from one that is purely predatory to something else. But what? Back in the fourteenth century, an historian called Ibn Khaldun (1332-1406) argued that repeated acts of pillage would eventually lead to raiders systematising their relations with villagers, and in so doing turn their predatory relation of bandit into a moral relation of 'collectors of tribute'.

In modern times we have some evidence for this sort of thing happening. Some parts of the Soviet Union became pretty lawless following the collapse of the old regime, and bandits roamed around robbing travellers on public transport. They preyed so systematically on those unfortunate travellers that a habit developed whereby tokens were issued to each victim. Then, next time around, the bearer could present that token to confirm they'd been robbed already. Graeber called this "one step toward the creation of a state", and Khaldun's concept of pillage evolving into tribute assumes much the same thing. But the handing out of tokens is not enough; there must also be the establishment of a moral code, one that all parties are assumed to share. Since pillagers tend to have force on their side, this moral code is likely to be the one said to underpin feudal societies. The pillagers become rulers who provide protection and thus have the right to extract tribute or taxes from their subjects.

But now we have to answer a question that has gone unaddressed: Why, despite a tendency to frame such hierarchies in reciprocal terms, are they not really reciprocal but instead operating on a different moral logic?

The explanation lies in how arguments about how much rulers are entitled to take are conducted in such situations. Historically, whenever subjects dropped the assumption that their rulers could just do whatever they wanted, and instead operated under a social moral code that limited the taking of their possessions, thereby making it possible to argue about the rights and wrongs of just how much of their possessions was being lost to tribute, they didn't base their calculations on the quantity or quality of the protection provided. In other

words, the moral logic of exchange, with its implications of formal equality and exchange of equivalences (three hundred eggs are equivalent in value to one gold coin) never entered into such arguments.

No, instead such arguments were framed in terms of custom. How much did our ancestors pay? Similarly, altruism with its ideal of anonymous charity hardly ever turns into a reciprocal relationship if such donations become regular enough to be considered an ongoing social relation. If you give money to a beggar it's highly unlikely he'll ever pay you back, but it's quite likely he'll expect you to pay him again, especially if you have done so repeatedly in the past. Again, custom and not reciprocity is what frames the hierarchical relationship between beggar and benefactor.

Custom is just another word for precedent. As Graeber observed, "hierarchy operates by a principle that is the very opposite of reciprocity. Whenever the lines of superiority and inferiority are clearly drawn and accepted by all parties as the framework of our relationship, and relations are sufficiently ongoing that we are no longer simply dealing with arbitrary force, then relations will be seen as being regulated by a web of habit or custom".

To say something is customary is to say it's habitual. Thus, an action that's repeated becomes customary. In a hierarchical relationship, such repeated actions may form a precedent that gets added to the web of custom and thereafter considered obligatory. For example, if an employee habitually stays behind for half an hour longer than their contracted hours, and typically arrives for work fifteen minutes early, this stops being treated as overtime and is considered to be their normal schedule. Should they arrive for work five minutes early or leave ten minutes late, they're not likely to be thanked for the extra time they're still actually contributing but will instead receive admonitions like "what time do you call this"?, and "where do you think you're going"?

We also have historical cases of repeated actions becoming a custom that's considered obligatory. One such story involves a lord who counted a bear among his property. The locals enjoyed watching the bear fighting dogs, and they got into the habit of feeding loaves of bread to the bear. As with all mortal beasts, the bear one day died, but by then the giving of bread had become customary and the lord continued to demand his subjects provided loaves as part of their tribute. The medieval historian Marc Bloch (1886-1944) gathered together many such examples, and established that if a gift was offered to a feudal superior three or four times, it was likely to be treated as a precedent and added to the web of custom.

So, not only do peasants base their calculations on precedent, asking things like "what did we pay last year?", rulers do as well. Did the subjects supply us with two barrels of wine in the past? Then they ought to do so now and in the future. It's perfectly logical that this should happen. If you have an unequal society said to be held together by moral codes that hark back to some ancestral custom that needs no explanation, the only way to really show there is an obligation to do something is to establish that it's been done before.

Essential Nature

Such customs or habits don't just change society but people too, revealing another way in which hierarchy does not operate on a logic of reciprocity. A repeated action becomes not only customary, it comes to define one's essential nature. In the chapter on exchange we saw how if a friend is generous most people feel a need to return the favour. However, this is typically only the case when a friend is occasionally generous. If they make a habit of it, we might then conclude that our friend is generous by nature and feel less inclined to reciprocate. That is to say, we come to recognise this friend as a different sort of person, one occupying a position above or below us on some hierarchical scale, and as a consequence feel justified in setting aside ordinary rules of reciprocity.

This does not just happen on an individual level, but can also apply to whole groups. As Graeber explained, "the logic of identity is, always and everywhere, entangled in the logic of hierarchy. It is only when people are placed above others, or when everyone is being ranked in relation to the king...or the founding fathers, that one begins to speak of people as being bound by their essential nature".

When such hierarchies are established and some groups customarily perform certain tasks, those tasks become not just an activity among many others that such people do, but what they are. The clan that brings pots as tribute to their lord become known as 'potters'. Those appointed to tend the king's garden become known as gardeners. Such a situation also applies in today's hierarchical structures, as shown by the way people describe their job not in terms of what they do but who they are ("I am a waiter").

Non-Equivalences

As has been said several times, medieval hierarchies were often described in ways that make it seem reciprocal, as in that old saying that the king rules for all, the clergy prays for all and the peasant works for all. I will now point out another reason why such relationships were not really based on reciprocity.

The best way to do this is to ask a silly question. How many prayers can you purchase with two sacks of grain? What makes this a silly question is the fact that an act like a prayer is something of a fundamentally different quality to a commodity like grain. So we're not really talking about equivalences here. Indeed, we find with medieval society that although something like the protection offered by the state was calculated in terms of precedent (what protection did our ancestors receive?) there was never an attempt to figure out how much protection sacks of grain (to use my silly example again) would buy.

This was because it was understood that the sorts of things being passed up and down the hierarchy were impossible to quantify and compare, being as they were qualitatively different things. Deeply hierarchical societies tend to be structured in this way, making a squaring of accounts impossible to conceive. That helps keep the hierarchy in place.

We may then get a positive feedback loop of sorts. The more a society is geared toward producing certain types of people, the more people conform to type. The more they conform to type, the more likely they are to recreate society along these lines. This highlights a

difference between 'nature' and 'human nature'. The former is not affected by what we believe. If we believe the Earth is a globe travelling around the sun in a slightly elliptical orbit, that does not necessarily make it so. This statement is either true or it is false and what we believe does not come into it.

But if it is believed that some groups of people have natural inferiority to others, or that we're essentially self-interested, competitive, acquisitive individuals, and society is structured along these lines, then of all the propensities we have, those conforming to the stereotype will be emphasised and what we believe will seem to be so.

We may come to believe that these dominant propensities are the very essence of human nature, and suppose that in any situation of course people will act that way. So, in our consumer societies we have vast and deep systems of propaganda designed to subtly enforce the notion that there's no such thing as 'enough', that we're in competition with one another, that material acquisition equates to 'success', and Lo and behold we believe we are essentially like this and pooh-pooh the idea that society has been, or could be, different, with the dismissive declaration "it's just human nature".

But would a person born into an egalitarian society that had customs and rules and stories and examples of altruism and communal sharing going back centuries nevertheless turn out to be individualistic and greedy? Well, if human nature was essentially selfish and greedy of course people would turn out that way no matter what society they were born into. But actually people have many drives and propensities and we can't pin something as complex as a person down to simple stereotypes. Nor can we necessarily map our assumptions onto past societies where, as 'The Go-Between' put it, "they do things differently".

So these are the moral principles of hierarchy. Whereas exchange implies formal equality, hierarchy works by a logic of precedent. Rather than calculating costs in terms of the quantity and quality of goods and services, as is the case with commercial exchange, parties in a hierarchy instead tend to rely on custom, asking "what did our ancestors have to pay?". And whereas with exchange the debt can be paid, equality restored and the relationship ended, with hierarchy we find qualitatively different values being passed up and down the structure, values that are incomparable and therefore beyond quantification. There can be no 'squaring of accounts'.

A debt that cannot be repaid is not really a debt at all. Thus, despite our tendency to frame hierarchical relationships in reciprocal terms, the inability to cancel out the obligations and customs that hold a hierarchical structure together makes the moral principles of hierarchy a different thing altogether.

CHAPTER SEVEN

Communism

This exploration of the main ways in which people organise themselves began with exchange and hierarchy because these seem most obvious in our societies. After all, everywhere we look we see things for sale and we strive to know the costs of the services we seek from others, as well as the price our own may fetch.

We are also very familiar with hierarchy, be it political, corporate, academic or social. The notion of being subordinate to some and having superiority over others is something we all experience, and the structures of hierarchy are built into the very architecture that comprises our cities, what with all those glittering skyscrapers, modest houses, starter flats, and people sleeping rough under cardboard and newspapers.

But while exchange and hierarchy might be the most obvious and visible ways in which society is organised, they're arguably not the most important. Rather, these should be seen as akin to infrastructures built on top of a more fundamental form of organisation. That form is 'communism'.

Any mention of the word 'communism' is bound to put people in mind of the socialist personality cults that arose in the mid-twentieth century. Such regimes were based on interpretations of arguments concerning property rights, particularly the question of whether society as a whole would operate most effectively if the means of production were privately owned, or if they were the property of the state.

But I'm not interested in this aspect of communism, but of the more practical, everyday aspects that we all rely on even if most of us take them so much for granted we're scarcely aware they exist. In order to see communism of this sort, we have to move on from property rights and instead ponder the practicalities of following the moral principles of communism.

The Morality Of Communism

These principles are encapsulated in a famous saying: "From each according to their ability, to each according to their need". In order to see just how important this moral principle is, we only have to imagine how awkward running our lives would be in its complete absence.

Let's take business for example. What if every interaction, every little task and favour that employees perform through a normal working day, had to be negotiated like a commercial exchange? Imagine it. Somebody asks "could you hand me that screwdriver?", to which the reply is "I don't do anything for free. We must first negotiate a suitable fee for my services". And then they get into a haggle over the appropriate price for 'passing the screwdriver'.

Obviously, if we were to haggle over the cost of every little task, work would proceed at a glacial pace. Fortunately, this is not how people normally behave at all. Instead, workplaces adopt the much more efficient method of ensuring those with the requisite abilities have ready access to whatever they need to get tasks done. In other words, they run on the principle "from each according to their abilities, to each according to their needs".

In fact, it's so often the case that people freely do favours and cooperate without calculating the costs it's fair to say that most capitalist firms are communistic in terms of their internal operations. That's not to say firms are structurally communistic. No, you're more likely to find hierarchy in business, with firms organised into top-down chains of command. But while there are circumstances in which it actually helps to have an authority figure who can cut through debates and make a final decision, it's also the case that top-down chains of command tend toward inefficiency. As Graeber pointed out, such organisations "tend to promote stupidity at the top and resentful foot-dragging among those at the bottom. The greater the need to improvise, the more democratic the cooperation tends to become".

Acting on the moral principles of communism is not just confined to the workplace, it is in operation in society too. Throughout the day, people request favours which are freely given. Obviously we don't always render our services for free, but usually when the cost of rendering assistance is small enough we forget about calculating it and help if we can. So, if a stranger stops somebody and asks for directions, that person will either freely provide the information, or apologise and explain it's not information they are privy to. But it's hardly ever the case that somebody would refuse to divulge such information until they had extracted an appropriate fee from the stranger.

Now, what is considered a small enough cost does vary from community to community and from person to person. As we have seen from the example of the Inuit dropping off pounds of walrus meat, egalitarian communities extend the moral principles of communism much further than large, impersonal, urban communities, where one might not expect the principle to extend much beyond small courtesies like holding the elevator or giving up one's seat on a crowded bus. But no matter how small and insignificant such little courtesies may seem, they're actually really important, for these are the foundations of sociality upon which larger social relations are built.

We don't just act communistically when the ability to render assistance is small enough, but also when the need is dramatic enough. For example, if a colleague at work suffered an accident that left him badly injured, his co-workers would...what? Rush over and demand a fee for administering help, perhaps kicking his broken leg to maximise his pain and therefore maximise the fee for supplying him with painkillers and the assistance of paramedics? If people really were selfish individuals whose only concern is maximising the material advantage they can exert over others, they would behave like this. But no, in such situations the principle "from each according to their ability, to each according to their needs" applies, and the co-workers rush to offer whatever assistance they can.

Given that the moral principles of communism apply when needs are most pressing, it's not all that surprising to find that in times of crisis we rediscover just how communistic we really are, with communities coming together and freely offering help. As Graeber said, "in the immediate wake of great disasters- a flood, a blackout, or an economic collapse- people tend to behave the same way, reverting to a rough-and-ready communism. However briefly, hierarchies and markets and the like become luxuries that no-one can afford...Strangers become sisters and brothers and human society itself seems to be reborn".

This need to share and render assistance has also been noted by explorers in encounters with foreigners. The desire to give away basic necessities occurs most often in times of plenty (which is perhaps not so surprising) but also during periods of harshest scarcity, such as during famine. At a moment when you might think people would act most selfishly, they actually display the most altruism. For example, one explorer commented, "if a cabin of hungry people meets another whose provisions are not entirely exhausted, the latter share with the newcomers the little which remains to them without waiting to be asked, although they expose themselves thereby to the same danger of perishing as those whom they help".

Such behaviour might seem surprising to we who live in impersonal, urban environments where providing a basic standard of living is easy compared to, say, eking out a living without modern luxuries in a harsh wilderness. But in what used to be called 'primitive societies' (societies without commercial markets or States) it's much more common for people to look out for one another. In fact, such societies are quite often specifically structured to ensure interdependency. For example, many such societies construct 'moieties', or two parts into which something can be divided. Whereas we would think of a 'divided' society as being one in which two antagonistic groups live in isolation from each other, in this case customs and practices are put in place to ensure the two halves depend on one another for the essential requirements of a human life. It might be the case, for example, that one can only eat food grown on the other side, or that this side alone may perform certain rites considered fundamental to stages of human development, such as the transition to manhood.

As with hierarchy, such arrangements are not really reciprocal exchanges, because no-one is counting the costs with an eye to balancing the books and cancelling the debt. As Graeber explained, "such relations are based on a presumption of eternity. Society will always exist. Therefore, there will always be a north and south side of the village. This is why no accounts need be taken".

Communism Of the Senses

Having said that, it's worth pointing out that not even the most altruistic of egalitarian societies are completely communistic. Nobody has ever acted in such a way all the time and it would be impossible to have a society run exclusively communistically. Even in egalitarian societies during periods of plenty (following a successful hunt, say) the communal feasts that follow will not just consist of everything being given away freely, but rather some things being freely distributed, while others (prized meat, perhaps) are parcelled out in accordance with some ritual or custom that entitles some people to such property and not others.

Still, the fact that such feasts and festivals are always communal affairs, even if some things are not freely available to one and all, shows that communism does not just exist in society out of some moral principle to lend assistance when the cost is small or the need is great. No, as well as that a great many of the things we enjoy enhance their pleasure when shared. Music, drink, dancing, food, and talking are all improved when experienced communally and now with computer and communications technologies reducing the cost of producing and distributing content, we have all sorts of virtual groups creating and sharing a vast amount of goods, services and entertainment not for any commercial aim, necessarily, but rather out of the sheer joy of helping and entertaining others along with oneself.

It should also be pointed out that our innate desire to behave communistically is not just driven by the desire to share our skills and to help friends and family, but also by a need to deal with strangers who could be enemies. European travellers have sometimes been surprised at how generous tribes can be in terms of gift-giving. This is happening because, as Graeber explained, “whenever a stranger is a dangerous potential enemy, the normal way to overcome the danger is by some dramatic gesture of generosity whose very generosity catapults them into that mutual sociality that is the ground of all peaceful social relations”.

It's also not always the case that a chief is someone who enjoys markedly advantageous access to material wealth. As we saw in the case of the Wendat (see Book Five) sometimes, tribal chiefs are really just conduits for redistribution, relying almost entirely on their powers of persuasion and otherwise lacking the power to compel others to do anything. With such limited powers of coercion, and recognising the communal foundations on which their (indeed, any) society is built, tribal chiefs may distribute so much wealth that they are often actually the poorest individual in the village.

What seems to turn a chief who is a mere conduit for redistribution into a leader who can use his position to accumulate riches is the extent to which such riches were obtained through plunder or extortion. Such tactics require access to disproportionate violence. But here too we find a tendency to give wealth away, and often the more wealth is obtained by plunder the more extravagant this giving away will be. In warrior aristocracies and even more so in ancient states, we find rulers who don't think of themselves as preying on the people, but rather as protectors of the helpless and champions of the poor. As Graeber observed, “the genealogy of the modern redistributive state- with its notorious tendency to foster identity politics- can be traced back not to any sort of primitive communism, but ultimately to violence and war”.

It's this sort of structural violence that limits our ability to act with the communistic principles that are foundational to society. In the 1920s, the anthropologist E.E Evans Prichard (1902-1973) encountered the Neur, a tribe from Southern Sudan. He asked the men for directions and, seemingly in accordance with the principle “from each according to their ability”, was duly supplied with the requested information.

But it turned out that the men deliberately gave him false directions. “You are a foreigner”, he was later told. “Why should we tell you the right way?”.

Some context explains this attitude. The Neur tended to be engaged in feuds and were understandably reluctant to provide such information to a stranger who perhaps might have used it for nefarious purposes. Also, Prichard was an agent for the very government that had just bombed and forced the resettlement of this very tribe. So, really, what's remarkable is not that they deliberately misled him, but rather that they later embraced him as a member of their community. “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”.

If this anecdote teaches us anything, it's how extreme conditions of conflict have to become before the everyday communism that encompasses small acts like helping a lost stranger, breaks down and how quickly it's re-established. But, really, this is what we should expect if

communism is the foundational moral principle that makes society possible and allows those other forms of group interaction- exchange and hierarchy- to be constructed on top.

As we have seen throughout this quick run through the main ways in which economic relations are carried out, it's not actually the case that all human activity and all human societies are based on commercial exchange or reciprocity. We are not always calculating, paying off and cancelling debts, and the fact that we're not is a problem for any theory which sees human existence in terms of being in debt to society, the cosmos, or the absolute.

CHAPTER EIGHT

Debt Jubilees

In the last few chapters, we saw how primordial debt theory could be undermined by understanding that, actually, all human interactions cannot be reduced to exchange and the moral and practical need to cancel debts. Furthermore, the support for primordial debt theory is further undermined if we examine ancient cultures other than the ones that wrote the Vedas. Anyone interested in monetary practices ought to want to look at Mesopotamia, a city state that existed many thousands of years prior to the Vedas being composed.

Mesopotamian history is of particular interest because this is where the practice of lending money at interest was first invented.

The reason why this practice was invented is perhaps explained by the limitations of the area in which the Mesopotamian city-state was built. The state arose in an extraordinarily fertile area that was capable of producing large surpluses of food. This meant it was also capable of supporting a great many sheep and cattle, and so a vast wool and leather industry came into being as well.

However, while the river valley of ancient Mesopotamia was incredibly fertile, it was completely lacking almost any other resource. The stones used to construct the great temple complexes, and all the silver that symbolised the wealth of the nation, all had to be imported.

Temple administrators may well have come up with the idea of interest-bearing loans as a way of financing the caravan trade. They would advance goods to merchants who would then leave the city and sell those goods elsewhere. But now we have to ask why normal credit arrangements were not deemed sufficient, with temple administrators and merchant adventurers establishing profit-sharing partnerships. The answer lies in the fact that such trust networks are typically established between people of similar background or who have ways of keeping an eye on each other. This was not possible with merchant adventurers travelling far from the city to conduct trade in distant territories. Furthermore, such merchants were known to concoct elaborate tales of attack by fantastic beasts and other falsehoods, all in an attempt to bend a credit relationship in their favour. As Graeber explained, “a fixed interest rate would render irrelevant whatever elaborate tales...a creative trader might have concocted. The returns were fixed in advance”.

It did not take long for the principle of advancing interest-bearing loans to spread. By 2400 BC, consumer loans were in operation and peasants who found themselves in financial trouble could turn to wealthy merchants or local officials and take out interest-bearing loans, putting up their household as security. This meant that if they could not keep up with repayments, the peasants' possessions could be seized. And not just possessions but family members too. An indebted family could end up as debt-peons- slaves almost- forced to work for the lender until the debt was cleared.

This principle of lending money at interest and virtually enslaving families who could not keep up with repayments became dangerously prevalent during challenging times, such as after a bad harvest. In such conditions, a great many people fell into debt peonage, and plenty figured it was better to abandon their farms, leave the city and join semi-nomadic

bands out on the fringes of society rather than face the prospect of seeing their family broken apart and reduced to a position that was pretty much that of a slave. In fact, so many families took this course of action there was a real danger of complete social breakdown.

The rulers of both Sumeria and later Babylonia dealt with this problem in a way that's quite contrary to the notion of kings as guardians and enforcers of social debt. As the historian Michael Hudson (b. 1939) has shown, such periods would not result in kings chasing people to the ends of the earth insisting their debts be paid no matter what. Instead, they would announce general amnesties or clean slates. That is, outstanding consumer debt was declared null and void, all seized land was returned to its original families, and all debt-peons were returned to their families.

Significantly, 'Amargi', a Sumerian word which is the first known word for 'freedom' in any known language, literally meant 'return to mother', referring to the fact that these periodic amnesties did indeed allow debt-peons to return to their families.

Hudson argued that rulers of ancient city states like Babylon could authorise clean slates because of their cosmic pretensions. In their view, they were literally recreating human society and so were in a position to cancel all previous moral obligations and begin again with a clean slate. Most kings made a more or less regular habit of making such declarations on first assuming power. Far from using their position as privileged speakers on behalf of God to enforce debt payment, these ancient rulers used their powers to the opposite effect.

Tax and Society

But most problematic of all for primordial debt theory is the way taxes were administered in ancient states. Today, we believe that paying tax is as inevitable as death. But, actually, citizens of ancient city states did not, as a rule, pay taxes. Mesopotamians did not pay taxes. Athenians did not pay taxes. Roman citizens not only paid no taxes, such citizens had a right to claim dole, which is what the 'bread' part of 'bread and circuses' refers to. Yes, that's right; Roman citizens didn't pay money to the State, the State handed out money to its citizens.

Misunderstanding the Vedas

It's perhaps telling that primordial debt theorists chose the Vedas as the basis of their theory. We actually know very little about the people who wrote these texts, and that leaves them open to plenty of interpretation. Were they so inclined, people could project their own prejudices and assumptions onto such texts.

And this is what happened in the case of primordial debt theorists' interpretation of Vedic texts. Indeed, even from its initial assumption the theory transfers a belief that seems quite straightforward but which probably hardly figured in our ancestors' lives at all. I am talking about the notion of 'society'.

Recall that the basic idea of primordial debt is that we're each born owing an infinite debt to society, a debt we project onto 'the gods'. We moderns have a very clear notion of what is meant by 'society' because we live in nation states. It's tempting to assume people have

always had clearly-defined national identities and have always known which society they are members of. But historically this has not been the case. In the past, kingdoms rose and fell much more often than they do now, and territories were constantly being fought over and their boundaries questioned. This led to a great deal of uncertainty, with most people not at all clear whose government they were a part of. Furthermore, most people in their daily lives couldn't see why it mattered.

That being the case, it's hard to imagine how such people could have adopted a belief that they owed an infinite debt to 'society', since for them that was far too vague a concept. Unless you can define a specific person or group that you owe a specific sum of money to, you cannot really talk of 'debt' and must instead consider alternative forms of accounting.

As we have seen, those other forms of moral accounting do exist. There is communism with its needs and abilities; hierarchy with its customs and qualities. And yes, there is exchange with its credits and debts. Although one of these main moral principles may rise to dominance, it's never the case that we're exclusively communistic, or hierarchical, or commercial. Instead we move back and forth between these modes as we interact with different groups in different circumstances.

Yet, for some reason we find it hard to appreciate the messiness of real life with its several contradictory modes of moral accounting in simultaneous operation. We seek to simplify the complexities of real life, and we do this by reframing everything in terms of reciprocity.

We grab hold of reciprocity because it's a term that implies balance, symmetry and order. If any image represents reciprocity with its credits and debts cancelling one another out, it would be a set of scales. Not coincidentally, this is also the image used to symbolise justice.

As Graeber argued, "reciprocity is our main way of imagining justice. In particular, it is what we fall back on when we're thinking in the abstract, and especially when we're trying to create an idealised picture of society. It's only when people who have never really had occasion to really think about their society or culture as a whole...are asked to explain how everything works that they say things like 'this is how we repay our mothers for the pain of having raised us'".

The reason why we can reframe all moral principles in terms of reciprocity is because there is a degree of reciprocity present in all of them. So, if you are really determined to find an excuse to say it's there, you could do so. But the problem with this is that it can distort the notion of debt so much we end up actually talking about something else entirely.

When a 'Debt' Isn't a Debt

A proper debt arrangement only exists between two parties who are legally 'equal'. The debt itself is a quantified obligation, a specific amount owed to a specific party. Agreeing to this debt places these former equals in a position of temporary inequality. Their relationship becomes one of 'debtor' and 'creditor'. Once the debt is paid, equality is restored and the relationship between the two parties (in terms of their being 'debtor' and 'creditor' at least) is cancelled. These are the necessary conditions of any genuine debt, something that always involves quantified obligation, equality, temporary inequality and separation.

It may make sense, then, to say a person is in debt to their bank. It may also make sense to say that a country is in debt to an international organisation like the World Bank or the IMF. I say 'may' because a genuine debt is repayable, but of course immoral financiers have lured people and nations into arrangements that have them repaying loans until the end of days, with no realistic hope the 'debt' will ever be fully repaid. Having said that, there is always the possibility that the creditor in these situations will cancel the debt, and if that were to happen then I suppose most of the necessary conditions of a debt would be in place.

But let's now push the notion of debt into the realms of absurdity. What if we claim "the world is in debt"? Such a claim has to answer the question, "but who, or what, is the world in debt to?". It's not as if 'the world' negotiated the extension of credit with the Grand Galaxian Bank. No, the world can only be in debt to itself, which is to say it is simultaneously its own creditor and debtor. But that means it is creating money out of thin air in order to repay the very money it previously created out of thin air. That being the case, why not just cancel its own debt, or instantly pay off that debt by creating just the right amount of credit required to balance credit and debt? The only alternative to either scenario is for the world to impose what is basically an eternal debt on itself. But an eternal 'debt' is not really a debt at all but another kind of arrangement altogether.

"Forgive Us Our Debts"

One way in which we might try to make some sense of the notion that "the world owes a debt" is to suppose there actually is some greater authority to whom that debt is owed. As we have seen, there have been one or two attempts to explain the existence of Religion in terms of a debt we owed to our ancestors. As that ancestry grew larger and larger, and the debt we owed to the forefathers who created the society that made us who we are grows to infinite proportions, we imaginatively transformed that infinite debt into increasingly powerful gods, culminating in the omnipotent, omnipresent monotheistic God.

Just as the language of commerce creeps into legal terminology, so too does it creep into religious language. Christ is the 'Redeemer'. We speak of the "wages of sin". The faithful anticipate the Day of Judgement when there shall be a 'Final Jubilee' in which that infinite debt we owe to God is cancelled. Circa 1400, the Lord's Prayer contained the lines, "yeue to this day oure bread our other substance, and foryeue to us our dettis, as we forgiven to our dettouris". And, just in case anyone thinks this concept of God as the ultimate banker is peculiar to Christianity, the foundational texts of Hinduism contain many reflections on debt, including such lines as "a man, being born, is a debt...and only when he sacrifices does he redeem himself from Death".

But, can we really properly speak of debt when we say we owe an infinite debt to God, or the Universe? Of course not. It would not be possible to get into a bargaining position with God in which both parties are legally equals. Humanity can never be equal to God and would never have anything to bargain with, because an omnipotent, omnipresent God already owns anything, anyway. As for the Universe, since that is by definition everything that exists, and that necessarily includes yourself and everyone else and everything we could ever own, again, it is absurd to say we could ever be in a relation of debt with the universe. It is simply

impossible to ever be in a commercial exchange with the very ground of being, because both equality and separation are absurd when applied to such fundamental aspects of existence.

Nor does the notion of debt stand up if we trace 'God' back to his origins in 'Primordial Debt Theory', which is that 'God' is really just an anthropomorphism of an infinite debt owed to Society. A question like "what do we owe society?" Implies a debt is owed to society. OK. But to frame our relationship with society in terms of debt, is to imply not only that we could, but that we should be square with all humanity and bring about separation from it. As fundamentally social beings, would we really find true contentment if we could somehow achieve a complete separation from Society itself, and is this separation even possible in principle? Of course, the answer is no. The only sensible conclusion we can draw, then, is that whatever kind of relationship we do have with 'God', 'The Universe' or 'Society', it's nothing like a commercial transaction.

Our innate desire to believe in the numinous (Book Seven will talk more about this), along with our intuitive understanding that life cannot be reduced to a commercial transaction, amount to near-insurmountable obstacles standing in the way of any attempt to impose a wholly material worldview. Any attempt to move the whole world over to the 'sphere of value' necessitates a belief that the only real things are selfishness, egoism, materialism and calculation. But deep down, when presented with such a picture, we feel there is something wrong with it, that it is missing a great deal of what life is all about.

Justifying Tax Collectors

Now, the purpose of primordial debt theory was not primarily concerned with explaining why humans came to believe in God, but rather with trying to fix a flaw in state-credit theories of money. Early states demanded fines, fees and penalties, paid in the official coin of the kingdom, from their people. They did so in order to create commercial markets which, once firmly established, would compel people to provide all kinds of services required, ultimately, to allow wars of conquest and expansion to continue.

But all this does is explain how commercial markets came into being, and why the State began its practice of taxing its citizens (although, actually, at this stage, the typical thing was to demand tribute from conquered people, rather than tax one's own citizens). But what we don't find in this explanation is any justification for the imposing of state-mandated penalties like tribute or taxes. In other words, it does not answer the question, "what gives the state the right to tax its citizens?".

Maybe that's a question that never occurred to the rulers of early states? Perhaps, instead, they just imposed state-mandated penalties on their people, never caring to justify such actions? Of course, a state that commands a large and well-equipped military force would certainly have the power to force its citizenry to pay up, but the problem with such 'might makes right' approaches is that they are likely to cause a populist uprising, with the people looking on their rulers as kleptocrats and prepared to quit such a society altogether, rather than stick around seeing their property confiscated.

In chapter six we talked a bit about how both the extremes of selflessness and selfishness necessitate one-sided material relations between people. Pure altruism is one-sided

because, in order to ensure the person to whom charity is offered does not feel indebted, it's best to make an anonymous donation. Since the other party in this arrangement has no idea who their benefactor is, they cannot therefore be in a debt relationship, since that involves a specific amount owed to a specific creditor.

As for pure selfishness, that leans towards one-sided social relations, because if you're just going to rob from people, it's obviously preferable to steal from strangers under the cloak of anonymity, rather than boldly approaching people who know who you are and where you live, and blatantly grabbing their possessions. After all, who wants a posse of angry, organised neighbours hunting you down? Graeber, remember, made the point that "a band of marauding soldiers falling on a peasant hamlet to...pillage...obviously have no intention of forming social relations with the survivors".

But, it was also pointed out that one-sided social relationships of this sort becomes unworkable if that band of pillagers returns to the same hamlet multiple times. If such a repeat visit is necessary, those marauding soldiers would be advised to reframe their relationship with those villagers. To be more precise, they should find a way to change this relationship from a purely predatory one, to one of a moral relationship in which the villagers look on their former pillagers as providers of protection who, every now and then, collect tribute so as to be able to continue providing that protection.

In order to bring about this transformation, the former pillagers are going to have to form a hierarchical relationship with their former victims. Forming and maintaining hierarchal relationships always involves the creation of formal codes, customs and rules so as to organise people into categories of 'high' and 'low', along with some sort of explanation as to why such hierarchies must exist. If any justification is called for, typically the concept of precedent is invoked. We must pay this tribute, obey this custom, treat this particular person with more deference than most others, because this is what our fathers have always done.

Now, if it eventually becomes necessary for marauding soldiers to form hierarchal relationships with the inhabitants of villages who were formerly subjected to selfish one-sided social relations, it's also necessary for a state that needs to extract fines, fees and penalties from its people (citizens or conquered subjects) to do the same. Since a city-state, kingdom or empire is obviously comprised of far more people than a hamlet or village 'protected' by a bunch of soldiers, it's very likely going to require more elaborate and sophisticated customs and bureaucracies in order to maintain those hierarchies of High and Low. Those customs, rules, rituals and so on are likely to look a lot like those religions that frame human relationships with 'the gods' in terms of debt, creating a bureaucracy of priestly castes who both interpret ancient scripture as justifying Ruler and Ruled, and whose temples of worship double as financial centres, like primitive central banks. When asked to explain the whole structure, there may well be a temptation to frame all of this in terms of reciprocity, like "the lower orders work for all, the High rule for all, the priests interpret the will of the gods for the good of all", but in most cases we actually find some degree of reciprocity amongst hierarchies that work on quite different moral principles. Most especially, remember, hierarchies involve customary exchanges of a qualitatively different kind, so as to ensure there can never be a squaring of accounts between people who are never considered equals to begin with. This contrasts with reciprocal exchanges, which involve two parties who are considered equals working to get credit and debt balanced and cancelled out.

A Debt Owed to All the Gods

This brings us back to primordial debt theory. At its core is an argument that any attempt to separate monetary policy from social policy is, ultimately, a doomed exercise. The reason why, primordial debt theorists insist, is because to talk about 'social' and 'monetary' policy is to talk about one and the same thing. Primordial debt theory insists that, in order to see these policies as the same, we first have to understand that governments did not create the infinite debt owed to society. Nor, for that matter, did 'the market'. Instead, the argument goes, this debt existed long before states and markets came into being. This debt is, in fact, the very essence of 'society' itself.

This, then, provides the answer to the question, "by what right does the state impose taxes on its subjects?". According to primordial debt theory, originally governments justified imposing tribute or taxes in order to circulate the sort of money useful for maintaining military-slavery-coinage-complexes, because they were the guardians of that primordial debt its subjects owe to one another. They are divine leaders, or are privileged to speak on behalf of the gods, and therefore have the right to tell people what they owe society. As for money and markets, these are brought into being because they are useful for chopping up pieces of that infinite debt, and using it in all those ways necessary to maintain and expand the state.

According to primordial debt theory, when this justification was first established, the sense of debt was not expressed through the state, but rather through religion. More specifically, the architects of this theory took the foundational texts of Hinduism, which contain the earliest known historical reflections on the nature of debt, and interpreted these reflections in a way that made it seem like whoever composed the hymns, prayers, poetries and priestly commentaries found in early Sanskrit religious literature, must have been thinking along 'Primordial Debt Theory' lines too.

But, actually, primordial debt theorists needed to do more than 'prove' that a kind of primordial debt theory was encoded in the foundational texts of Hinduism. After all, in our age every state on Earth taxes its citizens, and if it was the case that primordial debt theory was peculiar to a "certain intellectual tradition of early Iron Age ritual specialists on the Ganges valley" (as Graeber put it) other states would not have used this justification themselves.

No, primordial debt theory can only work like its architects need it to, if it is much more generally applicable than that. In fact, to work as intended, the ideas it encodes have to be seen as essential to human thought itself.

Primordial debt theorists did attempt to argue that this was indeed the case. As we have seen, 'free market' advocates have argued that it is 'human nature' to truck and barter, and that markets evolved from this propensity. We now know that this 'explanation' is a mythtake. Primordial debt theorists argue, instead, that human nature drives us to create symbols and symbolic representations. Like what? Well, for one thing, like 'money' which, if it is to serve as a means of calculating ratios, must come in the form of a quantified obligation or 'debt'. Not just one debt, of course, but a countless variety of debts. As social beings we are, by our very natures, constantly forming networks of obligations with one another. According to

primordial debt theory, our natural inclination to symbolise everything results in us taking all we owe to our ancestors and seeing ourselves as beings in a cosmos that surrounds us in a web of invisible forces (and it's interesting to note that the word 'cosmos' has its roots in a Greek term for the coming together of all the Greek clans). Or, to put it another way, we come to see our very lives as on loan to the gods, the universe, the ground of being, etc.

The Myth Of Primordial Debt Theory

Having 'established' that this is what we human beings naturally do, the final move for primordial debt theory is to apply all this to the state theory of money. As Graeber explained, "the first kings were sacred kings who were either gods in their own right or stood as privileged mediators between human beings and the ultimate forces that governed the cosmos. This sets us on a road to the gradual realisation that our debts to the gods was always, really, a debt to the society that made us what we are".

CHAPTER NINE

The Nationalist Myth

We keep returning to the conclusion that Primordial Debt Theory might be right after all. And yet, here I am insisting it is just another mythstake. In fact, as I hope to prove below, it's fair to say that the story it tells is no more an historical account than is the tale of money's origins, repeated in so many economics textbooks. That tale, recall, was one of individuals who don't owe anything to anyone, who start swapping stuff and end up creating markets and money before 'the state' even exists.

That 'barter' story is really a myth whose purpose is to radically simplify social interactions to the point where we can ignore the messiness of real life, and all the many (sometimes contradicting) forms of cooperation and competition that comes with it, and transform all that into something economists can reduce to a set of equations, and study within the discipline 'economics', which imagines itself to be a separate field of study to, say, 'Religion' or 'Politics' (even though, when you trace this field of study back to its roots, it becomes obvious that it is not separate from them at all).

Primordial Debt Theory, on the other hand, seeks not to separate but to combine Economics, Politics and Religion. But, it does so in a way that really only creates another kind of myth. In this case, a 'Nationalist' myth. As Graeber put it, "once we owed our lives to the gods that created us, paid interest in the form of animal sacrifice, and ultimately paid back the principle with our lives. Now we owe it to the nation that formed us, pay interest in the form of taxes, and when it comes to defend the nation against its enemies, offer to pay it back with our lives".

This myth, then, stands in opposition to the 'barter' myth. After all, with that myth we begin as ultimate individuals who literally don't owe anything to anybody, and the swaps we engage in, even when mediated by 'money', are purely reciprocal and intended to balance credit and debit so that if any debt-based inequality should arise between two parties, it is cancelled out as soon as possible. To refrain from paying back what one owes, and therefore allowing a debt and a condition of inequality to exist, is the ultimate sin. The Nationalist myth, in contrast, argues that we are all born owing an infinite debt, and we are obliged to repay interest on this ultimate debt by submitting to labour and by paying taxes, tribute, whatever state-mandated penalties our rulers feel like imposing on us. As for the 'principle', this we pay back by laying down our lives for 'King and Country'.

An infinite debt owed to 'the gods', an infinite debt owed to 'the cosmos'...In Primordial Debt Theory, all that is just symbolism for the thing its theorists are really interested in, which is 'Society'. As we have seen, one reason why primordial debt theory is fundamentally flawed is because it assumes that 'Society' has always been the self-evident concept it now appears to be. But, there's a reason why it seems so obvious to us, which is that we tend to use 'Society' as a synonym for 'Nation'.

So, for example, when the citizens of a particular kingdom or republic talk about "the moral duty to help society by paying your taxes", in most cases you can bet that the only 'Society' they are interested in is their own nation state. A citizen of the UK who insists on the moral

duty to “pay one’s debts to society” is probably not expecting you to think of the responsibilities you have to, say, the people of Italy (even though our multi-national trade networks, political systems, cultural cross-pollination etc means we certainly do owe many obligations to people of Italy, not to mention all other nations). Nor are they likely to be thinking of any other form of human organisation, such as an organisation of private businesses or a scientific community of some sort or other. Well, they might be I guess, but the safe bet is that they are talking exclusively about one’s moral duty to one’s own nation.

It should not come as a surprise, then, to learn that the ideas contained within primordial debt theory- that there is such a thing as ‘Society’, that we collectively owe an infinite debt to it, that the government is invested with the right to say how that debt should be repaid- all of this came together more or less at the time of the French Revolution. It’s not surprising because this coincides with the idea of the modern nation-state.

As we saw in chapter one, it was around this time that the philosopher, Auguste Comte,(1798-1857) was championing ‘Positivism’, which was a religion of society broadly modelled on medieval Catholicism. Central to this religion was the belief that there are unlimited obligations owed to society. These were influential ideas that socialist reformers and socialist politicians would adopt and crystallise into the notion of the ‘social debt’ and the idea that “we are all born as debtors to society”.

Today, Comte is most famous for being the person who coined the word ‘Sociology’. He was not, however, the person who founded the discipline of sociology as we know it today. That person was Emile Durkheim. Durkheim also took us a significant step closer to primordial debt theory by arguing that all gods in all religions are symbolic representations of society. Or, perhaps more accurately, of the infinite obligations that collectively make up society. As Graeber explained, “all religions, for Durkheim, are simply ways of recognising our mutual dependence on one another”.

If that is so, then you could indeed trace such ideas back to the foundations of not only Hinduism, but also Islam, or the Olympian gods of Ancient Greece, or any deity or religion you can think of. But the problem with all this is that it takes it as given that the guardian of that infinite debt owed to ‘Society’ is ‘The State’. Given their love of the State, it should not come as a surprise to learn that Socialist regimes have often invoked some version of the ‘social debt’. Nationalists, too, have been known to propagate such ideas, most especially when there is a war on.

Since every modern government is nationalist to some degree, they too have appealed to some version of this argument, again most especially in times of war. I remember a short film that played in the cinema, urging people to donate money to the Poppy Appeal, a charitable organisation devoted to supporting former military personnel. We were urged to dig deep into our pockets, and then, no matter how much we had given, to dig into our pockets again, because, after all, the people this charity was collecting for had given ‘us’ (they meant ‘the Nation’) “everything”.

Such appeals make intuitive sense because we do have infinite obligations to our ancestors and our fellow human beings; no amount of money is adequate to fully repay the sacrifice of the Fallen; nations do last long enough to enable us to form clear ideas of ‘Society’ and ‘The

State' does present itself as the most obvious guardian of that infinite obligation. But that's how it is today, or since the idea of the modern nation state was formed. What you can't really do, though, is project such ideas back to circa 1400 BCE.

Awkward Problems

Which brings me back to the problems that undermine this Nationalist Myth. Earlier, we saw how primordial debt theory turns debt from its proper definition as a quantified obligation (i.e., a specific amount owed) into a 'payment' with no end in sight for any generation, which amounts to a much too vague calculation to really qualify as a debt. That this is a Nationalist myth presents another, arguably greater, flaw in primordial debt theory. Looking back over history, it becomes less evident that one can easily organise the world into so many well-defined modular units called 'Societies'.

For example, it would not have been appropriate to talk about 'Ancient Greece' as though this was a definite nation-state with its own capital and recognisable border. Instead, what we refer to as 'Ancient Greece' actually referred to a multitude of small, independent city-states, each with its own unique form of government. Nor were these particularly stable city-states. Battles between aristocrats, merchants and peasants were a frequent occurrence, as was the threat of invasion from outside forces. It's therefore more accurate to think of 'Ancient Greece' as a bunch of oft-squabbling polises surrounded by ill-defined and shifting borders, rather than one unified country.

Nor was 'Ancient Greece' alone in being like this. As we shall see in later books,, during the Axial Age many parts of the world resembled a checkerboard of diminutive states whose integrity and boundaries were destabilised through internal conflict and external threats. Looking back to this past from our vantage point as Nationals who know precisely which nation we belong to, and who regularly digest national and international news that keeps us informed of our place in the world, it's easy to succumb to the belief that everyday people have always had a similarly strong national identity and interest. Not so. This is actually a fairly recent state of affairs. Our ancestors rarely considered the Kingdom or empire they were a part of to be the most important reference point in their lives. In fact, for the most part they were not even sure of whose kingdom they were actually in, and it did not occur to them that it should matter to find out.

We therefore must add another level of vagueness, along with the overly vague concept of the 'infinite debt'. For our ancestors, the notion of 'Society' was another one of those concepts that was too vaguely understood to really serve primordial debt theory's purposes. Why? Because, unless you can define a specific person or group to whom you owe a specific sum of money, you cannot properly speak of a debt arrangement. All told, given how far less stable national borders used to be, and how sporadically governments have made their presence felt in people's lives, it's really difficult to see how our ancestors could have adopted a belief that they were duty bound to repay an infinite debt to 'Society'.

CHAPTER TEN

A Kind Of Society and a Kind Of Debt

So far, we have used the fact that our ancestors had little in the way of 'national identity' to undermine primordial debt theory. But, while our ancestors may not have had a well-developed national identity, as social beings they must surely have had some kind of group identity. After all, in the past, human beings did not have anything like as strong a sense of personal identity that we now have. No, they regarded themselves primarily as members of communities, and did not have much 'self-identity' at all. So, maybe there is some sense in which our ancestors could be said to have thought of themselves as owing something to 'Society'.?

Also, while our ancestors may not have been all that concerned with forming a national identity, it's pretty clear that they have been concerned with debt for a long, long time. Consider, for example, the very earliest Vedic poems, composed some time between 1500 and 1200 BCE. What we find in these verses is a constant concern with debt and what it means to be indebted. Sometimes, the most obvious interpretation would be to suppose it is a literal debt that is being referenced. At other times it's just as clear that 'debt' is being used in metaphorical terms. But, whether it was being used in a literal or metaphorical way, it seems to be the case that these early historical reflections on the nature of debt treated it as something synonymous with 'guilt' and 'sin'.

One god features prominently in these verses, and that is Yama. Significantly, this was the god of Death. The priests of this ancient religion cultivated a belief system that equated debt with a weight placed on someone by Death. In other verses, the preferred metaphor for 'debt' was shackles or bonds, from which the captive prayed to the gods for liberation. But the constant theme was that anyone who was under any sort of unfulfilled obligation was living under the shadow of death.

It's probably also significant that those early commentators on the nature of debt were not just priests, but sacrificial priests. It's significant because the theme of sacrifice was also a prominent feature of early Sanskrit religious literature. What we find in the earlier Vedic texts is debt serving as a stand-in for a broader sense of inner suffering, from which people look to the gods for release. In particular, it was the god Agni that such appeals were directed to. Agni was the deity that represented sacrificial fire.

Even more significantly, those sacrificial priests called this 'payment' "tribute paid to Death", and you may recall a line from the 'Satapatha Brahmana' that goes, "a man, being born, is a debt...and only when he sacrifices does he redeem himself from Death".

Actually, it wasn't just the god of Death that the tribute of sacrifice was owed to. The proper way to think of Yama's role in all this was as an intermediary facilitating rituals that repaid obligations to all the gods.

But, regardless of whether it's a sacrifice made to one god or many, this idea that our lives are on loan, making existence itself a kind of debt, as if just being alive makes us 'guilty', raises a pretty obvious problem. Not wanting to live in debt/guilt/sin, we should want to pay

back what we owe. But who, really, wants to repay what's owed, when what is owed is one's very life? What could that payment mean, other than annihilation?

Animal Sacrifice As Interest

Fortunately, verses like the one just quoted did offer a way to postpone this ultimate payment. The line "only when he sacrifices does he redeem himself from debt" did not specify that one's own life was required for sacrifice. To be precise, it was believed that eventually, inevitably, Death would come to claim what is owed (after all nobody lives forever) but you did not have to sacrifice yourself straight away. Animal sacrifice became seen as a way of making 'interest payment' to the gods, "with the life of the animal substituting for what's really owed, which is ourselves", as Graeber put it.

On that note, we may have an explanation for a pretty strange form of 'money' that was used in antiquity. That something was cattle. Take the Homeric epics, for example. As the German historian, Bernard Laum (1884-1974) pointed out, whenever people in Homer's tales wish to measure the value of an item, like a sword or whatever, they don't measure it in gold or any obvious moneylike commodity, they measure it in oxen.

That's not to say they ever actually made payments in oxen, actually buying stuff by handing over such beasts, much as one would pay for groceries by handing over a handful of coins. No-one did anything like that. But they did use oxen in much the same way as gold has often provided one of the crucial functions of 'money', which is as a unit of account which provides a benchmark by which we ascertain the value of anything else.

But, why use oxen in this way? Well, there is one very important way in which such animals could be likened to gold. We can figure out what that was by noting how, throughout all of the civilisations of the Oikemene, and in 'Ancient Greece' too, silver and gold was typically kept, in bullion form, in temples. Wherever we look, then, it seems to be the case that commercial money emerged from the thing that was deemed most appropriate for paying tribute to the gods.

Returning to oxen, this was the animal that was typically offered to the gods. Ancient people measured the value of things in oxen because it was oxen that were used in sacrificial ceremonies. Because they were what one offered the gods, oxen, like gold or silver, came to be seen as a representation of ultimate value, the yardstick by which one measured the value of anything and everything else.

So, what with sacrificial animals like oxen being used, like gold, as representations of ultimate value; animal sacrifice as a way of making 'interest payment' tribute to the gods, and a whole body of religious texts that equate existence with debt and debt with sin/guilt, one would be forgiven for thinking Primordial Debt Theory must have been onto something, even if the theory has the flaws previously outlined.

Debt? Or Obligation?

There is, however, another assumption that we have mentioned but not really examined. That is, the notion that debt is synonymous with guilt. All this talk of sacrifice and tribute and

shackles and appeals to the gods for release, reminds us of how we think of debt/guilt/sin as a literal or metaphorical commercial transaction that we ought to complete, for otherwise we ourselves are incomplete and living as criminals. The assumption that is being made is that, when the commentators who composed the Vedas and the Brahmanas also thought of debt as akin to guilt, they must have been thinking along the same lines.

But, really, it's pretty difficult to say for sure what these people thought. To properly interpret any text, you need to know about the people who created it, and the society that created them. What do we know about these people? The answer is, almost nothing. This means there is a great deal of crucial information missing, and such texts are liable to serve as a sort of blank canvas on which someone with an agenda like, say, promoting a Nationalist myth, could project whatever they felt they needed to.

What we do know is, the crucial texts for primordial debt theorists was not composed circa 1500 BCE, but much later, sometime between 500 and 400BCE. Something else was happening in India at this time, because this was the period in which commercial economies and institutions like coinage and interest-bearing loans were all becoming concerns for everyday people. Such widespread concerns could not help but grab the attention of the intellectual classes, who did indeed set about grappling with the zeitgeist of the time. Above all, they wanted to know, if we are to imagine our responsibilities as debts, what does that mean?

In seeking such answers, the composers of these texts could very well have formulated an argument similar to primordial debt theory, because all the component pieces were in place. As well as commercial markets, coinage, and interest-bearing loans, something else that existed in India at this time was kings, and governments. That being the case, their answers to such questions could have involved 'the State'. But no such reference was made.

Rather than seeing our existence owed to 'Society', these commentators instead saw existence as something owed to the ground of being and ritual as the means by which we can begin to repay this debt. They also considered life to consist of a debt to sages and other learned people who provided contemporary society with its body of knowledge. The way to repay them was by becoming learned ourselves. It was also a debt due to our parents, to be repaid by becoming parents. Lastly, it was a debt owed to our ancestors, repaid by maintaining that baseline communism that is foundational to any properly functioning community.

If these are indeed existential debts, they serve a similar purpose to animal sacrifice. That purpose, recall, was to reduce the harshness of the logical conclusion of saying our lives are on loan to Death, by substituting the life of an animal as a sort of interest payment. The existential debts mentioned above were another way to soften that dread debt, and the way of doing so was by turning existential debt into activities that were more like the sort of social obligations people ordinarily engage in when they are invested in the well-being of themselves, their family, and their community.

Or, at least, this is how you might interpret some passages of the Brahmanas if you put them through the filter of primordial debt theory. But, as we have seen, these texts are something of a blank canvas onto which you can project anything. So what about texts from cultures

that are more well-known? Do they also agree with primordial debt theory? And did they consider money to serve the same functions we commonly believe it serves in commercial cultures?

The Purpose Of Primitive Currencies

If it is true that our most popular theories of the origins of money and markets are 'mythstales' - in other words, believed to be true by a majority of us despite substantial evidence pointing to their falsity, then it stands to reason that the true theory will be one put forward by someone who is virtually unknown. In this case, that someone would be one Philippe Rosebape. This Frenchman was originally an economist. But then he turned to anthropology and he came to see that there was something wrong with how economists and monetary historians were regarding 'primitive money'.

Such a term leads to the impression that such money serves the same purpose money serves today. It's used to buy and sell stuff and to clear debts. But, Rosebape and other anthropologists insisted, that's not really the case. Rather than serving those sorts of purposes, primitive currencies were used to rearrange relations between people. If mourners at funerals needed consoling, or a heated feud needed cooling down, or treaties needed negotiating, or the paternity of offspring needed establishing, or a marriage needed arranging, there were currencies- social currencies- that helped make that happen.

When Europeans started to seriously travel to and colonise Africa and the New World, they had long been steeped in commercial culture. So, whenever they saw people handing over small, durable and portable items, they just assumed these had to be crude forms of money and that some kind of trade had to be occurring.

It was noted that, as part of the ceremonies surrounding marriage, the suitor's family typically presented the family of the bride-to-be with whatever was the local social currency of that people- dog's teeth, brass rods, cowrie shells, bits of cloth, stuff like that. From a commercial perspective, it seemed pretty obvious what was going on here. These were transactions in which some woman was being bought and, once sold, could then be presented to some man as his wife, much like parents might buy a puppy so as to give their child the gift of a pet dog on her birthday.

Now, buying and selling animals is one thing. But, certainly by the 20th century, the idea that human beings could be bought and sold was seen as something else entirely. That was slavery, and slavery was outlawed. By 1976, the League of Nations was debating whether paying 'Brideprice' - the collective term for any social currency exchanging hands from sons' family to daughters' during marriage negotiations (when the money exchange is in the opposite direction it is called 'Dowry') amounted to a form of slavery too and, thus, ought to be banned.

This was where anthropologists chimed up to point out that colonist officials didn't really grasp that what was going on here was really nothing like the buying and selling of animals. The pet analogy given above was kind of misleading, actually, because such animals are destined to become part of the family. Only a heartless parent would chop off Rosie the Bunny's head and boil her meat to make a family stew. But, of course, there are many

occasions in which an animal is bought, and what the purchaser really wants, ultimately, is not to care for that creature but to dispose of it in any way that pleases them. But, anthropologists pointed out, it is never the case that, in paying 'Brideprice', the purchaser was acquiring the right to dispose of a woman, or to work her like a beast of burden. This was a marriage, after all, and thus the husband normally had as many responsibilities toward his wife as she had towards him.

Secondly, anthropologists pointed out that, when you buy an animal, you are well within your rights to sell it on to a third-party. This applies to pets as much as any animal. If little Alice has grown tired of carrying out the responsibilities to feed Rosie and clean out her hutch, and the parents don't feel like doing such duties either, they can always sell her on to people who will. But, where 'Brideprice' was concerned, it just wasn't the case that a husband could just sell his wife to somebody else.

Having convincingly argued that such ceremonies were not really anything like a commercial transaction, 'Brideprice' was renamed Bridewealth and the practice was never banned, as it couldn't be classed as slavery. But, what actually was going on when, say, a shark's tooth is presented to a family to ask for a daughter's hand in marriage?

It seemed like there could be three possible answers. Firstly, maybe this was the purchase of a domestic servant? Henceforth, that woman would become a housewife and attend to domestic duties- sweeping floors, tending the garden, stuff like that. A second possibility was that it was fertility rights that were being bought. Any children the woman bore would be recognised as the husband's offspring, and no other man was permitted to impregnate her. A third possibility was that, rather like the dollar that changes hands in order to seal a contract, this was all just a pure formality?

But, Rosebape insisted, none of these interpretations were correct. The reason why not, he pointed out, was because they all assume that shark's teeth or brass rings or whatever the social currency might be, are a form of payment. In reality, they amounted to a form of acknowledgement that marriage provides someone with something of unquantifiable value, meaning a price can't really be put on it. That being the case, if a debt is incurred here, it's an infinite debt that no amount of cowrie shells or gold rings or whatever can compensate for.

An Exchange of Sisters and the Compromise of Wards

That's not to say there was absolutely nothing one could give that would compensate for the 'payment' of a woman. According to the Tiv of central Nigeria, the most proper form of marriage involved an exchange of sisters. Think of this as an exchange of $A=A$, where one woman is being exchanged for another woman.

Of course, for this to always work in practice, every family would have to have equal numbers of brothers and sisters. Even if that was the case, other difficulties would surely be encountered. The son of family 'A' might wish to marry a daughter from family 'B', but the son of family 'B' has no wish to marry any of A's sisters. Why not? Maybe they are all too young, or he just doesn't like any of them enough to want to marry them?

As you can imagine, difficulties in the ideal marriage arrangement of exchanging sisters cropped up often enough to warrant finding a way out of such problems, and the solution that was adopted does sound suspiciously like a market for buying and selling women.

One possibility in the event of not wanting to marry B's sister was to become her 'guardian' rather than her husband. That woman then became 'ward' to that man, rather than his wife, and a guardian had the right to dispose of his ward to someone else whose sister he did wish to marry. According to David Graeber, "this system quickly gave rise to a very complex set of arrangements in which the most important men became guardians of numerous wards....they would swap and trade them and in the process accumulate numerous wives for themselves, while less fortunate men were only able to marry later in life, or not at all".

Did that mean the prospect of ever being married was a hopeless one for those less fortunate men? No, not quite. The Tiv had a particularly prestigious form of currency in the form of brass rods. Only men could hold such currency and they never used it to buy things in markets. Indeed, Tiv men tended not to go to markets at all and left that kind of activity up to women. What they did do with those brass rods was to exchange them for ritual titles, cattle, magical charms, ivory, and other things that Tiv men considered of higher importance.

An Acknowledgement of Pricelessness

Acquiring a wife was considered of "higher importance" too, and brass rods could be exchanged for a woman....sort of. I say "sort of" because, as one Tiv ethnographer (Akira Sai) pointed out, no matter how many such rods were handed over, the daughters family never seemed entirely satisfied. A minimum of two bundles of rods was required to become her suitor and when the man married her, Tiv custom dictated that he and his new wife should run off, so it was more of an elopement than a marriage.

Inevitably, the mother-in-law would subsequently turn up at the new family home, demanding to know what was going on, and wouldn't leave until she had been given five more bundles of brass rods. And no, that wasn't the end of it, because if the new wife had a guardian he too would turn up, or if the wife became pregnant her parents would return and, just as before, wouldn't leave the husband alone or recognise him as the father unless he handed over enough brass rods. Although, actually, in the case of the guardian, no amount of brass rods ever bought him off completely; at best it just bought his temporary acceptance of the situation.

If all this sounds terribly unfair ("I'll sell my ward for five bundles of brass rods...did I say five, I meant six...no, actually, seven...eight...") bear in mind that the thinking was that one could never actually use money- not even prestigious brass-rod money- to acquire the rights to a woman. That would be $A=B$ whereas the only appropriate exchange was $A=A$, one woman for another suitable woman. So, really, the temporary situation was the pretext that such a woman would eventually be presented, but until that happened, the debt remained completely unpaid. This was a debt that simply could not be settled by presenting brass rods or gold rings or anything like that because, as Rosebappe insisted, Bridewealth money is never, ever used to settle a debt. Instead, it serves as an acknowledgement that some debts cannot be settled by means of money.

Of course, marriage is not the only social arrangement one might partake in. There are a great many others, and that fact of human life might help explain other ancient customs, such as those surrounding death. Readers of Book Five may recall how we talked about archeological discoveries of ancient burial sites. These include the discovery of Neanderthal graves that contained not just hominid remains, but also carefully arranged stones. Those stones are diagnostic of a very ancient belief, which is that social beings do not simply die. This is because such a person has many invisible threads connecting them to their larger community, and invariably rituals, customs and other obligations need to be observed in order for such a person to be declared legally ('socially') dead. As well as singing songs, performing ritualistic dances, etc, there may well be some sort of payment due to grieving families.

Again, as was the case with Bridewealth, paying this kind of compensation does not really equate to purchasing anything in the normal 'exchange' sense. This is because exchange implies equivalence and nobody was suggesting that any amount of money could ever be equivalent to the value of a relative. Really, the only thing that could compensate for the loss of a life was for someone on the killer's side to lose their life so, again, an $A=A$ equation. Although, actually, it was accepted that even a revenge killing would not really compensate for the pain and grief that comes with knowing someone close to you was killed, and such knowledge led to people sometimes seeking non-violent ways to live out the remainder of their lives rather than set off waves of revenge killings. This could be achieved by handing over 'Bloodwealth' which, like Bridewealth, was a purely symbolic payment that does not cancel a debt but rather symbolises the mutual acknowledgement of a debt that can never be repaid no matter how sincerely either party wishes that it could. The matter is not really closed if the bloodwealth payment is accepted, it's just put permanently on hold.

Not a Penny More, Not a Penny Less

If the original purpose of social currencies was to serve as acknowledgment of unquantifiable loss or values, then it's hard to see how such currency could turn into money as a form of measurement that calculates precisely what is owed. But this was no problem, really, because these 'primitive' societies made use of all kinds of popular credit systems, which meant they never faced the difficulties you can see individuals would face if (like economists) you suppose that their main way of dealing with each other is commercial exchange. When you have ongoing relations in small communities, you can ignore the 'double coincidence of wants', and just gift a neighbour something they need now, even if they cannot currently repay your good deed. You would do so because, one day, the tables may well have turned, and they will be in a position to help you.

This does sound like such 'social credit' arrangements put tribal members in debt to one another, but actually in most cases such arrangements were not like debts at all. The reason why not is because, with friendly arrangements such as these, it was enough to hold in the mind the vague notion that an obligation should be met at some future time, with no need to go to the effort of quantifying the exact value of the help one had received and, therefore, exactly how generous your future aid would have to be in order to cancel out the debt owed. No doubt there were circumstances in which people regarded a counter gift as inadequate payment. Those who habitually took advantage of others' generosity would earn a dubious reputation as a free-loader. There's evidence of non-human social animals punishing

freeloaders who parasitise on the altruism of others, and therefore every reason to suppose our ancestors would have done likewise. But, in a world where no material thing or act of labour has a price-tag attached to it, it's difficult to go beyond a vague feeling of being taken advantage of and adopting the righteous anger of one who knows precisely how much one is losing in an unfair reciprocation.

As for relationships between those who were not freeloaders, rather than seeking to always fully repay debts, recompensing someone was seen as a snub. A true debt, recall, requires equality and separation, and in these human economies fully repaying your debt to someone was a signal that you wished to sever all ties and have nothing further to do with him or her. If anything, rather than seek to balance and cancel out debts, the proper course of action between friendly neighbours was to remain in a state of mutual indebtedness to each other.

But that's friendly circumstances we're talking about, and human communities are never one hundred percent friendly. So, what about bitter disputes between two parties? Suppose, for example, that somebody let their livestock ruin someone else's crops, and this lead to a dispute which degenerated into a fight in which somebody lost an eye. One can well imagine the families of these quarrelling twosome demanding an audience with the village elders, and claims for adequate compensation for damages being voiced. In circumstances such as these, one can well imagine that (as Graeber put it) "this is precisely the context where people are most likely to become petty and legalistic and express outrage if they feel they have received one goat less than was their rightful due". In normal, friendly relations where we find human, not commercial, economies, people do not usually bother to ascertain exactly how much crops are worth, but in such bitter, "petty and legalistic" disputes such calculations are likely to become very important.

Also, suppose that the loss of an eye led not to righteous indignation on the part of whoever inflicted this injury ("got what he deserved for ruining my crops!") but rather guilt, and a desire to express it and also to convey a deep desire not to see this all turn into an ongoing feud. Here, too, the circumstances would call for mathematical specificity, means to specify what is adequate compensation for such an injury and what, supposing the guilty party lacks whatever material thing their victim demands, would serve as an adequate alternative.

All of this, if it went on for many generations, would have resulted in the language of exchange and the language of law coming together. As we have seen, commercial language does often feature in legalistic language (and in religion, too) and it's very likely that money's role in calculating precise equivalences has its roots not in the mythical land of Barter, but in human economies where primitive currencies were occasionally used to settle disputes among community members who, in the normal course of events, had no reason to engage in commercial exchanges akin to bartering at all. In fact, as mentioned before, the anthropological evidence shows that, in the normal run of things, people actively sought to avoid treating social obligations like they were debts. These were the threads that held society together, so the important thing was to maintain that society by never fully compensating one another and therefore always remaining as both creditor and debtor in a mutually-supporting web of social relationships.

But, since the idea was to avoid treating social obligations as debts, would such ancestors have thought of things as being parents, maintaining customs, offering hospitality and acting

with humanity as ways of repaying existential debts at all? It seems much more likely that they would have chosen to frame such acts in an entirely different way. And that means all this talk of “debts” is misleading, especially if it leads one to suppose that social currencies like blood money and Bridewealth were operating on the principle of Primordial Debt Theory, where money’s origins lie in the recognition of an absolute debt to the society that gave you life.

There is in fact a big difference between them, in that one (primordial debt theory) imagines that the debt is between the individual and society (and one should somehow pay back that debt and achieve separation) whereas, where social currencies are concerned (as Graeber put it) “they are imagined as a kind of network of dyadic relations: almost everyone in such societies was in a relation of absolute debt to someone else. It’s not that we owe ‘Society’. If there is any notion of ‘Society’ here- and it is not clear that there is- Society is our debts”. In that case, we are so deeply a part of society we can never separate ourselves from it, anymore than anyone could ever repay an infinite debt.

CHAPTER ELEVEN

“Wiping the Slates” and the Paradox of Debt

In the previous chapter, we talked about human economies within small, ‘stateless’ societies that lack commercial markets. But what about societies that have grown beyond chiefdoms and become kingdoms with legal systems, state religions and have markets where interest-bearing debts do occur?

The main reason why we actually know so little about the context in which the earliest Sanskrit texts were written is because all we have are those religious texts. When it comes to Mesopotamia, though, the situation is very different. The reason why is because Mesopotamian myths and hymns were discovered in the ruins of libraries that also contained plenty of records of court trials, business contracts and also many personal correspondences. Because they provide so much more context and, even more to the point, because they were home to the first states and where the practice of issuing interest-bearing debt began, one would think primordial debt theorists would turn to places like Babylon and Sumer.

But, just as free-market economists tend to ignore anthropological studies into primitive societies, primordial debt theorists tend not to want to discuss life in Mesopotamian cities. When one considers that the evidence found therein is, in many ways, exactly opposed to what their theory predicts, one can only assume that, like economists steadfastly ignoring the fact that the ‘Land of Barter’ never existed, a refusal to acknowledge an inconvenient truth that undermines the myth they wish to present as reality is at work here.

Mesopotamian states oppose primordial debt theory because, when the semi-divine rulers saw fit to intervene in the lives of ordinary folk in their capacity as cosmic rulers, this form of interference had nothing to do with imposing public debts. Instead, at times when runaway debt was threatening to break society apart, Sumerian and Babylonian kings, acting in their capacity as cosmic rulers, cancelled private debts. They announced general amnesties, and typically such decrees declared all outstanding consumer debt null and void, and all land returned to its original owners. This wiping clean of the slates (remember, Mesopotamians recorded contracts and the like on cuneiform tablets) effectively restarted society.

Still, while the rulers of Mesopotamian cities did not act like gods who enforce public debts, the idea of the debt amnesty does seem to rhyme with the notion of a final jubilee in which all sin/debt is finally cancelled by our Lord and Redeemer. As mortal beings deeply immersed in commercial exchanges mediated by cash or (more likely these days) credit systems controlled by private businesses rather than close-knit social relations, it’s easy for us to imagine social obligations as ways of paying interest on the ultimate loan, which is life itself. We all know that, one day, for each and every one of us, Death will come to take what’s due.

But this perspective requires something else, and that is an extreme form of individualism. Why? Because it entails thinking of oneself as standing apart from the universe and therefore being in a position to enter into commercial relations with it. At the same time, paradoxically, it involves a form of nationalism (and, therefore, a form of collectivism)

because when obligations to society is framed in terms of debt, it quickly becomes obvious that such a 'debt' must be infinite, and that implies we have 'fetters' trying us forever to greater financial forces. And so, we find ourselves caught between the logic of the market, where we are to think of ourselves as individuals who don't owe anything to anybody, and the logic of the state, where we are subjects who each begin with a debt that can never be paid.

The paradox is resolved by remembering that 'the market' and 'the State' are not opposites at all but two sides of the same coin, so to speak. Commercial markets were created by states, and commercial markets continue to require periodic interventions by the state, just as the state requires the commercial activity that coinage or private-debt based markets generate. It's a symbiotic relationship between two partners.

Also, the way to resolve the paradox is to see there is a guilt involved in all this, only not the one we're told by primordial debt theory.

Why Sacrifice?

Let's return to the notion of animal sacrifice as a means of offering interest payment on our existential debt. Does any of this make any sense at all, really? It is certainly possible to think of many ways in which oxen and other animals are useful and, therefore, commercially valuable. Their muscle power, harnessed to the right tool, can be used to plough fields, transport goods, raise water from deep wells and many other practical tasks. While alive animals can provide us with food sources like eggs and milk, and once killed their body parts can be turned into materials like leather or gelatine or calcium or many other things we may turn to some practical purpose.

Notice, though, that these are all ways in which animals are useful and therefore valuable to us. But what about 'the gods'? Do the gods really need oxen to pull their ploughs or need to kill oxen or any other animal in order to turn its body parts into materials for some practical purpose or other? While we're on the subject of what gods really need, what about gold? Do the gods really need it, and why must they enter into some form of commercial exchange with us mortals, in order to get it?

Clearly, none of that would be necessary. Celestial beings who created our world and everything in it are hardly going to require anything mere mortals can offer. Whenever we look at civilisations that provide us with more context than those early Sanskrit texts, we fail to find any notion of sacrifice as a form of payment. That's not to say that ancient theologians were not familiar with the idea of the life of a sacrificial animal acting as a sort of interest payment, because they were. It's just that they dismissed the idea, along with the notion that humans can frame their relationship with the gods in commercial terms, as plainly ridiculous. For, as Graeber reasoned, "if the gods already have everything they want, what exactly do humans have to bargain with?...Exchange implies equality. In dealing with cosmic forces, this was simply assumed to be impossible from the start".

But, if so, why go through all the performance of rituals, sacrificing animals and ceremoniously placing gold at the feet of idols? That is a good question, but we should not assume the answer must have something to do with commercial exchange. Not everything

humans do involves commercial exchange, although there is a degree of reciprocity involved in all modes of interaction. Returning to those 'social currencies' like Bridewealth, we have already seen how it would be wrong to think they change hands in a straightforward commercial transaction.

If the man is buying anything, it would be the right to call the woman's offspring his own. However, we should not fall into the trap of thinking this is a commercial exchange after all, where the thing being bought is a womb. A more accurate way of thinking, would be to think of female fertility as something that is highly desirable, rather than valuable.

Desires and Value

But what's the difference? Well, to say something has a value is to say it has an exact price, or at least a price-range that is agreeable to both buyer and seller. If something has a quantified value attached to it, it can be exchanged for other things whose quantified value matches (or is close enough) to it. You can represent an exchange like this as 'A=B', because it opens up the possibility of swapping different things of equivalent value.

So, for the exchange of 'social currencies' in Bridewealth to qualify as an arrangement of this sort, it would have to be the case that 'ten dog's teeth' or 'eighteen brass rings' or whatever form the currency takes, is exactly equivalent to the value of a woman, or of her ability to produce offspring. If that were so, then any 'debt' involved in all this would be cancelled once equivalents are exchanged and credit balances debt.

When it comes to 'desirability' though, while we may be talking about something that is 'highly valuable' (i.e, you would expect to pay an awful lot for it) we may also be talking about something whose value is impossible to quantify or, in other words, priceless. In the circumstances we are now discussing, involving rearranging relations between people within communities founded on love and communality, a human life is one of those priceless things. It belongs in the 'sphere of values' along with anything else whose worth we could never even begin to quantify.

A Problem of Translation

It was very often the case that the exact same kind of money that was used in blood money was also used in Bridewealth rituals. That's not surprising, because in both cases we're talking about highly symbolic acts involving the exchange of 'money' that represents an acknowledgement that what is owed is more valuable than money itself. As people deeply immersed in commercial culture, we have to remind ourselves that, when you trace the concept of 'debt' back to its origins in the social credit systems of the earliest societies, none of this had anything to do with the 'sphere of value', no matter how much my talk of 'money' and 'exchanges' and 'debt' and 'payment' may make it seem like we are discussing commercial transactions. No, these were rituals and symbolisms that took place within the 'sphere of values', the realm of the unquantifiable, that which can never be calculated in 'money'. But this raises an obvious objection, namely: Why use words like 'money' and 'debt' if they are not really appropriate for the current context? Why not use the 'right' terminology?

The answer is simply this: I did not grow up in their pre-commercial world with all their ceremonies, rituals and daily customs that operated outside of anything we would recognise as 'markets', 'states' or 'money'. Nor, for that matter, did any ancestors of my family and friends, going back centuries, if not millennia. As David Graeber explained, not just the authors of the Brahmanas, but (to one degree or another) all the major world religions borrowed the language of the commercial marketplace as a way of thinking about the human condition.

He wrote: "the question of debt, and arguments about debt, ran through every aspect of political life of the time. These arguments were set amidst revolts, petitions and reformist movements. Some such movements gained allies in the temples and palaces. Others were brutally suppressed. Most of the terms, slogans and specific issues being debated, though, have been lost to history...As a result, we have spent thousands of years contemplating sacred texts full of political allusions that would have been instantly recognisable to any reader at the time when they were written, but whose meaning we can now only guess at".

Readers will recall how the colonialists who 'discovered' the New World and began trying to convert the indigenous tribes to Catholicism found that exceedingly hard to do because it was virtually impossible to translate words like 'command' or 'obedience' into language that made sense to a people whose culture was based on the fundamental freedom to disobey orders. Here, I am confronted with a similarly intractable problem, which is to talk about non-commercial exchange when my language has been formatted by centuries of pro-market propaganda, and thus not at all suited to talk about the lives of people who lived outside of the market system.

No doubt, had I grown up in their world, I would have acquired the correct terminology needed to convey what was really going on with Bridewealth and other aspects of those 'human' economies. But I didn't. I grew up in commercial culture, dominated by calculations operating in the 'sphere of value'. I am stuck with using words like 'money', 'payment' and 'debt', while at the same time insisting that we're not really talking about 'debt' at all (because debt arrangements are premised around equality and separation, and the latter in particular was hardly ever featured in human economies).

We therefore just have to put up with the fact that our language is formatted for a commercial culture, which means we can only describe money's origins in terms of debt and, ultimately, debt's origins in the recognition of a life-debt, the debt that can never be repaid. We must speak of 'social currencies' that do not quantify obligations but, quite the contrary, symbolise the belief that human lives are not to be reduced to something that can be manipulated by debt relationships. But debts that cannot be repaid, and monies that cannot quantify obligations, are not debt and monies at all, at least not as commerce would define such things.

What We Are Really Guilty Of

Such highly communal people, who had very little understanding of personal identity as we would conceive of it, but also a far more highly developed understanding of the "network of dyadic relations", those ongoing obligations that sustain human societies, would never have thought of themselves as 'owing' society, and therefore guilty because this debt remains

outstanding. They would have recognised that this 'debt', which is the infinite sum total of all that our ancestors bequeathed to us, and all the contributions of our contemporaries, is 'Society'. Therefore, it is a debt that neither could, nor should, ever be repaid, for to do so would cancel out the very thing that holds society together. To think you could ever fully repay your 'debt' to society is to think that you could somehow achieve separation from all society, stand apart from it and enter into commercial relations with it. Fundamentally social beings that we are, this is, of course, utterly absurd.

Our ancestors recognised all this and so their symbolisms, including their 'social currencies', were never intended to invoke a debt that could and should be repaid, but rather the need to recreate, over and over again into the endless future, the "network of dyadic relations" that is society; to acknowledge that social beings such as we came into being thanks to forces that are beyond any quantification. The economies that grew out of these beliefs- human economies in which the purpose is to sustain and rearrange human relations, not to facilitate the exchange of 'stuff'- actively avoided calculations that would balance credit and debt. The point was to roll the debt forward into the infinite future, for there was no other way that the continuation of society itself could be guaranteed.

So, if the point of 'money' in Bridewealth and other social currencies is not to pay off debt, but rather to acknowledge that we are social beings whose existence depends on sustaining and strengthening an infinite web of obligations, we should ask if the rituals involving animal sacrifice to the gods, and offering gold in religious temples, were originally meant to convey much the same message. After all, the notion that there is some 'numinous' quality to existence, a reality beyond the senses and (ratio)nal comprehension, does fit comfortably with the idea that not everything (and, more so, the really truly important things) in life cannot be quantified, and that, in the final analysis, the most important aspects of life are properly placed within the sphere of values, the realm of the 'priceless'.

In short, such rituals were never intended to convey the message that humans are in a position to bargain with 'the gods' in the form of a commercial transaction, but rather an acknowledgement that there can be no separation, for we are all, mortals and deities alike, connected to the very ground of being by a web of social obligations which, if calculated in terms of debt, could only be absolute.

Returning to the Vedic texts, earlier it was claimed that they offered ways of paying interest on the existential debt we owe 'the gods'. This included advice such as repaying our parents by having children of our own, and repaying our ancestors by acting with humanity. But, as Graeber pointed out, there is another way in which to interpret such advice. Rather than see these as methods for paying off debts and achieving the equality and separation that is the essence of commercial transactions, instead see them all as ways of overcoming separation, as ways of freeing yourself from the guilt of carrying the impossible dream of a loan that can never be repaid. As Graeber said, "you are free from your debt to your ancestors when you become an ancestor...free from your debt to humanity when you act with humanity".

But, how is this freedom achieved? By recognising that, despite all this talk of debts, loans and payments, making it seem as though life itself belongs in the sphere of value, really these aspects of living the good life are nothing like paying interest on an existential debt because, ultimately, our relations with the ground of being can never take the form of a

commercial transaction. In this context, any talk of 'guilt' cannot be referring to our lives being on loan from 'the gods' and our sin in not having paid what we owe. Instead, our guilt comes from the sin of framing our relations with the ground of being in terms of debt to begin with. As Graeber explained:

"These debts do not exist because one is in fact not separate to begin with, and hence the very notion of cancelling the debt and achieving a separate, autonomous existence was ridiculous from the start".

So, the 'separation' part of any genuine debt is fundamentally impossible. And, as Graeber explained, So, too, is the 'equality' part of the equation:

"Our guilt...is the presumption in thinking of ourselves as being in any sense equivalent to everything that exists or Has Ever Existed, so as to be able to conceive of such a debt in the first place".

The Trap of Endless 'Debt'

So the real message of such religions was that you are free from societal debt because, in the final analysis, life itself cannot be reduced to an exact price. Therefore, our relation with all of society is nothing like a commercial transaction. But if that was the message the composers of the Vedic texts wished to convey, I think it's fair to say something went wrong. Rather than see our guilt as resulting from the presumption that our relationship with the cosmos is equivalent to a commercial transaction, we continue to believe our sin results from us holding that existential debt. Rather than acknowledge there can be no such thing as debt on the grandest perspective, we continue to insist our guilt is due to us rolling that debt over to our grandchildren, rather than repaying all our loans.

But, when you take into consideration that commercial money is an abstraction created out of debt, a fundamental problem makes itself apparent. The more money there is the more debt there is, as an inevitable consequence of the fact one is manifested by the other. By this logic, the converse must be equally true: The less debt there is, the less money. After all, if money is created out of debt, then paying off debt must make it vanish.

What would it mean, then, if all of us, from the humblest individual to the mightiest government or global financial conglomerate, were to repay all our outstanding debts? It would result in the complete disappearance of all commercial money.

One might be inclined to ask why it should matter if all commercial money disappeared. Let's imagine such a scenario. It is The Future. Physical money has long been abandoned and now money is entirely digital. Then, a global calamity strikes. A solar flare erupts from the sun, and its electromagnetic pulse temporarily disables all the computers in the world. When they reboot, they seem to be in working order, save for one thing: All the world's ledgers, the record of who owes what to who, and other calculations to do with the 'money', have been totally erased.

But, the world's resources would not have changed, not even in the slightest. Nature's laws, dictating how those resources can be turned into materials, and materials into useful

products, would remain unaltered. Our knowledge of those laws would still exist in our minds and in our books and computer networks. All our tools and technologies, which we use to affect those transformations of resources into useful products, exist in exactly the same amount and condition (minus that mysterious loss of digital money). Most importantly, perhaps, we the human race would still be here, along with everything we need to get on with living the good life. In setting about building that good life, we would come to learn the essential lesson that no individual can stand apart from society and not be reduced to a pathetically weak and ineffectual being. We would be ready to accept help from others and to offer assistance when we can, and from these social obligations credit would be recreated.

So, really, the disappearance of money should not concern us all that much. Indeed, the last point about credit inevitably arising out of social obligations and interpersonal relationships reminds us that money does not 'disappear' just because cash, credit cards, cryptocurrencies or whatever form money happens to take, is no longer in use. Money is, after all, a form of measurement, a means of calculating relative values and people would continue to make such calculations, where appropriate, in the course of their daily routines. Indeed, in periods where the official money of the realm has 'disappeared', everyday folk have continued to use money by calculating credits and debts in informal social currencies.

Nevertheless, if anyone were to point out that the 'disappearance' of money would not matter, you can bet that the reaction in our highly commercialised cultures would be one of incredulity. Anyone making such a suggestion would likely be labelled a lunatic. A world without money? Preposterous! Without money the world would fall apart. Ruin would come down upon us all. It is imperative that money should continue to be generated. It is the very lifeblood of the economy.

But this means we are caught between two conflicting imperatives, because we are simultaneously told we are sinners whose guilt stems from not repaying our loans and instead allowing the debt to roll over to future generations, while at the same time told that we cannot possibly do without commercial money, that we need more more more and never less. But the only way to generate more money created from debt is to get deeper into debt. We must repay all that we have borrowed and we must not.

Actually, it's not just that we must not, but that we cannot. 'Social currency' is not the only absolute debt we can never repay, so is commercial money. In the 'sphere of value' everything comes with a price attached to it, including the money created out of debt. That 'fee' is interest. But the process that creates money out of debt only produces enough to cover the 'principle' (i.e, the original amount borrowed) not the interest. There's an obvious reason why this should be so. If you think the money to cover the interest should be generated and all commodities in the sphere of value should have a price attached, you would have to then charge interest on that interest. And that interest would have interest and...well you can see how this results in money spiralling off into infinity. To avoid this, at some point the system has to not create money, only debt.

The result of this necessity is that the sum total we owe is always greater than the money in existence. Therefore, if we were to try and repay all our debts, we would run out of money before achieving this aim, and find ourselves under immense pressure to return to the

creditor classes, cap in hand, in order to ask for a loan. Of course, this is not a situation that would affect us all equally. The system is fundamentally not designed to be an equal opportunity misery maker, instead it evolved to be a vehicle of financial advantage for the rich while being one of financial oppression to the poor, and it would be the poor who, by a long shot, suffered the consequences of the supply of commercial money dwindling to a trickle and then stopping altogether.

How Fake Realities Can Seem Real

At this point I think we should return to the point made earlier, about how the “disappearance of money” ought not to make much difference to our lives. One thing that would seem to refute this assertion, would be the plainly detrimental effect that the “disappearance of money” has had on people’s lives. Why does this happen? I think the best explanation lies in recognising that fake realities are real for those who live in societies based on those assumptions, or, at least, the consequences that result can have real impacts. For example, the Aztec civilisation practiced human sacrifice so the Sun would have its quota of human hearts. Yes, this was based on a nonsense belief. Nothing would have happened had this society decided not to offer human hearts in sacrifice, the Sun would have continued to rise each morning. But this belief had real effects on the people, not least of which was the possibility that, perhaps tomorrow, perhaps now, you would be the one who found themselves strapped to the sacrificial alter.

In our own times, the fake belief that has real societal effects is the belief that “money” can run out. We believe this, I think, because we mistakenly believe our symbols of “money”, be that gold coins, decorated slips of paper, or digits in a computer database, are money, when in fact that are mere symbols of what is actually a form of measurement. Really, then, the belief that you can “run out” of money is as absurd as the belief that you could somehow run out of centimetres even if you have enough materials, tools and knowhow to get a job done.

What you can do, though, is bring about a situation in which some people are treated as if they have “no money”. Your bank balance goes to zero, the paper currency you carry around in your pocket is no longer accepted as “money”. With the latter situation, it is as if we behave as though what once counted as “money” is now just a slip of paper. Or perhaps, we once adopted the fantasy that it was money, but now that delusion has ended and we see the worthless notes for what they are. If such a situation were to happen to everyone at the same time, we would no doubt soon come to see the truth, which is that “money” always exists so long as there is that need to calculate relative costs and values, and our need to compete and collaborate would set credit afloat once more. But, recessions and depressions do not affect us all equally. Instead, some find themselves unable to access resources that still exist, or to provide work that still needs doing, simply because there are price tags put on so much of the world, while others (always a minority to be sure) are in a position to exploit this vulnerability and profit from the situation.

How the Rich Treat Debts

This, by the way, may help to explain a difference in attitudes between the very rich and those of us who, in financial terms, are just about managing. The difference is this: the closer you come to reaching that point where paying your bills is a daily struggle, the more likely

you are to think of being in debt as a moral failure. Such people really don't want to be in debt and will go to quite extreme lengths to ensure outstanding loans are repaid. By "extreme lengths" I mean they would rather suffer poor health (going hungry, not turning on the heating on a cold winter's day) than not pay their bills. Often, when financial help is available, such people will not accept it, because they are so convinced that to be in debt is to be guilty.

Conversely, the closer you get to counting yourself among the richest in society, the more likely you are to not care about paying off loans and being in debt. In fact, it could almost be said that the secret to entering the upper echelons of the rich list is to free yourself from the belief that one ought to repay loans and that one is a moral failure so long as one remains in debt.

Of course, the very idea that the richest would even need to take out loans and be in debt would strike most as obviously absurd. Clearly, if you are in possession of a fortune, the last thing you would ever need to do is borrow money. But, actually, the richest don't take out loans so that they may buy stuff with that borrowed money, they do so in order to avoid paying their fair share of taxes. For example, in the United States those on high incomes have those earnings taxed, but they would rather not pay it. The way they avoid paying it is by taking out a loan. With a bit of accountants' jiggery-pokery, that loan gets classified as a mortgage. Interest has to be paid on that mortgage, but this cost and any other fees involved in all this is substantially less than the tax they would have paid had they not transformed their income into a 'loan'.

Now, you might be thinking "but a mortgage is a loan and loans must be repaid". But, actually, banks extend credit to those who could, not necessarily those who would, repay loans. Imagine two people, 'Ivor Lott' and 'Tony Broke'. Tony Broke firmly believes it is one's moral duty to repay what one has borrowed and always does whatever he can to clear his debts. But, he has little in the way of assets and sometimes it is just not possible for him to keep up repayments.

On the other hand, Ivor Lott has lots of assets, and his stance on the morality of paying one's debts is, shall we say, very relaxed. Really, he has no intention of ever repaying what he has borrowed. So, whereas Tony Broke absolutely would pay back a loan if that were at all practical (but, circumstances being what they are, it is not) Ivor Lott could repay a loan at any time (he just never feels inclined to do so). The banks would rather extend credit to the Ivor Lotts of this world.

Some real life examples of this kind of thing might be useful. In 2005 the company Freescale Semiconductor was bought by a private equity group led by Blackstone. The immediate effect of this takeover was a significant increase of debt that Freescale Semiconductor had to shoulder. In fact, the debt went up from \$32 million to \$9.4 billion, an elevenfold increase.

This is not at all unusual. What is unusual is for companies owned by private equity firms to pay corporate taxes. This is something they almost never do, because they have such huge interest bills. The reason why they have such huge interest bills is because, when they are bought by a private equity firm, the latter forces the company to take on enormous levels of debt. As far as these private equity firms are concerned, the ideal financial environment is

one in which interest rates are low. Why? because that makes it possible to continually refinance, rather than repay, the debt. By continually refinancing the debt, the owners of private equity firms are able to extract more cash with minimal impact on debt service.

I should stress that this 'minimal impact' really only applies to the owners of private equity firms. Really, the reason why such firms insist that debt should balloon so much is because that allows them to extract rent from the businesses they take over. To be precise, adding debt enables private equity firms to pay themselves "special dividends". These special dividends, which can extract over a billion dollars, gets distributed among the partners of the private equity firm and their limited partners in the deal.

It is usually the case that very little (maybe even none) of the firm's partners' own capital is risked in such deals. The equity comes from their limited partner investors. It only takes a few years to return this, from those 'special dividends' that were created, remember, out of debt.

A small number of senior managers of the business that was taken over are given stocks by the private equity firm. Therefore, these fortunate few executives also receive dividends. You can appreciate how handy this is by considering that such dividends are taxed at fifteen percent. The rate that would have been charged on their ordinary income would have been far, far higher.

But, such takeovers and the vast expansion of debt they involve, are not good for everyone. Whenever somebody seems to be making money out of nothing, look for other people (typically, lots of others) who are getting screwed. Quite simply, a significant fraction of the profits private equity firms make, comes from looting the companies they take over. Such practices are particularly prevalent in the United States, because that is a country that offers only weak protection for most of its workers, and there is insufficient enforcement of what regulations there are. No wonder, then, that private equity firms have no qualms about implementing savage wage cuts and also attacking such benefits as pensions and retirement healthcare.

The fate of the Simmons Bedding company provides a good example of this kind of looting. When the private equity firm, THL, bought Simmons from another private equity firm, the Simmons company was ordered to take on \$1 billion of debt. Using this 'borrowed' money, THL was able to pay out \$375 million in 'special dividends'. Simmons also paid additional, large transaction fees to THL and to the investment banks responsible for arranging the necessary finances.

So, as ever, a private equity's owners and the management installed by them did very well indeed out of such arrangements. The same could not be said for the Blue-Collar workers of Simmons. Their wages were severely cut and so too were benefits such as retirement plans. Not that this negative outcome was particularly unprecedented for these working-class folk. Their retirement fund had already suffered under a previous takeover. William Simon, who at one time had been Treasury Secretary in the Nixon Administration, had forced the employees' retirement plan to purchase Simmons stock from him, demanding they pay an inflated price for it. Later on the stock price fell, and when another private equity firm

purchased Simmons at a far lower price, the employees' retirement savings were devastated.

What is particularly galling about all this is that the Blue-collar workers who were harmed by this orgy of debt almost certainly never asked to shoulder such a burden to begin with. Nor were they the ones who benefitted from such advantages as tax avoidance. After all, being able to take advantage of such things requires access to financial experts that are beyond the budget of ordinary workers, as is the 'lobbying' that goes on as executives move back and forth between the upper echelons of government and business (Treasury Secretary at one point; executive of a private equity firm the next). Nevertheless, the blue collar workers who in no way benefitted from such goings on were the ones who were expected to "pay the price" of indebtedness.

Meanwhile, the financial vultures who looted these firms could not even be said to have risked their own capital. And yet they got all the benefits of burdening the business with vast amounts of debt, such as huge payouts in the form of 'special dividends' and low taxes.

In fact, it could almost be said that the greatest trick of the richest is not 'wealth creation' at all, but rather the ability to possess great wealth which, on paper, miraculously transforms into very little wealth whenever the call to spread some of that collectively produced wealth is raised. This trick is accomplished by taking advantage of the high credit score that comes with being rich, taking out loans and moving that borrowed money around in ways that keep it out of the hands of the taxman.

You see this all the time. War breaks out and the price of fossil fuel goes sky high. The heads of oil companies brag about making out like bandits, of suddenly having more money than they know what to do with, billions and billions pouring into their accounts. Until, that is, the suggestion that this windfall should be spread around is raised. Then, the tone suddenly changes and these once staggeringly rich businesses would have us believe they barely have two pennies to rub together. When the taxman comes sniffing around, they're able to present their accounts in such a way as to make it seem like they are on the breadline, and of course should pay the minimum tax you can pay without operating outside of the law. To the rest of the world, they show grotesque levels of conspicuous consumption, with their mega yachts, multiple, sprawling luxury homes, more bling than the treasure of the Incas, and on and on and on. Money which could, if distributed and spent in a truly economic way, easily end poverty many times over.

Leverage

Here we are talking about individuals with enough assets to ensure their loans could be repaid if ever the banks felt like calling in the loans and seizing those assets. But, in the case of the banking/financial system itself, sometimes it can grow debt to the point where it cannot repay, yet it is still permitted to do so.

As readers of Book Four will know, in the mid-noughties, the financial system went crazy and extended huge mortgages to people who could not have kept up repayments. But there was something else that went on during this period, and that was 'Leverage'.

What is Leverage? Well, it's the practice of borrowing money so as to amplify the outcome of a deal. For this to work, it obviously helps if borrowing money is cheap. Thanks to shocks like the dot-com bubble and 9/11, the then head of the Federal Reserve, Alan Greenspan, lowered interest rates to 1%. This did two things. Traditionally, investors with piles of money looking for safe investments would have considered US Treasury Bills to be the safest investment of all. But, now that the return on such investments was a paltry 1%, it no longer seemed worthwhile investing money in such bills.

On the other hand, banks on Wall Street were now in a position to borrow from the Federal Reserve for only 1%. And that's not all, because general surpluses were coming in from Japan, China and the Middle East, which meant there was an abundance of cheap credit. Cheap credit, combined with low interest rates, set up conditions that resulted in the financial system going crazy with leverage.

But why? What's in it for the banks? Let's say you buy a widget for \$10,000. If you were to sell that widget to someone else for \$11,000, you would be a thousand dollars in profit. But, what if you had bought not one, but one hundred widgets? Well, what-ifs are all well and good, but you began with only \$10,000, meaning you were short of the 990,000 dollars needed to buy one hundred widgets for \$10,000 each.

However, another investor was cleverer than you. She did borrow \$990,000 and has the million dollars needed to buy a hundred widgets. Upon selling those hundred widgets, she gets one million, one hundred thousand dollars. After she has repaid the \$990,000 loan, plus \$10,000 interest, she ends up with \$90,000 which, compared to your \$1000 profit, is a damned sight more impressive.

In the right circumstances, then, leverage can turn good deals into great ones. It helped Wall Street banks grow very rich indeed, and those investors looking for somewhere to invest their money wanted in on the act too. Wall Street responded to this desire by connecting investors to home owners through mortgages.

By the time the US government, the federal reserve, investment banks, private banks, ratings agencies and the rest had organised themselves to take advantage of the evolving financial situation, the system turned into a gigantic debt-generating machine. Arguably some good came out of this debt-creation, such as increasing the liquidity of credit and enabling those who would never have been able to become home owners to get on the property ladder. But along the way the focus changed, from ensuring the quality of the loans to focusing instead on generating quantity of loans. Many thousands of mortgages were bundled together and sold as 'securities'. 'Securities' were bundled together and sold as 'consolidated debt obligations'. Consolidated debt obligations were chopped up and reassembled into 'CDO-Squared'. At every stage in this process of chopping, reassembly and reselling, the financial system was able to charge fees. Vast profits were being generated, ultimately, from nothing more than just moving debt around the banks of the world. And even though an increasing amount of loans going into these CDOs was garbage, like mortgages extended to NINJAs (people with No Income, No Job, and no Assets) it was believed that, thanks to computers' immense capability of handling complex calculations, hedging meant these loans, once they went through the statistical blender, came out as investments that were triple AAA, which is to say as safe as Treasury Bills, the safest

investment there is. And just as the barrier to entry for the mortgage market was lowered to the point where it seemed anyone could get one, so too did deregulation help leverage in financial services not only grow to astronomical levels, but frequently to do so in ways that were invisible to customers, regulators and investors.

By the time the bubble was set to pop, the big players in this orgy of speculation had become massively 'leveraged'. Their whole strategy revolved around being able to continually renew loans of one to thirty billion dollars for maturities that, in some cases, ran for as little as twenty-four hours. They knew that their apparent great wealth and profitability was, in fact, an enormous pile of toxic debt. But, these firms combined total amorality with genius and they were able to profit enormously as the inevitable collapse began.

This they did by putting together mortgages that were deliberately designed to ensure poor families would default. Then, a betting game ensued. Of course, the holders of these mortgages would default, but when? Wall Street speculators bet on when those inevitable defaults would happen. But, they did more than that; they packaged the bet and the mortgage together, and sold them on to such investors as those who represented the mortgage-holders retirement accounts. Those investors were then allowed to pass these weird, opaque and really very toxic abstractions around like they were 'money', and the ultimate responsibility for paying off all this debt was turned over to an enormous insurance conglomerate. Except that it was well known that when that insurance conglomerate collapsed under the sheer weight of the debt that would have to result when this tottering tower of dodgy loans collapsed, the risk to the financial system would be so great, governments would have to bail out the financial system by turning all that toxic private debt into public debt, and then impose austerity measures that would strip back much-needed support for the poor. Sweet socialism for the super rich!

They knew this would happen because it had happened before. As Graeber explained, the scam "looked very much like an unusually elaborate version of what banks were doing when they lent money to dictators in Beirut and Gabon in the late 70s: making utterly irresponsible loans with the full knowledge that, once it became known they had done so, politicians and bureaucrats would scramble to ensure they'd still be reimbursed anyway, no matter how many lives had to be devastated and destroyed in order to do it".

"Do As We Say, Not As We Do"

Earlier it was said that the belief that equates being in debt with being guilty is more strongly felt among people who are struggling financially, and now we can see an additional reason why this might be so. It is because this notion that loans must be repaid or else you are a moral failure is especially promoted to ordinary people. In fact, it could be argued that there is no clearer example of "do as we say, not do as we do" than the way the richest demand the rest of us treat money like a scarce resource while quite happy to let the "magic money tree" spit out whatever credit is needed to save them from having to face anything like the harsh capitalist penalties that are an ongoing experience of most ordinary people's everyday reality. Frankly, it was ever thus. As financial records going back to Babylonian times have shown, loans have always been extended on extremely relaxed terms when the rich lent to their own class, to the extent where often these were not really loans at all, but gifts which nobody seriously expected would be repaid. And, as the harsh austerity measures inflicted

on Third World countries showed, it's not just the richest people who demand the poor tighten their belts while being extremely relaxed about their growing debt, the richest countries likewise lecture poorer countries on their deficit spending while simultaneously growing their own debt to trillions of dollars and beyond.

Speaking For The Gods

Returning to the Brahmanas, the authors of these texts may have been trying to alert us to another fraud, one particularly pertinent given the point made above, about our ruling classes demanding the rest of us equate debt with guilt, while happy to extend credit to their own class into infinity.

We find this fraud by looking at the other side of that nonsense equation that claims we owe an absolute debt to 'the gods'. 'The gods', mythological beings that they are, can never speak for themselves. Therefore, someone or some group always has to assume the position of speaking on their behalf. But, as Graeber pointed out, it is an act of supreme arrogance to assume such a position:

"Even if it is possible to imagine ourselves as standing in a position of absolute debt to the cosmos, or to humanity...who exactly has the right to speak for the cosmos...to tell us how that debt must be paid? If there's anything more preposterous than claiming to stand apart from the entire universe so as to enter into negotiations with it, it is claiming to speak for the other side".

The greatest sin, then, is not that we frame our existence in terms of an absolute debt. In fact, in some ways it's a notion that makes a great deal of intuitive sense, which may well be why it is that the language of debt crops up everywhere, from the private sphere, to legalese and religious rhetoric. Any attempt to calculate all the natural and cultural developments that made us who we are could only conclude that what we owe for our existence is an infinite debt of gratitude.

But, how are we to repay it? That is something nobody should presume to tell us, because nobody can possibly figure out how to achieve equality and separation from the very ground of being. Anyone, or any group, that presents themselves as speaking for 'the gods' in order to tell us how to repay such a debt, is committing the sin of trying to calculate the incalculable. What authors of the Brahmanas seemed to be trying to establish were not ways in which we might achieve separation, but rather ways in which we might overcome that ridiculous idea of being "in debt" to the cosmos by overcoming separation. By becoming a parent, or by acting with humanity, you do not 'pay off' any part of the infinite obligations you owe; instead you free yourself from what was a perversion of 'debt' in the first place. But mostly this freedom comes from understanding that, whatever relationship we do have with the very ground of being, it cannot be anything like a commercial transaction. As Graeber pointed out, "One could in fact interpret this list as a subtle way of showing...that these debts do not exist because one is in fact not separate to begin with, and hence the very notion of cancelling the debt and achieving a separate, autonomous existence was ridiculous from the start".

But, rather than free us from the senseless guilt of carrying an unpayable debt, we continue to find ourselves caught between those contradictory imperatives of repaying, and also perpetuating, our debts. As Graeber explained, by recognising this presumption of 'debt' on the most fundamental aspects of being as the great sin it is, "it would be possible to see almost all systems of established authority- religion, morality, politics, economics, and the criminal-justice system, as so many different fraudulent ways to presume to calculate what cannot be calculated, to claim the authority to tell us how some aspect of that unlimited debt ought to be repaid. Human freedom would then be our ability to decide for ourselves how we want to do so".

CHAPTER TWELVE

From A=A to A=B

Readers may have noticed that we keep encountering a problem when it comes to explaining where money and markets really came from. The barter myth fails because there is overwhelming evidence showing it to be based on a fantasy that never existed. The current theory under discussion (primordial debt theory) has immense difficulties of its own. Most especially, it begs the question: If money began as a token of recognition of unpayable debts, how then does it transform into a form of payment that can extinguish debts? This is another way of asking how we might go from the sphere of values to the sphere of value, or A=A to A=B.

One reason why it's so hard to determine how this happened is because such events mostly played out in prehistorical times, and so there is scant historical evidence we can rely on to retrace the steps social currency and human economies took to evolve into money and commercial markets. There are, however, a few clues which, if properly interpreted, can give us some insight into how this could plausibly have happened. As we shall see, such hints at the true history of the origins of commercial markets are a lot darker than the barter myth with its self-sufficient individuals engaging in friendly trade.

20th Century history gives us some clues as to what happened when human economies become commercial markets, because it presents us with the analogous scenario of human economies in Africa and the New World suddenly becoming incorporated into the economic orbits of those larger, commercial markets that had already existed for centuries in the Old World.

Cloth-Money of the Lele

In the 1950s, one Mary Douglas (1921-2007) undertook an anthropological study of a particular African tribe known as the Lele. They had made a home near the Kansai River in the Belgian Congo, and the womenfolk grew maize and manioc while the men hunted.

Actually, that's not really an accurate description of what Lele males mostly did. Although they liked to think of themselves as hunters, they really spent most of their time weaving and sowing raffia palm cloth, and, as a people, the Lele thought of themselves as clothiers. They would trade their raffia palm-cloth for luxuries with outside people.

When it came to their own people, that cloth functioned as a kind of currency. However, it was not at all like commercial money for two reasons. Firstly, it did not circulate around markets because there were no markets. Secondly, no-one in the Lele village could use that currency to buy the sort of produce you would expect to obtain from markets. Not food, or tools, or any material thing, really.

But then, what use was it? Just like the Tiv's Bridewealth, the Lele's raffia cloth was used as a social currency. As Douglas explained, "informal gifts of raffia cloth smooth all social relations: husband to wife, son to mother, son to father. They resolve occasions of tension, as peace offerings; they make parting gifts or convey congratulations".

There was, however, nothing reciprocal about the giving of such gifts. Instead, as per usual with systems of hierarchy, a logic of precedent led to such gifts flowing 'up' to the tribal elders. If you were young, you were always expected to show respect by giving little presents of cloth to your fathers, mothers, aunties and uncles, who never felt any obligation to return the favour.

As you can imagine, this was a hierarchical arrangement that led to elders typically having raffia cloth to spare after material needs had been met, while the younger Lele found that, no matter how much time they spent weaving, somehow they never seemed to have enough. That became really problematic whenever a young Lele had a major payment to cover, such as a large fine, for he totally lacked sufficient cloth to cover the fine or fee.

In such situations, the only recourse was to turn to the elders for assistance, and so to be a young Lele was to be always slightly beholden to them. Though, as Graeber pointed out, "everyone also had a whole range of friends and relations who they had helped out, and so could turn to for assistance". So, whatever 'debt' was accumulating from the constant need to borrow from the elders' surplus never created much of a problem.

Indeed, raffia cloth was really the small change of Lele social currency. When it came to really expensive social arrangements like a wedding, a high-denomination currency in the form of camwood was used. This rare, imported wood was used to manufacture cosmetics and three to five bars of it were equivalent to a hundred raffia cloths. It was so expensive not many individuals possessed much camwood, save for a few bits to be ground up for personal use. As for the rest, it was kept in the village's collective treasury.

At this point, it would be worth noting how there is something all these items being used as currency have in common. When figuring out what those uses might be, monetary historians have usually cited their portability, durability, and value to the societies concerned, as the reasons why such objects functioned as a currency. But there is one other feature that is more important than all of those, especially given that we are talking about human economies here, not commercial markets. All of these items could be used to beautify a person. They were used to make jewellery, makeup, beautiful clothes and other things that turned a human being from a mere animal into a social being with a recognisable place in the community.

Marriage is obviously one of those events in people's lives that change their relationships. Such negotiations usually required several bars of camwood- a tall order, seeing as how one bar was more than most people would ever own. It's worth pointing out, though, that camwood was not used as Bridewealth. That is to say, Lele men could not use this or any Lele money to acquire women or to claim rights over any children. Instead it was used in marriage negotiations, during which time all sorts of gifts were passed back and forth.

According to Graeber, "The Lele were matrilineal. Children belonged not to their father's clan, but to their mother's". Since that was so, one might assume there was no patriarchy among the Lele, but actually Lele men did have a means of asserting control over women, and it had to do with a system of Blood Debts.

Blood Debts and Pawn Exchange

As we have previously seen in Book One, it may well be appropriate to classify the human species as “the Storytelling Animal”, because it does seem that constructing narratives in order to make some sense of a chaotic world is a universal trait among people.

Nor is it the only one. Something else that is common to all people is a tendency to see agency at work in the world. This is most clearly demonstrated in the way people find it hard to accept that things can happen for no reason. True, we did eventually discover scientific methods of inquiry, but even in our highly technological world we have not entirely abandoned magical thinking or belief in gods.

For those humans living in pre-scientific societies, the natural tendency to see agents at work in the world was even stronger, and so such people imagined all kinds of magic, curses, spirits and other supernatural things providing ‘explanations’ that makes sense to a mind hard-wired to see agency at work everywhere. The Lele were no exception to this rule. Whenever somebody died, they never assumed a fatal accident had befallen the victim for no reason, but instead assumed somebody must be responsible for their demise.

Thus, if somebody passed away from an accident or illness, their next of kin wouldn’t just assume that “shit happens”. Instead, they would endeavour to find out who was the culprit. As you can imagine, sometimes no plausible link between a past quarrel and a subsequent fatal accident could be found by the deceased’s next of kin. But that did not stop them from turning to other means of determining the agency behind the death. Those other means involved employing magical means to identify the culprit.

It’s not the case that the family were turning to superstitious practice just to satisfy themselves that they had found the culprit. Instead, the grieving party had to convince the whole village that this individual was responsible. Should the village accept the charge, that individual was said to owe the family of the deceased a blood debt. A life had been taken and a life was owed. More specifically, the ‘culprit’ was required to hand over a sister or daughter who became a pawn.

It was not only that woman who was considered a pawn. This was because pawnship was inherited, so once a woman became a pawn, any children she had would be considered pawns too, as were the grandchildren. The upshot of this was that most Lele males were considered pawns as well. However, though men could be pawns, nobody would accept a male pawn in payment of a blood debt. Only a woman would do and, as Douglas explained, men vied to have as many such pawns as possible.

As one informant told her, “the advantage of owning pawns is that if you incur a blood debt, you can settle it by paying one of your pawns, and your own sisters remain free...then, if I incur a blood debt, I can settle it by giving one of [my sisters] as a pawn”.

Douglas commented, “every man is always aware that at any time he is liable for a blood debt...Since only women are accepted as blood-compensation, and since compensation is demanded for all deaths, of men as well as women, it is obvious that there can never be enough to go around”.

Since that was obviously the case, men would often find themselves falling into arrears in their pawnship obligation and so, as Graeber pointed out, “just about every male Lele was both somebody else’s pawn and engaged in a constant game of securing, swapping, or redeeming pawns”.

Did it really matter to a male if he was somebody else’s pawn? Not really, no, simply because it was just a fact of Lele life. Pretty much everyone was a pawn, or had been at some point in their life, so there was no reason why any individual male should have regarded this status as unusual or tragic. If anything, it was regarded as a somewhat advantageous condition to be in, because if you were a male pawn, your ‘owner’ had to pay most of your fines and fees, so it was very much like having an extra family to look after you.

What about women, though? Here, we must remember the crucial difference between the sexes, which was that whereas men could both be pawns and own pawns, Lele women could not own pawns. If we combine that fact with the way in which only sisters and daughters were accepted as settlement of blood debts, we can see there’s another way to describe the roles the sexes played in Lele human economies. Young Lele women were the credits and debits, while the creditors and debtors were male.

All of which does rather make this system of blood debts sound like a means of asserting male control over women.

Still, even for women this system of pawn ownership was not quite the slavery it might sound like, for two reasons. One was that, being as they were the only credits acceptable for paying a blood debt, women knew they had value that could be turned to their advantage if they could figure out how to game the system. As Douglas said, “since men competed with one another for women there was scope for manipulation and intrigue...no woman doubted that she could get another husband if it suited her”.

The other reason why a Lele woman was not without control in this system of pawnship, was because there was always an option open to any woman who could not tolerate her current situation. She could become a “village wife”.

In other words, any woman in a situation she could not countenance could run away to an enemy village and ask for sanctuary. Such a request was always accepted, and henceforth that woman became a “wife of the village”.

A good reason why such a request was always accepted was because the status of ‘wife’ was not a monogamous one like it is in some cultures. Most elder men had several wives- so many, in fact that, as with raffia cloth, there was not enough females left in circulation for the younger men. So, as Douglas explained, “everyone recognised that the young unmarried men coveted the wives of their seniors. Indeed, one of their pastimes was planning seductions and the man who boasted of none was derided. Since older men wished to remain polygamous and since adultery was thought to disrupt the peace of the village, Lele had to make some arrangement to appease their unmarried men”.

The arrangement was that those unmarried young men would all have access to a common wife, which was what a 'Village Wife' was. As a village wife, that woman could expect protection from her common husbands. Also, her husbands took care of all household chores and it was accepted by the village that a village wife ought to behave and be treated rather like a spoiled princess.

Not that a village wife was expected to behave like that without giving anything to her husbands in return. She was required to give her body, to make herself sexually available to any of her husbands whenever they wanted sex.

In most cases a village wife would eventually settle down with one husband, or maybe a few rather than the ten to twelve who initially claimed rights to sexual coupling. But it was always the case that the village wife was married to the village as a whole. Therefore, the village, rather than any particular male, was considered father to any children she bore. That's the main reason why villages kept stores of camwood and raffia cloth- as a 'father', the village was expected to provide its children with resources and, when the time came, to see them properly married off.

It might seem strange to talk about a community as a 'father', as though this collective was somehow a person. But, actually, something analogous to this concept exists in modern business. Some businesses, after all, become corporations and are treated like they are people, at least in terms of being legally entitled to own property and to be sued in the event of suspected wrongdoing.

The Violence Factor

'The Village' had a means of acquiring wives that individual males couldn't really rely on. We previously saw how women would sometimes become village wives after seeking sanctuary, but men did not have to wait for a woman to run into their collective arms. If 'the Village' determined there was a need for a village wife, the men were allowed to form parties and attempt to steal a woman from another village.

It would have been extremely hard for individual men to successfully steal a woman because, as Graeber pointed out, "with no government, no courts, no judges to make authoritative decisions, no group of armed men willing or able to employ the threat of force to back those decisions up, the rules were there to be interpreted and re-interpreted". Much like the Wendat, then, any social issue between members of a village was usually settled through peaceful means like negotiating a compromise.

But, there were occasions when organised violence entered the picture, which was when villages mobilised groups of men to go on raiding parties. Douglas reckoned that "since it had the backing of force, the village could afford to be less conciliatory towards the wishes of its pawns".

Those who have read Book Three may recall a question being asked, which was "why do workers put up with bosses who wander around oblivious to what is going on around them, having delegated not only the responsibility to do the physical work required to maintain a

business, but most of the caring labour too?”. We determined that this sort of systemic inequality requires disproportionate access to violence or coercion.

Numerous studies have shown that, the lower down the economic ladder you are, the more able you are at performing the ‘caring labour’ of interpretation, empathy and understanding. To ask why that is the case would be like wondering how come the guy who runs around a building site carrying bricks all day has a fitter, more muscular body compared to the guy who sits behind a desk. If you’re hired to do a job, then your role, whatever job you actually do, will invariably involve taking into consideration what the boss wants, what the boss is thinking, and what mood the boss is in, so as to respond appropriately.

But, when you are in a position to hire somebody to do a job, not only do you not have to do the practical work yourself, you also need not care what psychological state an employee is in, either. As Graeber remarked, “rich people don’t have to learn how to do interpretive labour nearly so well because they can hire other people to do it for them”.

However, it is not enough to be rich or to be in a position of authority. As we saw with the example of the Wendat, even if you enjoy both privileges you cannot compel anyone to do anything unless you have a way of gaining power over others.

In the case of the employee/employer relationship, the power the latter holds over the former comes from the fact that they hold the former’s income hostage, meaning the employee typically cannot just walk away from an exploitative situation. Other examples of unquestioned authority would be parents (far stronger than their kids) ending all arguments by saying “because I said so” and how, with a simple swipe of the baton, law enforcers (who have a monopoly on the legal entitlement to apply force) get to silence those scrambling to give their version of what is going on and who is responsible.

We find something common to all such cases, and that is an acute imbalance of power. Whenever you have a sufficient imbalance of power, you can forgo the messiness of social life with its obligations, responsibilities, multiple points of view and emotional reactions to all that complexity, and just force your way to achieving your agenda or force others to accept your perspective on the world, whether they like it to agree with it or not.

If we return to the Tiv, we’ll see how an imbalance of power over others leads to something else. It’s a key factor in transforming human economies into market economies. The Tiv, readers will recall, had a system of bridewealth in which, in accordance with an A=A economy, marriage ideally involved an exchange of sisters. Or, if no suitable sister was available, a ‘ward’ could be presented instead.

Assuming no suitable sister or ward was available, the bridewealth system said you could obtain a wife and gain her parents’ or guardian’s consent by handing over gifts of camwood. But anyone relying on that method could never truly call their wife their own, unlike those fortunate enough to have suitable sisters or wards to swap.

However, there was a way in which those whose only option was to buy a woman rather than exchange women to acquire a wife they could call their own. Sometimes, women were captured in raids and that had a dramatic effect on the networks of mutual obligations and

debts that turned a person from a mere animal into a social being with connections to her community. Once a person was captured, they became a slave, effectively separated from their network of debt and obligations, and turned into something that could be bought and sold.

As David Graeber commented, “we have perhaps a general principle: to make something saleable in a human economy, one needs to first rip it from its context...the value of a human life could, sometimes, be quantified, but if one was able to move from $A=A$ (one life equals another) to $A=B$ (one life= 100 raffia cloths) it was only because the equation was established at the point of a spear”.

CHAPTER THIRTEEN

Being as we are storytelling animals with an innate tendency to see agency everywhere, human beings believe in supernatural entities like angels and gods. Sometimes, these creations of interpersonal belief are imagined to be benevolent. But, human imagination also dreams up malevolent beings and forces. Along with actual destructive forces like earthquakes, and dangerous animals like lions, humans have imagined curses, black magic, werewolves and gorgons, malevolent forces and monsters that simply don't exist in the natural world.

Medical science is well aware of what's known as the 'Placebo Effect'. If someone is given a pill or potion that, unbeknown to them, actually does nothing, they may well feel an improvement to their health through nothing more than the belief that they should improve having taken the prescription the doctor ordered.

Curses and hexes rely on the placebo effect too. If you really believe being cursed will lower your quality of life, then that's likely to be the subjective outcome.

Witches and the Dread Cost of Tsav

It was recognised by the Tiv that, among their men, some were more adept at acquiring the things that mattered to male prestige than others. But why did some men have more charm and charisma? According to Tiv beliefs, this was due to a substance they called "Tsav", said to grow on the heart and confer energy and powers of persuasion on those who had it. The more tsav there was growing on your heart, the more charismatic and enterprising you could be.

Again, it's the old placebo effect. If you believe more 'tsav' leads to stronger hearts and that in turn leads to a greater ability to bend others to your will, then truly believing you have or lack tsav will affect what you feel you can accomplish.

In all such cases, we're talking about subjective states like positive and negative feelings. Such things have no objective reality. They can't be seen or touched or detected with any kind of instrument, only 'felt' in the intangible sense of a conscious state. Hence, it's kind of hard to really disprove such figments of the imagination, especially when you live in a society that accepts them as part of real life.

But mythical monsters well, they're somewhat different. If werewolves really existed, they would leave some sort of tangible evidence. Has anyone ever witnessed a man transform into a wolf or come across any credible evidence that such monsters exist? Since werewolves don't exist the answer is obviously "no".

But then, if mythical monsters don't really exist, and therefore cannot leave any evidence leading people to fear they might be out there, why do people allow themselves to be haunted by such dark fantasies?

Returning to the Tiv, they believed that if someone wanted to augment their tsav, there was a grizzly method for achieving this aim, which was by consuming human flesh. Cannibalism is

a physical act so, if people really were eating human flesh in some mistaken belief that this would grant them certain powers, there would be some evidence of this happening.

No Tiv actually witnessed acts of cannibalism and there's no reason to suppose the act was ever carried out. But, nevertheless, despite a complete lack of reasons for believing it, the Tiv feared that some prominent men in their community might have increased their tsav through cannibalistic practices.

Indeed, they concocted a grizzly conspiracy theory around this baseless assumption. They believed there was a society of witches known as the "Mbatsav", who were always on the lookout for new recruits. The way they brought in new members, it was said, was by tricking them into eating human flesh.

Those who had done this, building up their tsav by consuming human flesh, gained extraordinary powers. But all that came at a terrible cost, for now that witch owed the Mbatsav a flesh-debt. The only way to completely pay off the debt was to be slaughtered and consumed. But the day of reckoning could be delayed if one had relatives to pledge as a kind of interest payment. However, much like the guardians who kept coming back for more gifts, one could never pay off the Mbatsav in this way. As one Tiv commented, "the creditor keeps on coming. Unless the debtor has more men behind him who are strong in tsav, he cannot free himself from the flesh debt until he has given up all his people and his family is finished".

This Tiv was voicing genuine fears, and yet there is no credible evidence of any such society of cannibalistic witches ever existing. But why, if they were no more real than werewolves, did any Tiv allow themselves to be haunted by fear of the Mbatsav?

Anthropology has an answer. People make up tales about monsters because, sometimes, their society encounters something so fearful they don't want to confront it but, at the same time, can't stop talking about it. Rather than face this terrifying potentiality, they mythologise it and turn it into a dark fantasy, the true meaning of which would be recognisable to anyone with the necessary social context required to read between the lines.

The Atlantic Slave Trade

In the case of the Tiv, we can perhaps see the reasons behind tales of a secret society of cannibalistic witches by placing the Tiv in the wider context of world history.

Tiv ancestry could be traced back to circa 1750. That was when these people first arrived in the adjacent lands around the Benue river. Something else was happening in Nigeria at that time. It was being subjected to the Atlantic slave trade.

When those slavers turned up, they found that there was a system in place that they could turn into a mechanism for acquiring new slaves. That system was the social currencies that, hitherto, had mostly been used to rearrange human relationships and to signal one's standing in the community.

Yes, some of those slaves were acquired through raids and kidnapping, but not the majority. Most were acquired through credit arrangements. The slavers were able to bring in all kinds of things the Tiv needed, such as copper bars that served as an all-purpose currency, and large quantities of cloth. All such goods were advanced on credit and security on that debt was achieved by demanding the handing over of pawns.

We encountered pawns before, when talking about the Lele system of paying off blood debts and providing young men with village wives. You will recall how a village wife, though expected to provide sexual services for her husbands, was not a domestic servant and she certainly wasn't a slave. But, sometimes, villages would organise raids to capture women from rival villages, and we saw how an imbalance of power can rip a human being from the social contexts that make them a person, and turn them into something that can be traded. But, in that case, this could only happen to a very limited extent, because the kidnap victim's family was not far away and, invariably, they would turn up demanding an explanation for their missing relative.

However, once the slavers turned up, they brought with them far greater imbalances in the application of force, and the effect of that was to bring about a far greater separation between the individual and the communal ties that turned them into a social being, and therefore pushed the notion of human beings as commodifiable objects to an extreme.

At first, this was done through manipulating the justice system, making any crime punishable by enslavement, or by fines that required the selling of one's family in the event of default, and then setting repayment so high as to make default inevitable. These tactics led to such an outbreak of thuggery, a period of chaos and terror swept through the region, and many people abandoned their villages.

This then led to a second phase in which some measure of order was established by local merchant societies. Such societies hunted down the kidnappers and sold them on as slaves. They also made sure enough farmers were safe from being snatched to ensure farms were no longer abandoned.

But, they didn't entirely ban the practice of making up laws or issuing fines that would result in one's family being sold into debt peonage. Indeed, those merchant societies assisted in the dissemination of a secret society known as the 'Ekpe'. People very much wanted to become members of the Ekpe, because a huge amount of prestige was associated with membership. And anyone could gain entry by buying their way in, but that was hugely expensive and most could not afford the entry fee nor subsequent fees for rising up through the nine grades of initiation.

What they could do, though, was take out loans, secured on family members turned into pawns. But, since membership of this prestigious club was so expensive, it was by no means unusual for debtors to have to supply more and more pawns and, finally, pawn themselves, in order to satisfy their Ekpe creditors.

Perhaps it was little wonder, then, that the Tiv should have made up such dark tales as the secret society of cannibalistic witches. There really was a secret organisation luring people into debt traps that would end up consuming their entire families. The only difference was

that, rather than literally consuming flesh, this was a method of debt peonage that was based on a system of power (the Atlantic slave trade) that was so great, it could rip people from their contexts so completely they were reduced to slaves, mere bodies without rights or family, who stood in a relation of absolute degradation to their hierarchical absolute masters. Mere bio robots who could do nothing but obey orders, even if doing so resulted in being worked to death.

According to Graeber, “what is remarkable, is that all this was done through the very mechanisms of the human economy...all the same institutions, fees for initiations, means of calculating guilt and compensation, social currencies, pawn ownership- were turned into their opposite; the machinery was, as it were, thrown into reverse and...the gears and mechanisms designed for the creation of human beings...became the means of their destruction”.

A Repeated Pattern

What are we to make of this slice of history in which a commercial market was imposed on a people, and the mechanisms of human creation were turned into the mechanisms of human destruction?

One response would be to dismiss this episode as an anomaly, a terrible one-off event that in no way typifies the evolution of commercial markets. But such a response becomes untenable once it is understood that the exact same thing keeps happening whenever human economies come into contact with commercial economies that have a: an insatiable appetite for human labour and b: advanced military technology.

Take Southeast Asia, for example. According to its premier historian, Anthony Reid (1939-2025), it had long been a practice throughout Southeast Asia to organise labour through debt peonage. He wrote, “even in relatively simple societies little penetrated by money, there were ritual needs for substantial expenditures....It is widely reported that such ritual needs are the most common reason why the poor became indebted to the rich”.

Just as was the case with pawnship among the Tiv, this system of debt peonage was, for the most part, relatively innocuous. Indeed, it was quite common for a poor man to take out a loan just so he could become a debtor to a wealthier patron who would provide him with the essentials of life during hard times.

But there was always risk involved. Above all, that patron might himself be indebted to creditors in Majapahit or some other distant city, and there was always a danger that the dependent would be shipped off and turned into an outright slave.

Nor was the strategy employed by the Ekpe in any way unique. No, it was, and is, standard practice among right-wing gangsters everywhere. The evolution of markets under such practices typically involve two stages. There is, firstly, the criminal violence of an unlimited market, in which there is nothing that cannot be commodified. Life becomes extremely cheap and society is driven into chaos. Then, step two, in which a certain level of order is brought about, but one in which violence is preserved within the structure of law, and labourers are

supplied who, despite having to work almost entirely for the benefit of strangers, possibly don't consider themselves as slaves but rather as citizens doing their duty.

As Graeber said, "such mafia...almost invariably end up enforcing a strict code of honour in which morality becomes above all a matter of paying one's debts".

The Debt Trap

Saying money is created out of debt might make it seem that the amount of debt in the world is exactly balanced by the amount of money needed to repay it. However, this is not the case, because while the 'principle' (the basic amount borrowed) is created and added to the overall money supply, each time we borrow money the banking and financial system charges interest, and the money needed to pay back that interest is not created. This results in a situation where there is always more debt in existence than the credit needed to pay it back.

So, if we were to try and repay all debts, the money supply would vanish leaving us left with outstanding interest and nothing to repay it. In other words, the one choice the financial/banking system leaves us is to take on more debt in order to keep up repayment of a debt that can never be repaid.

I say 'us' but actually the consequences of this system does not affect all of us equally. No, it's disproportionately detrimental to the poor and financially-struggling. After all, the wealth surplus that is inherent to the affluent's financial status puts them in a position of being far less likely to have to take out a loan in order to keep up with everyday expenses. Furthermore, an additional class-protection is in operation through the phenomenon of investment income via interest earned from paper profit-earning assets that are just not available to anyone who isn't already wealthy. This means that a system that works as a vehicle of social oppression for the poor is simultaneously a vehicle of financial advantage for the rich, and the financial and banking system as a whole should be viewed as a mechanism for transferring wealth from the working poor to the asset-owning rich. That's not to say that those asset-owning rich don't also work. Some may work very hard indeed. It is merely pointing out that, for the 0.1 percent, wealth accumulation is mathematically guaranteed and there are all sorts of mechanisms in place within politics, banking and finance to ensure that whatever happens their wealth is protected. Austerity is meant only for the lower orders, the ones who really have to face the risks inherent in market competition.

The Travesty of Our System

Now, in some ways there's nothing new about any of this. Credit-money systems have existed for thousands of years and are probably as old as civilization itself. And ever since we've had the ability to support economic specialisation and the menial and administrative jobs that invariably exist under such conditions, debt backed up ultimately by access to disproportionate force has been used to place some people in a position of servitude toward others.

But there are also major differences between ancient credit systems and what we have today. Most especially, the ancient credit systems had structures in place designed to protect the debtor. As we have seen, every now and then kings would announce general amnesties,

wiping the slate clean and declaring outstanding debts null and void. The moral arguments that lead to such debt jubilees has its legacy in our religious traditions and systems of law where moral arguments with terms like 'guilt', 'appeasement', and 'redemption' harken back to a time when people were debating the rights and wrongs of debt peonage and using the language of commercial markets to frame their arguments. Even the word 'should', as in 'we should pay our debts' is part of this legacy, since it derives from the German 'schuld' which, as Nietzsche noted, meant both 'debt' and 'guilt'.

But whereas with ancient credit systems the prayer 'forgive us our debts, as we also forgive our debtors' (as the Lord's Prayer ran until 1559) was sometimes answered by debt jubilees, what we have in place now is a credit-money system that is not mediated by interpersonal relations of trust but rather by profit-seeking corporations who have at their side institutions like the IMF that don't enforce the rights of debtors but rather of creditors.

Knowing full well that a vast bureaucracy comprising of political, financial and banking systems was in place that would swing into action and ensure the 0.1 percent's wealth would be protected and repayment enforced no matter what societal damage had to be inflicted, modern credit-creation systems went crazy and made utterly irresponsible loans such as those that resulted in the Third World Debt crises and the 2008 financial crash and the austerity that followed.

There was never any real economic argument for austerity, for as Mark Blyth has shown it is an approach that has never actually achieved its stated aims. Indeed, the argument that 'we must pay all debts' is not economically-viable because if all debts were guaranteed to be reimbursed there'd be no reason not to extend credit to any fool who came in asking to borrow money. One of the fundamental problems of the banking/financial system that led to the 2008 crash was that it seemed like banks could extend credit and make the responsibility for repaying it not their problem. But if you bothered to follow that debt it always ended up back in another part of the financial system. "We must pay all debts" is not an economic argument but rather a moral statement. But even as a moral statement it is not a good one if it's irresponsible loans created by sophisticated scams that create nothing but paper profits without adding a single penny to true, material advancement that we're talking about.

Primordial debt theory is part of this scam. It was never really trying to explain a myth but was instead all about creating one. But what myth did it create? The answer is the myth of State populism otherwise known as Collectivism. That is, the myth that says we are each born owing an infinite debt to the secular god 'society' and that therefore the State in its privileged position of being able to speak for the Absolute has the right to tax us and impose a condition of near-permanent servitude upon us.

It's a powerful myth that has convinced an awful lot of people, as evidenced by the way so many people believe that all debts have to be paid and that commercial exchange is the only viable means by which human beings can relate to one another. But it's all based on fiction and a diabolical use of language in order to intimidate. Let us finally return to that debt clock which was introduced at the start. Calling those numbers on the US federal states' ledger a 'debt' has a certain effect on people who have been brought up to believe being in debt is a sin and that the Day of Reckoning must surely come, if not for themselves than certainly our children. For that is what we are always told, right? "It is not fair to leave a debt for our

children to pay". With the exception of the very wealthy, most people do not want to remain in debt and do see paying off loans as a moral duty. So when we learn our country, or the world, owes tens of trillions of dollars and is sinking in unmanageable debt, this strikes us as deeply troubling.

But, as Modern Monetary Theory shows, this is all just a use of language to evoke fear in us. In fact, that 'debt' can be looked at in an entirely different way, for it can just as legitimately be thought of as the savings the federal government has. As for the world, hopefully by now readers are convinced that any notion of it being in debt is nonsense. To believe this is to be ignorant of the fact that human existence consists of more mutual obligations than just reciprocity, and that since a debt, properly-speaking, is a quantified obligation, a specific debt owed to a specific party, to say 'we' as in the sum total of all humanity owes an infinite debt to the very ground of being is utter nonsense, for from the very grandest of perspectives there is no such thing as debt.

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