

## MONEY

Gold dust, bushels of grain, electronic data, human beings, even pieces of paper with complicated ink marks have been used as money. But what is money?

Alexander Del Mar wrote this about 110 years ago: "They [the political economists] have been taught to look upon money as so much metal, whereas it is plainly an institution of law."

"You can no more touch a dollar or a deutschmark than you can touch an hour or a cubic centimeter. Units of currency are merely abstract units of measurement, and as the credit theorists correctly noted, historically, such abstract systems of accounting emerged long before the use of any particular token of exchange."

"Money was no more ever 'invented' than music or mathematics or jewelry. What we call 'money' isn't a 'thing' at all, it's a way of comparing things mathematically, as proportions: of saying one of X is equivalent to six of Y. As such it is probably as old as human thought. The moment we try to get any more specific, we discover that there are any number of different habits and practices that have converged in the stuff we now call 'money,' and this is precisely the reason why economists, historians, and the rest have found it so difficult to come up with a single definition."

two quotes from DEBT THE FIRST 5,000 YEARS by DAVID GRAEBER

Money is hard to define. Wealth consists of intrinsically desirable things and the tools, resources, and societal permissions needed to produce more. Some people include knowledge as a form of wealth, often above all other forms; some people include 'social capital'--respect, admiration, authority, etc.

Primarily, owning money means owning a societally-recognized claim (a 'legitimate' claim) to goods and/or services. Physically, money is a token for such a claim. Societally, it is accepted by nearly all members when used to pay a debt; local authorities have determined its value. Money is a very useful tool, nearly always capable of motivating humans. Money is versatile; exactly like a screwdriver that can serve as a chisel, prybar, or a weapon.

Money *seems* to be an abstraction derived from barter--an agreement that some token will substitute for one side of a barter agreement, and that this token can be used at a later time. However, ancient cultures used barter rarely, since everyone knew all their trading partners and had long relationships with them. Humans are able to accurately keep track of a small number of societal credits and debts, and anthropologists do not often find barter transactions among primitive people, past or present. Ancient peoples who lived in small groups had no great need for money or barter. These small groups were a 'tribe,' like an extended family. Taking care of 'the tribe' was (and is) more important than wealth accumulation, even if such words sound odd to the modern human.

Human technologies accumulated, and populations began to grow. Human mental limitations (like Dunbar's Number) ensured that some of the more numerous humans would probably never be around often enough for a tribal-type relationship to form. Foreigners and people of poor reputation (of 'no account') were excluded from the mental credit/debt transactions that tribes usually have and often resorted to barter, as did traveling merchants or plundering soldiers. Such people wanted trade goods that were universally valued and easily carried, and they wanted reputation enhancers like 'letters of credit.'

The Athenians of ancient Greece used broken clay tokens, for a fragment would be impossible to forge. The Chinese used split bamboo sticks or torn paper in a similar fashion (they would write a contract twice, then tear the paper between the copies). Other cultures developed their own unforgeables. Part of a broken clay token or half of a notched and split stick can be traded, lost, or stolen; perhaps these became the first physical money. Governments quickly intervened, and now every government claims the power of designating what shall be used for money--by fiat. The ancient Greeks were well acquainted with the good and bad of fiat money--probably better than most modern people.

Aristotle: "All goods must therefore be measured by some one thing... now this unit is in truth, demand, which holds all things together... but money has become by convention a sort of representative of demand; and this is why it has the name nomisma--because it exists not by nature, but by law (nomos) and it is in our power to change it and make it useless." (Ethics 1133)

If money systems are based primarily upon law, then a coin's commodity value can be close to zero. Ancient Athens used overvalued silver coins, but briefly used highly overvalued copper coins during several wars. Lacedaemon (known better by its biggest city, Sparta) was famous for its use of iron 'pelanoi' as currency; and Rome's second king, Numa, (716-672 BC) began a tradition of using bronze in a similar way. Both Rome and Sparta prospered partly due to local government control of the money power (rather than those who controlled various temples with huge hoards of gold and silver). Both Rome and Lacedaemon accumulated large amounts of gold and silver plunder as they grew in land area; both Rome and Sparta eventually started to use these scarce commodities in coins for local use (rather than reserving them for trade with foreigners); and both allowed private individuals to control the money power, guaranteeing profits for a few wealthy men. The Roman republic became a dictatorship; Lacedaemon became ruled by a plutocracy.

With the exception of countries like Iran and North Korea, modern governments are unwilling to create their own money, preferring to borrow a type of money called a 'currency.' This currency comes from a small group of people that give themselves the right to create this money; they claim that they are a 'central bank' and loan their currency to a government if it agrees to return it later, plus 'interest.' A government can use its authority to make this currency acceptable for paying taxes, fees, fines, and other governmental expenses, which forces the citizens to use it as money. The 'central bank' is not part of the government, so it is often not audited--and even if it was, citizens must somehow obtain the money the government demands, and often must borrow this money from private banks which collude with the 'central bank.' Such banks are quite profitable and quite private; they are usually 'incorporated,' so they have legal obligations to make as much money as possible.

"When plunder becomes a way of life for a group of men living together in society, they create for themselves in the course of time a legal system that authorizes it and a moral code that glorifies it."  
Frederic Bastiat - The Law

A rational person must conclude that any population afflicted with a 'central bank' is ignorant and/or powerless, and that many people, both in their government and outside of it, are working with the 'central bank' to perpetuate this scam. A rational person would also conclude that keeping the affected population ignorant and/or powerless is beneficial to the 'central bank' so it will likely spend unlimited amounts of other people's money to keep the population ignorant and powerless. A rational person would conclude that the real power in society lies with those who control the money, and that 'the system' is likely rigged to favor THE MONEY POWER.

For example, in many countries, literally millions of people lost their homes due to bankster shenanigans in the last few years and the guilty banksters weren't imprisoned. In some countries, when banksters are caught 'laundering drug money' (whatever that means), the banksters merely pay a fine (give some of the loot) to a government, even if that government operates the largest and busiest prison-industrial complex known to the modern world.

Additional data:

During the Dark Ages in Europe, people were keeping track of debts with Roman money even though no coins remained in circulation; also Charlemagne's money system was used to keep accounts and to calculate relative worth of trade items for 800 years, long after every coin had been lost.

Much is known about the rise and fall of the Roman empire. Rome's second king, Numa (Numa Pompilius, 716-672 BC) began the use of Roman bronze currency, not silver or gold (which was used for foreign trade). King Numa likely monetized overvalued but officially-marked bronze bars because it reduced the MONEY POWER of those who controlled the silver-and-gold temple hoards which might manipulate the Roman money supply for their own advantage.

The Roman 'Ace' was 12 oz of bronze, one Roman pound, about 325 modern grams; but it likely had a value of 30 oz of bronze. In 454 BC, a legal document called the Lex Aternia Tarpeia (Rome was a republic then), stipulated that ten Ace was equivalent to one sheep and one hundred Aces were equiv to one ox. The Roman government accepted Aces as payment for taxes. Over time, the bars turned to coins and the became much lighter while still retaining their assigned 'value.' Coins shrank to one Roman ounce by 200 BC. Bronze was the only metal coined at Rome for Roman use during the whole period of rapid expansion that made her supreme in Italy. Plundered gold and silver coins came to the Roman empire as it expanded, especially during and after the war with Carthage (the Punic wars), and a Roman plutocracy gained power steadily. Gold and silver coins were minted but valued solely for the metal content at first. But during the Punic wars, Rome produced overvalued gold coins (from borrowed gold) and also overvalued silver coins like the Denarius. Some 'Denarius' coins bore various family markings and may have come from privately operated mints. The Denarius and other silver coins were minted at will, and overissued. Prices increased, slowly at first--but in about sixty years, the value of the Denarius became equivalent to its silver value. In such conditions, using scarce commodities for money is usually deflationary; not only when populations grow faster than coinable commodities are found, but also when certain people accumulate huge hoards of the coinable commodities--and especially when they can also make usurious loans. Unlike most commodities, money never spoils and no human could have 'too much money.' Piles of metal can grow over many generations, and humans can too often be bribed; in Rome, the MONEY POWER went to the rich.

133 BC: Tiberius Gracchus, Tribune of Rome, passed a law to take back 'illegally' owned land (when more land was owned by one Roman than allowed by Roman laws) and distribute it to landless Romans. He was murdered less than a year later at the instigation of the Senate. Gaius Gracchus, his brother, became Tribune in 121 BC and tried again, but he was killed in a riot. Concentration of land ownership resumed. Soon, the Republic became a dictatorship. By 45 BC, all large sums of money were kept in gold, and by governmental decree gold/silver standard was changed from 1 gold equalled 9 silver to 1 gold equivalent to 12 silver. This gave more money power to those who already had gold--the rich. Silver went east for two reasons: to pay for luxury goods, and to be melted down and re-minted in foreign countries, for in India, one gold coin was worth six of silver (with similar ratios in other Eastern countries). Rome had banned the export of currency beginning 63 BC but a lack of silver marked the rest of Rome's years. Silver coins flowed east, impeding Rome's day-to-day commerce; the gold thus obtained went into a very few hands, and those with the gold made the rules.

According to a popular version of the Bible, the only time Jesus became violent was during an encounter with some moneychangers who were 'doing their business' (messing with the money) inside a temple. Rumor has it that the temple required a special silver coin in order to participate in some desirable activity, and one source of these coins was these moneylenders. Such requirements from various temples (of various religions) were common--the temple had the metal and could create a demand for it, and MONEY POWER is addicting.

If enough people think that their money tokens will not be widely accepted as payment, the money 'dies.' A culture that has had experience with money usually reverts to barter, often using ornate disks made of rare metals. Barter is less convenient than plastic cards with magnetic stripes, but is better than nothing at all.

The proverb states that money never sleeps, but it is people that move.

One of the worst effects of long-term inflation is that prices continually change. If prices remained stable, most people would soon memorize them; they could use money as a unit of measure even without actual cash. Shopkeepers might extend credit to customers they trust, which would inspire a desire in both customers and shopkeepers to be trustworthy.

Loaning money to a government is about as risk-free as a loan can get, and all of the major religions have forbidden charging interest on a loan like this, calling it 'usury.' Sometimes, corrupt government officials will provide taxpayer's money to privately owned banks that make too many bad loans. Too big to fail; too big to jail.

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such twigs to calculate amounts owed by local sheriffs. Often, though, rather than wait for the taxes to come due, Henry's exchequer would often sell the tallies at a discount, and they would circulate, as tokens of debt owed to the government, to anyone willing to trade for them."

"Swapping one thing directly for another while trying to get the best deal one can out of the transaction is, ordinarily, how one deals with people one doesn't care about and doesn't expect to see again. What reason is there not to try to take advantage of such a person?"

"Barter is what you do with those to whom you are not bound by ties of hospitality (or kinship, or much of anything else) ... "

"(...) an Icelandic saga of an aging Viking named Egil, who befriended a younger man named Einar, who was still actively raiding. They liked to sit together composing poetry. One day Einar came by a magnificent shield "inscribed with old tales; and between the writing were overlaid spangles of gold with precious stones." No one had ever seen anything like it. He took it with him on a visit to Egil. Egil was not at home, so Einar waited three days, as was the custom, then hung the shield as a present in the mead-hall and rode off. Egil returned home, saw the shield, and asked who owned such a treasure. He was told that Einar had visited and given it to him. Then Egil said, "To hell with him! Does he think I'm going to stay up all night and compose a poem about his shield? Get my horse, I'm going to ride after him and kill him." As Einar's luck would have it he had left early enough to put sufficient distance between himself and Egil. So Egil resigned himself to composing a poem about Einar's gift."

"There's a famous story that John and Lorna Marshall, who carried out a study of Kalahari Bushmen in the '60s, once gave a knife to one of their favorite informants. They left and came back a year later, only to discover that pretty much everyone in the band had been in possession of the knife at some point in between."

"But to this day, no one has been able to locate a part of the world where the ordinary mode of economic transaction between neighbors takes the form of "I'll give you twenty chickens for that cow." "

"The definitive anthropological work on barter, by Caroline Humphrey, of Cambridge, could not be more definitive in its conclusions: "No example of a barter economy, pure and simple, has ever been described, let alone the emergence from it of money; all available ethnography suggests that there never has been such a thing."

"Lewis Henry Morgan's descriptions of the Six Nations of the Iroquois, among others, were widely published-and they made clear that the main economic institution among the Iroquois nations were longhouses where most goods were stockpiled and then allocated by women's councils, and no one ever traded arrowheads for slabs of meat."

"Each village, clan, or nation within the League of the Hodenosaunee, or Iroquois, for example, was divided into two halves. This is a common pattern: in other parts of the world (Amazonia, Melanesia) too, there are arrangements in which members of one side can only marry someone from the other side, or only eat food grown on the other side; such rules are explicitly designed to make each side dependent on the other for some basic necessity of life. Among the Six Iroquois, each side was expected to bury the other's dead. Nothing would be more absurd than for one side to complain that, "last year, we buried five of your dead, but you only buried two of ours." "

"(...) we are not really dealing with reciprocity here--or at best, only with reciprocity in the broadest sense. What is equal on both sides is the knowledge that the other person would do the same for you, not that they necessarily will."

"Wherever a stranger is a dangerous potential enemy, the normal way to overcome the danger is by some dramatic gesture of generosity whose very magnificence catapults them into that mutual sociality that is the ground for all peaceful social relations."

"In many periods-from imperial Rome to medieval China-probably the most important relationships, at least in towns and cities, were those of patronage. Anyone rich and important would find himself surrounded by flunkies, sycophants, perpetual dinner guests, and other sorts of willing dependents."

"an Inuit from Greenland made famous in the Danish writer Peter Freuchen's Book of the Eskimo. Freuchen tells how one day, after coming home hungry from an unsuccessful walrus-hunting expedition, he found one of the successful hunters dropping off several hundred pounds of meat. He thanked him profusely. The man objected indignantly: "Up in our country we are human!" said the hunter. "And since we are human we help each other. We don't like to hear anybody say thanks for that. What I get today you may get tomorrow. Up here we say that by gifts one makes slaves and by whips one makes dogs." "

"it is often said that people who have shared food, or the right, archetypal kind of food, are forbidden to harm one another, however much they might be otherwise inclined to do so. At times, this can take on an almost comical formality, as in the Arab story of the burglar who, while ransacking someone's house, stuck his finger in a jar to see if it was full of sugar, only to discover it was full of salt instead. Realizing that he had now eaten salt at the owner's table, he dutifully put back everything he'd stolen."

"Why (...) do we refer to Christ as the "redeemer"? The primary meaning of "redemption" is to buy something back, or to recover something that had been given up in security for a loan; to acquire something by paying off a debt. It is rather striking to think that the very core of the Christian message, salvation itself, the sacrifice of God's own son to rescue humanity from eternal damnation, should be framed in the language of a financial transaction."

"If one is on sociable terms with someone, it's hard to completely ignore their situation. Merchants often reduce prices for the needy. This is one of the main reasons why shopkeepers in poor neighborhoods are almost never of the same ethnic group as their customers; it would be almost impossible for a merchant who grew up in the neighborhood to make money, as they would be under constant pressure to give financial breaks, or at least easy credit terms, to their impoverished relatives and school chums. The opposite is true as well. An anthropologist who lived for some time in rural Java once told me that she measured her linguistic abilities by how well she could bargain at the local bazaar. It frustrated her that she could never get it down to a price as low as local people seemed pay. "Well," a Javanese friend finally had to explain, "they charge rich Javanese people more, too." "

"Laura Bohannon writes about arriving in a Tiv community in rural Nigeria; neighbors immediately began arriving bearing little gifts (...) Tiv women, she learned, might spend a good part of the day walking for miles to distant homesteads to return a handful of okra or a tiny bit of change, "in an endless circle of gifts to which no one ever handed over the precise value of the object last received"-and in doing so, they were continually creating their society."

"(...) for most human beings, the most pleasurable activities almost always involve sharing something: music, food, liquor, drugs, gossip, drama, beds. There is a certain communism of the senses at the root of most things we consider fun."

quotes from **The Lost Science of Money by Stephen Zarlenga**

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"(...) monetary history has been heavily censored. For example, in the Athenian Constitution that comes down to us, we can find how the garbage was collected, but search in vain to learn how the Athens state coinage system operated. (...) Solon's great monetary reforms can barely be pieced together from his poetry and, "There is no record of (his) introduction of coinage into Attica," wrote Freeman." [in Work and Life of Solon by Kathleen Freeman 1926 ]

"Supply and demand would not be a major factor, as the temples had ample supply, the power to hold it off the market, and the power to create a demand for gold by requiring it for their services."

on NOMISMA:

"Lycurgus 'made it illegal to use gold or silver as money' in favor of elongated iron discs, each weighing just over 1/2 a kilo, was called a Pelanor because of their shape which resembled small cakes called pelanoi. [350 years later, plunder from conquered people brought large amounts of slaves, gold and silver into Lacedaemon, and the Pelanor became unimportant.]

"Now the same thing happens to money itself as to goods--it is not always worth the same; yet it tends to be steadier (...) Money then acting as a measure makes goods commensurate and equates them (...) There must be a unit, and that fixed by agreement." Aristotle (in Ethics 1133)

"(...) Rome chose to base her money on bronze (...) not just commodity bronze, but monetized pieces called the Nummi, or Nomisma." [Gold and silver coins did change hands, but as a commodity.]

on the German hyperinflation of 1923:

"(...) the hyperinflation followed the complete privatization of the German central bank and elimination of governmental influence on it. Again it was governmental action--this time the German government--not private bankers--that rescued the monetary situation." [Hjalmar Horace Greeley Schacht was the head of the Reichsbank when the 'National Socialists' came to power. He was fired in Jan 19, 1939.]

"Schacht is telling us that the excessive speculation against the mark--the short selling of the mark--was financed by lavish loans from the private Reichsbank. The margin requirements that the anti-mark speculators needed and without which they could not have attacked the mark was provided by the private Reichsbank!"

**"Thus it was a privately owned and privately controlled central bank, that made loans to private speculators, enabling them to speculate against the nation's currency.** (...) such speculation helped create a one way market down for the Reichsmark. Soon a continuous panic set in, and not just speculators, but everyone else had to do what they could to get out of their marks, further fueling the disaster."

"On May 1, 1933 Hitler outlined the 1st Reinhardt Program--a four-year plan to end unemployment by attacking it on several fronts:

\*Spending 1 billion marks worth of 'employment creation bills.'

\*Tax benefits for industry, agriculture, and the employment of domestic help.

\*Marriage bonus loans up to 1,000 marks and

\*Government control of the money and capital markets, under Schacht."

"(...) *Germany did not take the full step and create a German equivalent to the American Greenback.* The Greenbacks themselves were money, had no interest payments due on them and did not add to any national debt. These German infrastructure bills were a form of debt certificate, promising to pay money; they paid interest and did add to Germany's national debt.

But this very close money substitute still had dramatic effects. (...) Unemployment had been at six million in 1933, and was down to around one million at the end of 1936. Furthermore, whereas the American Greenbacks had been spent mostly on warfare and destruction, the "Feder money" had gone almost entirely into public works projects (...)" [Later in his book, Mr. Zarenga states that 141,265 dwellings were built in Germany in 1932, and 283,995 dwellings were built in 1934; also that thousands of kilometers of the Autobahn were built at that time.]