What does it mean that a bank robber will "steal" money at gunpoint, and then later spend it in the market? In his recently released book, Debt: The First 5,000 Years, anthropologist David Graeber discusses assumptions about debt, the origin and nature of money, and the role they play in the organization of social relations. He is a radical, original, and argon-free study of the development of the cult, morality, and politics of debt. Perhaps in some future moment of retrospection, one might claim that Graeber’s work here has significantly informed and influenced the critique and actions popularized by the on-going global Occupy movement. This is absurd for all sorts of reasons; for instance, it assumes your Scapegoat cal thought and discourse (left-right/state-market) and allows us to ask: What kind of the critique and actions popularized by the on-going global Occupy movement. What one might claim that Graeber’s work here has significantly influenced and informed the critique and actions popularized by the on-going global Occupy movement. 

DG: It might help to re-frame the question. If you are speaking of large-scale, impersonal markets with large numbers of strangers who have no prior social or moral relations and are willing to do any, who are exchanging goods with an irrelevant ownership history, then where, in the ancient world, is such a situation likely to happen? Well, armies needed to be fed, and there is only so much food you can steal before managing becomes a full-time job. It is easier to loot things that are already considered highly valuable, like gold and silver, and then exchange them for provisions and the good things in life. In particular, the movement of armies tends to foster impersonal cash markets more than traditional credit arrangements because no one would want to extend credit to a soldier, a man who is heavily armed and probably just passing through. The first coinage in Lydia, India, and China alike seems to have been put out by non-government money-changers, who were probably dealing with soldiers, mercenary or otherwise. The idea was quickly snapped up by governments who start demanding taxes in coins. Taxation became an ingenious way to turn what had been an ad hoc means of disposing loot into a system for provisioning armies. After all, if gold and silver coins and markets just emerged spontaneously, that money is just a social convention, a promise, an IOU. First, can you describe what these categories mean and what drives this cycle? Also, where are we now and where do you see it all going?

DG: Well, I should emphasize that money always moves somewhere between commodity and promise, between a thing and a social relation. It’s just that at some times, one aspect predominates, and at other times the other one does. In Mesopotamia we clearly had a system dominated by virtual credit money; most transactions were based on the precise value of every object to be found in a typical house, from the cushion to the rafter, even though almost none of that stuff was for sale in markets at the time. It was all for calculating compensation for insults or injuries. In the Irish code, the highest denomination of currency was the slave girl.

DG: Your book outlines 5,000 years of a cyclical pattern between the dominating role of virtual “real” and “real” money. First, can you describe what these categories mean and what drives this cycle? Also, where are we now and where do you see it all going?

DG: This relation is complex and multi-faced. The one thing that’s very obvious is that our standard narratives that emerges in the wake of the French Revolution—where you have militaristic states with an army on one hand, and the humble merchant with his markets gradually subverting the feudal order and creating a new world based on contractual freedom on the other—is nonsense. The idea of state and market as opposed principles just doesn’t work. The thing that first place that markets are more than the sum of colonial empires in Asia and Africa. It is interesting to note that the first place that markets are created is in more or less the stories of recognized free-market populism—the idea that markets are good, states are bad and shouldn’t interfere with them—is in Medieval Islam, where we have the earliest known market institutions, but by Sharia courts. It was all made possible by the forbidding of interest-taking, which made the creation of markets based on trust, rather than any recourse to coercion. It turns out Adam Smith got many of his best ideas, lines, and examples from Medieval Persia. The difference, though, is that Islamic free market thought held that markets were ultimately

55: Can you elaborate on how markets are related to military operations?

56: Can you explain the material and geographic origins of money? How did debt (promises) become money (property)?

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55: You argue that the state and the market emerged symbiotically. Can you explain how markets play in the relationship between coercion, conquest, and debt? What do you believe it takes to establish something like money?
an extension of mutual aid; competition had its role, but it wasn’t the central element. When such ideas were adopted in Western Christendom, things became different because this was a place where trade, war, and conquest had never been completely distinguished from one another.

55: What are the benefits and pitfalls of virtual money versus hard currency? Do both operate with the logic of scarce commodities? Is scarcity a feature of money that allows it to function as such? If so, how is scarcity maintained in the case of virtual money, considering the possibility that its “existence” is contingent on infinitely reproducible graphic representations—from writing on clay tablets to printed treasury bills to account balances on screens?

DG: The danger of a virtual money system is obviously inflation—of money is just a promise, it is a social form promising all sorts of things, without regard to what's there or realistically might be. Some have estimated that 98% of all dollars circulating now don't seem to reflect the value of anything that exists now, but is rather speculative, based on the value of things that we assume might exist in the future. So there needs to be some mechanisms to keep things from getting out of hand. I suspect this helps explain capitalism's otherwise peculiar stability to imagine its own existence. From the 1920s to the 20th century to halfway through the 20th, most capitalists seemed to assume they’d all end up hanging from trees in some great revolutionary uprising. The moment that didn’t seem plausible, realistically might be. Some have estimated that 98% of all dollar bills aren’t the central element. When such ideas were adopted in Western Christendom, things became different because this was a place where trade, war, and conquest had never been completely distinguished from one another.

55: Can you explain what types of feedback mechanisms architecture becomes an instrument of debt or credit? How do you see debt manifesting itself spatially or architecturally?

DG: An interesting question. Well, let’s talk about what I’ve said about states of history, some dominated by virtual credit money, others by bullion. The bullion tend to be accompanied by booms marked by materialist values not of some other kind of production. The former are marked by a fascination with metaphysical abstraction—this was par excellence the ideology of the Middle Ages. This is clearly reflected in architectural preferences. Mesopotamian or Egyptian monuments try to ascend into the air. The Acropolis temple complexes—some of the greatest of these—are made to disappear if those running the system want it gone. But the physical reality is that once you have an endless future, there’s no limit to the amount of space you can absorb or the result will necessarily be crazy bubbles?

The physical limits of those who work with debt, they are harder to make impersonal. Conquerors and thugs of every sort prefer bullions because it’s very difficult to steal a credit arrangement. The limits are thus reached sooner. Once you are using money, you understand that money is just a promise, an IOU, and becomes a fundamental instrument of debt. But that’s a very real limit.

55: Can you say anything about how architecture becomes an instrument of debt or credit? How do you see debt manifesting itself spatially or architecturally?

DG: By “human economies” I mean economies where there is some kind of circulating money-stuff—like, say, wax, or woodcarver's skis, or whale teeth—that’s used not to tell stories, but to reinforce social relations (arrange marriages, resolve disputes, pay initiation sponsors or curers, pay respect to your visiting uncle, etc.). Social currencies seem to come first. And they don’t really wither away when they encounter modern market economies. But they can be subverted, especially when and as is so often the case, the commercial economy has superior weapons. This happened, for instance, in both Southeast Asia and most of Africa in the days of the slave trade; the same system by which people used to assemble entourages of clients, pay fines, and get married suddenly became subverted, usually the more so the more recently emancipated. And the actual day-to-day operations were based on extending credit and intentionally tricking both local African merchants and rulers—and ultimately, ordinary villagers—all into debt traps.

55: What kind of “direct actions” do you think you can be engaged to address the problems of debt?

DG: There are all sorts of suggestions being braided about. Here’s the idea of a debt strike, which could actually be effective. Since so many (CDOs and other securitized derivatives) are based on debt, the threat of even 10–20% of mortgage-holders or student loan-holders simultaneously defaulting could be extremely effective. But these always prove hard to coordinate. There are all sorts of moves to create alternative credit systems, or at least to pull one’s money out of investment banks and place them in credit unions, co-ops, and so forth. There are anti-eviction and anti-foreclosure campaigns, which were huge in the 30s, and are beginning to start up again today. And, of course, the occupation movements themselves, which started in Greece and Spain but are now reaching America, are really about debt more than anything else. As I like to say, in 2016, we learned that debts aren’t sacred, they don’t have to be honoured if the banks lack it or any of the similar big players. Trillions in debt can be made to disappear if those running the system want it. People are insisting on creating defiant forms of direct democracy and saying: “Look, now that we understand that money is just a promise, an arrangement, a set of IOUs, it makes sense that promises can always be renegotiated...” But it is democracy to mean anything, it means that everyone gets to weigh in on this process. Not just the 1%.

55: How would you account for the material and design features of coinage? What do you think about the possibility of numerics becoming a type of “political forensics?”

DG: Coins, when they originated, were all different. The Indian ones were flat pieces of metal, counter-stamped like chedi capstones, stamped with the name of the monarch or monarch’s family. From the 12th century to halfway through the 20th, most capitalists seemed to assume they’d all end up hanging from trees in some great revolutionary uprising. The moment that didn’t seem plausible, realistically might be. Some have estimated that 98% of all dollar bills...