# THE PRICE OF TRUTH

## *Gift, Money, and Philosophy*

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is the fact that money precisely measures the good involved; it is not the personal pledge of one partner toward another. When gold objects serve as *units of measurement* in symbolic exchange, what matters is not just the required number of units but also their beauty, history, and size, as well as the identity of those who give and receive them (such as the precious objects involved in *kula* exchange in the Trobriand or the armfuls of currency of the Are'are). In commercial exchange—in which precious metals are indeed measuring units rather than rare objects—what matters is only their weight as equivalent to a precise quantity of exchangeable goods. Furthermore, they are given the neutral form of the ingot. From this point of view what matters is their precise quantity, measured with the greatest precision. The first commercial currencies in history were indeed defined by quantity alone: grains or bars of precious metal whose weight was constantly checked. The minting of coins, sometimes by private entities, more often by public institutions, emerged later. Its function was mainly to secure profits and control and, above all, to proclaim sovereignty.[20]

The term *money* can thus be used with rigor only in situations of commercial exchange, in which money is viewed as a general equivalent to all sorts of goods or services. The term *general equivalent* must be understood in a strict sense: its application is general, which is to say that (1) it does not depend on the relationships between partners (with respect to kin or social status), and (2) it can encompass an indeterminate variety of goods—such as food, everyday or luxury objects, work, artworks, services, competence, and so forth—and of situations—everyday or festive, important or ordinary, private or public, and so forth. In short, these characteristics are in every respect the polar opposite of those that define situations of ceremonial exchange. It is important for this distinction to be clearly established before we can examine how the two procedures sometimes intersect and become associated or articulated together without becoming one and the same.

## Areas of Intersection between the Two Types of Exchange

It is stated in some works of economic anthropology that certain societies operate through gift exchange and others through profitable exchange. This is an unfortunate formulation. The two forms of exchange



are not exclusive of each other. They do not even formally compete with each other: their finalities are not comparable. The importance that ceremonial exchanges take on in traditional societies does not entail that commercial exchanges do not exist or are unimportant. As we saw in Chapter 4, the main purpose of ceremonial exchanges is to create, preserve, or restore bonds of recognition between groups or individuals. Those exchanges do not have any directly utilitarian function, and they often even constitute a negation of such a function. As for the volume of commercial exchanges, it depends largely on the degree of autarky of the populations involved. As soon as needs appear to be complementary, profitable barter emerges, often along with exchanges mediated by some easily transportable equivalent.

Malinowski thus identified in the Trobriand trade that runs parallel to the circuit of gift exchange: "Voyaging to far-off countries, endowed with natural resources unknown in their own home, the Kula sailors return each time richly laden with these, the spoils of their enterprise."[21] This parallel barter activity is called *gimwali*: "The main characteristic of this form of exchange is found in the element of mutual advantage: each side acquires what is needed, and gives away a less useful article. Also we find here the equivalence between the articles adjusted during the transaction by haggling or bargaining" (*AWP* 189). This type of exchange, however, is itself not simple or reducible to a single kind. A *kula* visitor cannot practice *gimwali* with his partner in ceremonial exchanges but only with different village members—*gimwali* partners with whom negotiations can be fierce (*AWP* 362). But outside of these occasions for barter associated with the *kula ring*, a constant trade exists in all these islands between coastal and inland populations; the former provide fish and the latter farm products. There are thus standard equivalences between the amounts and types of products offered on both sides—such as a given amount of a particular fish for a given amount of yams. A different form of trade is also performed by groups of craftsmen who exchange wooden dishes, combs, baskets, and armbands for various products that they lack—such as coconuts and seashells. These people are peddlers with low status and are treated with some contempt, which brings us back to the type of suspicion regarding the figure of the merchant that we identified in entirely different civilizations (see Chapter 2). As Malinowski constantly emphasizes, *kula* exchange is performed with panache, with a generosity that is meant

to challenge and honor the other. The prestige of the partners is always at stake. Utilitarian exchange, however, is performed in an entirely different mode and with different partners. It is associated with the trivial part of life, devoid of nobility, involving the ordinary demands of subsistence. It can be summarized by three features: "absence of ceremonial, absence of magic, absence of special partnership" (*AWP* 190). In these exchanges one can be greedy, unpleasant, or calculating, without losing face. Strict equivalence is sought, and there is no expectation of any personal obligation between the partners, especially if the operation takes place far away and on an occasional basis.

The difference between gift-exchange relationships and barter relationships may, therefore, seem clear, but things are not so simple or clear-cut, as Malinowski admits. In a society such as that of the Trobriand the circuits of gift exchange and the institutions associated with them are so important and pervade the whole of social life to such a degree that every activity is influenced by them. There is thus a category of barter so closely resembling gift-exchange relationships that Malinoswski calls it ceremonial. And yet it is barter, since its purpose is to exchange useful products through precise and agreed-upon equivalences. But it goes beyond *gimwali* trade in that this form of barter takes place between official partners who cannot withdraw from it once the procedure has been initiated. Evaluations and exchanges are based on reciprocal trust and preclude any negotiation. In short, even if this kind of barter has nothing to do with *kula* exchange—in which prestige and generous challenge are at play—it is still the form of profitable exchange that "honorable people" practice. Malinowski therefore notes that it is difficult to speak of pure and simple barter or trade "because, although there exist forms of barter pure and simple, there are so many transitions and gradations between that and simple gift, that it is impossible to draw any fixed line between trade on the one hand, and exchange of gifts on the other" (*AWP* 176).

Another convincing example of the hybrid character of certain exchanges is provided by the way in which salt bars circulate among the Baruya of New Guinea. According to Godelier the status of these bars changes completely, depending on whether they are involved in internal circulation or in exchanges outside of the group.[22] These bars (which weigh four to six pounds) consist of potassium extracted from a plant ("salt cane") in conditions set by a precise ritual. They are distributed and



consumed on the occasion of certain ceremonies, such as initiation. But they are also exported to neighboring tribes and exchanged for various types of goods—tools, bows and arrows, feathers from birds of paradise, cowries, seashells, bark capes, and the like. The expected amounts of each of these products are known by the partners and are strictly abided by. Two main criteria can be identified that make it possible to establish the role of general equivalent thus played by salt: (1) "it serves to measure the exchange value of other commodities since it is exchanged for them at stable rates which constitute their 'price'"; and (2) it remains a neutral instrument of relation: "When the Baruya *sell* their salt, they do not feel *personally bound* to the people with whom they have exchanged it for tools or capes."[23]

It can therefore be observed that, from one type of circuit to another, the same good can shift from the status of unit of ritual offering to that of means of payment, but it is remarkable that these two types of logic remain separate. Among the Baruya the difference between the two types involves the distinction between inside and outside: ritual use within the community and commercial use outside. In other cases the operation may consist of turning a unit of currency into a precious object: in Europe and the Middle East minted silver coins that are legal tender are sometimes used as elements of necklaces or sown onto clothes. There is another, more culturally complex, process by which traditional civilizations forced to use commercial money tend to replace ceremonial offerings of precious goods with monetary amounts deemed equivalent. This is not a neutral process: although the value may remain the same in principle, the symbolic effect is radically changed. It is not the same thing to give or receive on the occasion of a marriage a wad of banknotes or a herd of cattle (the former is now a common occurrence among the herding peoples of Africa). In addition, the ability to purchase in the ordinary marketplace the goods involved in ceremonial exchange makes their commercial value increasingly familiar; this familiarity lessens their aura and threatens their symbolic efficacy (thus there is in the Trobriand a factory—managed by a white man—of *dewayagu'a*, the necklaces and bracelets involved in *kula*; this tends to devalue these goods and to affect ceremonial exchanges). These interferences between the two realms can give rise to very complex situations. In certain cases precious goods whose market value is known are capable of rivaling modern money. Conversely,

modern money can serve as substitute for these precious goods. This generates a considerable variety of effects: in some cases the blending between different modes occurs casually and without really affecting traditions; in other cases it triggers a collapse of the existing symbolic arrangements and a destructuring of the old social life.[24]

Although it must be recalled that ceremonial exchange and commercial exchange have a radically different nature and purpose, it remains the case that the first commercial money very often emerged through the use of materials identical to those that served for ceremonial exchanges. There are obvious reasons for this: to be accepted, money must be recognized as precious. Its power of equivalence must be readable in its very material and must therefore go beyond a purely local precious character—such as that of relics from the ancestors or ornaments that are not used by neighboring peoples. But the fact that the materials used were often the same does not entail that the units of ceremonial offering constitute, in logical or genealogical terms, the origin of commercial money. On this point there has been and there is still an abundance of misunderstanding. Whatever ambiguities may be associated with units of measurement and with the precious materials of which they are made, the agents involved know quite well whether the purpose of the exchange is to honor the other party or merely to sell or purchase a good.

This clarification about the difference between ceremonial and commercial money matters to us for several reasons. First, it once again brings to light the complete difference between the logic of gift-exchange relationships and that of self-interested exchanges. The fact that so many of the best economists and historians of the economy have confused the two (as shown by their attempts at establishing the genealogy of modern money) says a lot about the power of prejudice. Yet understanding and keeping this distinction is a decisive theoretical requirement if we are to account for traditional forms of gift exchange and to grasp the facts of reciprocity that can be observed in every society, independent of the period or culture considered.

The case of money illuminates the debate on the two forms of exchange because it introduces questions of the use of a standard, of measurement, and of quantification. As Mauss understood, comparing, counting, and measuring are operations entirely compatible with the units involved in traditional offerings; therefore, they are not what stands in contrast to



gift/countergift relationships. Measurements or numbers alone do not introduce the domination of commercial exchange and its currency. It is true, however, that as soon as this type of exchange prevails and spreads out, these operations take on an entirely new dimension. But is this really the core of the constant contrast between the world of gift exchange and that of the marketplace? This is far from certain; it is even unlikely. The problem does not lie in commercial goods but in social relationships. The difference that must be recognized between ceremonial and commercial money brings us back to the essential difference between the logic of ritual gift exchange, whose aim is reciprocal recognition—the goods exchanged having value as symbols of a bond with others rather than as goods to be consumed—and the logic of commercial exchange, whose aim is the acquisition of goods for themselves—without the personal bond entering into play as such. There is no logical or chronological continuity between these two worlds. They constitute parallel sequences; but so many apparent analogies exist between them, and so many terms have been borrowed from one to designate the other, that they have often been confused or one has been mistaken for a modality of the other.

This confusion can also have a different source that could almost be said to be legitimate: complementarities can develop between the two sequences. Goods can be—and often are—purchased to be offered as gifts. Conversely, goods that were first received as gifts can later be sold (this is common in modern societies but remains rare or even inconceivable in traditional ones). Moreover, it is still quite customary today for gestures of giving to occur in the course of purely commercial transactions—such as meals during which negotiations are conducted, presents offered as marks of esteem, ceremonies with greetings, libations, and compliments. These ceremonies and the expenses they occasion aim at expressing consideration toward commercial partners and the desire to seduce them. But this above all is certain: although commercial exchange does create a legal relationship of partnership, it does not *as such* create a social bond. The gestures of giving associated with the transaction aim at creating or preserving this bond, which expresses the pleasure of being together and, for this reason, turns out to be beneficial to business.[25] This does not constitute a condition of commercial exchange, but it often makes it possible to open, pursue, and, above all, favorably conclude a negotiation. Beyond this it fosters a wish to preserve a long-term partnership (the question of corruption,

which transforms gift-giving into a means of gaining undue advantage, is an entirely different one).

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It cannot be claimed that the reason why commercial exchange is today perceived as legitimate is that it has taken over the role of ritual exchange, nor can it be claimed that commercial money has been substituted for ceremonial money. There is no such thing as an evolution that would have effected a shift from one world to the other with a few intermediate difficulties. The two worlds have always coexisted. We now better understand this: the rituals through which the requirements of reciprocal recognition are expressed cannot merge with the procedures of exchange of consumer goods. Although modern money and the marketplace have conferred incomparable power on the utilitarian order, they have not eliminated the realm of gift exchange. The requirement of reciprocal recognition remains just as fundamental in our modernity. We will see that it has found new modalities of expression, just as ritual gift exchange remains omnipresent, although it takes on forms that are less socially visible.

But if commercial money is in no way the continuation or successor of ceremonial money, why did it prevail so completely? How can it be an essential operator of equitable exchanges? Why are we no longer surprised that the Sophists charged money for their teaching? Have we lost the sense of the priceless and accepted that everything can be bought and sold? Or are we confronting a general order that it would be absurd to denounce because it has become inseparable from the political societies in which we live? This association between money and political order was already expressed in the classical age by the first currencies bearing the effigy of the prince or of the god who protected the city. Minted currency constitutes an implicit contract. Everything for which a coin can be exchanged is guaranteed by public authority. Every good has a recognized and accepted price, as does every kind of work, even this inestimable thing that is the teaching of philosophers—who welcome their wages, just like any other mortal. It remains to determine what money is, in their view, for such a power to be recognized in it.

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# Money: Equivalence, Justice, and Liberty

We have reached another decisive turning point in our reflection. We must now ask why the phenomenon of commercial money emerged in so many civilizations. How can we explain the formation of a system of general equivalents in the exchange of goods? It can be assumed that this formation is not accidental. It is always associated with a global transformation of the societies considered. But what is the nature of this transformation? It is not a shift from ceremonial to commercial exchange; we have seen that this is a false genealogy. It is well-established, however, that the emergence of minted money is associated with the coexistence of two phenomena. The first has to do with social organization and is defined as the emergence of forms of organization of a "political" type—that is, authorities that transcend kinship systems. The second is associated with the differentiation of tasks or occupations, which by generating a complementarity of productions entails the exchange of goods; such exchanges no longer take into consideration relationships of alliance (whether matrimonial or of other kinds), even if they do not ignore those relationships. The circuits of exchange involving useful goods (as opposed to precious ceremonial goods) become all the more autonomous because relationships of recognition between political entities no longer take the form of the gift-exchange relationships found in traditional societies. This transformation is at the same time political, economic, and symbolic. It makes possible the emergence of money—without making it inevitable, as shown by the examples of ancient Egypt and the Inca Empire.