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Money and Logos

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Is there a relationship between the birth of the rational mentality and the development of commercial economy? In the 7th century B.C.E., a whole series of tightly connected social changes took place in the Ionian Greek cities of Asia Minor. It is precisely during this epoch that the rational mentality arose, at the time when maritime commercial culture began to experience its first great development.

In a short period of time, things moved from tribal social structures and ancient monarchy to the political form typical of the Greek city-states. The kinship and religious ties of the landed aristocracy gave way to a new kind of social ties in which the individual was valued above all on the basis of his property: luxury very quickly becomes a political institution. The same aristocrats who had formerly based their power on land ownership and warrior virtue began to acquire wealth first by rigging pirate ships for sea robbery and later by rigging merchant ships for commerce itself. The aristocrat started to invest his property on the sea.

A new form of domination arose, a plutocratic aristocracy that began to concentrate political power and the administration of justice in itself. The wealth that came from the land allowed it to arm merchant ships which reached the farthest ports of the Mediterranean. The usurious loan was developed to a high degree increasingly immiserating the peasant class. Class struggle developed between the peasants and the aristocrats. A third class soon intervened as an intermediary, namely, the merchant class. They were the ancient demiurges, that is to say, the first master artisans who were accustomed to taking their work from city to city, who acquired power through commerce. They were the cadets of the noble class who had been excluded from hereditary rights and therefore began to acquire wealth on the sea. In short, it was about a new wealthy class that rose with the development of maritime commerce. This new class at times sided with the aristocracy and at times with the people, increasing or moderating the class conflicts in accordance with its own interests.

The dominant regime is thus political particularism, the spirit of competition taken to the highest degree, the domination of the census and of wealth. The ruling oligarchy was forced to take an ever-increasing interest in the political events of the city. It gradually lost its nobility and superiority of descent as personal wealth increased; the importance of family and birth diminished in the face of the individual and of money. Class struggles sharpened to such a degree, particularly in the commercially wealthiest cities, that at a certain point a new form of mediation intervened in order to annul it: *legislation*. Written law (*nomos*) to which citizens were subject and to which they could turn in order to demand their rights became necessary. The *right* is separated from politics. This is a fact of enormous historical importance that was developed to the fullest extent not so much in the Greek colonies of Asia Minor as in the western colonies of the

Greater Greece. We will see that it was really here that mathematical thought developed and that the philosophical school that had Parmenides as its greatest representative arose.

The domination of the dynastic oligarchy became political domination; the aristocracy of money replaced that of birth; power was not protected by the traditions of nobility but by written laws that sanctioned the power of money. Wealth became an essential factor for having political rights and participating in the public thing. The aristocrats converted the harvests of their lands into money and assembled slaves for their mines. They gave up piracy for commerce which was more secure. Piracy was the response of the warrior aristocracy to the new merchant class. At first the aristocrats defended their privileges by fighting the sea traders, but later they found it more useful and profitable to become merchants themselves. On the other hand, the new wealthy class, who were at first despised by the nobles in the same way that a pirate chief despises the captain of a merchant ship, acquired ever greater prestige and invested their money in land so that soon there was nothing to distinguish them from the nobles and the warriors. The aristocrats who became merchants and the merchants who became landowners are the trustees of a new form of power, the plutocratic oligarchy.

Beneath the rich nobles and the new rich, a middle class formed that enriched itself through marriage or auspicious speculation or was forced into agricultural or manual labor through impoverishment. Below this middle class were the peasants and artisans. The former were subjected to the usury of the rich and forced to sell the products of their land at low price in order to buy manufactured objects at a high price. The latter, the urban population — consisting of artisans, tradesmen, manual laborers and mercenaries — formed an urban proletariat mainly concentrated in the markets and ports. It was not strong enough to impose its will, but was strong enough to form a troublesome element.

From the 7th century B.C.E. on, Greek history — and not just that of the Ionians of Asia — was characterized by a continuous succession of class struggles. These were precisely what led to the application of written and democratic laws which served the new rich class as a powerful weapon for combating the divine and hereditary rights of the aristocrats on the one hand and the demands of peasants and artisans on the other. The aristocrats lost the privilege of creating and interpreting the rules of social life according to the tradition of blood. The collective responsibility of the *ghenos* and of the family gave way to that of the individual and of the citizen before the city-state. The power of tradition gave way to the power of law.

Another institution of fundamental importance arose in this period of major historical transformation. The coining of money with its value guaranteed by the state was actually invented in the 7th century B.C.E. in Asia Minor to facilitate

trade between the Ionian cities and the most important cities of Lydia. The latter had already accumulated considerable wealth in trade with Mesopotamia, so much so that in that period the Lydians were considered the most capable merchants by way of land. The Ionians offered the merchants of the interior an opening to the sea. The Greeks of Asia Minor became the indispensable intermediaries in the trade with all the people who could not be reached by land. The naval power of the Ionians would rapidly increase replacing the older power of the Phoenicians.

Among the many innovations of those times, two factors in particular distinguished Greek commerce from that of the Phoenicians and were the source of its supremacy. The Greeks did not limit themselves to trading slaves or refined products like spices, jewels, precious cloth and the like by sea like the Phoenicians, but traded items of primary necessity and low cost such as oil and wine, ceramic jars, metals, fabrics and utensils, and they traded these things in great quantities. It is easy to understand how this type of commerce established completely new exchange relationships between people. Attention is not paid to the quality of the material, but to the quantity. Trade not only serves rich and powerful monarchs and aristocrats of the more "civilized" people, but the widest range of social classes. Every people whether civilized or barbarian, every individual whether of the highest or lowest rank, is a potential buyer or seller of goods according to the Greeks.

There is another substantial difference. The Phoenicians, who could be considered the most daring navigators of the time due to their navigation skills and courage, faced the sea with tiny ships and built commercial trading centers on the coasts where they stopped as bases for their most distant dealings. The founding of trading centers is a characteristic aspect of Phoenician commerce. There are only a few exceptions to this, and the most important of these is the founding of a city such as Carthage, which quite quickly became economically powerful by being able to rebel against the Phoenicians and constitute itself as an independent naval power. Unlike the Phoenicians, the Ionians of Asia Minor established a sort of sea-based commerce with an essential characteristic that is completely new: *the establishment of colonies*.

It is not easy to enumerate all the causes of Greek colonization, but the most important of these could be considered the scarcity of tillable topsoil that led to the search for new territories; rising overpopulation connected to the increase in wealth; class struggle between rival factions within a single city and between cities that forced entire groups of citizens to make their exodus by sea. This last factor in particular must be taken into consideration since it is the typical expression of the establishment of new forms of social relationships, of the breakdown of ancient feudal kinship ties following the rise of a new social class of wealthy

merchants, of the political and social instability that derives from it and of the political particularism of the *polis*.

In Search of Stability

The invention of money had a revolutionary effect on a whole series of planes, accelerating a social process of which it was itself one of the basic effects: the development of a maritime commercial sector within the Greek economy that even extended to products for common consumption, the creation of a new type of wealth that was radically different from landed wealth and the development of a new wealthy class whose activity was decisive in the social and political restructuring of the city. A new mentality and a new morality were born. The entire traditional conception of human excellence based on nobility of birth and warrior virtue were called into question and later destroyed by the power of money. Money became a social mark of value: it gave prestige and power. Emerging as a fitting human strategy to guarantee the ease of exchange between trading people, Money established a common denominator and a common measure between use values that are qualitatively different. The goods had to be made comparable to each other in order to be traded; they had to be made equivalent to one another through a process of abstraction that ignores the difference in order to find the uniformity, that abstract and quantitative element that is exchange value. Every commodity came to be like every other; thus one person valued another because he possessed the same amount of money. The written law confirmed the process of quantification established by the circulation of money in its process of abstraction — all citizens were equal before the law just as they were before money; all could participate in the public thing and the government of the city with powers proportional to their wealth and everyone could acquire wealth through saving, commerce and speculation, independently of family relations, ancestral religion and the customs of birth.

The process of abstraction and quantification was manifested not only in money and law, but in other areas as well: the adoption of alphabetic writing, the promulgation of a civil calendar responding to the needs of public administration, the division of the city into zones defined on the basis of criteria of administrative convenience, the birth of mathematics and philosophy and, lastly, the concept of the *polis* itself. The city was not identified with any particular group, privileged family or specific activity; it was simply the ensemble of all the citizens whose social relationships, freed from ancient personal and familial bonds, were defined abstractly in terms of identity, interchangeability of roles, equality before the law.

The mathematical, rational, logical mentality arose in the Ionian colonies of ancient Greece at the same time as sea-based mercantile economic structures. The quantitative and abstract aspect of mathematics was joined with the process of abstraction and quantification implicit in commodity exchange.

The social transformation that marks the transition from the ancient monarchic and feudal regime to the city-state is connected to the analogous transformations in the fields of ethical and mythico-religious thought.

The ancient religious prerogative, through which those of royal and noble birth secured their power over the masses, lost its privileged character, expanding and spreading out until it was integrated almost completely into political institutions. A knowledge formerly prohibited and reserved for a privileged few became public domain; it was discussed in the circle of brotherhoods of sages that at this point no longer imposed any restrictions of rank and origin. The opening of common discussion on topics of a general order that were previously the subject of supernatural revelation, such as the origin of the cosmic order and the explanation of natural phenomena, led to the rise of *philosophy*.

The philosopher was no longer the ancient priest, trustee of a mystery at the service of royal power, but an individual belonging to a brotherhood in which free discussion had opened; later he would argue his opinion directly in the crowded *agora*, making them subjects of public debate in which contradiction, dialectical reasoning and “proof” would have definitively gained the upper hand over supernatural revelation. The basic problem of the philosopher and the sage was the diffusion and publication of his ideas, placing them in dialectical relationship with his predecessors and successors. He had to take the potential rebuttals of his adversaries into account and was constrained to think in relationship to them. His task was to create schools of thought, teach and transmit ideas and knowledge while perpetually keeping the possibility of discussion open. Through words and writings he addressed himself to all citizens and all cities. The philosopher no longer had a homeland or traditions; rather one could say that he was a “world citizen”. He traveled from city to city to discuss his ideas, to learn different things, to counterstrike, to argue. It was much more difficult to keep track of the city of one’s origin than of the “school” to which one belonged; in fact, this was one of the small elemental gestures that characterized him. As Heraclitus asserted, the philosopher had to take hold of that which is common to every human being; he had to base himself on *logos* just as the city is based on law; the only law the philosopher obeyed was the law of reason. But the Heraclitean *logos*, the normative principle of nature, started to separate from nature; the original unity between being, becoming and norm was already damaged. The *logos* was not so much the normative natural principle as the normative human principle, that which ruled the behavior of people, their relationships among themselves and

with nature. But nature was subjected to a law that it did not itself create that was no longer immanent in it, a law that was imitated in the social order of the city-state that imposed its rules of conduct in all relationships of a person with himself, with other people and with nature, just as money, universal exchange value for all goods, imposed its law on the goods themselves and ruled the relations of people with each other in the realm of commercial exchange.

The same basic needs were also found in poetry before and during the time philosophy developed, starting with Homer. The sense of the transience and inconstancy of life and human destiny, the discomfort and restlessness of those who experienced a world turned upside-down and in continual transformation, appeared frequently in the poetry of this period, expressed in a very lively way. In the midst of such instability in life, the Ionian felt the urgent need to catch hold of anything firm and stable, the necessity of conceiving a unitary principle and permanent law of change. Therefore, he turned to the abstract concepts of *Fate*, *Necessity*, *Justice*, that served him as an anchor. These ethical concepts arose in the sphere of social life in response to the harsh struggles of cities, parties and classes and came to constitute not only the channel between the social sphere and the individual, but also between this and the surrounding natural world. And since long and dangerous sea voyages increased the awareness of the changeability and instability of all natural things even more, the problem of the search for stability and permanence acquired cosmic dimension; in other words, it became a philosophical problem. Speculation on the natural world, aimed at the search for a unitary law applicable to every transformation, found a basic point of reference in the earlier ethical conception and in the abstract concepts of *Necessity* and *Justice*. In the Ionian philosophies of the 7th century B.C.E. and consequently in Heraclitus, Parmenides, Empedocles and Democritus, the concepts of *Fate*, *Necessity* and *Justice* established the permanent, unitary principle of a universal and eternal law in the multiple varieties of phenomena. The word *cosmos* itself was derived from the military-political field, referring to an ordered arrangement. It would give birth to the term cosmology and reflected the mental sphere of philosophy.

The notion of a universal and stable law that rules human life first appeared in Greece in the Ionian epic poetry of the Homeric narratives. This notion was connected with the transition from a more ancient form of morality exalting the violent passions and warrior courage typical of the aristocracy to the more recent one in which courage and force were considered dangerous passions and surrendered their place to prudence and intelligence. The morality of the merchant replaced that of the warrior; the violence of reason and language replaced that of physical force, the calculated risk of the shrewd trader replaced the manifest risk of the noble warrior. Thus, a completely new mentality and ethic arose.

Fate, Necessity, Justice

Though always understood as the supreme regulator of all natural and human events, Fate was interpreted in two substantially different ways within the sphere of Ionian thinking. Sometimes it appeared as a dark mysterious force that blindly distributed the good and the bad among people. At other times, it appeared as a normative law, a rational and ethical principle of conduct that a person had to follow so as not to provoke punitive sanctions through the violation of a prescribed order. The first conception recalls the blind natural forces to which the seafarer was subjected and the uncontrolled, destructive forces liberated in the first bloody class struggles that marked the advent of a new society. In the lyric and tragic poetry of the more ancient era, the clear awareness of the misery of the human being who was subjected to a power that was greater than her and that he was utterly unable to control appeared continually. Thus, the original moral precepts of moderation arose. These did not so much draw attention to a need for measure and proportion as is frequently claimed, as to the awareness of the limited and dependent conditions of the human being of the time. But later, when the first written laws arose with the aim of annulling social differences and affirming the abstract power of money, the ancient decrees of *Fate* were definitively transformed into norms of moral conduct, a need for order and justice the violation of which inevitably led to sanctions aimed at restoring its validity. From this time on, it was no longer the blind violence of nature, but rather the human passions, the human passions that were considered the original source of the violation of the law of order and justice. Rebellion against the law of Fate could be considered reckless and still rouse a sense of secret admiration; rebellion against the norms of justice was simply considered pride and foolish arrogance and was punished as such. Only at this point did the transition to the new ethical perspective of mercantile society in which control of the passions, prudence, the use of reason and the insidious hidden violence of laws and norms of social conduct gain the upper hand over the open expression of desires, over violent emotion, over the force of arms and over recklessness seem fully evident. At this point, the power of the abstract value of exchange over ancient ties and social relationships was clearly manifested.

In the same way, the principle of *Necessity*, which corresponded to the primitive social situation in which the individual was completely at the mercy of great political upheavals and natural forces that the seafaring merchant was forced to face on the sea in extremely precarious conditions (leading to nostalgia for a more stable world and, thus, to reaction in the face of new historical events), gradually gave way to the principle of *Justice*. This occurred when a new social order began

to be built, when instability and uncertainty began to give way to stability and permanence, in other words, when a balance based on the common denominator of exchange value was established between the old and new social classes in struggle, a balance which accepted the power of money as law and established individual worth on the basis of wealth. But the new social stability was achieved abstractly through the promulgation of written law and the quantification and rationalization of all civic life. Even though social organization in general was subject to an abundance of stable laws, perpetual unending becoming, the game of changing fortunes and circumstances in which nothing is truly fixed or stable, ruled in the realm of concrete daily life. Only in the realm of the administration of justice and power did the abstract principle of permanence and immutability appear, that principle according to which the social world seems to be ruled by a single, inflexible law, the law of profit. This social situation found its correspondence in philosophy. From the 8th through the 6th century B.C.E., attention began to focus on permanence and on the laws of necessity, measurement and justice; the need to bring the multiple back to the unitary, becoming to being, became increasingly urgent. But no longer in the form of an inclusive, organic conception of nature according to which being is devoid of reality unless it is the principle of becoming and becoming is not acceptable if it cannot be traced back to being, but rather at first in the realm of a dialectical conception that relates being to becoming in the endeavor of a reciprocal justification and tries to bring the multiple back to the unitary, and later in the realm of being itself that, after denying the reality of all becoming, can only relate to itself. This evolution of philosophical thought can be easily followed, because it retraced the paths of the evolution of commercial capital.

Deception and Persuasion

The merchant exchanged goods in order to make money. In doing so, he gave up the violence of arms to make use of a more subtle and refined method, the violence of language. The merchant gave up the spoils of war, easy to acquire but short-lived, for a more lasting profit even though it was more difficult to conquer. He gave up the Dionysian activities of pillage and war for the Apollonian activity of commerce. While warrior people got the upper hand through the immediate violence of their strength, merchant people were too weak and cowardly and had to have recourse to cunning in order to survive. So they renounced the risk of adventure, put off their greed for a time, shunned open violence in order to take advantage of the hidden violence of cunning.

Cunning is the art of deceptive persuasion, and the art of deceptive persuasion is diplomacy. A superiority of language is needed; one has to be coherent in order to persuade with reasoning; one needs to *explain*, that is to say, to make it *plain*, through language, that things cannot possibly be different from what one wants them to be. Explanation is the act of convincing violently with language; it is persuasion through which one can *convince oneself* of the truth of an argument; it is the facility for *convincing oneself*. To explain is thus to persuade the opposing party that the behavior one is trying to secure is advantageous to them. The merchant must persuade in order to sell his goods at a profit, and in order to accomplish this he must play on the desire of the eventual buyers. He must swindle through persuasion. The art of persuasive deception is typical of the merchant.

The powers of thought and language over reality are guaranteed only by the separation between language and reality; but power over reality can only mean taking possession of it. There is a paradox in the fact that this power, which is only guaranteed by separation, must at the same time be a possession. This leads to an endless process in which language and thought continually try to take possession of reality, while continually reestablishing their distance from it. This is appropriate for the activity of expressing themselves as the thought and language of alienated power. The absurdity is the will to take possession of reality in the moment and in the very act in which separation from it is established.

“Earning” Reality

In order to better understand the relationship between the development of Greek philosophy and the parallel development of the commercial economy, it is useful to compare the conception of nature held by the earlier Ionian philosophers with the philosophical speculations of Parmenides in order to understand the substantial difference between them.

When the Ionian philosophers spoke of natural reality, they used the word *ta onta*, which means the things that exist, because they perceived reality in its concrete multiplicity. However it may have been interpreted, the essence of the world showed itself to them under the visible form of a plurality of things, rich in all their qualities. Being appeared as singular for the first time in Parmenides and was designated by the term *ta on* which meant that which is. The essence of the world was no longer a variegated plurality of qualities, but rather one single abstract and general quality. The change of language revealed the advent of a new conception of reality. It was no longer made up of the multiple things gathered from sensory experience or speculative reflection, but was the intelligible

object of rational reflection (the *logos*) that was expressed through a language that, critically reflecting on itself, found its basic requirement in the principle of non-contradiction.

The Being of Parmenides is *One*, identical to itself; it cannot be other than itself, but can only grow into itself. The Being of Parmenides is intelligible, the object of *logos*, that is to say of reason. It is the object of rational language. Or rather, it is formed in the sphere of this rational language that is common to all human beings, the general abstract element of their reciprocal relations of communication. However, the Being of Parmenides is not immediately visible in reality. It must be acquired through a difficult conquest: the investigation of the philosopher. The essence of reality must be “earned”.

The connection between the Being of Parmenides and exchange value in the form of money, a pure abstraction that is identical to itself, should be evident. Money is accumulated in order to buy goods in one place and resell them in another with the aim of getting money. But the exchange of money with money seems absurd, since exchanging things which are identical to each other makes no sense. The sense in this process actually comes from the fact that money is not exchanged for an equal amount of money, but for a greater amount, thus increasing its value. This happens because the goods are bought at a low price so that they can be sold at a higher price. Thus money can be exchanged with itself; it can represent the unchangeable being that has reason to exist only in itself. At this point, reality becomes *One* in the qualitative sense. Its only quality is “exchangeability”, exchange value.

“The doctrine of Parmenides marks the moment in which the contradiction between the becoming of the sensory world, this Ionian world of the *physis* and the *genesis*, and the logical requirements of thought are proclaimed,” Vernant states. In other words, it marks the moment in which the contradiction between the differing qualities of goods and the single quality of money is set forth. This single quality is known as exchange value, interchangeability, that which all things have in common, that which is the essence of all things, that which makes all things comparable, that which places them in relation, that which constitutes their *ratio*, their rational, intelligible, logical aspect. Vernant goes on: “After Parmenides the task of philosophy would be that of restoring the link between the rational universe of discourse and the sensory world of nature through more subtly shaded definitions of the principle of non-contradiction.” In Parmenides this link — that is to say, the link between the exchange value of things and the things themselves — is destroyed. The exchange value of things replaces them, representing them in the same way as the rational world of discourse represents the sensory world of nature.

Greek reason is commercial reason. Commerce can take place only in terms of linguistic fraud, and this language is built on deception. This language must persuade, must offer evidence for persuasion, must explain. This language, like the Being of Parmenides, must find its own verification in itself.

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