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## God and Mammon: Fundamental Structures in Georg Simmel's Philosophy of Money

One of the lessons to be learned from Hegel's philosophy is that there is a coherent structure uniting the entire cultural field.\* According to the great metaphysician, philosophy does not stand above the other areas of culture, reflecting upon them from a position of transcendence, but rather develops in tandem with politics, religion, and art. Together, these four dimensions enact the unfolding of Spirit in history, that is, the movement in which substance becomes subject, or—to put it theologically—the movement in which God becomes fully himself.

It is not my intention here to defend the Hegelian metaphysics of Spirit. The idea that there is a certain coherence to the dimensions of culture makes sense independently of Hegel's highly speculative metaphysics. Anyone studying the development of human civilization notices that the philosophy, politics, religion, and art of a particular epoch reflect each other. As an example, one could cite Erwin Panofsky's book, *Gothic Architecture and Scholasticism*, in which the eminent art historian suggests that the architecture of the Gothic cathedrals mirrors the construction of the *summae* in which the theological thought of high scholasticism found its expression.<sup>1</sup> Such parallelism between thought and art—and here, in particular, architecture—is by no means a phenomenon limited to the high Middle Ages. Postmodern architecture perfectly reflects the quest of postmodern philosophy to articulate a coherent whole without thereby affirming the totalizing systems of modernity.<sup>2</sup> And there are many other examples. Thus, it is not a coincidence that Kant's transcendental idealism arose at the dawn of the Industrial Revolution. Industrialization is nothing but the reflection, in the practical and economic realm, of Kant's theory according to which we cannot encounter reality as it exists in itself, but only insofar as

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1 Erwin Panofsky, *Gothic Architecture and Scholasticism*, Wimmer Lecture, 1948 (Latrobe, Pa.: Archabbey Press, 1951). Panofsky was not the first scholar to suggest this parallel; for historical perspective on the parallelism thesis, one may read Joseph C. Murphy, "Nervous Tracery: Modern Analogies between Gothic Architecture and Scholasticism," *Concentric: Literary and Cultural Studies* 33:1 (March 2007): 75–85.

2 I have commented on this parallelism in my essay, "Penser l'Autre: De l'architectonique d'un système qui ne serait pas homogénéisant," *Revue philosophique de Louvain* 94 (1996): 311–29.

it is an object of experience structured by the parameters of human thought. Anyone who drives around a highly developed city or sits in front of a computer surfing the Internet encounters a reality that is thoroughly shaped by human structures. In a Heideggerian vein, one might say that we no longer encounter trees, but only material for lumber or furniture; we no longer see rivers and lakes, but wastewater canals and reservoirs; indeed, much of the time we no longer interact with human beings, but with service providers and consumers. In this kind of environment—one could suggest—to uphold some type of “realism” is simply to hold fast to a relic from a bygone age.

Now to dispel a possible misunderstanding, I do not mean to defend a reduction of mind to matter. My point is not to maintain that Kant devised transcendental idealism because his philosophy was determined by the urban structures of life in late eighteenth-century Königsberg. Such a theory of material substructure and intellectual superstructure fails to account for the causality that intellectual life exerts upon the material conditions in which it is rooted. (Put more simply, ideas have effects.) The point is, rather, to suggest a co-constitutionality of the various dimensions of culture, which influence and interpenetrate each other. Thus, philosophy reflects (and reflects upon) life, which reflects philosophy.

In the quaternity of cultural forms that Hegel posits, the element of economics is missing. Marx was to make up for this omission, viewing as he did human history as the unfolding not of Spirit, but of economic forces. If Marx’s reductionism does not make sense, assigning economics a crucial place among the pillars of civilization does. It is against this philosophical background that this essay considers the philosophy of money.

### I. A Philosophy of Money?

To connect philosophy with money must, at first, appear counterintuitive. In fact, philosophy has a long tradition of defining itself in opposition to money. In the *Republic*, the ruthless and anti-philosophical Thrasymachus wants Socrates to pay a fine should the latter lose their argument over the nature of justice. To which the prototype of the philosopher replies: “I will as soon as I have some money” (Book I, 337d). Truth-seeking and money are here presented as being incompatible.

The reality is, however, more complex, even in ancient Greece. Scholars of antiquity have noted the appearance of currency in the Greek cities at the time of the establishment of democracy and the rise of the first sages, such as Solon and the Presocratics. They have suggested that monetization represented an important element in the transition from a highly centralized, theocratic society to the classical *polis*, in which citizens exchanged arguments in the *agora* over the best course of political action. Just as politics became a matter of offering an account (*logos*) of one’s views in the public arena, so currency spread wealth through the *polis* while providing an objective measurement of economic values.<sup>3</sup> If it is correct that money and the quest for *logos* are not opposed but different sides of the same coin, so to speak—

<sup>3</sup> For this argument, see Édouard Will, “De l’aspect éthique de l’origine grecque de la monnaie,” *Revue historique* 212 (1954): 209–31, which Jean-Pierre Vernant summarizes in *The Origins of Greek Thought* (Ithaca, N.Y.: Cornell University Press, 1982), 94–95.

the coin being a society in which law, truth, and value are subject to public examination—then it becomes possible to imagine philosophy as being intrinsically concerned with money.

It is precisely this idea, that philosophy and money belong together, which lies at the heart of Georg Simmel's *Philosophy of Money*. First published in 1900, *Die Philosophie des Geldes* appeared in a slightly enlarged edition in 1907, just eleven years before its author's untimely death in 1918, at the age of sixty. In this work, philosophy flows together with economic theory, cultural history, psychology, and sociology to form a densely argued and rather austere book. The original German text consists of almost 600 pages with few quotations and no footnotes, and only the most rudimentary chapter divisions. Simmel's learned German makes few concessions to the reader.

The *Philosophy of Money* represents a synthesis of Simmel's thought,<sup>4</sup> having been prepared in a long series of essays that appeared in the years preceding the chef-d'oeuvre—essays such as “The Psychology of Money” (1889) and especially various pieces that were published between 1897 and 1899 as “Fragments from a ‘Philosophy of Money.’” Simmel was a master of the philosophical essay, and some of his books are in fact essay collections. The thought of the *Philosophy of Money* is so complex, the project so ambitious, that its author may have struggled to hold the whole together.

Sadly, anti-Semitic sentiments in German academe long prevented Simmel from receiving the professional recognition he deserved. Marginalized, he turned to a less academic form of philosophy, one that found expression precisely in essays for a wider audience. This, in turn, further harmed his chances of professional advancement. Thus, it was only in 1914, toward the end of his career, that he was appointed to a paid, full-time professorship at the University of Strasbourg (in the “provinces,” not in his native Berlin, which had been the center of his intellectual life).

Due to Simmel's relative academic rootlessness, there was never a “school” of his students. His thought was influential, but its reception remained piecemeal: scholars drew on individual aspects of his vast oeuvre, which ranged from work on Kant, Schopenhauer, and Nietzsche to books on Goethe and Rembrandt—not to mention his publications on sociology, which were instrumental to the foundation of that discipline. But there were few attempts to appreciate Simmel's philosophy as a whole, including the *Philosophy of Money*. This observation applies all the more to scholars outside of Germany, since the *Philosophy of Money* took a long time to become available in other languages. After Leo Belmont rendered it into Polish in 1904,<sup>5</sup> more than seventy years elapsed before translations into other languages emerged. The book was first translated into Spanish in 1977 (by the well-known political scientist Ramón García Cotarelo).<sup>6</sup> The first English translation appeared

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4 In a letter to Heinrich Rickert, Simmel wrote in 1904: “I have lost interest ... in all that I have written prior to *The Philosophy of Money*. This one is really *my* book, the others appear to me colorless and seem as if they could have been written by anyone else” (quoted in David Frisby's preface to the second edition of *The Philosophy of Money*, p. xlvii in the volume cited in note 7).

5 Georg Simmel, *Filozofia pieniądza*, trans. Leo Belmont (Warsaw: K. Kowalewskiego, 1904).

6 Georg Simmel, *Filosofía del dinero*, trans. Ramón García Cotarelo (Madrid: Instituto de Estudios Políticos, 1977).

in 1978,<sup>7</sup> followed by versions in Italian<sup>8</sup> and French.<sup>9</sup> This wave of translations is both the expression of, and has fueled, new interest in Simmel's analyses of the role of money in structuring human life.

## II. Money and the Structure of Being

To say that, according to Simmel, there is a strong connection between philosophy and money is an understatement. The most radical thesis of the *Philosophy of Money* goes far beyond such a claim:

This is the philosophical significance of money: that, within the practical world, it is the most definite visibility, the clearest embodiment of the formula of all being, according to which things receive their meaning *through each other* and the reciprocity of the relations in which they find themselves constitutes their being and their being-such.<sup>10</sup>

The German is even stronger than this translation in emphasizing the paradigmatic role of money for the comprehension of the structure of reality; for Simmel claims that money gives the formula of all being its *deutlichste Wirklichkeit*, its clearest "effective reality" (*wirken* means "to have an effect").

In order to understand this passage, we will have to answer two questions:

1. What is Simmel's conception of money?
2. What, according to Simmel, is the "formula of all being"?

### *Simmel's Theory of Money*

For Simmel, value (*Wert*) arises in the opposition between subject and object. A thing that a human being enjoys without obstacle is not experienced as valuable; rather, "we call those objects valuable that resist our desire to possess them."<sup>11</sup> This entails that there is both a lower and an upper threshold for value. An entity that offers us no resistance possesses as little value as something that it is impossible to attain. An example Simmel offers illustrates this idea.<sup>12</sup> The air we breathe does not acquire a value as long as it is freely available. Air

<sup>7</sup> The English translation is now in its third edition: Georg Simmel, *The Philosophy of Money*, 3<sup>rd</sup> ed., ed. David Frisby, trans. Tom Bottomore and David Frisby from a first draft by Kaethe Mengelberg (London and New York: Routledge, 2004).

<sup>8</sup> Georg Simmel, *Filosofia del denaro*, trans. Alessandro Cavalli, Renate Liebhart, and Lucio Perucchi (Turin: UTET, 1984).

<sup>9</sup> Georg Simmel, *Philosophie de l'argent*, trans. Sabine Cornille and Philippe Ivernel (Paris: Presses universitaires de France, 1987).

<sup>10</sup> Simmel, *Philosophy of Money* (as in note 7), 128–29. I have amended the Frisby/Bottomore translation in light of the German text: "Dies ist die philosophische Bedeutung des Geldes: daß es innerhalb der praktischen Welt die entschiedenste Sichtbarkeit, die deutlichste Wirklichkeit der Formel des allgemeinen Seins ist, nach der die Dinge ihren Sinn *aneinander* finden und die Gegenseitigkeit der Verhältnisse, in denen sie schweben, ihr Sein und Sosein ausmacht" (*Philosophie des Geldes*, ed. David P. Frisby and Klaus Christian Köhnke, Gesamtausgabe 6 [Frankfurt am Main: Suhrkamp, 1989], 136).

<sup>11</sup> *Philosophy of Money*, 67 = *Philosophie des Geldes*, 35: "wir nennen diejenigen [Dinge] wertvoll, die unserer Begehrung, sie zu erlangen, Hemmnisse entgegenseetzen."

<sup>12</sup> See *ibid.*, 72/43.

becomes valuable only to someone who has difficulty breathing, or who is confined to life in a smog-filled city whose air presents itself as incompatible with human flourishing. At such a point, people become willing to pay for air, be it in the form of an oxygen tank or through a vacation in the countryside.

Simmel considers subject, object, and value as co-constitutional. Thus, just as value is a function of the distance between subject and object, so a sense of self arises only in a world experienced as ob-jective (as *Gegen-stand*, Heidegger might say, something “standing over against” us). Conversely, the world is “object” only to the extent that a self respects and values it. Otherwise, it becomes mere resource.<sup>13</sup>

Another way to approach the same issue is through the notion of sacrifice (*Opfer*): “Sacrifice is not only the condition for specific values, but—within the economic realm that concerns us here—the condition for value as such.”<sup>14</sup> Attaining a value always requires foregoing another. No value, therefore, exists on its own. It exists only in relation with other values in a system of exchange (*Tausch*). Simmel provides a basic example: “the exchange with nature which we call production.”<sup>15</sup> As the subject recognizes the fruits of tilling the soil as valuable, he sacrifices a portion of his limited energies to agricultural labor. The concept of sacrifice complements the previous description of value in terms of subject and object, rather than changing or correcting it. Sacrifice must enter into our consideration of the network of co-constitutional factors that constitute the human world, a world in which subject, object, value, and sacrifice enjoy equal primordially.

Value, then, exists only in a system of economic exchange. In such a system, however, valuable objects acquire a certain independence from the subjects to the relationship with whom they owe their value. Someone who enters a car dealership to purchase a vehicle will find that this vehicle has an “objective” value, determined in relation to the values of other objects that circulate in the economic system. The exchange of a BMW between seller and buyer involves far more than their respective willingness to make sacrifices—the seller sacrificing possession of the car and the buyer a certain amount of money. It involves the relative value of the BMW in relation to other cars of the same brand, in relation to other brands, housing, clothes, food, and so on. The particular object of exchange thus derives its value from the place it occupies in the economic system as a whole. In a completely developed economy, Simmel writes, “objects circulate according to norms and measures which are fixed at any one moment, and through which [these objects] confront the individual as an objective realm.”<sup>16</sup>

Money constitutes a further step towards objectivity. Although money is nothing but the expression of the relativity of value as constituted in the system of subject, object, exchange, and sacrifice that we just described, it represents such value as autonomous:

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<sup>13</sup> See *ibid.*, 71/42. Simmel's reflections anticipate some central points in Heidegger's philosophy of technology.

<sup>14</sup> *Ibid.*, 85/65. Translation amended.

<sup>15</sup> *Ibid.*, 84/63.

<sup>16</sup> *Ibid.*, 79/55. Translation amended. It is interesting that values still remain negotiable, even in the most highly developed economies. In such negotiations, intersubjective skills play an important role.

“If the economic value of objects is constituted by their mutual relationship of exchangeability, then money is the autonomous expression of this relationship.”<sup>17</sup> Put differently, “money is value frozen into substance, the value of things without the things themselves.”<sup>18</sup> Money is the exchange function represented as substance.

The idea that money is function-turned-substance raises two connected difficulties. The first concerns the “dual role”<sup>19</sup> of money, which functions as the representation of value in a system of exchange, yet also circulates as an object within that system. In other words, money not only “*is* relation,” but it “*has* relation” as well: it not only *represents* value, it also *possesses* value.<sup>20</sup> The dollars that change hands when a BMW is sold are themselves the object of exchange in the currency market; this latter role does not leave the former unaffected (and vice versa). Simmel maintains that the dual role of money is necessary for the economic system. For, on the one hand, economic agents must regard money as the stable representation of value: this function places it outside the process of economic exchange. On the other hand, in particular transactions money must also be able to transfer value, inside the economic system, from one moment to the next: at *t*<sub>1</sub>, I had a BMW; at *t*<sub>2</sub>, I have a check for a certain dollar amount. In synchronic perspective, then, money only represents value, while in diachronic perspective it carries value.<sup>21</sup>

The dual role of money has historical roots. Before money consisted in nothing but numbers written on a check, or even digits appearing on a screen, its representative function was attached to a valuable substance. Simmel—characteristically without citing any sources—offers the example of marten furs in old Russia. Initially, these furs were themselves highly desirable objects of exchange, but as society developed the furs became standards of measurement for all other economic values: that is to say, they turned into money. With this development, the substance that served to represent economic value shrunk, becoming increasingly symbolic. Thus, economic agents no longer carried entire pelts with them, but only their tips, and eventually small pieces of leather stamped by the govern-

**17** Ibid., 120/122: “Wenn nun der wirtschaftliche Wert der Objekte in dem gegenseitigen Verhältnis besteht, das sie, als tauschbare, eingehen, so ist das Geld also der zur Selbständigkeit gelangte Ausdruck dieses Verhältnisses ....”

**18** Ibid., 121/124: “es ist das zur Substanz erstarrte Gelten, das Gelten der Dinge ohne die Dinge selbst.” Translation amended. The German *erstarrt* literally means “stiffened”; I have translated it as “frozen.” More importantly, the verb *gelten*, used as a nominalized infinitive here, is etymologically related to the noun *Geld*, “money.” Simmel plays on this etymology. The translation of *Gelten* as “value” fails to capture the fact that *Gelten* expresses an action: money is the process of representing value, frozen in a substance.

**19** Ibid., 122/125: “Doppelheit seiner Rollen.”

**20** Ibid., 125/131. My translation. The German reads: “... so daß es, kurz gesagt, nicht mehr Relation *ist*, sondern Relation *hat*.”

**21** On the significance of the dual role of money and the challenges it poses for economic theory, one may read the essay by Paschen von Flotow and Johannes Schmidt, “Die ‘Doppelrolle des Geldes’ bei Simmel und ihre (fehlende) Entsprechung in der modernen Wirtschaftstheorie,” in *Georg Simmels Philosophie des Geldes. Einhundert Jahre danach*, ed. Jürgen G. Backhaus and Hans-Joachim Stadermann (Marburg: Metropolis, 2000), 61–94.

ment.<sup>22</sup> Simmel notes that the development of money from substance to function will never be complete because money “performs its services best when it is not simply money, that is, when it does not merely represent the value aspect of things in pure abstraction.”<sup>23</sup> He offers several arguments, of which the most important one concerns the need to limit the supply of money. It is “technically impractical [or imprudent: *untunlich*] to accomplish what is conceptually required, [namely,] the transfer of the money function to pure token money, its complete detachment from any substantial value that could limit the quantity of money.”<sup>24</sup> Since the abolition of the gold standard, what Simmel still regarded as “imprudent” has of course occurred, that is to say, the detachment of the money function from any substratum that could limit arbitrary multiplication. This decoupling of function from substance has led to an explosion of wealth worldwide, but also to an unprecedented accumulation of debt and mounting social tensions. Whether the experiment will work or Simmel will in the end be proven right is something only the future can tell.

### *Money as the Paradigm of All Being*

We are now ready to return to our quotation, according to which money is “the clearest embodiment of the formula of all being.” Simmel conceives of money as *substanzgewordene Relativität*, to use a particularly pithy phrase from the *Philosophy of Money*: “relativity turned substance.”<sup>25</sup> If it is in money that the structure of reality is thrown into the clearest relief, then is being nothing but “relativity turned substance”?

Exactly. Simmel subscribes to what he very bluntly calls a “relativistic world view.”<sup>26</sup> This phrase does not indicate skepticism, but rather the primacy of relation over substance in the constitution of the human world. Simmel declares:

But practical consciousness has discovered the form [that makes it possible] to unite the processes of relationship or interaction, in which reality takes place, with the substantial existence in which praxis must clothe the abstract relation as such. Such a projection of mere relations into particular objects is one of the great accomplishments of the mind, in that in [this projection] the mind is indeed embodied, yet only in order to make the corporeal into a receptacle of the mind and thus to bestow upon the latter a fuller and livelier reality. In money, the ability to construct such formations has attained its greatest triumph.<sup>27</sup>

<sup>22</sup> For this example, see *Philosophy of Money*, 150/169.

<sup>23</sup> *Ibid.*, 165/193. Translation amended.

<sup>24</sup> *Ibid.* The translation is mine. The German reads: “Aber eben die Realisierung dieses begrifflich Geforderten, der Übergang der Geldfunktion an ein reines Zeichengeld, ihre völlige Lösung von jedem, die Geldquantität einschränkenden Substanzwert ist technisch untunlich ....”

<sup>25</sup> *Ibid.*, 127/134. Frisby/Bottomore translate “embodied relativity,” but that is too imprecise and weak.

<sup>26</sup> *Ibid.*, 101/15: “relativistisches Weltbild.” Note that the section titles that appear in the English translation have been derived from Simmel’s detailed table of contents.

<sup>27</sup> *Ibid.*, 129/137. The translation is mine. The German reads: “Das praktische Bewußtsein aber hat die Form gefunden, um die Vorgänge der Beziehung oder der Wechselwirkung, in der die Wirklichkeit verläuft, mit der substanzialen Existenz zu vereinigen, in die die Praxis eben die abstrakte Beziehung als solche kleiden muß. Jene Projizierung bloßer Verhältnisse auf Sondergebilde ist eine der großen Leistungen des Geistes, indem in ihr der Geist zwar verkörpert wird, aber nur um das Körperhafte zum Gefäß des Geistigen zu machen und die-

Some commentators have taken this “somewhat obscure” passage as an indication of Simmel’s indebtedness to Hegel’s notion of objective spirit.<sup>28</sup> While this interpretation is not absurd, it is too precise. Simmel views his thought as a confluence of many sources. In one passage he likens money to Plato’s (and Schopenhauer’s) ideas, to the Stoic *logoi*, to Kant’s a priori, and finally to “stages in the development of reason as with Hegel”<sup>29</sup>—all in one sentence. Clearly, Simmel does not care too much about the finer distinctions in the history of philosophic doctrines.

In the excerpt just quoted, what stands out is the emphasis on the practical dimension of the process in which the mind freezes function into substance. Also, if we look back at Simmel’s programmatic statement regarding the paradigmatic role of money for the comprehension of “all being,” we notice that he speaks of the “practical world.” This emphasis suggests an interpretation along Heideggerian lines. In the human world, practice precedes theory; we encounter things as ready-to-hand (*zuhanden*) before they become present-at-hand (*vorhanden*). But the practical world is a network of relationships: the hammer derives its meaning from the relations in which it stands to the nail, the wall, the picture to be mounted, and the hand that holds it. Before the hammer becomes an “object,” it is a piece of equipment (*Zeug*) that is defined by the place it occupies—which means, the significance it possesses—within the human world. The substance of the hammer exists as the focal point of the relations in which the tool stands with its environment. This does not mean that the human mind creates the hammer in its physical substrate. The point is that this physical substrate exists *as hammer* only because of the significance bestowed upon it by the network of relationships in which it is involved.<sup>30</sup>

We are dealing here with a practical transformation of the Kantian a priori. The world appears to us within a framework of human meanings that give it coherence: “[The entities that] we characterize as associated in the external world, that is, as somehow unified and existing in each other, actually always remain adjacent to each other, and in referring to this association we *mean* something that we can ‘feel’ only from within ourselves into the things, something that is incomparable to anything external ...”<sup>31</sup>

Simmel goes beyond Kant, not only in giving the a priori a practical bent, but also in positing a dialectical relationship between subject and object. The world of meaning is not

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sem damit eine vollere und lebendigere Wirklichkeit zu gewähren. Mit dem Gelde hat die Fähigkeit zu solchen Bildungen ihren höchsten Triumph gefeiert.”

<sup>28</sup> Gianfranco Poggi, *Money and the Modern Mind: Georg Simmel's Philosophy of Money* (Berkeley and London: University of California Press, 1993), 108.

<sup>29</sup> *Philosophy of Money*, 121/124.

<sup>30</sup> Simmel makes this point clear by means of a religious example: “every sacramental object,” he writes, is “the relation-turned-substance between man and his God” (*ibid.*, 129/136; my translation). The German phrase for “relation-turned-substance” is *das substanzierte Verhältnis*. Thus, for example, water certainly exists as H<sub>2</sub>O without human intervention; yet this H<sub>2</sub>O is endowed with an entirely new meaning in the baptismal font.

<sup>31</sup> *Ibid.*, 472/656–7. Translation amended. The German reads: “Was wir als in der Außenwelt verbunden, d. h. doch, irgendwie vereinheitlicht und ineinander seiend, bezeichnen, bleibt doch in der Außenwelt ewig nebeneinander, und mit seinem Verbundensein *meinen* wir etwas, was nur aus unserem Inneren, allem Äußeren unvergleichbar, in die Dinge hineingeführt werden kann ...”



constituted by a transcendental subjectivity that floats above experience; rather, the subject is constituted by what it constitutes: "Thus there exists a relativism, as it were an unending process between internal and external life: the one as the symbol of the other, making it conceivable and representable, being neither the first nor the second, but realizing the unity of their—that is, our—essence by their mutual dependency."<sup>32</sup> We will return to this point later.<sup>33</sup>

One final remark about the primacy of the practical in Simmel. Simmel holds a view of truth that is pragmatist: "In fact, we do not have any other *definitive* criterion for the truth of the representation of a being, except that the actions based upon [that representation] lead to the desired consequences."<sup>34</sup> Thus, when he speaks of the paradigmatic role of money for practical consciousness, the emphasis on the practical entails no limitation. Theory builds on praxis rather than preceding it.<sup>35</sup>

To sum up, then, for Simmel the human world is a network of ultimately practical significance that is held together by a subject who "feels" these structures of meaning into reality. In the world around us we encounter nodes of meaning that arise in our dynamic interaction with our environment; the mind freezes these dynamic relationships into permanence by projecting them into substances. Likewise, money is initially nothing but the representation of value that comes into being as objects enter into relationship with each other in a network of economic exchange; in order to represent this value, the mind freezes it into substance. Lastly, the mind itself is not a substance existing independently of the structures that it constitutes; rather, it forms part of the system of relativity in which it acts.

### III. Money as the Purest Form of the Tool

The mind does not act upon the world without mediation: it is incarnate. But more than that, what distinguishes human beings from animals is the fact that man is capable of extending and refining the functions of his body by means of tools. I have eyes to see, but a magnifying glass helps me discern small details invisible to the naked eye. I have feet to walk, but a horse, carriage, or car will allow me to travel faster and with less effort. I have hands to manipulate objects around me, but a hammer will amplify the blows of my fist and allow me to focus it on something as small as a nail.

Simmel analyzes the tool in connection with what he calls the "sequence of purposes." In the practical world, the subject relates to his or her object as an end; put differently, human action has a purposive structure. I focus on an apple initially because I am hungry

<sup>32</sup> *Ibid.*, 472/657. I have slightly altered the translation of this difficult German sentence: "So besteht ein Relativismus, gleichsam ein unendlicher Prozeß zwischen dem Inneren und dem Äußeren: eines, als das Symbol des anderen, dieses zur Vorstellbarkeit und Darstellbarkeit bringend, keines das erste, keines das zweite, sondern in ihrem Aufeinander-Angewiesensein die Einheit ihres, d. h. unseres Wesens verwirklichend."

<sup>33</sup> In section IV below.

<sup>34</sup> *Philosophy of Money*, 108/103. Translation amended.

<sup>35</sup> For the pragmatist dimension of the *Philosophy of Money*, see Alois Halbmayr, *Gott und Geld in Wechselwirkung. Zur Relativität der Gottesrede* (Paderborn: Schöningh, 2009), 206–13. Halbmayr's study also offers an in-depth interpretation of Simmel's relativism.

and believe it will satisfy my hunger; admiring it for its beauty and making a painting of it come later. In a primitive society, nothing may mediate between my hunger and the apple: I go to the apple tree, pick the fruit, and eat it. With increased cultural sophistication, however, a society will interpose more and more steps between the desiring subject and its end: as a consequence, the teleological series will grow longer. “The average number of links” in this series, Simmel writes, “indicates the degree of knowledge and control of nature, as well as the breadth and refinement of the way of life.”<sup>36</sup> Consider the length of the chain of production and transportation that is involved in bringing the enjoyment of French apple cider to a customer shopping at a supermarket in Texas.

A tool is an object whose entire meaning is derived from its role in such a teleological series. Practically speaking, it has no existence in and for itself, but is embodied function. To be sure, the hammer has a wooden or plastic handle and a metal head, but its meaning derives, on the one hand, from the human hand for which the handle was made, and, on the other, from the nail that the face is shaped to strike. Still, a hammer cannot function without a certain weight: its function calls for substance. It is not a “pure” tool. Indeed, in the human world of embodied minds and their objects, pure function cannot exist. But if there is a tool that approaches purity of function as closely as possible, it is money: “Money is the purest form of the tool,” Simmel declares.<sup>37</sup> And he elaborates:

Money is perhaps the most decisive demonstration and expression of the fact that man is the “tool-making” animal, which is, however, itself connected with the fact that man is the “purpose-positing” animal. The concept of means characterizes the position of man in the world: he is not tied, as the animal is, to the mechanism of instinctual life and the immediacy of volition and enjoyment, nor does he have unmediated power—of the kind we attribute to a God—so that his will is as such identical with its realization.<sup>38</sup>

So, just as money led us to the very structure of being, it offers the key to understanding the human condition.

The purity of money as a tool is due to several factors. First, money requires only a minimum of substance to function (like the digits on a screen that we mentioned earlier). Second, money is the “absolute means” (*das absolute Mittel*), the “means as such” (*das Mittel schlechthin*)<sup>39</sup> because, unlike other tools, it is only minimally configured for a particular subject while bearing no inherent relation at all to a specific object. To return to our example of the hammer: the handle of the hammer is made for the grip of the human hand, while its head reflects a particular purpose, such as driving in nails (with a poll), removing

<sup>36</sup> *Philosophy of Money*, 207/259.

<sup>37</sup> *Ibid.*, 210/263.

<sup>38</sup> *Ibid.*, 211/264–65. Translation amended. The German reads: “Es ist vielleicht der entschiedenste Beweis und Ausdruck dafür, daß der Mensch das ‘werkzeugmachende’ Tier ist, was freilich damit zusammenhängt, daß er das ‘zwecksetzende’ Tier ist. Die Idee des Mittels bezeichnet überhaupt die Weltstellung des Menschen: er ist nicht wie das Tier an den Mechanismus des Trieblebens und die Unmittelbarkeit von Wollen und Genußen gebunden, er hat aber auch nicht die unmittelbare Macht—wie wir sie an einem Gotte denken—, daß sein Wille schon an und für sich Verwirklichung des Gewollten sei.”

<sup>39</sup> *Ibid.*, 211/264 (*das absolute Mittel*) and 265 (*das Mittel schlechthin*).

them (with a claw), or hammering metal into shape (with a peen). A dollar bill, by contrast, is a dollar bill is a dollar bill ... in other words, it can be used by anyone to purchase anything. There is only one limitation: to the extent that different countries have different currencies, the dollar is more appropriate for use in the United States than in Mexico or China.

The fact that money is the purest form of the tool produces two consequences that bring it in relation with the religious realm.

### *In God We Trust*

We have already discussed the historical trajectory in which money came to be increasingly detached from substance. Such detachment is possible only on the basis of trust. Thus, an economic agent will accept a stamped piece of leather, rather than an entire pelt, as a valid form of payment only if he can be confident that the piece of leather represents a stable value which corresponds to the value of the goods sold. If he had to fear that the piece of leather did not represent a stable value, he would not accept it as payment, so that the exchange would be unable to occur or the trading partners would have to resort to barter. Such loss of trust is what typically occurs in conditions of hyperinflation: the currency collapses.

Simmel maintains that the functioning of the money economy always requires trust, even when the currency is tied to precious metals. To be sure, a gold coin requires less trust from its user than a banknote, but even gold cannot guarantee the stability of the currency absolutely. Gold itself can gain and lose value. Secondly, "in everyday transactions an examination of the metallic substance of the coin is feasible only in exceptional cases."<sup>40</sup> Rulers and governments of all ages have exploited this fact to debase their coinage.

The trust that is at the heart of the money economy is well summarized in a phrase that the Order of St. John of Jerusalem placed on many of its coins when it ruled over Malta: *non aes sed fides*, "not bronze but faith."<sup>41</sup> The inscription goes back to Grand Master Jean de La Valette (1557–1568), who decided to strike fiduciary coins to raise funds after the siege of the Turks and to pay for the construction of the new city of Valletta. Thus, the Maltese mint started using copper for denominations that would normally be struck on silver, such as the "tari." Those who accepted these coins as payment needed to have faith in



FIGURE 1: A 100 billion banknote issued by the city of Bielefeld (Westphalia) in 1923. The apocalyptic scenes on the obverse are meant to capture the spirit of the times.

(From the author's collection.)

<sup>40</sup> Ibid., 178/215. Translation amended.

<sup>41</sup> See *ibid.*



FIGURE 2: *Non aes sed fides*—a Maltese 4 tari copper coin minted in 1567 under Grand Master Jean de la Valette. Note the shaking hands as a symbol of trust. (Restelli/Sammut # 103) (By kind permission of Mr. John Gatt, [coinsofmalta.com](http://coinsofmalta.com).)

the Grand Master’s promise that the copper coins could be redeemed in precious metal. However, due to the precarious military and economic situation of Malta throughout the rule of the Order, fiduciary coins kept multiplying under successive grand masters. Various attempts to recall them ultimately failed, so that the trust placed in them was disappointed.<sup>42</sup>

Having offered the Maltese example, Simmel launches into an analysis of the structure of faith. He notes that every type of economic exchange—even the ex-

change with nature of which we talked earlier—would be impossible without faith: “If the farmer did not believe that his field would bear grain this year just as much as in former years, he would not sow; if the trader did not believe that the public would desire his goods, he would not purchase them; etc.”<sup>43</sup> Yet the faith that money requires sets it apart:

But in the case of credit, of trust in someone, there is an additional element which is hard to describe: it is most clearly embodied in religious faith. When someone says that he believes in God, this does not merely express an imperfect stage of knowledge about God, but a state of mind which has nothing to do with knowledge, which is both less and more than knowledge. To “believe in someone,” without adding or even clearly conceiving what it is that one believes about him, is to employ a very subtle and profound idiom. It expresses the feeling that there exists between our idea of a being and the being itself a definite connection and unity, a certain consistency in our conception of it, an assurance and lack of resistance in the surrender of the ego to this conception, which may rest on particular reasons, but does not consist in them. Economic credit, too, often contains an element of this supra-theoretical belief, and so does the trust that the community will, for the symbolic signs for which we have exchanged the products of our labor, grant us the concrete corresponding values.<sup>44</sup>

Simmel’s claim in this passage is astonishing. In order to account for the trust on which economic exchange relies—and in particular the trust in the reliability of our currency—he invokes belief in a personal God. This belief may lack the certainty of knowledge, yet in other ways it reaches beyond knowledge, especially in eliciting a personal adherence

<sup>42</sup> For further reading on the history of Malta’s fiduciary coinage, see Michael Sant, “The First Minting of Fiduciary Copper Coinage in Malta: 1565 or 1566?,” *Melita historica* 5:4 (1971): 277–81, and the same author’s “Minting and Attempted Recalling of Fiduciary Copper Coinage in Malta,” *Melita historica* 6:1 (1972): 60–80. The standard catalog referred to in the caption of figure 2 is Felice Restelli and Joseph C. Sammud, *The Coinage of the Knights in Malta*, 2 vols. (Valletta: Emmanuel Said Publishers, 1977).

<sup>43</sup> *Philosophy of Money*, 179/216. Translation amended.

<sup>44</sup> *Ibid.* Translation amended, in particular the last sentence: “Auch der wirtschaftliche Kredit enthält in vielen Fällen ein Element dieses übertheoretischen Glaubens, und nicht weniger tut dies jenes Vertrauen auf die Allgemeinheit, daß sie uns für die symbolischen Zeichen, für die wir die Produkte unserer Arbeit hingegeben haben, die konkreten Gegenwerte gewähren wird.”

that stems from profound confidence.<sup>45</sup> In the economic order, we invest a “quasi-religious faith”<sup>46</sup> in the community, trusting that its members will remain willing to exchange the “symbolic signs” which we use as money for real-world goods—that pure function will eventually translate back into substance.

Since 1957, all American currency carries the motto, “In God We Trust.” The use of this motto can be traced back to 1864, when it first appeared on a two-cent coin. The intention was always to acknowledge the existence of God on the country's very currency, so that no economic transaction could occur without at least implicit recognition of the De-



FIGURE 3: The phrase “In God We Trust” on the reverse of an American one-dollar banknote.

ity. The use of God's name on money was, however, not uncontroversial. In 1907, President Theodore Roosevelt reacted with revulsion to the suggestion that “In God We Trust” should be placed on a new ten-dollar gold coin: “My own feeling in this matter,” he wrote, “is due to my very firm conviction that to put such a motto on coins, or to use it in any kindred manner, not only does no good but does positive harm, and is in effect irreverence, which comes dangerously close to sacrilege.”<sup>47</sup> Despite such reservations, in the 1950s the use of the motto was broadened to include all coins and banknotes. This measure occurred in the atmosphere of the Cold War, with the intention to set the United States apart from the atheism of the communist world. Representative Charles E. Bennett of Florida, who introduced the relevant legislation (H.R. 619) in the House in 1954, argued that, “[i]n these days when imperialistic and materialistic communism seeks to attack and destroy freedom, we should continuously look for ways to strengthen the foundations of our freedom. At the base of our freedom is our faith in God .... To serve as a constant reminder of this truth, it is

<sup>45</sup> Thomas Aquinas, too, holds that faith is both more and less certain than knowledge (*scientia*), although his reasoning differs from Simmel's; see *Summa theologiae* II-II, qu. 5, art 8: *Utrum fides sit certior scientia et aliis virtutibus intellectualibus*.

<sup>46</sup> *Philosophy of Money*, 179/216. More literally, the German speaks of a “faith” that is related to religious faith” (... *dem religiösen verwandten “Glaubens”*).

<sup>47</sup> Quoted in T. Jeremy Gunn, *Spiritual Weapons: The Cold War and the Forging of an American National Religion* (Westport, Conn.: Praeger, 2009), 67.

highly desirable that our currency and coins should bear these inspiring words, ‘In God We Trust.’”<sup>48</sup> H.R. 619 created the modern-day equivalent of sacred money: currency that objectifies group cohesion by invoking the group’s shared faith. Simmel clearly saw the possibility that the faith which money requires must ultimately be anchored in the sacred,<sup>49</sup> but he has been criticized for not pursuing this line of inquiry more vigorously.<sup>50</sup>

### *God and Money in the Sequence of Purposes*

We have already touched upon what Simmel calls the “sequence of purposes” (*Zweckreihe*). Our example was an apple. An apple has value for human beings because it is able to satisfy a basic human need. As “tool-making animals,” however, we typically do not simply grab an apple from a tree and eat it. A whole series of means is able to insert itself between us and the apple: thus, the apple itself stands at the end of a long chain of production, while a consumer’s ability to reach the apple depends upon access to a supermarket, which requires transportation, which requires money, which requires a job, which requires ... and so on and so forth.

Furthermore, the apple is not an end in itself. We do not find that the consumption of an apple is an absolute value; rather, it is a means to sustain us in our quest for greater ends. Human experience shows us, however, that these greater ends tend to recede toward an infinite horizon: I eat the apple so that I have the strength to work; I work so that I have income; I need income to pay the bills; I pay the bills in the hope that, one day, I will be able to retire. In retirement, I can finally go on a cruise; on the cruise, I can relax and feast on the “all-you-can-eat” buffet; I subsequently need to lose weight so that I join the health club; and this series goes on and on. “To summarize,” writes Simmel, “it appears as if what we call the ultimate purpose floats above the teleological sequences, standing in the same relation to them as the horizon does to the earthly paths that always lead towards it, yet which, after the longest wanderings, never seem to be any closer to it than at the outset.”<sup>51</sup>

Given the elusiveness of the ultimate purpose, as well as the fact that any purpose is best served if one focuses one’s strength upon the means that lead towards it, means have a tendency to overshadow and absorb their ends—especially if these ends are remote. Simmel terms this phenomenon the “psychological growth of means into ends.”<sup>52</sup> This growth of means into ends—or, rather, this deformation<sup>53</sup>—paradoxically affects money more

<sup>48</sup> Quoted *ibid.*, 68.

<sup>49</sup> Simmel mentions sacred money in *Philosophy of Money*, 187/229.

<sup>50</sup> For this criticism, see Claus Thomasberger and Klaus Voy, “Geldtheorie und Geldgeschichte. Überlegungen zum Zusammenhang beider, angeregt durch Simmels Versuch, der Ausgrenzung der Geschichte aus der theoretischen Geldforschung entgegenzutreten,” in *Georg Simmels Philosophie des Geldes* (cited in note 21 above), 217–70.

<sup>51</sup> *Philosophy of Money*, 235/303. Translation amended.

<sup>52</sup> *Ibid.*, 228/17: “das psychologische Auswachsen der Mittel zu Zwecken.”

<sup>53</sup> The German *Auswachsen* suggests deformation rather than natural growth. One of the examples offered in the Grimms’ famous *Deutsches Wörterbuch* is, *sie hat einen etwas ausgewachsenen rücken*, “she has a somewhat hunched back.” The Grimm is available online at <http://dwb.uni-trier.de/de/>.

than any other means, despite the fact that it is the most empty of them all. Since every other economic value can be represented by money, the latter takes on an absolute value, even with connotations of omnipotence. These reflections lead us to one of the most stunning passages in the *Philosophy of Money*:

It may appear as an irony of history that, at the moment when the satisfying and ultimate purposes of life become atrophied, precisely that value which is exclusively a means and nothing else takes their place and clothes itself in their form. But in reality, money as the absolute means and thus as the unifying point of innumerable sequences of purposes, in its psychological form possesses significant relationships to the notion of God—relationships that only psychology, which has the privilege of being unable to commit blasphemy, may disclose. The notion of God has its deeper essence in this, that all diversities and contradictions in the world achieve a unity in him, that he is—according to a beautiful formulation of Nicholas of Cusa—the *coincidentia oppositorum*. Out of this idea, that in him all estrangements and all irreconcilables of being find their unity and equalization, there arise the peace, the security, [and] the all-embracing wealth of feeling which reverberate with the notion of God and [with the notion] that we *have* him.<sup>54</sup>

The structural affinity between the notions of money and of God may well explain, muses Simmel, why religion tends to view money with particular animosity. In the Christian tradition, the Bible is clear that “no man can serve two masters. For either he will hate the one, and love the other: or he will sustain the one, and despise the other. You cannot serve God and mammon” (Mt 6:24). The choice is binary here, with no middle ground. All means either dissolve in money, which thus takes on the appearance of a final purpose, or they are absorbed into God, who fills them with ultimate content. Is the choice one between substance and function?<sup>55</sup>

#### IV. Having and Being

Earlier on in this essay, we hinted at the fact that Simmel’s “relativist”—it might be better to say, “relational”—understanding of reality is all-encompassing. The author of the *Philosophy of Money* does not merely believe that the practical mind organizes the world in relational

<sup>54</sup> *Philosophy of Money*, 236/305. Translation amended. The German reads: “Es kann als eine Ironie der historischen Entwicklung erscheinen, daß in dem Augenblick, wo die inhaltlich befriedigenden und abschließenden Lebenszwecke atrophisch werden, gerade derjenige Wert, der ausschließlich ein Mittel und weiter nichts ist, in ihre Stelle hineinwächst und sich mit ihrer Form bekleidet. Allein in Wirklichkeit hat das Geld, als das absolute Mittel und dadurch als der Einheitspunkt unzähliger Zweckreihen, in seiner psychologischen Form bedeutsame Beziehungen gerade zu der Gottesvorstellung, die freilich die Psychologie nur aufdecken kann, weil es ihr Privilegium ist, keine Blasphemien begehen zu können. Der Gottesgedanke hat sein tieferes Wesen darin, daß alle Mannigfaltigkeiten und Gegensätze der Welt in ihm zur Einheit gelangen, daß er nach dem schönen Worte des Nikolaus von Kusa die *Coincidentia oppositorum* ist. Aus dieser Idee, daß alle Fremdheden und Unversöhntheiten des Seins in ihm ihre Einheit und Ausgleichung finden, stammt der Friede, die Sicherheit, der allumfassende Reichtum des Gefühls, das mit der Vorstellung Gottes und daß wir ihn haben, mitschwebt.” I have added the emphasis on *have* for clarity.

<sup>55</sup> Alois Halbmayr has devoted a detailed study to the affinity between the notions of God and money; see *Gott und Geld in Wechselwirkung*, cited in note 35 above. For further reflection on the religious dimension of Simmel’s thought, one may read John McCole, “Georg Simmel and the Philosophy of Religion,” *New German Critique* 94 (Winter, 2005): 8–35.

structures; that is to say, that we encounter reality through the teleological series discussed in the previous section. Rather, our own subjectivity, our “internal life,” is constituted in relation to the external world into which we “feel” (*hineinfühlen*) our purposes. We have already quoted the following sentence: “Thus there exists a relativism, as it were an unending process between internal and external life: the one as the symbol of the other, making it conceivable and representable, being neither the first nor the second, but realizing the unity of their—that is, our—essence by their mutual dependency.”<sup>56</sup> Now it is a matter of understanding it.

Just as Simmel conceives of substance as a knot of relations, so he regards the self as a center of activity. Furthermore, it follows from this view that the relationship between the self and the substances which make up its world is more than merely a static “having.” For Simmel, such static possession approximates to non-being, to a “zero point” between the movement toward possession of an object and its active use: “Ownership as the point of indifference between the movement that leads towards it and the movement that leads beyond it shrinks to zero.”<sup>57</sup> Static ownership is a “metaphysical” concept (perhaps something like the Kantian thing-in-itself), a placeholder for the totality of actions and enjoyments in which a particular object can be involved.<sup>58</sup>

The possession of an object is dynamic not only because the owner most fully “has” the object when he incorporates it into his sequence of purposes.<sup>59</sup> It is dynamic also because that which is actively owned in turn shapes its owner. Simmel illustrates this point by giving a few examples:

Whoever owns an estate or a factory (insofar as he does not leave the management to somebody else and becomes a rentier), [or] whoever owns a picture gallery or a racing stable as his central piece of possession, no longer has a completely free existence. This means not only that his time is taken up to a particular extent and in a particular form; above all, it means that a specific capacity is presupposed. ... Just as the possession of specific objects is all the more genuine and active the more decisively and unambiguously the subject is suited for them, so the reverse is just as true: the more fundamentally and intensively the possession is really owned—that is, is made useful and enjoyed—the more decisive and determining will be the effects upon the internal and external nature of the subject.<sup>60</sup>

The quotation makes us think of the “types” of people who used to be associated with particular professions: the English banker in pinstripe suit and bowler hat, and never without umbrella; the country landlord in his tweed jacket and Garforth cap; or the Southern cattle herder in cowboy hat and boots. Their professions—and this means, their active relations with particular types of objects—gave these people particular personalities, shaping them down to the level of their external appearance.

<sup>56</sup> *Philosophy of Money*, 472/657. First quoted at the end of section II above.

<sup>57</sup> *Ibid.*, 304/406.

<sup>58</sup> *Ibid.*, 306/408.

<sup>59</sup> Again, Simmel’s reflections here foreshadow Heidegger’s view according to which the practical world of “items of equipment” (*Zeuge*) grounds and precedes the theoretical world of objects.

<sup>60</sup> *Philosophy of Money*, 306–07/409–10. Translation amended. The Bottomore/Frisby translation is quite defective here.



Money, Simmel claims, has the tendency to sever this connection between having and being. As pure function, money so to speak lacks the substance to limit the freedom of those who possess it, but with that, it also lacks the ability to shape its owners. Money is itself without character, since it represents value in general, but no value in particular. If my possessions consist of money, rather than of land or a workshop where objects are manufactured by means of specific tools, I will no longer experience the constraints that arise from objects, which stand “over against” (*ob-*) me. Money does not need to be fed and milked, like cows, nor do I have to send it reminders when it does not pay the rent that I am owed. By comparison with other tools, the use of which has to be learned, money offers minimal pushback in relation to the human will.<sup>61</sup> The subject experiences him- or herself as omnipotent while at the same time losing personal character. Thus, the business owner turns into an “entrepreneur,” who invests into a whole range of businesses about which he knows nothing in particular, except that they are profitable. Conversely, the skilled laborer who knew how to extract coal from a mine or assemble pieces of wood into furniture is replaced by members of an amorphous “work force” whose main characteristic is to possess “transferable skills.” In this way, the freedom that was gained at a lower level—namely, the freedom from the need to master a particular craft, as well as the need to work with particular people—is replaced by enslavement to an impersonal economic system. The result is what Simmel repeatedly calls a “soulless” society.<sup>62</sup> Its members experience freedom as freedom *from* constraints rather than as the freedom *to* pursue certain ends.<sup>63</sup> Simmel does not regard these developments as entirely negative, especially if one compares the functionalism of the money economy with the highly personal obligations under which people used to labor. Yet he sees the downsides very clearly.

## V. Conclusion

This essay has focused on the most fundamental claims that Simmel advances in his *Philosophy of Money*: money most clearly reveals the structure of all being, it is key to understanding the nature of the human being as a tool-making animal, and it exhibits significant structural similarities with the notion of God. With these three claims—metaphysical/epistemological,<sup>64</sup> anthropological, and theological—Simmel places money at the center

<sup>61</sup> As the example of the banker shows, ownership of money can shape a personality. According to Simmel, this is due to the fact that money derives a certain quality from its very quantity. In turn, a personality, or even the spirit of a nation, can confer upon wealth a particular character. See *Philosophy of Money*, 259–80/338–71.

<sup>62</sup> *Ibid.*, 346/468, 467/648.

<sup>63</sup> See *ibid.*, 402/552: “It is true he [i.e., the peasant] gained freedom, but only freedom *from* something, not freedom *to do* something. Apparently, he gained freedom to do anything—because it was purely negative—but in fact he was without any directive, without any definite and determining content. Such freedom favors that emptiness and instability that allows one to give full rein to every accidental, whimsical, and tempting impulse. Such freedom may be compared with the fate of the unmoored [*ungefestet*] person who has forsworn his gods and whose newly acquired ‘freedom’ only provides the opportunity for making an idol out of every fleeting value.” Translation amended.

<sup>64</sup> Simmel squarely belongs in the Kantian tradition. Thus, strictly speaking, he does not advance any metaphysical theory, but rather a theory about the structures within which human beings encounter reality.

of philosophic reflection. Furthermore, Simmel believes that the de-substantialization of money is a critical element in the development of social relations. As we have seen in the beginning of the essay, Simmel's focus on money is less eccentric than it may appear: money may well have played a crucial role in the cultural reconfiguration within which the birth of philosophy became possible in the first place.

I would like to conclude this essay on a pedagogical note. Given the centrality of money in these days of post-industrial capitalism, Georg Simmel's *Philosophy of Money* is an ideal work to demonstrate the relevance of philosophic reflection to students in institutions of higher education. Unfortunately, Simmel's dense style as well as the sheer length of the *Philosophy of Money* stand in the way of a more widespread use of his work. An abridged edition and translation would therefore make an extremely welcome addition to the philosophical literature.

## VI. Postscript: A Note on the Emergency Money from Bielefeld

In figure 1 of this article, we saw a banknote for 100 billion marks, issued in 1923 by the city of Bielefeld in Westphalia (Germany). The "emergency money," or *Notgeld*, from Bielefeld has acquired a certain fame among collectors for its vivid artistic representation of the social conditions that accompany hyperinflation.

As Simmel maintains, money requires trust. Such trust is all the more necessary in the case of our modern de-substantialized currencies, where it is not coins of gold or silver that exchange hands, but pieces of paper—and, increasingly, bits of information read from the chips of credit or debit cards. Under these conditions, "[t]he value of money is based on a guarantee represented by the central political power, which eventually replaces the significance of the metal."<sup>65</sup> At this stage of our reflections on the *Philosophy of Money*, we will not be surprised that Simmel considers the relationship between money and the authority that issues or guarantees it to be reciprocal. Thus, not only does an economy relying on de-substantialized money require a strong state, but in turn "[t]he modern centralized state ... came into being partly as a result of the prodigious growth of the money economy ...."<sup>66</sup>

A further consequence follows from these reflections. We discovered earlier that, for Simmel, "money is value frozen into substance, the value of things without the things themselves."<sup>67</sup> But money is also trust frozen into substance, that is to say, it represents the trust among the members of the society in which it circulates, without these members themselves. We could therefore call money an "objectification of the social whole"<sup>68</sup>—

<sup>65</sup> *Philosophy of Money*, 184/224–25. The translation here is more of a paraphrase of Simmel's complex German: "Es ist die *Sicherheit* des Geldes, auf der sein Wert ruht und als deren Träger die politische Zentralgewalt allmählich durch die unmittelbare Bedeutung des Metalls, sie verdrängend, hindurchwächst."

<sup>66</sup> *Ibid.*, 185/226.

<sup>67</sup> *Ibid.*, 121/124; quoted in section II above.

<sup>68</sup> *Ibid.*, 187/228; trans. amended. The German has "Objektivierung der Gruppengesamtheit." We are going beyond Simmel here, who says only that such objectification is "a prerequisite of money."

trust turned substance, so to speak, but with the interesting corollary that the more trust there exists, the less substance is necessary to represent it.



FIGURE 4: A banknote for 10 trillion dollars from the Reserve Bank of Zimbabwe, issued in 2008. (From the author's collection.)

Hyperinflation arises in conditions where the trust that money requires has broken down, but where the society affected by this collapse has no way to re-substantialize its currency: to move from banknotes to gold and silver coins, for example. In such circumstances, giving up a valuable object in exchange for mere money creates a greater and greater—perhaps ultimately infinite—sense of sacrifice. Even trillions of dollars will no longer be able to satisfy it.

The emergency money from Bielefeld beautifully and starkly illustrates the social disintegration in which hyperinflation occurs: it is distrust objectified. When, in the wake of the First World War, inflation in Germany spiraled out of control at an increasingly frenzied pace, the *Reichsbank* was eventually no longer able to keep up the money supply. Even measures like simply stamping “one billion” (*1 Milliarde*) over banknotes with a denomination of one thousand marks provided no lasting relief. At this point, local institutions stepped in by issuing their own banknotes. The city of Bielefeld did this through its own bank, the *Stadt-Sparkasse Bielefeld*. From the beginning, however, the emergency money from Bielefeld was devised to be special: designed by local artists to document the despair and social upheaval that afflicted post-war Germany, the currency which the *Sparkasse* issued was advertised as an object for collectors. To increase its collectability, it was printed not only on paper but also on burlap, linen, silk, and velvet.<sup>69</sup>

<sup>69</sup> The history of the *Notgeld* from Bielefeld is chronicled in Günter Gerke, *Das Geld der mageren Jahre—als alle Milliarden waren. Bielefelder Notgeld 1917–1924. Geschichten und Dokumente* (Bielefeld and Potsdam: Verlag Hans Gieselmann, 1998). The longtime director of the *Stadt-Sparkasse Bielefeld* describes the emergency money in a fictitious dialogue between a father and a son who are looking back at the history of Bielefeld in the year 2000: Paul Hanke, “Bielefelder Notgeld nach 80 Jahren,” *Niedersachsen*, vol. 26, no. 21 (July 10, 1921): 505–07.

The one hundred billion banknote depicted in figure 1 above demonstrates the crazy pace at which the inflation occurred; for its obverse reprises the motif from a one hundred mark banknote issued just two years earlier.<sup>70</sup> The scene on the left and on the right mirror each other, each showing a group of women who appear to be congregating around a bearded figure—some kind of sage no doubt. In the foreground we are able to discern a creature (a monkey perhaps or a devil) riding on someone's back, whereas in the background a dark monster looms whose greedy hands overshadow the entire scene. Behind the sage on the left, we read the passionate appeal, *Seid einig, einig!* ("Be united, united!"), whereas the sage on the right seems to be discussing *Geldnot* ("shortness of money"). The greedy claws are inscribed, from left to right, *Zwietracht* ("discord"), *Neid* ("jealousy"), *Missgunst* ("ill will"), and *Wucher* ("usury"). Beneath the scene, a verse comments on the gloomy picture:

Die Tage tanzen in rasender Flucht	"The days are dancing in frenzied flight
Wir sind vom Teufel besessen	We are possessed by the devil
Und Ordnung und Sitte und Treue und Zucht	And order and custom and loyalty and discipline
Vergessen sind sie, vergessen.	Forgotten are they, forgotten."

These lines are a quotation from a well-known poem that Paul Warncke (1866–1933) contributed under the title *Vergessen* ("Forgotten") to the nationalist magazine *Kladderadatsch*. The poem's final line—not quoted here, but surely on everyone's mind—left no doubt about who was to blame for all the misery: *Und was der Feind uns angetan, das sei ihm nicht vergessen!* ("And what the enemy has inflicted upon us, that shall not be forgotten!").

Finally, in the frame surrounding the obverse of our banknote, we find some figures that serve to illustrate the pace of the inflation. For example, the line at the bottom explains that the cost of living increased by a startling 3,045,000,000% between 1914 and October 23, 1923.

The obverse of the Bielefeld banknote situates the hyperinflation of the Weimar Republic in the context of a social discord that has reached diabolic proportions. The artist bemoans the lack of unity (*Seid einig, einig!*) within Germany, but he ultimately suggests that the war is to be blamed for the tragedy that has befallen the German people. The reverse of the 100 billion banknote (adapted from a 5000 mark banknote issued in February, 1923) repeats this theme at its very top edge.<sup>71</sup> Thus, the user is reminded of *Deutschlands Zusammenbruch 11. Nov. 1918*, "Germany's collapse, November 11, 1918," the date on which Germany signed the armistice with the Allied forces. In densely printed text right under this headline, the artist—a certain Schreiber—has compiled a list of war expenditures by the Allies in the year 1922, followed by price comparisons that illustrate the extent of the inflation (for example, "1918: 1 hat, 8 marks; 1923: 1 hat, 30,000 marks").

The scene beneath this text is utter chaos. The crown and scepter of the Reich have fallen, as have the German eagle and the country's maritime prestige (*Seegeltung*). A judge on the right vainly shouts, *Seid einig, einig, einig* while a valiant worker attempts to hold

<sup>70</sup> My interpretation of the imagery draws on Gerke, *Das Geld der mageren Jahre*, 162–65.

<sup>71</sup> See *ibid.*, 134–37.

the pillars of the country together, but unity (*Einheit*), order (*Ordnung*), the unity of the Reich (*Reichseinheit*), and law (*Recht*) cannot be salvaged as they tumble about violently. At the very bottom, cowed or even dead, we find, on the right, a soldier and, on the left (with book and owl), an intellectual (*Geistesarbeiter*). On the former, a line from Schiller's *Wilhelm Tell* comments, *Ein Grab der Freiheit ist's*, "it's a grave for freedom." Above the intellectual this verse is inscribed: *Wir wissen den Weg in jene Welt, wo die stärkste Maschine in Schutt zerfällt* ("we know the path into the kind of world where the strongest machine falls into ruin").<sup>72</sup>

In light of Simmel's claim regarding both the "quasi-religious faith" that the functioning of the money economy requires, and the similar roles that God and money play in the sequence of purposes, the religious references on the reverse of our banknote are particularly revealing. An inattentive observer could miss the crosses on the crown and the scepter, crosses which subtly suggest that, with the monarchical rule of the Kaiser, the Christian faith itself has been brought down. Upon closer inspection, the falling pillars—marked "revolution" and "civil society" (*bürgerliche Gesellschaft*), respectively—bear religious inscriptions. Starting on the left, we read, "golden calf" (*goldenes Kalb*), with a reference to Psalm 73:12: "Behold these are sinners; and yet abounding in the world they have obtained riches."<sup>73</sup> The pillar devoted to civil society bears a reference to Psalm 109:24: "My knees are weakened through fasting; and my flesh is changed for oil." Finally, the pillar on the extreme right cites Psalm 79:4: "We are become a reproach to our neighbors: a scorn and derision to them that are round about us." Furthermore, the pillar on the left not only says, "golden calf," but is topped by a small image of a calf or bull, the ultimate signifier of idolatry from the narrative of Exodus 32. This is a society that has abandoned its faith in the true God and, as a consequence, has plunged into chaos. People trample on each other without respect for social order and justice. At the top, we now encounter shady figures such as the *Schieber* (the black marketer or racketeer).

The one-dollar banknote from figure 3, with its motto, "In God We Trust" and the serene imagery from the Great Seal of the United States—especially the pyramid with the eye of providence at its top—contrasts starkly with the 100 billion marks from Bielefeld. The contrast throws into relief the truth of Simmel's claim that money requires a quasi-religious trust in the social order. Without such trust, the social order and the money that represents it collapse.



FIGURE 5: Reverse of the 100 billion banknote depicted in figure 1. (From the author's collection.)

<sup>72</sup> I have been unable to identify the source of this verse.

<sup>73</sup> The Psalms are quoted from the Douay-Rheims version.