

Paper money and its (urban) images: toward capitalist metaphysics
(The case of the former Soviet Union)

- **Monetary politics and the modern state system**
- **Money and capitalist metaphysics**
- **Making the modern paper money: the appearance of images**

The fundamental event of the modern age
is the conquest of the world as picture
Martin Heidegger¹

Introduction

Nail Ferguson launches his study on the monetary politics in the modern age (**Ferguson**, 2002) citing Thomas Carlyle. The latter is very well known for his fear that modernity would turn all human relations into economic affairs and in this way people can be changed into modern monsters. He was constantly moralizing that we (humans) have forgotten that cash-payment is not the sole relation of human beings (Carlyle shaped the term ‘cash nexus’, which is now frequently used). Ferguson’s “Cash Nexus” tends to show that actually we are not bonded completely to economic relations and *homo sapiens* is not *homo economicus*, constantly aiming to maximize his effectiveness with every transaction. People very often have unpredictable behavior and their reasons can be illogical and emotional. But nevertheless we still believe that money, and certainly economics makes ‘the world go around’.

In this study I aim to investigate the cultural role that money plays in the West. My assumptions are based on the symbolical character of the inter-human and inter-national communication. Although there are always practical reasons, which stay behind different cultural phenomena, symbolical aspects may play a crucial role in such spheres as economics and politics. European historians in the 19th century described the progressive development of English, French,

¹ Heidegger M. ‘The age of the world picture’, In: The Question Concerning Technology and Other Essays. – N.Y., 1997.

German, Dutch and other national state structures in terms of capital. Capital and the monetary relations were seen as universal phenomena, which develop historically in different cultures around the globe. But the growing number of African or Indian histories in 1960-80s showed that transitional and theoretical concepts like *development*, *progress*, and *capital* are culturally and locally (mainly in Europe) construed. Money does not have the only one meaning and monetary relations differ from culture to culture.

Paper money is a peculiar invention of the European modernity, though it was known before its implementation in the West. Monetary communication and development of capital in the West advanced in the context of metaphysics of modernity. In this paper I will investigate the symbolical substance of paper money, its metaphysical character. Paper money does not have a substance; there is nothing material, which can objectify its value. My hypothesis is that the images of historical narrations, portraits and everything what can be called the visual memory – participated in the process of creation of paper money in Europe. Paper money as a symbol has a very complicated nature and its emblematic character I will analyze in the following study.

Monetary politics and the modern state system

Apparently, the notion about state's economic efficiency and the quest for the better life through industrial development, together with Enlightenment's ideas of reason, order and progress, were born in the modern time and are tied more to the West. The new modern financial instrument – paper money, supplemented an enormous growth of market economy in Europe in the 18-19th century. But the knowledge about paper money was spread in the West long before the 18th century, when it was introduced in some countries. It is very well known that it was Marco Polo who brought the first account of the usage of paper money in Europe in the 12th century. As a result of Mongol invasion over the most known world in the 12-13th centuries European merchants and missionaries could travel to remote places in Asia, especially to China. Nothing seems to have impressed the numerous travelers more than the fact that inhabitants of "Cathay" (Chinese territory under domain

of Great Khan) used paper money (**Tullock**, 1957: 393). The history of paper money in old China extends over a millennium, from the ninth to the nineteenth centuries. And since paper, ink and printing were invented in China it is not surprising that first paper currency also originally appeared here. But after 15th century Chinese governments abandoned issuing of paper money due to different reasons (one of which was inflation) and paper currency was brought back to China as a part of colonization and westernization process in the nineteenth and twentieth centuries.

The introduction of paper money in the West differs from that in China. It was a part of modern project in the 18-19th centuries and the very important infrastructure plot of state development in Europe and the USA. Beginning in the 12-13th centuries in Italy, European capitalism spread around the region causing monetary innovations and mental changes in people and societies. Habsbawm in his *'The Age of Extreme'* notes that we live in a world captured, uprooted and transformed by the titanic economic and techno-scientific process of the development of capitalism. The economic determinism already became the conventional knowledge in the West and we often see that people kill each other in there millions over how economic life should be organized. But I believe that we cannot explain everything in terms of capitalism and in order to understand a symbolical nature of paper money I follow statements of Heidegger about the 'world as a picture' and 'world as an exhibition', which were illustrated by John Mitchell in his book "Colonizing Egypt". To quote him:

In the metaphysics of capitalist modernity, the world is experienced in terms of an ontological distinction between physical reality and its representation – in language, culture, or other forms of meaning. Reality is material, inert, and without inherent meaning, and representation is the non-material, non-physical dimension of intelligibility (**Mitchell**, 1991: xxi).

Among the aspects of a new modern political order (power) Mitchell admits the new means of manufacturing the experience of the real. World as an exhibition made to appear an abstract order apart from reality. Like reality at the exhibition, the world's political truth are never presented, they are ever only represented, but what remain certainly is that they exist, somewhere outside. Money as

a symbol, commodity and a mean of exchange is very complex phenomenon and was analyzed as a philosophical subject by Georg Simmel². But in this essay I would like to pay closer attention specifically to paper money, because it is completely symbolical phenomenon of modernity, which was and still is the ‘participant’ of the world as an exhibition.

In Figure 1 by American graphic Thomas Nast (1876) there is a representation of the paper money bill in the image background, which supposes to be the real money because of the act of the Congress. If the Congress has this metaphysical power to change paper into money – then why the act of an artist can not also transform paper into money? What stands behind the paper money? What is its **real** value, which stands behind the mere representation of money? Those questions confronted religious Christians, Jews and Muslims, writers like Edgar Allan Poe, Goethe, philosophers like Kant, Lessing, Hegel, Heidegger, composer Richard Wagner, art historian Aby Warburg, who went to the psychic clinic treatment because of the hyperinflation in Germany, and many other thinkers who shaped the project of modernity. Paper money was compared to a shadow, which does not have substance, and therefore till our days paper money is a strong metaphor of religion and representation of God (God as gold and substantial meaning, reason and paper money as an atheistic disbelief, a faked reality, evil modernity confronted by inflation).

Before I proceed I need to ‘inscribe’ paper money into the process of creation of the modern power system, especially a state. Nail Ferguson acknowledges that in Great Britain in the 18th century was developed so-called square of power. It consisted of: 1) professional *tax gathering bureaucracy*, 2) *parliamentary institutions* in which tax payers were granted a measure of political representation, 3) system of *national debt*, which allowed a state to anticipate tax revenues in the event of a sudden increase in expenditure, such as that caused by a war, and 4) the *central bank*. (Ferguson, 2002: 16). For many reasons historians admit that Britain was a forerunner and the model of modern European monetary system. Bergdoll refers to Martin Daunton saying that “sinews

² Simmel, Georg. *The Philosophy of Money*. – London, 2004.

of power of the British Empire... rested upon the ability of the government to raise finance to pay for the war, without provoking a serious political crisis such as drove France to revolution” (Bergdoll, 2000: 121).

It is true that those reforms (I generalize here the whole complex of political, economical, military, monetary, etc. changes) that were done in Britain in the 18-19th centuries shaped in many aspects contemporary political and financial systems of the West, in Wallersteinian terms, ‘core powers’. Political reform in Britain took place in the course of the 17th century and in the 18th century it was probably the most effective political system in the West, if we take to the consideration the representation of taxpayers. The constant wars held by the European states in different places of the world caused development of effective *taxation system*, and the managing of *public debt*, which was (and still is) carried by country’s *central bank*. Michael Mann in his research of sources of social power emphasizes military source of bureaucratization (taxation bureaucracy) in modern states:

The rhythms of state modernization were supplied by the fiscal and manpower strains of militarism; military-fiscal administrations were the first to be rationalized (the Prussian judiciary, an apparent exception, was closely linked to military administration); and, especially in Prussia, the military provided organizational models. The pressure was felt in France, too, but the regime was unable to carry military reforms into fiscal departments... Thus the first phase of bureaucratization was caused less by a ‘modern’ capitalist civil society than by states’ traditional military crystallizations, most intensely experienced in the least representative monarchies (Mann, 1993: 456-457).

The enormous growth of financial exchange in big European Empires, wars and a constant hunger of governments for money stood beyond implementation of paper money in the West. But the process of implementation was not trouble-free and it took almost 200 years to make paper money the legal tender of the Western countries, removing this way gold and silver from the exchange (the first paper banknotes were issued in 1690-s, but until the end of the 19th century paper money did not have a ‘full’ status of money; the golden standard of paper money was introduced only in the 1930-s). Among the big concerns of paper money was inflation. The experience of inflation left a lasting scar on the French (default in 1720 caused by the John Law’s financial bubble),

German (mid-war hyperinflation in 20 century), Austrian (default caused by the world exhibition, organized in Viena in 1793), etc. psyche, in the form of a reluctance to rely on paper money (**Ferguson**, 2002: 150). There were many other reasons for such slow implementation of paper money as a legal tender, among which monetary symbolism also played a crucial role.

Money and capitalist metaphysics

The essence of money is its emptiness, lack of content,
infinite interchangeability.
Martin Amis

I am very positive that every culture and nation has its own and interesting history of building financial institutions (as an organization and as a building), but as far as Britain is considered to be superior in financial reform in the 18th century than the rest of the Europe, I will pay closer attention to the country's central financial institution – The Bank of England. The visualization of British financial superiority in the 18-19th centuries found its expression in city planning and architecture. The Bank of England was founded as a private institution (company) in 1694, but for a long time it did not have own office building. In that time the bank was the veritable fulcrum between the government's insatiable hunger for credit and a growing class of citizens who made their living investing.

The second half of the 17th century in England saw not only the creation of parliament quarters, but also a rapid specialization of the cities as financial districts. London was the first city, which established the pattern of urban distinctions between work as residence as well as increasingly distinct geography of class and wealth, which soon be reproduced in most European cities (**Bergdoll**, 2000: 120). As well as other European architects, English ones felt a big influence of Roman and Greek artistic heritage and its ideology. They were anxious with desires to create architecture, which will express the ideals of public culture. Some of those ideals were shaped by the fact that at the end of the 18th century England already developed as a fiscal-military state

system. By 1770 a market in financial abstractions had emerged extremely in Britain. By 1760-s some 60,000 Englishman owned shares in the national debt and Bank's trading halls hosted a daily influx of investors (**Bergdoll**, 2000: 121). Therefore the considerable demand to build new banking quarters for public usage grown consequently. The first genuine Bank of England house was commissioned to George Simpson, but it was not agreed upon. Sir Robert Taylor (1714-1788) built the first residence in 1765-1788, and later the project continued Sir John Soan (1753-1837). The latter attempted a big enterprise to compare (in architectural terms) Britain with Roman Empire.

Soan expressed an architectural symbolization of the Bank of England in different ways: through the plan and a form (visual perception). The building represents the whole set of cultural abstractions like the progress, law, discipline, history and order, which actually constitute the modern power. Mitchell admits that in the modern state everything is divided in binary oppositions³: the realm of order (abstractions) and the realm of the real things, which *represent* those abstractions:

The realm of order was signified as a new realm of authority, which was seemingly prior and superior; it presides without ever quite being present. This political method is an essence of the modern state, of the world as exhibition. The certainty of political order to be represented everywhere on exhibit, yet nowhere quite accessible, never quite touchable. Like reality at the world exhibition, the world's political truth are never presented, they are ever only represented. But we remain certain they exist – outside (**Mitchell**, 1988: 178).

It was Descartes who was among the first concerned with the new technique of gaining knowledge in the 17th century and especially with the question of obtaining a pure reason. He uses architectural metaphor of old cities, which are badly laid out in comparison to the new order cities, which have plan set up by a designer. So for him knowledge must be constructed as a city, regularly and clearly, with the reason following. If we assume that human being has soul and body, which was designed by some superior power (God as a designer), we may think that there is some *reason* behind all material forms in the world. The metaphor of the world as an exhibition says that we

³ Mitchell calls this relation 'metaphysics of modernity' referring to the ideas of Heidegger and Foucault

believe that reality itself is perceived as the representation of something else, something eternal, presupposed, what stands behind⁴.

Going back to The Bank of England it can be seen not just as the building but also as the representation of discourse and power (order, law, history, progress and discipline), something which stands apart, outside the reality but constitutes a reason. Therefore a building is not just a mere manifestation of a plan, but also a manifestation of an abstract (mental) structure, which, I may follow here Foucault, represents a modern power and its effects. To compare Britain as a commercial empire with that of Rome Soan uses in his design examples of the Roman Basilica of Maxentius and the Temple of the Sybil at Tivoli. Inspired by the ideals of public architecture he built a huge central office for public usage and the small offices for clerks – spaces, defined by low sprung vaults whose surfaces created a sense of enclosure and monumentality wholly unexpected in a relatively small room. Contemporaries described building of The Bank of England as imaginative and idiosyncratic relationship to classical models, picturesque and sublime (**Bergdoll**, 2000: 121).

But Soan did not follow exactly classical canons; his architecture is more like engravings of Giovanni Piranesi, mysterious in expression and powerful in imagination. He was criticized for this free treatment of canons but Soan's response was as picturesque as his design. His favorite draughtsman Gandy made a drawing imagining The Bank of England in ruins referring this way to the antique complexes and ruins of Rome (Figure 2). The statement is very clear: even if London will fall dawn our posterity will have glorious ruins, which will maintain a *memory* about the power and greatness of financial superiority of British Empire. Going back to metaphor of the world as an exhibition, I see that for Soan the real truth, power, which always stands behind visible and material, can be revealed only in historical perspective; it is kept in a plan (order, reason) and will remain in the ruins. Mitchell says that a modern world is situated in a constant, endless exhibition; it has to

⁴ Jean Baudrillard in his *Simulacra and Simulation* also says, that “the museum, instead of being circumscribed as a geometric site, is everywhere now, like a dimension of life” (Baudrillard, 1994: 8)

reconstitute itself all time around and a representation (building) is not a mere mirror of reality, because this reality does not exist as entity, but is more a set of effects and concepts, therefore representation stands for nothing extra than other representation (in this matter the notion of reality is close to that of simulacrum, developed by Baudrillard).

It is evident that The Bank of England is more than a mere building; here we come to close relation of memory and allegory. Soan's imagination is very allegorical and it is coupled to history as memory (architecture as memory of historical past). In Aristotle's theory of imagination (*De anima* 3.3), memory is viewed as faculty converting sense impressions into mental images. "While image in general is a literal or concrete representation of a sensory experience – admits Galina Yermolenko – both *memoria* and *allegoria* (in the rhetorical sense of these terms) operate with specific kinds of images – striking, vivid, unusual, or grotesque" (Yermolenko, 2001). Thus visual allegory is an image whose striking or unusual form points to or evokes an idea of something else beyond itself. A concept of an allegorical image originated itself in memory tradition in classical rhetoric. The sight was considered as the strongest of all human senses and the secret of memorizing was believed to consist in translating the material that the orator was to present into a series of striking mental images and in placing them in mental locations ('places') – usually architectural constructions, such as churches or palaces – in a familiar or easily remembered sequences (frames, niches, or empty rooms) in a certain numbered order (Yermolenko, 2001).

Hence, there is an evident correlation between a visual allegory and language, between visual representations, memory and a verbal symbolization. Following the previous enquiries I would like to grant attention here to allegorization of paper money and also its semiotics. My hypothesis is as follow: during the long history of symbolic exchange between peoples money shifted from an object in ancient times to the wholly abstract concept in the modern capitalist society. In ancient time humans exchanged goods for other commodities, in other words if I had a cow I could change it for two goats or craft products, or metals, etc. Thus in such a logic of

communication the signifier (a cow) and the signified (a commodity) are interweaved in one object, there is no distinction between them – they both constitute value. Georg Simmel says that the *reality* and *value* are “mutually independent categories through which our conceptions become images of the world” (Simmel, 2004: 59). He also admits that shift from practical value to appreciation of an object (objectification of value) is similar to aesthetic process: it requires distance, abstraction and sublimation (Simmel, 2004: 74). If there is exist something else beyond an object or commodity (a *concept, an abstraction* of value), then we do not need to appreciate its practical quality, and it becomes a symbol. Such symbol, which was not used for its practical purposes in very many cases, was gold, silver or their combination – electrum.

The first dichotomy (for the Western world, I do not consider here Asian or Middle East civilizations⁵) appeared in time of antiquity (the 7th century BC), when centralized mints were introduced to produce coins out of valuable metals. A material substance (electrum, gold or silver) was coupled with a written (stamped) inscription. Probably this monetary development coincided with the highly abstract and complicated system of Greek philosophy, which allowed distinguishing value from an object or commodity. The material substance (signified – electrum) to which the inscription referred was connected with those stamped inscriptions (signifier – political authority) in increasingly abstract ways. This relation between thought (abstraction) and material (matter) was shaped by the new ideology (reason, power, order, discipline, etc.), which stands behind the real world (in the case of Antiquity – nature).

Marc Shell admits that for the Greeks coinage coincided with such political development as tyranny and such aesthetic ones as tragedy (Shell, 1993: 2). He also points out the etymology of the word ‘sémé’, which means a word (a simplest unit of communication) as well as a coin. Monetary relations in early Greek states caused interiorization of money into language and thought. Plato was

⁵ Coined money was introduced in India in 3 BC and in Arabian Peninsula in 6 AD. It is well know that Prophet Mohammed was a merchant and he interiorized in new religion the new ways of exchange commodities as modes of metaphorization or as exchange of meanings

the first to criticize the Sophists and pre-Socratics as merchants of the mind for they were taking money as exchange for useful or honeyed words (Shell, 1993: 2). They actually produced a discourse whose internal exchanges of meanings were identical to the exchange of commodities in monetary transactions (it is invisible invasion into language of a tyrannical form, which is destructive to wisdom).

In Christian times money again became the central issue. For the Jewish writers of Old Testament and Greeks, who predominantly shaped the New Testament money was one of the core problems. From “money answers all things” (Ecclesiastes 10:19) it shifted to “the love of money is the root of all evil”(I Timothy 6:10) and found its focal point in Christ’s “it is easier for a camel to go through the eye of a needle, then for a rich man to enter into the kingdom of God” (Matthew 19:24).

The monetary symbolism in religion thought is not simple and has many overlapping meanings. Actually it was Christendom in the 12th century (and earlier), which correlated gold and God⁶. ‘Chrysography’ (*chrysus* – gold, money and *graphos* – to write) – the art of writing in gold ink developed in Byzantium and European kingdoms in early medieval times. Marc Shell asserts that it was chrysography, which provided “one of the only traditional foci discussion of linguistic and monetary values” and it helped “to connect figuratively the ideology of writing impressed in electrum or gold ingots with the ideology of writing printed on paper that is exchangeable for gold” (Shell, 1993: 192-193). Obviously the symbolic line: God – gold – law – writing – text – truth – reason – order – power, did not disappeared from the monetary discourse in the 18th century; in contrary it permitted symbolical exchange of paper for gold and this discourse can be traced even in our days⁷.

⁶ This discourse shaped the golden background of icons, golden mosaics, golden church wares, writing in gold, golden domes in churches, golden speech – Dion Chrysostomos (“golden-mouthed”), etc.

⁷ This opposition is still valid, you may check reasoning of ‘Society for truth’, which correlates paper money as faked religion and gold as real God, <http://www.friendsoftruth.net/money.religion.htm>

The first account of Marco Polo about paper money in China was dismissed as a lie, because religious thought opposed the involvement of economic form in to discourse of ‘text – writing – God’ (and the process of symbolization). Polo himself could explain appearance of paper money in China only as a meter of metaphysics and alchemy (**Tullock**, 1957: 394). Also paper itself as a medium was considered as a devil product, often associated with Muslim Arabs⁸. But after the introduction of printing technique in 1450 by Guttenberg paper became the integral part of book production and visual culture. Also it became a traditional medium of financial documentation like bank notes, treasury notes, bills of exchange, etc, which spread among Europe together with banks from the Italian cities.

First paper money is often described as written guaranties (promise to pay), therefore it had only the written or stamped inscription and a seal, or some other signs of authority but no images. It continued the convention of coins, but probably paper notes could not serve as money because of the symbolization. The shift from the gold or silver coin to paper inscribed money completely distorted process of symbolization. Previously I referred to a distinction between value (abstraction) and object (commodity) in the early process of symbolization of money (a change from an object to a concept and shift of this concept to another commodity, apparently – gold). After first attempts to introduce paper money in the second half of the 17th century⁹, they were constantly changed for gold or silver ingots again. The symbol was ‘insubstantial’ insofar as the paper “counted for nothing as a commodity and was thus ‘insensible’ in the economic system of exchange (**Shell**, 1993: 6).

Making the modern paper money: the appearance of images

In the ‘world as exhibition’ everything stands for something else, which is continues, endless representation. Monetary semiotic in regard to paper money loses its sense of direct representation.

⁸ First paper mills as well as glazed ceramics, numbering, hygiene, glasses, etc. appeared in Europe in the territory of contemporary Spain, in Arabic principalities

⁹ First paper money was issued by the central Swedish bank (Stockholms Banco, defaulted later because of the inflation) in 1661 as a temporary credit bills, but the wide spread circulation of paper currency took place in North American (from 1690-s) colonies until it was forbidden by Britain in 1763 and reestablished after the revolution for independence

Insofar value is connected to the object, commodity (in this case to paper) it cannot become a concept, abstraction, which creates our image of the world (metaphysics does not have influence over microphysics, other words ideas, a discourse cannot be realized, materialized). If in the gold coin we still have a signifier (an inscription, a representation of authority through portrait and text) and a signified (gold, commodity) in one unity, but this unity is conceptualized ('objectified' as value in Simmel's terms), then in paper money we have only shadow and no substance. A signifier here (an inscription on paper, a seal, a signature) does not meet signified (commodity, practical value, which in money discourse became gold) and therefore the signification process is not complete (in psychological terms we may say that 'Gestalt' in paper money is not complete, it is not unified).

What was the possible way to reestablish distorted signification in monetary symbolism in the 18th century? I think that the mechanisms of discourse control made it itself by shifting signified (abstraction of gold as 'value-order-law') to another concept (effect), apparently political and cultural realm. I have mentioned already *memory* as an important participant of allegorization. It was Aristotle who distinguished between two functions of the mnemonic image – as an image 'in its own right' and as a 'reminder' of something else, of that which it evokes. Allegory was born in tradition of speech, rhetoric and memorizing (a textual culture), but in medieval times it already was the substantial part of visual culture in the form of Christian iconographies and emblematics. In the Renaissance the two traditions of memory – the classical, rhetorical tradition and the medieval didactic tradition – were parallel. Galina Yermolenko says that, "the Renaissance understanding of memory was often permeated by the Platonic idea of all knowledge as a memory of what had once been known but now forgotten, or the Aristotelian idea of human experience as memory, or the medieval view of memory as the site of consciousness" (Yermolenko, 2001).

In the case of money we may see such memory in allegorical images, which are represented on the surface of a paper note and relate to knowledge and what we can call – *history*¹⁰. Brenda Machosky maintains:

As it is traditionally understood, allegory is the most obvious fictional structure because it says one thing, the fiction that it cannot mean because it is “untrue”, and means another thing, which is the truth revealed as the essence of the fiction. Strangely, the thing revealed must be true even though it is absent from the very material purporting to announce it” (Machosky, 2001).

Visual allegories as memorials related to history as a knowledge have appeared on paper money as a new signified (here they became values, replacing gold). The first visual representations of monarchic head (very often in the shape of profile as it appeared on a coin¹¹) on the paper money note could not completely reestablish the signification of an old discourse: gold – money – inscription – authority, because, as I already mentioned, paper has not had the required conceptual *value*.

However, it was a narrative image, which changed or transferred signified from the real commodity (gold, silver) to wholly conceptual and abstract **visual allegory of place, memory, and history**, which now represent the modern power. The signifier (a paper note with images on it) in modern age relates not to a commodity, but to a portrait and the historical landscape image (memory), which represent power, that cannot be distinguished or directly pointed as that political power which stands behind ‘world exhibition as representation of reality’. W.J.T. Mitchell says that landscape (which together with architecture and portrait became the common image on paper money bill) is like money: “good for nothing in itself, but expressive of a potentially limitless reserve of *value*. Like money, landscape is a social hieroglyph that conceals the actual basis of its value. It does so by naturalizing its conventions and conventionalizing its nature” (Mitchell, 1994: 5).

¹⁰ Baudrillard admits that history (memory) is a strong myth – the last great myth, which is often simulated by modern mediums like cinema. If we interpret paper money as medium then it also simulates history, not only represents it. Money helps to make a historical simulacrum and the visual allegory is the instrument of this conversion

¹¹ In 1727 The Royal Bank of Scotland issued the first British banknotes to carry a drawing of the monarch’s head.

Paper money in modern world is an allegory and therefore a fiction, faked reality, which can be easily counterfeited. I have mentioned the statement about the modern metaphysics, when you can change paper into gold by the act of Congress. Why an average human cannot change a piece of paper into money? The fight against desire to counterfeit money, and therefore ‘reality’, is another story of ‘modernity as an image’. In 1777 The Royal Bank of Scotland becomes the first bank in Europe to print multi-coloured banknotes to combat counterfeiters, printing the head of the king in red and the denomination in blue (150 years before the Bank of England). Also in 1826 The Royal Bank prints the first double-sided banknotes in another effort to thwart the counterfeiter (a century before the Bank of England). This way the contemporary paper money note was constructed. It became highly symbolic medium of exchange meanings, which visualize value through allegory and objectifies it by shifting its meaning towards history and memory.

The stages of changes of natural commodity (value) in to the paper notes have a close reference to the similar successful phases of an image (symbol), described by Baudrillard in his *Simulacra and Simulation* (Baudrillard, 1994: 6). It is possible to show this similarity in a table.

The successful stages of the image (symbol)	The successful stages of the money (as symbol)
Image is the reflection of a profound reality	1 stage: commodity represents commodity (a cow = a cow)
Image masks and denatures a profound reality	2 stage: an inscription on the surface of golden coin replaces natural commodity, value (a coin = a cow)
Image masks the <i>absence</i> of a profound reality	3 stage: a paper note replaces gold as a commodity, value, but it can be exchanged back any time by the ‘promise to pay’
Image has no relation to any reality whatsoever: it is its own pure simulacrum	4 stage: a paper note becomes a legal tender without golden standard (a mere backup); paper money as a pure simulacrum

At the end of this study I will refer to the few semiological concepts, which I think, have relation to metaphysics of capitalist modernity and the allegorization of paper money. The simplest known structure of sign consists of signifier (a word, an image), signified (concept, abstraction) and a referent (real object, phenomena)¹². Stuart Hall admits that the sign always communicate some

¹² I do not want to focus on more complicated theory of sign, which can be an icon, an index, to be connotative, denotative, paradigmatic and syntagmatic because it can be the topic of separate study.

dominated codes, which can be decoded in form of ideology (order, power)¹³. Judith Williamson in her study of modern adverts maintains three *referent systems* in visual communication: nature, magic and time¹⁴. On the other side Roland Barthes writes about *mythologies*, some knowledge and thoughts, which stand behind actual definition¹⁵.

I think the theory of the latter exemplifies how it is possible to shift signified from one concept to another. Barthes admits that there is always an endless continuation in visual communication: the first-order semiological system (he calls it ‘form’, denotation) follows by the second-order system – mythology (connotations, the ‘meaning’). In this mechanism a denotation sign of paper money, which signifies abstract value, becomes a ‘form’ (a paper sheet with allegorical images) of the next referent to own signified (memories, mythology). Meaning of such symbolization arises exactly from the movement from one sign or signifier to the next, in a perpetuum mobile where there could be found neither a starting point for semiosis, nor a concluding moment in which semiosis is completed and the meaning of signs fully ‘arrived’. All meanings are relational not only within the image but also in relation to other images and broader dominant codes, referent systems and mythologies.

Conclusion

In this paper I have tried to find a rationale for the introduction of paper money in the West. In our days we perceive paper money as a very usual phenomenon, as well as electricity, telephone, telegraph, television and many other products of modernity. But paper money as a means of exchange appeared very late, and it took a long time to make it a legal tender of monetary exchange. Need for paper money increased together with growing of modern states and social power. I have followed in this paper Neil Ferguson, who finds reason for rising of modern power in the West in

¹³ Stuart Hall, *Representation: cultural representations and signifying practices*, London: Sage Publications, 1997

¹⁴ Judith Williamson, *Decoding advertisements: ideology and meaning in advertising*, London: Marion Boyars, 1993 c1978

¹⁵ Roland Barthes, *Camera lucida: reflections on photography*, London : Flamingo, 1984 (1981), and other his works

development of taxation system, bank system, parliamentary democracy and public debt. Behind those developments were wars, the number of which grew constantly in the 17th, 18th and 19th centuries.

The next step was to reveal a monetary symbolization, which opposed the implementation of paper money. The main methodological concern here is an understanding of world in modernity as a picture and constant representation (Heidegger describes world as an exhibition). In modern capitalist metaphysics everything is constructed as binary oppositions of thoughts, concepts, abstractions and reality. Everything represents something, and the world is constructed as endless representation, exhibition, in which power is represented but never really accessible. In such a world paper money is placed in specific discourse of monetary symbolization, it has to represent some value. I wanted to show how paper money incorporates images in very complex system of allegorization the past, reality and objectified value. My hypothesis relied on the assumption that in paper money a signification process was distorted and discourse of the world as a picture produced images of the past, which now represent national historical narratives and cultural values (value shifted from the practice to the concept) on the surface of money bills.

At the end I admit that money in capitalist modernity is a very important phenomenon but it does not completely determine our behavior, it influences us more through its symbolism. The legitimacy of a state in the eyes of its citizens is not determined by the rate income tax, the franchise, the interest rate or inflation rate, any more than it is determined by the butter relation.

Ferguson asserts:

No matter how efficient the tax system, no matter how representative the parliament, no matter how liquid the bond market and no matter how well managed the currency, in the end the legitimacy of a state is bound up with such intangibles as tradition (the memory of past benefits), charisma (the appeal of present leaders), popular belief (faith in future rewards, material or spiritual) and propaganda (the state's use of available media to bolster all these) (**Ferguson**, 1993: 418).

Paper money is very powerful symbol in modern 'world as picture' and represents reality in a form of concepts, abstractions and values, which are more important for people than the real monetary meaning of money itself. Human is not 'homo economicus' but 'homo sapiens', and I may even say 'homo symbolicus', and money definitely not the only thing, which makes world go around, but which helps to better understand us.

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