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## MAKING INTEREST IN THE PACIFIC

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Exchange is characteristic of the Pacific region as well as of the American northwest Pacific coast. Prestations of wealth were essential in marriage and mortuary rituals, in the assumption of titles and access to graded societies, in fines and compensations or in payments for pigs or for the construction of houses or canoes. In some instances prestations had developed into regional ceremonial exchange institutions such as the famous kula of the Massim at the east end of New Guinea. In most societies these exchange institutions still flourish in changed form, often incorporating modern money and trade goods. Many societies possessed (and many still possess) various forms of indigenous currencies, formerly called "primitive money", of shell, fibers or other materials. They are often ranked valuables of several degrees of value from named and sacred heirlooms of noble houses down to common and mundane pieces that may enter into commodity trade. In some areas of more developed trade indigenous currencies may be more cash-like and used in uniform units such as fathoms of shell beads. Prestations often demand considerable amounts of currency and, where valuables are ranked, one or more items of high rank are often obligatory for specific purposes. The preparation of a prestation therefore involves the sponsor in preliminary fund-raising and the elicitation of scarce currency pieces from other parties. A good deal of borrowing and lending thus takes place and early observers often reported that in these societies "everybody was continually in debt". In these systems of indigenous finance a number of customary procedures for borrowing, repaying and sometimes exchanging currency were developed. They varied of course from place to place, but some of them are surprisingly similar and widespread.

Early ethnographers (many of whom were not professional anthropologists) often failed to understand indigenous exchange institutions. A specific body of anthropological theory of exchange did only gradually develop from the 1920s with Malinowski's analysis of the kula (1922) and Mauss' essay on *The Gift* (1924). Without access to this alternative approach to exchange western visitors or residents would approach indigenous exchange and financial dealings from the perspective of their own capitalist culture. One must also consider the setting in which observation and inquiry of native customs took place. This was the contact zone between white colonial enterprise and the indigenous community. Apart from missions, this was especially the plantation and the trading station. The vocabulary of communication between Europeans and indigenes was developed and shaped in interaction between profit-seeking foreigners and wealth-manipulating locals. Traders often enough dealt in the manufacture and trade of indigenous currencies and sometimes they were forced to employ them to attract indigenous clients (on the Massim see Liep 1999). On their side the natives were often keen traders and much preoccupied with accumulating and circulating wealth, in some

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places to the point of avarice. It is no wonder that traders would perceive the motives and strategies of natives as similar to their own profit-seeking aims. This was the scene early ethnographers entered and where they received their first briefings on the indigenous way of life. Accordingly they described indigenous “bankers”, “capitalists” or “brokers”. They were not aware of the pre-capitalist nature of these societies and how their exchanges were conducted in social universes of personal relationships where transactions were inflected by relations of kinship, seniority, rank or power.

One feature connected to indigenous exchanges that were repeatedly reported was the regular lending of indigenous money at often-extortionate interest. In this paper I reanalyse a number of classic cases of so-called payments of interest. They have been included in Einzig’s standard treatise *Primitive Money* (1966) and some of them still reappear, for example in a recent economic monograph on interest (Homer & Sylla 1991) Here I show how it is in fact possible to demonstrate how indigenous financial procedures in some, but not all, of these cases were confounded with interest. In this connection I also briefly touch on other financial procedures such as pledge, security and replacement, which sometimes also have puzzled ethnographers. Finally, I suggest that the phenomena I discuss may be better understood if seen in the light of further senses of the term “interest” than the narrow economic one of “money paid for the use of money lent” (OED 1989).

My rethinking of the subject arose from studying the exchange of shell money on Rossel Island in Papua New Guinea, where W. E. Armstrong had asserted that compound interest played an integral role (Armstrong 1924; 1928).<sup>1</sup> Comparative studies of other reported cases of “primitive interest” have expanded my critical understanding. A few years ago I had an opportunity to visit briefly another classic site of “interest taking” (Kubary 1895) in the Republic of Palau in Micronesia. This paper reports the results of my inquiry there.

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## FINANCIAL PROCEDURES ON ROSSEL ISLAND

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On Rossel Island in the Massim east of New Guinea I discovered a number of basic procedures of exchange in connection with financial arrangements (Liep 1983). They concern the elicitation of high-ranking valuables, their mobilization in the collection of prestations and their subsequent return and substitution or replacement by other valuables. There are two kinds of shell money, the *ndap* and the *kê*, each of which are ranked in some twenty classes. They enter into prestations concerned with bridewealth, mortuary rituals, pig feasts and payments for houses and canoes. High-ranking shell monies are often returned to their owners and substituted by lower-ranking ones. The procedures that I describe have to do with these processes.

1. Deposit (*ngm:aa*). What I call deposit is the presentation of a low-ranking shell in order to solicit a loan or contribution of a higher-ranking one. It is a frequent feature of the fund-raising preceding prestations of shell-money. From the perspective of the giver the deposit-shell is a solicitary gift that prompts the recipient to let his shell participate in a prestation. From the perspective of the recipient the low-rank shell is a

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<sup>1</sup> I have spent altogether 25 months on Rossel Island during four periods from 1971 to 1990. I visited Palau in February-March 1999.

pledge that he may later present to claim his high-ranking shell back. The same procedure is often repeated among a chain of participants. This produces a stepwise mobilization of shells in the way that a shell released through deposit itself becomes the deposit with another man for a still higher-ranking shell, and so on. This feature of enchainment and escalating loans as a method in fund-raising appears elsewhere, as we shall see. The deposit-shell is only transferred if the parties have agreed on the transaction. This depends on the relationship of the parties. A contributor may be in debt to his counterpart from an earlier occasion. He may also be a dependant of him and subject to pressure. Some people are more skilled than others in persuading them to risk their shells in exchange. It is notable that the Rossel islanders have incorporated modern money into pig feasting. Here, the transfer of a one or two kina note (the currency of the modern state of Papua New Guinea) elicits the contribution of double the amount. This "double return" is, as I shall show, a frequent feature of exchange elsewhere.

2. Security (*tiindap*). An alternative way of eliciting a shell is by giving security. This takes place if the owner is not directly involved in a prestation, but only releases his shell as a loan. Here, a high-ranking *ndap* is borrowed on the security of either another *ndap* of still higher rank or of two *ndap* of lower rank that together make up approximately the value of the high-ranking one. In the case of *kê* the security is usually a lower-ranking *kê* plus a ceremonial stone axe or a shell necklace. When the high-ranking shell is given back the security is likewise returned.
3. Substitution (*kââpe*). This procedure is well developed on Rossel as a consequence of the inalienability of high-ranking shells. These valuable shells participate only formally in prestations and then return to their owners again. When such a shell has been involved in a prestation and is withdrawn it is substituted by a lower-ranking shell which is (in the case of *ndap*) called its "part-picture". The recipient thus has to acquiesce in giving up a higher-ranking shell for a lower-ranking one. Thus lower-ranking shells function as representations of higher-ranking ones and may substitute for them. The regular feature of substitution seems unique for Rossel, but a related form where a lower-ranking piece is returned as a consolation after the prestation of a higher-ranking piece is found in Palau. The lower-ranking piece is here called the "body" of the big one (Parmentier 1987: 84-85; 2002; Wilson 1995: 129).
4. Replacement (*ntóóndap/ntóókê*). This is a way of annulling a debt by replacing a high-ranking shell by a number of low-ranking ones that together make up for the alienation of the shell. It is not informal exchange or the sale of a shell because it is a ceremonial payment, which as usual consists of a ranked collection of shells. A similar procedure is found in Palau (Kubary 1895; Parmentier 2002).

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## THE MISINTERPRETATION OF ROSSEL EXCHANGE

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W.E. Armstrong, a Cambridge anthropologist who was a student of Haddon and Rivers, did two months of fieldwork on Rossel in 1921. He became interested in the shell money and devoted two chapters of his monograph to them (Armstrong 1928, ch. 5 & 6). Although he noted that "[p]ayments of money are, perhaps, the most important constituents of marriage rites, mortuary rites, and many other ceremonial activities" (1928: 59) he approached the shell money from the perspective of market capitalism and regarded the money as a medium of

commodity exchange: “[the monies] are used primarily as media of exchange and standards of value ... and any commodity or service may be more or less directly priced in terms of them” (ibid.). Believing Rossel to be a commercial society of “primitive capitalism” Armstrong was led into interpreting procedures of Rossel exchange as forms of interest-taking.

When he discovered the procedure of deposit (*ngm:aa*) he understood it as an interest-bearing loan: “There is a term *ma* ... and the natives clearly recognize the principle that a given value may be acquired by lending its *ma* for a short period of time” (ibid.: 65). It was probably when his informants tried to explain about the stepwise elicitation of contributions among a chain of participants that he formed the opinion that the loan of a “coin” would, through the progression of time, require the repayment of ascending “values” of shell money. He accordingly made compound interest the linchpin of his interpretation. The procedure of replacement he mistook for an alternative form of interest payment on high-ranking shells (ibid.: 66-67, 71-74). Armstrong understood the procedure of security well enough (ibid.: 67-68), but failed to discover the procedure of substitution. I have discussed Armstrong’s misinterpretations at greater length elsewhere (Liep 1983; 1995).

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## THE FALLACY OF “PRIMITIVE INTEREST”

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Behind Armstrong’s erroneous description of interest-taking a different institution was thus hidden. This was the feature of solicited fund-raising, the calling in of contributions by means of a solicitary presentation. What I call the deposit is a signal that, if accepted, obliges the recipient to assist the sender by contributing a higher-ranking valuable at his future prestation. One could say that communications about exchange are conveyed in the same concrete medium as exchange itself. (The deposit is here also becoming a tangible proof of a debt and a means of substantiating a claim to repayment.) The discovery of Armstrong’s error has caused me to read some classic accounts of systems of ranked exchange with a critical eye. It has turned out that one after another report of interest-taking is based upon erroneous assumptions, and all points in the direction that what really was taking place were procedures of “solicited fund-raising”.

### Boas on the Kwakiutl potlatch

At a time when the lavish potlatch feast of the Indian tribes of the American northwest coast was under attack by missionaries and government agents as a wasteful squandering of wealth, Franz Boas attempted to make the institution acceptable to a white public by describing it in familiar terms. “[The potlatch] has been described often, but it has been thoroughly misunderstood by most observers. The underlying principle is that of interest-bearing investment of property” (1897: 341). But Boas could hardly have been more mistaken. The reanalysis of Drucker and Heizer (1967) makes this clear, although they also use the language of interest. However, they show that Boas mixed up the transactions leading up to a potlatch with the prestations at the potlatch itself and the repercussions they had in subsequent potlatches. They note that “... there was a type of loan - made ordinarily in blankets, later in money [...] - that required a double return, that is 100 percent interest, but that such loans were quite apart from potlatch gifts” (ibid.: 55). Both Boas and Codere believed that potlatch gifts themselves had to be repaid by the recipient when he himself made a future potlatch at 100 percent interest (Boas 1897, Codere 1950: 68-74). This would result in a pyramiding of debts, as

Drucker and Heizer point out, but their research shows that the “double return” was a feature of loans preliminary to a potlatch and not of the gifts at the potlatch itself (1967: 55). They aptly use the term “pump-priming device” for these loans and stress that the lender had the right “to call in his loans” only when about to give a potlatch (ibid.: 58). I therefore regard these “loans” as rather gifts of request to supporters of a man preparing for a potlatch – exactly as the sponsor of a pig payment on Rossel will distribute kina notes to his associates and they will bring double the amount as their contribution to his payment at the feast.

### Codrington and Rivers on Banks Island finance

Strings of shell money in the Banks Islands of eastern Melanesia (now in Vanuatu) were used to enter stages of the graded Tamate and Sukwe societies. Codrington reported that wealth is accumulated through money-lending and that “[t]he rate of interest is cent. per cent. without regard to time” (Codrington 1891: 326). However he also noted the following: “A debt is not only contracted by borrowing, but a rich man upon occasion imposes a loan, which his friend for his own credit is bound to accept, and to discharge with a double return” (ibid.). Further, he tells that

[w]hen a man borrows, say ten strings of money, from another, he will make the creditor his debtor also, by lending him say four strings of his own money; this smaller loan is called a *tano ravrav*, a drawing-place, and to make it is said to put down rollers in the way as if to draw up a canoe, *lango goro*, because it is thought to make the transaction more easy for the borrower, who becomes the creditor of his creditor, and cannot so well be dunned by him (ibid.: 327).

Rivers described how on the island of Mota a man who was to accumulate an amount of shell money strings for initiation into a certain rank of the Sukwe

... would put into action a special procedure. If he already possessed ten fathoms [of shell money] he would give this to ten of his friends, a fathom to each. After some months he would go to them and ask for his money back and each man would give two fathoms, thus returning what had been given with cent per cent interest (Rivers 1914: 64).

This could be repeated by giving this money to other persons who would again double up the amount. Again we find the strategy of escalating lending in fund-raising.<sup>2</sup> Rivers used the expression “forced loans” about this procedure (ibid.: 122). Divested of their clothing of financial terminology these statements obviously refer to contributions prompted by gifts of request that if made by powerful men could hardly be avoided. It is striking that low-value shell money on Rossel may be called “pulling” *ndap* (or *kê*) and the metaphor of shells acting as “rollers” to facilitate the release of high-ranking shell money is also known there (Berde 1973).

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<sup>2</sup> As a Cambridge student Armstrong was of course familiar with Rivers’ *The History of Melanesian Society*. It is likely that Rivers’ description of interest bearing loans in the Banks Islands influenced Armstrong’s interpretation of loans on Rossel.

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### Cloth loans in the Bird's Head

The region in the interior of the Bird's Head peninsula of Irian Jaya was for hundreds of years a periphery to the trading system of the Moluccas. Aromatic *massoi* bark, birds of paradise and slaves were traded to coastal agents mainly for Indonesian cloth. In the interior in the area around Lake Ayamaru there developed a complex system of cloth wealth (*kain timur*) which spread to other areas. In the central area there was an elaborate classification of cloths and a division between sacred cloths (*kain pusaka*), which were inalienable heirlooms, and secular "wandering cloths" (*kain jalan*). The latter moved in exchange between wife-takers and wife-givers and were also paid in fines and in compensations for the taking of lives. There was an elaborate feast-cycle associated with initiation, the life cycle and mortuary rites. This was transformed by an upcoming class of rich big men or *bobots* ("cloth-grabbers") into a prestige-building series of potlatches. Wife-givers were superior to wife-takers and a husband was continually indebted to his wife's relatives. Barnett described

... the wife's relatives privilege of making loans to the husband's relatives, loans which had to be repaid on call and with an increment. In order to meet these demands the husband loaned what he received to others, expecting them to return more than they received (Barnett 1959: 1014).

Kamma regarded the system as "a remarkable case of spontaneous capitalism" (Kamma 1970: 141). In his report we again meet the feature of the double return. He describes "... the custom that came to be called Laying the foundation of the carrying basket. One begins by lending a number of cloths, which have to be repaid with 100% interest. No one will refuse such a loan, for reasons of social prestige" (ibid.: 138). Elmberg reports how cloths were lent as a kind of challenge to people as *po feják* ("out-going-cloth") which they would return a few days after as *po sipak* ("in-coming-cloth"). This consisted of the same amount plus one or two pieces of cloth as *amot*. Like on Rossel or in the Banks Islands this procedure could be repeated two or three times by using the *po sipak* in further loans and multiplying the number of cloths (1965: 83; 1968: 175-76). Elmberg translates *amot* as "interest" but his word list gives also the meaning "gift, present" (1968:286).

Thus again we see that what was understood as an element of interest-bearing loans in the financial system of a "primitive capitalism" in reality was the manipulation of social debts in a framework of personal dependencies and power inequalities.

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### A LIMITING CASE: BEAD MONEY EXCHANGE IN PALAU

The western Micronesian islands of Palau had a hierarchical social organization with chiefs and ranked "houses" of nobles and commoners. Today, this is transforming into a class society where high-ranking descent is one avenue to political influence and control of wealth, but where enterprising commoners who have become wealthy through business or politics also compete for power and prestige. The indigenous system of currency was central in the traditional social system and these valuables still play a significant role in the modernized system of ceremonial exchanges.

The currency consists of antique glass beads of various shapes and appearance. Some are crescentic sections of bracelets. Similar beads and bracelets have been found in

Chinese burials in Thailand, Indonesia and the Philippines dated from 500 BC to 500 AD according to Thijssen-Etison (1997: 38).<sup>3</sup> The beads were imported into Palau from the Philippines and/or eastern Indonesia at an unknown period, but must have been in the islands for many hundreds of years. There were traditionally some five main types of beads of which two have disappeared from circulation during this century. It is a highly ranked system of valuables. High-ranking pieces are individually named, are regarded of sacred origin and have histories of ownership and exchange careers. They now move only in very important exchanges between high-ranking families. It is not possible to arrange the types on a single scale according to value as each type contains a range of values and there is overlapping of value range between them (Ritzenthaler 1954: 16-17). Today the currency largely circulates in affinal exchanges (at marriage, first childbirth ceremony and death) and only one or a few high-ranking beads are transferred. Lower-ranking beads have largely been withdrawn from circulation but are still kept in family collections and worn by women at public occasions. They have been substituted in exchanges by large amounts of dollars. Formerly the currency was used in a wider range of exchanges including compensation for homicide, fines, payments for curing and for the building of houses and canoes.

The traditional exchange system of Palau showed remarkable parallels to the one of Rossel Island. For example, payments typically consisted of a ranked sequence of money-ranks corresponding to the differentiation of status of contributors and recipients. The procedures of security and replacement were also present. Kubary, who made the first in-depth study of the currency, attempted to account for it in terms of a modern monetary system (Kubary 1895). He argued that the value ratio of the various categories of the money to one another could be reduced to a common denominator, the value of ten baskets of taro, and he attempted to compute this in terms of dollar values. It is, however, clear that this is an abstract model that presupposes that the value of beads of each category is uniform, which is not the case. The value relationship between categories and rank levels of the system is qualitative, not quantitative. Further, the value of high-ranking pieces depends on their individual exchange histories (Barnett 1949: 44-45, Yanaihara 1940: 95-96, Parmentier 2002).

Kubary also reported that interest was a regular feature of bead loans. He described how to borrow a medium-rank bead one had to give security (*ulsirs*) in the form of a bead of about 2/3 of the value of the one sought, together with another piece of lower value as interest (*ongiakl*). When later one returned a bead of the same value as the one borrowed one would redeem one's security and the lender would keep the interest (1895: 9). This procedure was, according to Kubary standard for loans of medium-ranking beads. There was, however, another procedure, mentioned by Krämer, for loans of high-ranking beads. Here, the security was a still more valuable bead and no interest was paid on such loans (Krämer 1926: 169). Thus there existed in Palau two alternative procedures of eliciting a valuable bead for borrowing; one by offering two pieces which together seemed to make up for the value of the loan, the other by offering a single more valuable piece as security. This was so strikingly similar to Rossel procedures that I, suspicious of all early findings of "interest" as I was, suspected Kubary of having misunderstood the feature of *ongiakl* and having misidentified as interest what was in fact only part of a combined security. Indeed, I thought that he was wrong about the lender keeping the *ongiakl*. Ferreira (1987: 46-48) has also expressed doubt about the

<sup>3</sup> Force, however, associated the crescentic beads with bracelets found in southern Philippine burials together with Asian porcelains from the 12th to the 16th century (Force 1959). The dating of these burials may later have been revised.

institution of interest in Palau exchange, but his discussion is not thorough and although he visited Palau he does not seem to have inquired into the problem.

In 1999 I had occasion to visit Palau and attempted to clear up the question. I discussed the problem with a group of historians and interviewed one of them, a chief born around 1904.<sup>4</sup> My contacts agreed that security (*ulsirs*) was used for loans of high-ranking money. If I owned a high-ranking piece, but for the occasion needed another piece of somewhat lesser rank, I could borrow this and give my high-ranking piece as *ulsirs*. At the return I should give a piece a little bit better than the one I borrowed and would get my big piece back. This feature I would call a “generous return”, or increment, and not “interest”. This is a frequent expectation in connection with loans in many exchange systems and it is also found on Rossel. With regard to *ongiakl* my informants were firm that it was “interest” given to the lender of a money bead and kept by him after the return of the loan. Having borrowed a bead I would return one of equal value to the one borrowed plus another piece (of say half the value of the one borrowed) as *ongiakl*. Sometimes the *ongiakl* was given already at the taking of the loan. If I returned a bead of somewhat better value than the one I borrowed the *ongiakl* would be included in that one and no separate *ongiakl*-piece given. Further, however, they said that *ongiakl* was “optional”, it depended on the arrangement between the parties. I take this to mean that in close relationships of kinship or friendship it could be dispensed with. One informant said that the feature of *ongiakl* was “business”, but another commented that rather than “interest” the *ongiakl* could be seen as a gift of acknowledgement for the favour of having had access to a valuable piece of money.

My conclusion is that Kubary was proven right in terms of who kept the *ongiakl* at the return of a loan but his gloss of “interest” put a more commercial sense on the transaction than maybe was warranted.<sup>5</sup> Further, the feature of “interest” was not standard throughout the system but only for certain types of beads and even for these it was not unconditional, but could be waived in some cases. Nevertheless, the institution of *ongiakl* as a “lending fee” comes closer to interest than any of the procedures I have so far discussed.

### **Other instances of interest**

Parkinson described loans of *tambu* shell money among the Tolai of the Gazelle Peninsula of New Britain (1911: 94). Wealthy leaders would lend each other money as a favour without interest, but in all other cases a lender would charge interest. In some cases fifteen lengths of *tambu* would be returned on the loan of ten, in other cases the loan of five lengths would be repaid by six lengths. From the nearby Duke of York Islands Danks wrote, “Money is lent at the uniform rate of ten per cent ... when a person wishes to borrow money he must return eleven fathoms for ten fathoms borrowed” (1988: 308). The same was the case in nearby New Britain. Danks wrote, but here “... the idea in the native mind does not seem to be so much interest, as an expression of thanks for the favour” (*ibid.*: 309). Be this as it may, if interest is

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<sup>4</sup> I am grateful for having been allowed to participate in a meeting of the group of historians at the Historical Preservations Office, Koror, Republic of Palau in February 1999. I especially thank staff historian Florencio Gibbons and chief Ngirarois Cristobal Idir from this group. National archaeologist Rita Olsudong and photographer Simeon Adelbai of the Belau National Museum acted as interpreters and also supplied valuable information.

<sup>5</sup> After more than a hundred years of increasing involvement in the modern monetary commodity economy and heavy American influence after the 2nd World War the thinking of Palauans about their traditional monetary institutions has to some extent also been commercialized. Thus my informants readily glossed *ongiakl* as “interest”.



“money paid for use of money lent” (OED 1989) there seems to be no doubt that in this area interest as we know it had developed as a regular feature of lending. I suppose that other similar instances could be found.

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## CONCLUSION

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I have demonstrated how procedures of exchange in the Pacific and the northwest coast of America have been misinterpreted as forms of interest-taking. This is especially the case with what could be called solicited or requested contributions where a gift elicits a larger counter-gift which, together with others, is used in a prestation. Often a gift of one unit of value elicits a contribution of two units. This is the feature of the “double return” which has regularly been depicted as an usurious interest rate of 100%. On the other hand, not all reported cases of interest were equally misunderstood and I have noted that somewhere the term must be said to have been justly employed.

If one examines the etymology of the term *interest* one will find that in Latin it referred to something that concerned, mattered or was of importance (OED 1989). From there the meaning of the term was later in European history extended into various areas of life. It could refer to a concern or share in something, for example property or a cause, a matter or a person. A meaning that is especially pertinent in the present connection is *interest* used for personal connexion and the power to influence others. Here, “to make interest” meant to bring personal influence to bear (ibid.). In another line of meaning-development interest came to refer to damage or loss and as well the compensation due for it (ibid.). Later the economic meaning of *interest* as a charge for the use of money became acceptable.

In the cases I have discussed observers were often too quick to employ the restricted economic sense of interest regardless of context. Instead one should look at the relationships surrounding the action in each case. We may get a better grasp of the facts if we widen the scope of the term to include a broad semantic field of interest as part of personal relationships. The cases of “double return” through “forced loans” may then be seen as the results of men “making interest” through personal influence, by persuasion or pressure. In other situations an incremental repayment of a loan may be a generous return sustaining an interest in the good relationship between persons. A good man should give more in return. This may consolidate into a general expectation that the service of a loan will be acknowledged by a gift of something extra. Finally, in some cases money transactions may have been so abstracted that a regular charge on borrowing has become the rule. By expanding our notion of the workings of interest in dealings between people we have gained a deeper understanding of these cases of indigenous Pacific finance.

## POVZETEK

Izmenjave so značilne za celotni Pacifik kakor tudi za ameriško severozahodno pacifiško obalo. Darovanje bogastva je bilo temeljnega pomena pri porokah in pogrebnih svečanostih, pri pridobivanju nazivov in dostopa do hierarhičnih skupnosti, pri plačevanju kazni in kompenzacijah, ali pa pri plačilu za prašiče in konstrukciji hiš ter kanujev. V nekaterih primerih so se darovanja razvila v regionalne institucionalizirane svečane izmenjave, kot je na primer znamenita *kula* v področju Massim na vzhodni strani Papue Nove Gvineje. V večini družb tovrstne izmenjave v spremenjeni obliki še vedno obstajajo in neredko vključujejo sodobni denar in trgovinske dobrine.

Mnoge družbe so imele ali še vedno imajo različne oblike domače valute, ki so je nekoč imenovala „primitivni denar“ (školjke, vlakna in drugi materiali). Obstaja hierarhija posameznih predmetov in ljudje so morali razviti izjemno spretnost sposojanja in posojanja, ki je imela za posledico, da je bil vsakdo ves čas nekomu dolžan. Zgodnji etnografi so tovrstno izmenjavo primerjali in razlagali s kapitalistično ekonomijo, ne da bi razumeli njeno naravo in odvisnost od sorodstvenih vezi, starostnega razlikovanja, statusa in moči. Avtor razmišlja, kako so ekonomske študije zgrešile bistvo sposojanja, vračanja in izmenjave ter na podlagi lastnih raziskav na otoku Rossel na Papui Novi Gvineji ter v Republiki Palau v Mikroneziji kritično razmišlja o uporabi koncepta „primitivnih obresti“ pri tovrstnih družbah.

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