

MONEY: ITS ORIGIN AND FUNCTION.

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As a definition of money, some one has said that "money is what money does." Gen. Francis A. Walker somewhat similarly stated it, as "that which does the money work is the money thing." Aristotle, the pagan philosopher, who lived about 400 years before the Christian era, defined money as an "intermediary commodity designed to facilitate the exchange of two other commodities." These definitions may be said to give the idea of money in a word, but to understand it in detail it will aid materially to know how it started and grew up, and thus it will be easier to understand it as it is.

The word money is a derivative from Juno Moneta, the name of a temple at

The Definition. Rome that was for many years used as a mint, which in Latin is called *moneta*. The idea of money originated with society in its most primitive state, when trade was carried on by barter, from which the idea of using some particular thing to mediate the exchange of all other things grew by insensible degrees.

The difficulty that was experienced in exchanging commodities by barter, was in finding two persons who had the things mutually desired by each other, which as can readily be imagined would not easily happen. If, for instance, a person wished to exchange corn for beef, those who had the beef to exchange would perhaps just then have all the corn they needed. To overcome this difficulty, some commodity had to be selected which all were willing to receive for a time, and which could readily be exchanged in purchase of other commodities. This common commodity served as a medium by which the exchange of other commodities was made, and generally consisted of articles that had at first been exchanged by barter. The articles that were of the least perishable nature were the ones that naturally developed into money, owing to the fact that they could be the longer preserved to serve for a future exchange. Thus in the most primitive state of society, the hunting state, the hunter having supplied his wants for food from the flesh of the animal after a successful chase, would preserve the hide or fur to serve as clothing, and this having a value as such, besides being the least perishable, naturally came to be the best article to use for the purchase of other commodities.

When society had grown to the pastoral state, sheep and cattle were

Early Capitalists. used as money because they could be so readily transferred, and being the most common form of wealth their value was most generally understood. In Homer's poems that depict society in

the pastoral condition, frequent mention is made of oxen as an instrument of exchange and to estimate the value of other commodities—the arms of warriors being so estimated, those of Diomed being valued at nine oxen and those of Glaucus one hundred.

"Then did the son of Saturn take away
The judging mind of Glaucus, when he gave
His arms of gold away for arms of brass
Worn by Tydides Diomed,—the worth
Of five score oxen for the worth of nine."

In the agricultural state of society many articles produced from the soil served as money, such as barley, wheat and oats in different parts of Europe, rice in India and tea in China. At the time of the conquest in 1520, chocolate seeds were found to be in use as money among the Mexicans, about twenty of which were the value of an English penny. They were put up in bags, a specified number in each; and they still formed part of the currency of the natives of Yucatan the early part of the present century, as related by a traveller in a work published at that period. The American aborigines had a peculiar kind of money, which consisted of black and white beads made of small cylindrical shells, brightly polished and strung together into belts, making a sort of money known as wampum. The difference in the color represented two qualities, one of the black beads being rated as worth two of the white. This wampum obtained such general circulation among the early settlers that it became legal tender money among the planters of Massachusetts, and the court ordered that it be received in payment of debts to the amount of forty shillings. Indian corn and tobacco also served as money among the early settlers, the former being made legal tender in 1641. Legal tender is money one is obliged to accept in settlement of a debt, unless otherwise stipulated in the contract, so as to avoid uncertainty in their interpretation. "The government," explains Prof. S. Newcomb, "declares what money shall be legal tender among its citizens, that is, what kind of money when *tendered* by a debtor shall legally discharge a debt."

When the metals were discovered and the art of mining was developed, a less perishable material was obtained with which to exchange commodities, to which the articles that had served the purposes theretofore gradually gave way. We read that copper was the chief money among the early Hebrew nations, as it was also of ancient Rome until B. C. 269, when silver was first coined by them. But a very little over a century ago the chief money of Sweden consisted of plates of copper, the two daler piece weighing about three and a half pounds. According to Plutarch iron was the chief money among the Spartans, so ordered by Lycurgus to restrict trading; and it

was of "great size and weight and of small value, so that the equivalent for ten minae (about \$150.00) required a great room for its storage and a yoke of oxen to draw it." The same historian tells us that the object of such a cumbersome money, was to prevent its being used for the purchase of foreign luxury.

Gold and silver we read of having been used for exchange purposes from the earliest times of which there is authentic history, and the many references to them in the scriptures show them to have been in use several centuries before Homer's poems were written, supposed to have been about the 9th century B. C. The reason these metals came to be so highly esteemed among the most primitive people, is evident when we remember how the tendency of mankind has ever been to seek the possession of things that are rare, things that nobody else has, aside from any useful use they may be put to. Add to this the lustrous color of gold and silver that glistens so brilliantly in the sunlight, together with their malleability, which enabled them to be easily hammered into different shapes, and it is easy to understand how a desire for their possession early became general to ornament and decorate the person. In the ruder state of society when wealth did not have the protection of laws as in the more developed state, accumulations were of necessity largely represented by whatever was most highly prized and of small bulk in proportion to its worth. Such articles were naturally the ones that were found to have a ready exchange. Gold and silver being something everybody desired to possess were always exchangeable; and being capable of being divided into large or small quantities without loss by reason of their divisible and fusible natures, besides containing much value in comparatively small quantity, together with the fact that they would not waste away by corrosion or rust,—they were seen to possess the qualities most needed in money. As this became apparent by usage, it was but a step to recognize it by law.

It is therefore reasonable to suppose, and indeed there is abundant evidence

Value by Weight. to show, that the early method of exchanging gold and silver for other articles was by weight. Evidence of this is found in the 23d chapter of Genesis and 16th verse, where we read that "Abraham weighed to Ephron the silver, which he had named in the audience of the sons of Heth, four hundred shekels of silver, current money with the merchant." The Romans weighed these metals according to a method known as the "copper and the balance," which was known to be in use as late as during the empire in settling large payments because of the debased condition of the coins that were in circulation. To weigh gold, and also