

adopted certain media of exchange according as custom or the law of the majority impelled them, and we find them using cowrie shells, bits of brass and iron, and even bits of leather as money—indeed leather money was in use up to modern times in fur-bearing countries, and it had its origin in the cutting out from a pelt a small piece and handing the piece on as representative money so that the holder of it could afterwards claim the pelt by fitting the small piece into the part of the whole from which it had been cut. In fact the whole pelt and the small piece of it performed the same functions as money that a gold reserve and a bank note do in the present day. These primitive media of exchange answered the purposes of money in a crude sort of fashion so long as they circulated only where custom had installed them, but no sooner was any foreign trade attempted between one country and the other than all the difficulties of exchange at once became apparent. As a consequence we find the early nations realized the necessity of having as media of exchange certain commodities which possessed intrinsic value and they adopted cattle as money because there was a general demand for them. Now this has an interest for us as there are certain words in the English language which take their origin from that source—for instance, we often speak of a *pecuniary* advantage, pecuniary being derived from the Latin word *pecu*, signifying cattle. Then again, the word *capital*—which is now so often in people's mouths, but unfortunately so seldom in their pockets—comes from the fact that in the early days a man's wealth was estimated *per capita* by the number of head of cattle which he possessed. Then again the word *chattel* comes from the same source.

But here again great inconvenience was experienced because this "cattle money" had to be fed and it was easily destroyed, and thus from the stern lesson of experience it dawned upon the human race that money or a medium of exchange, must possess certain *properties* in order to fit it for the requirements of advancing civilization. Those properties have been admirably defined and described in modern times by Chevalier and Jevons, two of the ablest writers on monetary science. They tell us that money should possess : 1. Utility or value. 2. Portability. 3. Indestructibility—a most important property, so that it may become a *store of value*. 4. Homogeneity. 5. Divisibility. 6. Stability of value so as to