

1. They possess great value in comparatively small bulk.

2. They are produced in nearly equal quantities, and at nearly equal cost of production, so that their value remains uniform, changing only by slow degrees.

3. They are indestructible under ordinary conditions of the atmosphere, and can be used or hoarded without much wear or decay.

4. They are susceptible of easy subdivision or aggregation without loss of value, so that a number of small pieces are worth no more nor no less than a large piece of the same weight.

5. They are homogeneous in their structure, and easily identified.

These conditions are fulfilled by no other object except gold and silver, and hence civilized communities at the present time invariably use either one or both of these metals for money. Such is very far, however, from having always been the case. Sometimes the standard has been copper, as in ancient Rome and mediæval Sweden. Rock salt is used in Abyssinia, hides in South America, cotton cloth answers the purpose in Eastern Africa, and the cowrie shell has for many years been a form of currency in Bengal.

After the settlement of America had commenced, the Indians situated along the coasts of Long Island Sound were found to possess a circulating medium. This consisted of beads of two kinds—one white, made out of the end of a periwinkle shell, and the other black, made out of the black end of a clam shell. These beads were rubbed down and polished as articles of ornament, and arranged in strings or belts into jewelry. These beads and belts were used by the Indians themselves as money, and were real money. They regarded one black bead as worth two white. This money was called wampum. The colonists began to use it for exchange with the Indians, and then amongst themselves. It was made legal tender in Massachusetts, and, by custom, became the prevailing currency. A fathom or belt of wampum consisted

of 360 beads. One fathom of white would buy furs which were valued at five shillings, and one fathom of black would buy furs worth ten shillings. It was for the Indians, in their limited community, a perfect money. They divided their labors, some hunting and fishing, some who lived on the shore making wampum; they made as much as they chose, or could; it was a produce of labor, and subject to demand and supply; it was, of course, subject to deterioration by wear and use. The accounts of the New Netherlands, as the territory now embracing New York State was then called, were, in 1662, kept in wampum and beaver skins; and, complaints having been made of its increasing depreciation, the Chamber of Commerce at Amsterdam credited all its colonial officials with 25 per cent. additional salary in beaver skins to cover their loss. In 1635 musket balls were used for change at a farthing apiece, legal tender for sums under 12 d.

Early in the 18th century, Virginia adopted tobacco as a currency. It was deposited in warehouses, and receipts for it passed as currency. It was a true money, but not a good one, as it naturally fluctuated considerably in value. We read also of a bank issuing money and receiving the interest in hemp and flax.

In 1659 it was ordered by the General Court of Massachusetts that no man should pay taxes "in lank cattle." Hoarding money would have been little security against loss in those days.

In some of these cases the currency used is doubtless the best known to those using it, but in others it can have been but a temporary expedient. The objections to these different kinds of money are numerous; they rapidly depreciate through decay or other ordinary circumstances; they could not be transported easily in any considerable quantity from place to place, and at any time could have been but a *local* circulation, and were, for that reason, incapable of being used in foreign trade.

Gold and silver then being adopted,