

THE QUARTERLY ;

A Periodical in connection with the Collegiate Institute
Literary Society.

Nous travaillerons dans l'espérance.

VOL. IV.]

HAMILTON, APRIL 1st, 1878.

[No. 1.

MONEY.

THE necessity for some medium of exchange seems to have always been among man's earliest wants on emerging from a state of barbarism. As soon as the first approach towards civilization is made, the individuals of a community cease to depend each upon his own skill or labor to supply all his wants. In a very primitive state of society, every person may be his own shoemaker, tailor, carpenter, &c., but it is soon discovered that it is more satisfactory to all concerned to entrust the production of specific commodities to particular individuals, inasmuch as by being continually engaged upon the same kind of work, a person will acquire greater skill, will be enabled to manufacture an article in less time, and will produce a better article than will another person who has first to turn his hand to this and then to that, according to his varied wants may dictate. Thus, instead of each individual of a community manufacturing or producing all that he may require for his comfort or convenience, he will exchange the products of his own skill for those of the skill of others. This method of exchanging one commodity for another is called barter ; and, so long as man's wants are few and exchanges can be quickly and

easily effected, it may be found to answer all requirements ; but, so soon as something more than a bare subsistence is demanded, the inadequacy of barter begins to be felt. A has flour, B has cattle, C has clothing to dispose of. A wants a new suit of clothes, but C, having no need of flour at the time, refuses to accept it in exchange for his goods. B requires both flour and clothing, but neither A nor C will take his cattle. C wants bread also, and, fortunately, recollects that the baker is out of flour. Off A and C go therefore to hunt up the baker. A accepts the bread in exchange for his flour, not because he needs it, but because he knows that C will take the bread for the desired suit of clothes. B is less fortunate, but eventually, and after losing much valuable time, is enabled to dispose of his cattle and obtain the flour and clothing he needs. The exchange of commodities thus becomes either impossible or can be effected only by great inconvenience and loss of valuable time, and the persons who deal together are forced to adopt some common object of value which each is willing to take because he knows he can readily get rid of it again in exchange for whatever he may require. This object, of whatever material