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From Arrowhead to Gold Coin

HOW the fact that one savage made a spear better than his neighbor led to the gold coinage of to-day — Money that was "not worth a continental," and the reason why.

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THE actual knowledge of what money is, is a very rare knowledge. You have heard people say, even to-day, what a blessed world this would be if there were no money. When your ancestors and mine lived an absolutely independent individualistic life; when every man fought, hunted and fished for himself, there was no need for money, because every man was individual and self-sufficient. But very soon specialization must have crept in. We have no historical records of it, even with the most primitive tribes we have come in contact with, but we can be sure that one man was a better hunter than his neighbor and another man could make a spear better than his neighbor, and when specialization crept in the desire to trade must have followed. In a state of civilization in which there is no money, trading is only possible between two people who have the wants that can be supplied by the trade. If the good hunter wants a canoe and the canoe maker wants the meat the trade is possible, but if either party to that trade is willing to trade, but wants something else than what the other party has to give, then the trade is impossible. After that state of things had become troublesome to the tribe, we assume that they picked on one thing and everybody agreed to trade his commodities for, say, arrowheads, knowing that he could trade the arrowheads for any other commodity.

Now, when that stage has come in, money has been introduced, because in its essence money is that commodity which we are all willing to take or give in exchange for other commodities. However, it does not alter the essential nature of the barter or trade, it really breaks up the simple barter into two: the man trading his canoe for arrowheads, then trading the arrowheads for the meat, which saves him from searching the whole tribe to find a man with the meat who wanted a canoe; all he had to do was to find the man with the arrowheads.

Remember that the commodity used as money by the primitive tribe must have had value in itself, it must have been productive of labor and taken time to produce, it must have had some intrinsic value, must have been something costing labor to produce and of value in itself for other parties; and this is as true to-day as ever it

was. You can hardly name a substance that our forefathers have not used for money. In early scriptural times cattle were used, and cattle are used to-day in Africa. On this continent perhaps we have a greater variety in the way of money than anywhere else. Some people, for instance, grew their own money; tobacco was their money, and the statute books of Georgia and Virginia are full of statutes trying to regulate the value of their money. In Massachusetts and New York, baskets and wheat, and further north beavers and furs, but none of them were very successful because they were not the same in value.

The moment the primitive tribe discovered what their money had to do, in the first place since all trade turned into a commodity on the one hand and the money for the desired commodity on the other, all must have been expressed in the terms of that commodity—a canoe was worth so many arrowheads—there must have been a common denominator, and money is that to-day, that commodity in which we measure the values of other things.

Primitively it was also the medium of exchange. The money actually changes hands and the commodity actually changes hands. When a man bought land for cows, he actually gave the cows over and got the land, or he actually gave the bales of tobacco over and got the land. It was not only the measure of value but the medium of exchange, and these are the two great functions that money has to perform, but one of them has practically gone out of use.

Different objects have been taken by semi-civilized and civilized people throughout the ages, and there is hardly anything that has not been used as money at one time or another. Gradually, however, in the more civilized countries the precious metals became the commodity used as money, and they were, of course, used by weight. In early Abyssinian history we know that gold and silver were used by weight, and down until comparatively modern times gold and silver were used by weight. Such a thing as a coin, in our sense of the word, is quite modern. Now, what does this mean, this weighing, using gold and silver by weight for money? It meant this: that in any large transaction the man who made