

## CHAPTER II

### EXCHANGE

13. *Beginning of exchange.*—Regular exchange did not exist until one tribe had a surplus of particular commodities which were desired by the tribes having no facilities for producing them. These articles, which were superfluous in the tribe producing them, had a peculiar value to other tribes which perhaps could not produce them at all. If these commodities happen to be of an imperishable nature, as pottery, weapons or furs, they might easily come to have a use as a medium of exchange for home products. The necessity of obtaining such commodities from other tribes gave them a kind of fixed value, and thus they became the most convenient standard by which the value of all other things could be compared.

In the evolution of money a vast number of things have been used for the purpose of fixing values, but practically all of them represent surplus products which could be exchanged with foreign tribes or nations for imported wares.

Exchanging of goods within the tribes was a very slow development, and when it did develop it was most natural for these articles of foreign origin, with a fairly definite exchange value already fixed, to become the common medium of exchange and standard of value.

By some authorities economic history has been divided into three stages, according to the method by which exchanges were made: Barter, money and credit.