

C I A L S C I E N C E S

Basic Economics



1.1

The 17th-18th Century: **Wampum**

❶ *Coin* can also be used as a verb to describe the process of making money.



Wampum belts were used both as money and to conduct official business between tribes.

What did Native Americans in North America use for money? They did not use paper money or gold or silver coins, as Europeans did. Instead, they “coined” their money from a seemingly strange source: clam shells.

A clam called the “quohog” had a shell that was purple and white on the inside. Native Americans made beads from the **lining** of the quohog shell and from another shell called a “periwinkle.” These beads were called “wampum” and served as money. Colors ranged from white to deep purple or black. A deep purple bead was worth most of all. It was worth twice as much as a white bead of wampum. The beads differed in size but were approximately as big as rice grains. The wampum beads were strung on threads. A string of wampum beads almost 2 meters long was worth about five British shillings or one U.S. dollar in colonial times. A string of that value had 360 white beads and 180 purple or black beads. It could be used for trading among Native Americans or with European-Americans.

But there was a problem with wampum. Like other kinds of money, it could be made “counterfeit.” Counterfeit money is false money without any value. In the late 17th century, counterfeit wampum became a problem at the Dutch colony in Manhattan, where New York City is today. The colony had to make a law defining which wampum was good, poor, and worthless. “Manhattan wampum” was the best quality. There was also a less valuable kind of wampum. Counterfeit wampum had no value at all.

Wampum had other uses too. It could be worn on clothing, just as people today wear jewelry made of gold or silver. There were necklaces, belts, and bracelets made of wampum. A more important use was in official business between Native American tribes. Wampum meant that a message from one tribe to another was official. The messenger carried a belt made of wampum. Different kinds of wampum belts were used for different kinds of business.

Wampum belts were even used to ratify peace treaties. The Cherokee people, for example, had wampum belts that showed they had made peace with the Iroquois people².

Wampum beads were only one kind of beads that Native Americans made. They also made beads from many other materials, including turquoise, quartz, copper, and the teeth and bones of animals. These beads were used as money or worn on clothing. They had ceremonial uses as well. Large amounts of beads were often buried with the dead.

Reminders of the “age of wampum” and beads can be seen in the United States today. One kind of bead used in Virginia was called “Roanoke.” Today, there is a city named Roanoke, Virginia!

● The Cherokee and the Iroquois were two of the largest Native American tribes in the eastern part of America.

- 🔊 Cherokee [tʃɛrəki:]
- 🔊 Iroquois [ɪrəkwɔɪ]
- 🔊 periwinkle [pɛriwiŋkl]
- 🔊 quohog [kwɔːhɔŋ]
- 🔊 Roanoke [rɔʊənɒk]
- 🔊 wampum [wɑmpəm]

📖 WORDS FOR BASIC ECONOMICS

- ✓ bead
- ✓ counterfeit
- ✓ material
- ✓ paper money
- ✓ ratify
- ✓ trade
- ✓ treaty
- ✓ tribe
- ✓ value

Questions

- 01** Look at the word **lining** in the passage. What do you think **lining** means in this context?
- 02** What was wampum made from? What other materials did the Native Americans use as money?
- 03** What diplomatic purpose did wampum serve for the Native Americans?
- 04** What can you infer from this passage about the Dutch colony at Manhattan? What kind of relationship did the Dutch have with Native Americans? Explain.