

The Origins of Coinage

by Michael E. Marotta

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We don't know why coins were invented. It is true that we find them very useful today. We know that coinage was invented around 650 BC. However, the motivation for the striking of the first coins remains a mystery.

Many theories have offered for the invention of metallic currency. Aristotle suggested that coinage was a convention, growing out the need for indirect barter. That seemed to satisfy everyone for about 2000 years. However, from 1750 to today, many other explanations have been offered.

For instance, it was suggested that as substitutes for barter, coins showed a picture of what they stood for. A coin with a cow on it was worth one cow; the emblem of a tuna fish or a vase likewise indicated the value of the coin. Interesting as it is, this theory was quickly refuted with empirical evidence of coin weights and commodities prices in the ancient world. It also failed to demonstrate the markets for lions and scorpions.

Three strong theories have been suggested for the origin of coinage: Religious; Commercial; and Tyrannic. The religious theory says that coins were first stamped in temples. Another theory is that since money facilitates commerce, it seems likely that merchants were the first to strike coins. Finally, historians know that coins came at the same time that tyrants replaced hereditary kings, therefore it seems possible that coins were invented as a tool of these ambitious men.

Ernst Curtius, an authority in Greek history, put forward the religious theory of coinage in 1869. Writing in the "Monatsbericht" (Monthly Report) of the Royal Prussian Academy, Curtius placed the origin of money in the temples. After all, coins were often found when the sites of ancient temples were excavated. In fact, forty years after Curtius's conjecture, the earliest known coins were discovered at the base of the temple of Artemis in Ephesus by British researchers from Oxford. In Curtius's time, it was well-known that the Romans issued coins from the temple of Juno Moneta.

There is a body of supporting evidence. Coins, of course, featured gods, nymphs and other mythological characters. As the objects of votive offerings, temples amassed surplus wealth. This abundance could have given rise to coinage. The coins could also be used to buy what the temple needed and could also be issued as rewards for proper behavior by

supplicants.

The Encyclopedia Britannica claims that the first coins bore a primitive punchmark, "certifying to either weight or fineness, or both." Writing in 1933, the British numismatist, Charles Seltman, suggested this scenario:

"When a merchant received a dump [a nugget-shaped ingot] he regularly weighed it until one day some Ionian hit upon a time-saving device. Why not mark every dump as it passed through his till? Then, if in the course of circulation -- money was scarce in those days and handled by the few -- it returned to him, he would know it again and need not trouble to weigh it afresh."

This view is commonly shared by other writers and this theory is probably the most compelling to us today. However, Colin Kraay, in his book, *Archaic and Classical Greek Coins*, says that the first coins were worth far more than anything you could buy with them. An electrum coin, weighing eight or ten grams, was the marketplace equivalent of today's \$1000 bill.

Another problem with the commercial theory is that no one has ever suggested a meaning to the punch marks which appear on the earliest coins. There is no known way to see in the impressions the name of a merchant or the weight of the ingot [dump] or its fineness. The punchmarks ("windmill", "swastika", etc.) are there, to be sure. What they mean is not clear at all. By comparison, the people of Mesopotamia had been signing contracts with personalized seals for at least 2,000 years before the advent of coined money. Considered in this light, the first coins were anonymous.

Furthermore, those unsurpassed traffickers, the Phoenicians, were among the very last, not first, ancient people to mint coins. If coinage were invented to facilitate trade, it did not impress the greatest traders of the day.

More support for this line of questioning comes from the fact that the earliest coins are never found far from home. If coins were invented to facilitate trade and commerce, they would have travelled along the same paths as grain, lumber, and hides. They did not. As yet, no known hoards of the earliest coins have been found in Egypt, Tyre, or other centers of commerce. In 1920, P. N. Ure suggested that the 7th century BC saw the birth of both a "new form of government and a new form of wealth." According to Ure, the emergence of a mercantile class along the Ionian coast led to conflicts with the agrarian class which ruled from Lydia. Ure pointed out that tyrants were not necessarily oppressors. That is a modern view. To the people of the time, tyrants were merely rulers who did not have hereditary authority. They were self-made men. The word tyrant only became negative when tyrannies were replaced later by oligarchies and democracies.

This idea was also offered in 1958 by the classicist Robert M. Cook. He

cited five known facts from which he drew a conclusion. The facts are:

1. The earliest known coins are stamped electrum of uniform weight.
2. Each piece was very valuable, worth many sheep (or several cows).
3. Many types of these earliest coins have been found.
4. They can be dated to the late 7th century. (5) Herodotus who lived much closer to the event says that the Lydians invented coins of gold and silver. Therefore, according to Cook:

"... it may be reasonably inferred that coinage was invented to make a large number of uniform payments of considerable value in a portable and durable form, and that the person making the payments was the king of Lydia. One solution suggests itself, that the purpose of coinage was the payment of mercenaries."

In his book, *The Origins of Money*, Philip Grierson supports this view. He suggests that the first coins were struck to pay mercenaries. An interesting variant to this theory comes from Martin J. Price. In 1986, Price claimed that the first coinage was not payment per se, but a BONUS.

"... it is clear that the theory proposed by R. M. Cook and now widely accepted, that coinage was to provide payments for mercenaries does not fit the facts... At this stage in the economy payments in metals for service was not normal. We can gain some idea of the practice of employment from [the Iliad and the Odyssey], and it would seem that employees were normally given board and lodging in return for service, and 'payment' was received at the end of service by way of a bonus, which could presumably, but not necessarily be given in metals... [As] bonus payments, the coins are more akin to gifts (or medals) than to coins as we know them."

The Tyrant theory could also explain the first coins as anonymous badges of conspiracy. Melting and casting electrum created natural-looking lumps that mimicked the nuggets found in local streams. Stamping a rude mark would identify the ingot to the select few and yet would be meaningless to the authorities. The earliest coins would then have had a purely local use in buying loyalty.

We make progress because we profit from the discoveries of individuals. Someone learned how to make a fire and someone else invented coinage. Coins did and do serve the secular needs of religious bodies. Coins facilitate commerce. Coins advertise their origins. Coins are symbols of autonomy and authority. Clearly, once coins were invented, they quickly were put to many uses.

Unfortunately, we cannot travel back in time. We can only reconstruct some of the pieces. The big picture is hidden from us. We do not know why coins were invented. We can only be happy that they were.

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