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# XXII.1 The reason for the use of money

- The Spirit of Law - Book XXII. On laws in their relation to the use of money -

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## XXII.1 The reason for the use of money

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Peoples who, like savages, have few products to trade, and organized peoples who have only two or three kinds, deal by exchange. Thus the Moors' caravans which go to Timbuktu in the heart of Africa to barter salt for gold have no need of money. The Moor puts his salt in a heap, the Negro his powder in another ; if there is not enough gold, the Moor takes back some salt, or the Negro adds some of his gold, until the parties agree.

But when a people trades a very large number of products, there must necessarily be some coin, because a metal that is easy to transport spares many expenditures which one would be obliged to incur if everything was done by exchange.

As all nations have mutual needs, it often happens that one of them wishes to have a very large number of the other's products, and the latter very few of theirs, whereas with respect to some other nation the situation is the reverse ; but when nations have a coin, and proceed by sale and purchase, those which take more products settle up or pay the balance in silver ; and the difference is that in the case of a purchase, the trade is made in proportion to the needs of the nation asking the most, and in an exchange the trade is made only to the extent of the needs of the nation asking the least, or else the it would be impossible for the latter to settle his account.