
HIGHLIGHT Stone Currency

On the island of Uap (one of the Caroline Islands), the medium of exchange is called *fei*. This currency consists of large, solid, thick stone wheels ranging in diameter from a foot to twelve feet, and in the center a hole varying in size with the diameter of the stone, so that the stones may be slung on poles and carried. They are not found on Uap itself, but are quarried in Babelthuap, some 400 miles away to the south. Size is the most important factor, but also the *fei* must be of a certain fine, white, close-grained limestone. A traveler on Uap described the *fei* as follows:

A feature of this stone currency, which is also an equally noteworthy tribute to Uap honesty, is that it is not necessary for its owner to reduce it to possession. After concluding a bargain which involves the price of a *fei* too large to be conveniently moved, its new owner is quite content to accept the bare acknowledgment of ownership; and without so much as a mark to indicate the exchange, the coin remains undisturbed on the former owner's premises.

My faithful old friend Fatumak assured me that there was in a village nearby a family whose wealth was unquestioned—acknowledged by every one, and yet no one, not even the family itself, had ever laid eye or hand on this wealth; it consisted of an enormous *fei*, whereof the size is known only by tradition: for the past two or three generations it had been, and at that very time it was lying at the bottom of the sea! Many years ago an ancestor of this family, on an expedition after *fei*, secured this remarkably valuable stone, which was placed on a raft to be towed homeward. A violent storm arose and the party, to save their lives, were obliged to cut the raft adrift, and the stone sank out of sight. When they reached home they all testified that the *fei* was of magnificent proportions and of extraordinary quality, and that it was lost through no fault of the owners. Thereupon it was universally considered in their simple faith that the mere accident of its loss overboard was too trifling to mention, and that a few hundred feet of water off shore ought not to affect its marketable value, since it was all chipped out in proper form. The purchasing power of that stone remained, therefore, as valid as if it were leaning visibly against the side of its owner's house.

When the German government purchased the Caroline Islands from Spain in 1898 there were no wheeled vehicles on Uap, and hence no roads. The paths, too, were in poor shape, and the government ordered the natives to put them into better condition. Somehow or other the natives were quite happy with the paths as they were; the job did not get done. The government was in a dilemma. It would be rather difficult to fine the natives and carry off the *fei* to Germany. In the first place, German shopkeepers might have been a little doubtful about exchanging their wares for *fei*, and then in the second place, it would have taken the labors of every available native to get the *fei* off the island, and the repairing of the paths would have had to wait while the natives paid up. Finally the government hit on a sound scheme. They simply sent a man round to mark some of the most valuable stones with a cross in black paint to show the government claim. The impoverished natives immediately fell to work, and the paths were soon in good order. Then a second man went round for the government to remove the crosses; and there was great rejoicing on the island of Uap.

Source: Quoted entirely from Norman Angell, *The Story of Money* (New York: Garden City Publishing Co., 1929), pp. 88–89, as reprinted on the back cover of the *Journal of Political Economy*, vol. 90, no. 4, August 1982.
