

than all the Kings in the World ; and you know all about it and the reason why. And now I will tell you of the great Dignitaries which act in this city on behalf of the Emperor.

NOTE 1.—It is surprising to find that, nearly two centuries ago, Magaillans, a missionary who had lived many years in China, and was presumably a Chinese scholar, should have utterly denied the truth of Polo's statements about the paper-currency of China. Yet the fact even then did not rest on Polo's statement only. The same thing had been alleged in the printed works of Rubruquis, Roger Bacon, Hayton, Friar Odoric, the Archbishop of Soltania, and Josaphat Barbaro, to say nothing of other European authorities that remained in manuscript, or of the numerous Oriental records of the same circumstance.

The issue of paper-money in China is at least as old as the beginning of the 9th century. In 1160 the system had gone to such excess that government paper equivalent in nominal value to 43,600,000 ounces of silver had been issued in six years, and there were local notes besides ; so that the Empire was flooded with rapidly depreciating paper.

The *Kin* or "Golden" Dynasty of Northern Invaders who immediately preceded the Mongols took to paper, in spite of their title, as kindly as the native sovereigns. Their notes had a course of seven years, after which new notes were issued to the holders, with a deduction of 15 per cent.

The Mongols commenced their issues of paper-money in 1236, long before they had transferred the seat of their government to China. Kúblái made such an issue in the first year of his reign (1260), and continued to issue notes copiously till the end. In 1287 he put out a complete new currency, one note of which was to exchange against *five* of the previous series of equal nominal value ! In both issues the paper-money was, in official valuation, only equivalent to half its nominal value in silver ; a circumstance not very easy to understand. The paper-money was called *Chao*.

The notes of Kúblái's first issue (1260-1287) with which Polo may be supposed most familiar, were divided into three classes ; (1) *Notes of Tens*, viz. of 10, 20, 30, and 50 *tsien* or cash ; (2) *Notes of Hundreds*, viz. of 100, 200, and 500 *tsien* ; and (3) *Notes of Strings* or *Thousands* of cash, or in other words of *Liangs* or ounces of silver (otherwise *Tael*), viz. of 1000 and 2000 *tsien*. There were also notes printed on silk for 1, 2, 3, 5, and 10 ounces each, valued at par in silver, but these would not circulate. In 1275, it should be mentioned, there had been a supplementary issue of small notes for 2, 3, and 5 cash each.

Marsden states an equation between Marco's values of the Notes and the actual Chinese currency, to which Biot seems to assent. I doubt its correctness, for his assumed values of the groat or *grosso* and *tornesel* are surely wrong. The *grosso* ran at that time 18 to the gold ducat or sequin, and allowing for the then higher relative value of silver, should have contained about 5*d.* of silver. The ducat was also equivalent to 2 *lire*, and the *tornese* (*Romanin*, III. 343) was 4 deniers. Now the denier is always, I believe $\frac{1}{24}$ of the *lira*. Hence the *tornese* would be $\frac{1}{6}$ of the *grosso*.

But we are not to look for *exact* correspondences, when we see Polo applying round figures in European coinage to Chinese currency.

His bezant notes, I agree with Marsden, here represent the Chinese notes for one and more ounces of silver. And here the correspondence of value is much nearer than it seems at first sight. The Chinese *liang* or ounce of silver is valued commonly at 6*s.* 7*d.*, say roundly 8*od.** But the relation of gold and silver in civilized Asia was

* Even now there are at least eight different *taels* (or *liangs*) in extensive use over the Empire, and varying as much as from 96 to 106 ; and besides these are many local *taels*, with about the same limits of variation.—(*Williamson's Journeys*, I. 60.)