
...Wampum was white or purple beads and discs fashioned from two shells: the white beads from the whelk, a sea snail with a spiral shape, and the quahog, a clam with purple and white coloring...

The clams were harvested in the summer, their meat consumed, and the shells were then worked into beads. Wampum beads were difficult to make back then. Drilling (with stones) could shatter the clam...The shells were ground and polished into small tubes with a stone drill called a puckwhegonnautick. They were placed on strings made of plant fiber or animal tendon and woven into belts, necklaces, headpieces, bracelets, earrings—a variety of adornments depending on the status of the wearer.

The color of the beads had meaning. For [northeastern Natives], white beads represented purity, light and brightness, and would be used as gifts to mark events that invoked those characteristics, such as the birth of a child. Purple beads represented solemn things like war, grieving and death. The combination of white and purple represented the duality of the world; light and dark, sun and moon, women and man, life and death. Wampum was given as a gift for many occasions: births, marriages, the signing of treaties, occasions for condolence and remembrance...

The white man’s indifference to wampum changed in 1622, when a Dutch West India Company trader...took a Pequot sachem hostage and threatened to [kill] him if he did not receive a large ransom. When more than 280 yards of wampum were handed over, the light bulb above [the trader’s] exploded...Note, however that the long strings of wampum given [him] were not, strictly speaking, a “cash payment.” It represented the symbolic value or status of a sachem...

Now that they were using wampum as currency, the pragmatic and profit-minded Dutch knew it would be cheaper and easier to manufacture beads in the New World. [A historian] says, “English and Dutch colonists apparently found it a relatively simple matter to force [Native Americans] to mass-produce the wampum beads, stringing them together in belts of pure white or pure purple and setting fixed rates of exchange...” The [Narragansetts and Pequots]...saw the advantage of becoming integral players in a lucrative trade market with a rare local commodity they could control. These powerful neighboring nations were the favored trade partners of the Dutch, and within a few years, wampum production became the primary occupation for both...
Tribes boxed out of this trading loop—such as the Montauks and Shinnecocks—paid tribute to the larger nations with wampum. [In other words]: “The ceremonial exchange of goods which had once reinforced equality among bands became a source of inequality.”

... Wampum was officially recognized as a currency by Massachusetts Bay Colony on October 18, 1650, and rates of exchange were formalized...

Then, suddenly, everything changed. Trade with the West Indies grew to be more lucrative than the fur trade and European coins were being used as currency in the islands. Many of those coins eventually found their way north and into New England purses... The “triangle trade”—slaves from Africa; sugar cane, tobacco and indigo in the West Indies; cloth and other goods from Europe—became the dominant profit dynamic. The English colonial merchants shifted from the fur trade to timber and shipbuilding. The colonies manufactured molasses and rum from imported cane sugar... Native nations, like the Pequots and Narragansetts, which were now reliant on the wampum business, had no trade good on which to fall back. The fur market was depleted and wampum lost most of its trade value....