



Minting Money

LESSON PLAN #9

HISTORICAL BACKGROUND

Before the establishment of paper money with an assigned value, a system called bartering was used to trade services and items. Bartering involved individuals exchanging an item they owned for a different item that someone else owned that they wanted. This arrangement allowed people to get small items they needed, such as meat or grain. For large amounts of items, that were not as easily measurable, money came into use.

China utilized the first paper money during the Tang Dynasty that ruled between 618 B.C. and 907 B.C.

When Marco Polo, a well-known Italian traveler and explorer visited China, between 1275 A.D. and 1292 A.D., he found paper money so interesting that he dedicated a whole chapter to it in his book – *The Travels of Marco Polo*.

Before The United States of America became an independent nation, its citizens as British subjects used other countries' currencies to purchase items. A port such as Lewes often saw currencies from English, Spanish, and France.

The United States Congress passed the Mint Act in 1792, which was the beginning of the nation's new currency system using coins. The first coins minted in the United States in 1793 were at the Philadelphia Mint. Paul Revere, famed for his "*Midnight Ride*" to warn other Patriots, was a silversmith by trade, became involved in the design and production of some of the first coins used in the United States.

During the 1830s, as the United States grew in size to 25 states, **bank notes** (*a type of paper money*) began circulating throughout the United States. Each commercial bank by region, issued its own uniquely designed paper money. In 1913, The Federal Reserve Act ended the action of banks printing their own separate currencies. Signed into law by President Woodrow Wilson, the Federal Reserve Act designated specific banks in; Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. The Federal Reserve Act gave the United States Treasury Department the exclusive ability and authority to print a uniform design paper money.



FOR MORE: Research Questions:

- ◆ Research who Marco Polo was and identify some of the discoveries he made on his travels.
- ◆ Bartering is still in use today. Can you think of an example?
- ◆ During the Civil War, why did the Southern Confederate states have their own paper money?
- ◆ Research the term counterfeiting and describe some of the steps the U.S. government took in the 1990s to prevent counterfeiting?
- ◆ LIST several reasons why Congress passed laws that prevent anyone besides the United States government from minting coins or printing paper money.

Please watch this short YouTube about the printing of money:

<https://www.youtube.com/watch?v=-IBHbe-t-X4>