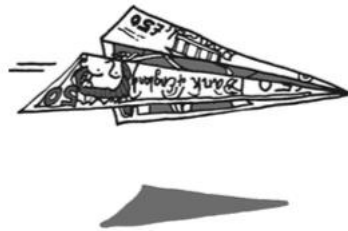


Can't We Just Print More Money?

Worksheet for Lesson Five: Narrative Writing



**Refer to Chapter Seven:
*What actually is money?***

Extract

What do you think of when you think of money? A debit card, a banknote, your mobile phone?

What about teeth? Chocolate? Dried fish? At one time or another all of these things have been used as currency. What is the common thread that makes each of these seemingly random objects money?

The history of money is complex. It has developed in different ways at different times and in different places throughout human history, so trying to tease out the underlying logic is no easy task.

[...]

According to some definitions, money has been around for almost as long as civilisation. Around 5,000 years ago, in ancient Mesopotamia, systems of debt developed around grain storage. Workers would keep their grain in temples or warehouses known as grain banks. A ledger – basically a spreadsheet carved into a stone tablet – was kept that made a note of how much grain you owned. You could then lend that grain or exchange it with someone else, without having to go through the hassle of taking the grain to where they were and giving it to them. The ledger became a way of keeping score of the debts that everyone owed each other. If this feels familiar, it should. The same basic premise – keeping a record of balances and transfers – underpins our modern system of bank accounts. In this origin story, money developed as a form of memory: a way of keeping score of who owed what to whom.

Precious metals have also been used as a way of paying for things for millennia. The ancient Egyptians used gold bars of certain weights in their exchanges. In Bronze Age Britain, gold was often used in ornate jewellery, which some people believe was used as a form of payment. But there is a cost to swapping metals in their unstructured form – how do you know how much it is worth? To be sure, you need to be able to weigh your lump of gold or silver and be certain that it is what it says it is. Not very handy if you're just popping down to the shops. The solution to this problem? Coins. The innovation of casting your precious metal into a certain size and shape and then stamping it with something official so people knew it could be trusted dates back to the ancient Lydians, who came up with the idea around 700 BCE. In the British Museum you can find a coin, created by King Croesus of Lydia, in the sixth century BCE – and stamped with a lion and a bull. The first paper money developed more than a millennium later, in China.

[...]

All this indicates that money, in one form or another, has popped up almost whenever there has been a group of humans who have needed to interact with each other. And thanks to the sheer diversity of human history, that means some truly bizarre objects have been used as money over the years. Prisoners of war have developed systems based on cigarettes as a form of money. Mackerel became a form of money in some American prisons in the early 2000s. In medieval Russia, squirrel pelts were a common form of money – so common, in fact, that snouts, claws and ears were also used as change. You could be forgiven for wondering what on earth all these things have in common. What is it that actually makes something money?

Check your understanding: retrieval questions

1. List three things that have been used as currency in the past.

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2. What do we learn about the currency system for grain in Mesopotamia 5000 years ago?

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3. What is the problem with using precious metals for payments?

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4. When does it seem the first coins were used?

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5. Where did the first paper money originate?

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6. What other objects have been used as money by different groups of people over the years?

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