



Post- Trip Lesson Plan Economy and Bartering

- I. Grade level: grades 6-8
 - II. Objectives:
 - a. To discuss why bartering was the main exchange system used in Florida in 1898.
 - b. To examine the different kinds of goods that were bought and traded in 1898.
 - c. To explore how purchasing items in 1898 was different from purchasing items today.
 - III. Standards:
 - a. Sunshine State Standards (2006):
 - 1) Social Studies: Time, Continuity, and Change: Standard 1: knows the relative value of primary and secondary sources and uses this information to draw conclusions from historical sources such as date in charts, tables, graphs.
 - 2) Social Studies: Economics: Standard 2: Understands the characteristics of different economic systems and institutions.
 - IV. Vocabulary:
 - a. Barter: exchanging a good for another good, instead of exchanging goods for money.
 - b. Market or Fair: a public gathering for disposing and buying various products.
 - c. Grocer: formerly spelled as Grosser, is someone who sells deals by wholesale.
 - d. Staple: a commercial term given to the most important articles of purchase.
 - e. Speculation: to attempt to foretell the future on how many goods you will need in the future.
 - f. Banknote: this is the name given to currency/money, it derives from the fact that prior to 1913 each bank was allowed to make their own currency.
 - g. Dry goods: items that are not food, such as hardware and dishes.
 - h. Groceries: spices that came from far away.
 - i. Produce: fruit, vegetables, eggs and other foods from nearby farms.
- Activity 1: Bartering at the General Store
- V. Materials:
 - a. Two large sheets of paper
 - b. Writing Utensil
 - VI. Procedures: Begin by reading the history of bartering (below) to the class. Then create two lists, one on each large sheet of paper. List one items to be traded *with*, and list two items to be traded *for*.
 - VII. History: There were two different kinds of goods to be found at the general store: goods to be traded *with* and goods to be traded *for*. Items that were traded *with* were mostly farm goods, and items to be traded *for* were commercial goods, or goods that could not be found in the community.



VIII. Sample List:

- a. Items to be traded with: flour, beef, eggs, butter, syrup, hides, animals, fruit.
- b. Items to be traded for: spices, rum, drugs, china, fabric (silk, satin), rice, tea, coffee, fruit.

IX. Assessment: This is a group activity and can be graded based on participation.

X. Open-Ended Questions:

- a. How do we get special items today (specific toys, clothing ect.)
- b. How do you think people got special items in 1898? (Ordering from a store or catalogue)
- c. Fruit can fall into both categories, why do you think this is?

Activity 2: Bartering

XI. Materials:

- a. Construction paper
- b. Markers
- c. Glue/tape
- d. scissors

XII. Procedures: Separate the class into two groups. One group being the general store and the other group being local farmers. Those in the first group are to make items from the list "Items to be traded for" and those in the second group can make items from the list "Items to be traded with." They can make their goods out of various art supplies such as construction paper. While the students are creating the goods, secretly assign a particular good for each student to attain during the bartering (make sure that the item that they are assigned is in the other groups list). Once they have created their goods, have group two trade with group one. Make sure that each child has created more than one item so that they can properly barter. After the bartering is completed as a class see how many students were able to get their secret item.

XIII. Assessment: This assignment is based on participation and use of the historic information provided above.

XIV. Open-Ended Questions:

- a. What types of items do we find at a grocery store today?
- b. Are these items similar/different from items found at a general store in 1898?
- c. What is the difference between bartering and trading with money?
- d. Would you rather barter for goods or pay with money?

Activity 3: Worksheet: History and Economy

XV. Materials:

- a. Worksheet: History and Economy
- b. Writing Utensil
- c. Crayons, Colored Pencils, Markers (optional)



XVI. Procedures: Read the history of the Federal Reserve System to the class (below). Then pass out the worksheet: History and Economy to the class. Allow the students ample time to complete the worksheet.

XVII. History:

- a. Federal Reserve System: national banking systems were created during the civil war to help fund the war. With Americas system of checks and balances, many were afraid that a central banking system would have too much power. So the 1st National Bank was created on a 20 year charter in 1863. After 20 years, this system was eradicated. And another unsuccessful central bank, the 2nd National Bank was created with a 20 year charter. During this time each bank was allowed to print their own money. Those who deposited their money in a bank were given the banknote from the bank. However, with the high amount of bank failures this monetary policy was unsuccessful. For example, if given a banknote of \$1 from a bank, and this bank was thought to fail in the near future, this banknote may now be only worth 75 cents. With uncertainty in the bank system the use of banknotes was risky until the Federal Reserve System was created in 1913.
- b. Florida: In 1898 there was not a large amount of banks in Florida. Furthermore, the banking system was unsuccessful with numerous bank failures and recessions. Therefore, many living in Florida during this time period used bartering as a main means of trade.

XVIII. Assessment: This assignment can be graded based on completion, use of historical information, and creativity.

XIX. Open-Ended Questions:

- a. Why did people barter in Florida in 1898?
- b. Why did America decide to create a centralized banking authority?
- c. Do you believe this centralized banking system is still successful today?



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Post-Trip Lesson Plan History and Economy

Instructions: Read the definition below and answer the following questions.

Definition of Bartering for the Grocers' Hand-Book and Directory for 1886. By Artemas Ward.
This book was used by Grocers during this time period as a dictionary of their goods and a reference for running a business.

BARTER. Dealing by an exchange of goods. This was the original mode of dealing before the use of money and is still very common wherever money and banking facilities are scarce. Country dealers are often obliged to take eggs, butter, etc., as pay for sugar, starch and soap, and when they can move the produce quickly and well, and are not paying too much for it, the barter seems to have a double profit, because they make something on the sale of the groceries and something on the sale of the produce, But it is often a great snare because of the following reasons: First, the produce may move slowly and so tie up capital, deteriorate in quality and demand much time and attention. Second: the feeling that there is a double profit in barter, leads dealers to pay the fullest price for goods taken in trade, relying on the grocery profit alone. But there is really no double profit. For keeping, handling, and selling groceries, one profit is realized: for receiving, shipping and selling the produce, another profit *should* be earned, and the dealer who does both for a single profit, is doing half his work for nothing. Third, it requires a good deal of sense to make a successful grocer, and many men who try to combine the business of buying and shipping produce, and its freights, account sales, drafts, returns and commissions, with that of keeping a grocery store, find out that they are not masters of both, but that one of them eats up all the profits of the other. Barter leads to a competition in buying which is worse than that which "cuts" in selling, because the dealer who

cuts the prices of his groceries, generally stops before he gets to cost, because he knows just where that point comes, but the buyer who competes on produce does not know the price at which the goods will sell in the city and is often and easily led to pay more than he can realize after all the charges are paid. No dealer can do two transactions for one profit; few are capable of managing a double business, and when goods are sold below their value or bought above it, it is well to let others control the market.

Questions:

1. Define Bartering in your own words.



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2. Name one reason why Bartering can be harmful to a business.

3.

<p>A. In this box draw a picture of an item that may be found in a general store.</p>	<p>B. In this box draw a picture of an item that would be traded for an item in a general store.</p>
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4. Similar to today, items were priced differently. For example, bartering one egg would not be a sufficient trade for a new dress. Think



Name: _____ Date: _____

of the item you drew in box A and the item you drew in box B. What amount of items in box B would make a good trade for the items in box A (and vice versa). Explain.

5. Having heard what your teacher explained about the early banking system, would you rather trade with money or barter during this time period? Explain.

6. Knowing that our money is currently regulated by the Federal Reserve System (the United States Government) and that this system insures banks. Would you rather have today's banking securities or an un-centralized bank like in 1898? Why?



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7. Pretend that you are a bank in 1898. Each bank during this time period created their own banknotes (this is the name given to currency/money. It derives from the fact that prior to 1913 each bank was allowed to make their own currency). In the space below draw a picture of your banks banknote. (Note you can use today's American dollar bill as a starting point).

BARLOW'S BLUE. (See *Blue Sifting*).

BARREL. (See *table of Weights and Measures*.) A barrel of flour should contain 196 lbs; pork or beef 200 lbs. (The standard of pork has been reduced to 190 lbs.); pickled beef 306 lbs; hams, in barrels, 226 lbs; butter 224 lbs; soft soap 256 lbs; wine or liquids $32\frac{1}{2}$ gallons; tar $26\frac{1}{4}$ gallons.

BARROW. (Or *Push-cart*). A small carriage moved by hand. In purchasing care should be taken that the load balances evenly on the axle and they should be kept well painted and under cover. Jacob Rech, 8th and Girard ave., Paia., is a leading manufacturer.

BARTER. Dealing by an exchange of goods. This was the original mode of dealing before the use of money and is still very common wherever money and banking facilities are scarce. Country dealers are often obliged to take eggs, butter, etc., as pay for sugar, starch and soap, and when they can move the produce quickly and well, and are not paying too much for it, the barter seems to have a double profit, because they make something on the sale of the groceries and something on the sale of the produce. But it is often a great snare because of the following reasons: First, the produce may move slowly and so tie up capital, deteriorate in quality and demand much time and attention. Second: the feeling that there is a double profit in barter, leads dealers to pay the fullest price for goods taken in trade, relying on the grocery profit alone. But there is really no double profit. For keeping, handling, and selling groceries, one profit is realized: for receiving, shipping and selling the produce, another profit *should* be earned, and the dealer who does both for a single profit, is doing half his work for nothing. Third, it requires a good deal of sense to make a successful grocer, and many men who try to combine the business of buying and shipping produce, and its freights, account sales, drafts, returns and commissions, with that of keeping a grocery store, find out that they are not masters of both, but that one of them eats up all the profits of the other. Barter leads to a competition in buying which is worse than that which "cuts" in selling, because the dealer who

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BATH BRICK. A fine grained brick used in cleaning knives. It is said to be the only article kept by some drug-houses which they do not adulterate.

BAY RUM. A liquor obtained by distilling the leaves of the Bay-tree. Used as a perfume and tonic for the hair. Generally imported from the West Indies.

BEANS form a very popular vegetable while fresh, especially the Lima Bean. They are also extensively dried, in which state they may be kept almost indefinitely. When gathered before the bean is ripe, to be eaten pod and all, they are known as *String Beans*. For this purpose the *Wax Bean* is usually preferred.

Lima and String beans are canned in large quantities and the former, after drying, are often soaked in water and sold in that state in our winter markets as fresh beans.

BEE BREAD, is a mixture of honey and pollen, prepared by the bees as food for the larvae, which is sometimes found in honey, in the shape of bitter black wax.

BEEF. (*See Meats*).

BEER. Ordinary lager beer is now delivered by the brewers and bottlers, (who take the risk of the bottles), at such low figures as to preclude any advantage in handling to the retailer. Lauer's Bohemian Beer is however ordered by many families, in town and out, through their grocers.

BEESWAX, is obtained by pressing the honey from the honey-comb, then melting the residuum (mixed with water) and straining it through hair-bags. It is bleached by being spread in thin sheets in the sunlight. It is used in the making of candles