

Coining Money

Federal, Not State

Students will experience in a greatly simplified manner what would happen to interstate commerce if each state could create and regulate its own moneys.

GRADES	4 th and 5 th
TIME	1 class period
SUBJECTS	Civics, Social Studies
STRATEGIES	Class participation
TAGS	Federal, money, coin, interstate commerce, economy Rights
CONSTITUTION	Articles I, §§ 8 and 10

Overview

In this lesson plan students will experience in a greatly simplified manner what would happen to interstate commerce if each state could create and regulate its own money. They will divide into 4 states, make their own money, and then try to buy and sell with other states. Through this simple yet chaotic and unsuccessful experience they will understand why the Constitution prohibits states from "coining money" and assigns that job to the federal government.

Objectives

Students will know:

- the Constitution gives certain rights to the federal government only. It is the job of the federal government to create the laws and perform the duties that affect the whole country.
- the Constitution gives the right and duty to make, regulate the value of, and distribute money only to the federal government
- because the federal government is in charge of coining money, the same kind of money is used in every state

Placement in Teaching Schedule

Social Studies – Constitution

Language Arts – near the time Social Studies is studying the Constitution or when studying expressive and well-enunciated aloud reading

Performing Arts/Speech

Teaching Materials Needed

Various denominations of US money or images of them

10 paperclips in 5 different colors (ex. 2 red, 2 green, etc.)

10 sticky notes in 5 different colors

10 popsicle sticks or straws in 5 different colors

10 stickers in 5 different types

4 identical small bags of goods (ex: Fritos, cookies, erasers)

Glossary

- coin money - to make money, determine its value, and distribute it
- commerce - the buying and selling of goods and services
- distribute - to give out (money is distributed in every state through federal banks)
- federal - refers to the national government
- foreign - of, from, in, or characteristic of a country or language other than one's own
- Interstate commerce - all business or travel across state borders
- prohibit - forbid
- regulate value - formally determine what amount each coin or bill is worth. (penny = 1¢; nickel = 5¢)

Setting the Stage

(Suggested conversation with students)

The Constitution sets out many of the duties that the US government alone must handle. These duties are the ones that affect the whole country.

One of the powers specifically given to the federal government deals with something we all use without thinking about very much: money

Article 1 §8 Clause 5 gives the power to coin money and regulate its value to the US Congress.

Article I §10 prohibits states from making or regulating their own money. Let's take a little time to figure out why this is a job that only the national/federal government is allowed to do.

Look at the things in this classroom - books, shelving, desks, our clothing, (etc.) Do you think all of these things were created in our state? (no) Stores sell and we all buy and use things made from all over the country and from many places around the world. How do each of us or our families get them? (Buy them with money)

Do we all use the same kinds of money? (yes) Name some coins and what they are worth. (Show and have them name different denominations of US money) Would you use the same kind if you were in another state? Why was the right to make our money given exclusively to the federal government? Let's see what might happen if every state made its own money.

Activity

Divide the class into 4 groups and separate them. Give Group I 10 sticky notes of 5 different colors. Give Group II 10 paperclips in 5 sizes or colors. Give Group III 10 popsicle sticks marked in 5 different colors. Give Group IV 10 stickers of 5 different sizes, colors, or shapes.

Group I = Maryland - sticky notes

Group II = Virginia - paper clips

Group III = Pennsylvania - popsicle sticks

Group IV = New York - stickers

Tell the groups:

You are the lawmakers of 4 different states:

- Group I, you are Marylanders.
- Group II, you are Virginians.
- Group III, you are Pennsylvanians.
- Group IV, you are New Yorkers.

As state lawmakers, you must now "coin money", which means you will decide upon the value of the money for your state and then issue that money. These items you have are your state money. Notice that there are 5 different kinds of the item you have. Each kind will be one value of money, so you will have 2 matching things of each value. (Ex: BOTH red popsicle sticks must be the same value as each other AND a different value from the other popsicle sticks.) You decide what each of the 5 different kinds are worth as money. Maryland

might decide that red sticky notes are 1 cent or 100 dollars each; the yellows might be worth 18 dollars or any other amount. You decide but do make some small amounts and some larger. It is up to you but write down what each is worth and save the list.

When they have completed valuing their money, go over the values of each type of money.

Hand out 4 identical bags of goods, one per state. Each state must privately set the price of their bag in their own money. Then they must try to sell it to another state, and then buy another bag from a different state, keeping track of what they paid to buy and what they received when they sold. (Ex: Virginia sells to Maryland and buys from Pennsylvania or New York; Maryland sells to Pennsylvania and then buys from New York or Virginia)

The result will be a confused mess because the money values of some states are very different than others. It's possible that change cannot be given. Money of one state might not be usable in another. Ultimately some states will fare better than others, paying less for the same goods or charging more when they sell the same goods, but all states will end up with some money that their own state did not make and they may not understand what that "foreign" money is worth.

Have each state report what they paid to buy a bag and what they received when they sold it.

Contrast this with what really happens if someone in this classroom buys something any place in the whole nation. In every state the same money is used and understood because it is "coined" by the national government for the whole nation.

Summarize with the students.

Extension

Read together Article I § 8 and discuss the other powers given only to the federal government.

Sources

US Constitution Article I §8

- The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States
- To borrow Money on the credit of the United States

- To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes
- To establish a uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States
- To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures
- To provide for the Punishment of counterfeiting the Securities and current Coin of the United States
- To establish Post Offices and post Roads
- To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries
- To constitute tribunals inferior to the supreme Court
- To define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations
- To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water
- To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years
- To provide and maintain a Navy
- To make Rules for the Government and Regulation of the land and naval Forces
- To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions
- To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress
- To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dockyards, and other needful Buildings

- To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

US Constitution Article I §10

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing its inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Control of the Congress.

No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.