

Playing Store Without Money -- The Barter System in Pioneer Utah

Summary

Pioneers had wants and needs in Utah in the 1840's, 50's, and 60's, but the lack of cash severely dampened the economy. The influx of even a little cash went a long way toward building Utah's economy.

Time Frame

1 class periods of 45 minutes each

Group Size

Individual

Life Skills

Thinking & Reasoning

Materials

Each participating student needs to bring something worth 1; You need three 1 bills;

Background for Teachers

The early Pioneers had almost no cash. When they traded onions for a haircut, for example, the dealing was over. If the onions were traded for cash, however, that cash would have no real value until traded again, perhaps for flour. This same money would continue to stimulate economic activity until it left the area. More cash money would be needed for Utah to build a thriving economy.

Intended Learning Outcomes

Students will role play a stagnant economy and then role play an emerging economy. Students will recognize the way in which different people assign different monetary values to objects.

Instructional Procedures

There are limitations in using a simple barter system. Utah was primarily a barter system in the mid 1800's and the story of William Palmer's father illustrates these limitations.

Assign students to bring something worth 1 dollar to trade in class. It is important that items are very close to this same amount.

Read (or tell) the selection about William R. Palmer's father and the letter (page 37).

All students who have something are allowed to trade items with each other. No money is allowed. I would suggest that no services be allowed, and that each student be allowed only one item totaling 1 dollar.

Eventually the trading will stop as students are convinced that they cannot make a better trade. (Some will be happy with their item, others will find no one willing to trade for their item.)

At this point allow yourself, or another student, to enter the trading with a 1 dollar bill. There should be several (many) students willing to trade for the cash. Allow the bill to change hands as many times as it will.

Throw 2-3 more students with cash into the trading and see if it will stimulate more trading.

Have a class discussion about the effects of a fluid medium of exchange (cash), and why it stimulates the economy. (Ease of handling, definite value, unlimited lifespan, universal value, etc.)

Explain how the pioneer economy was stagnant. And remained so until the gradual influx of cash,

generally brought in by California emigrants or U.S. soldiers, stimulated the market.

Read the selection about Ebenezer Hanks (page 38).

Assign the students to explain, in writing, the barter system, and the function of cash in the pioneer economy.

Bibliography

Palmer, William R. Utah Historical Quarterly, Vol. 31, p.36 (Utah State Historical Society,)

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