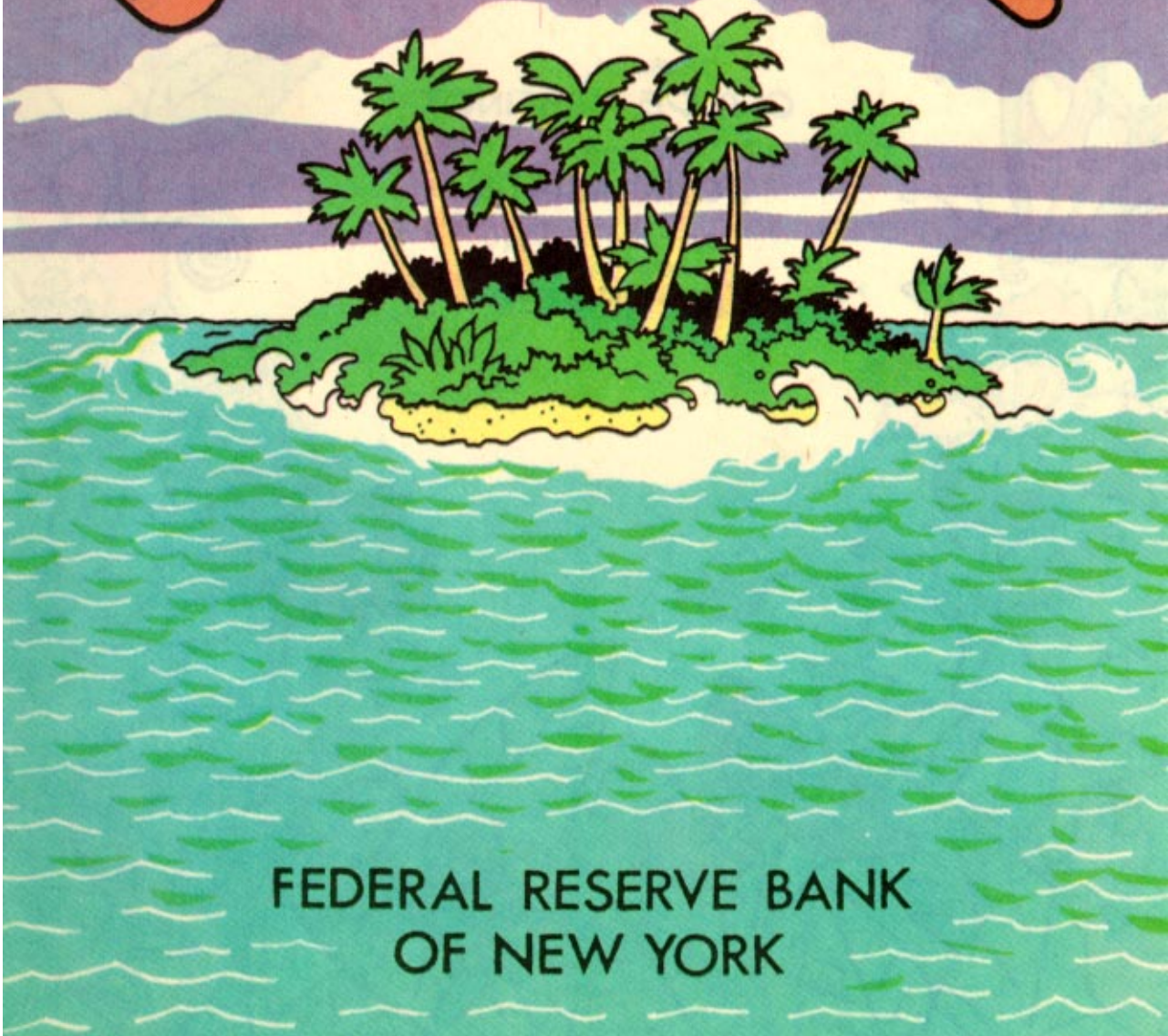
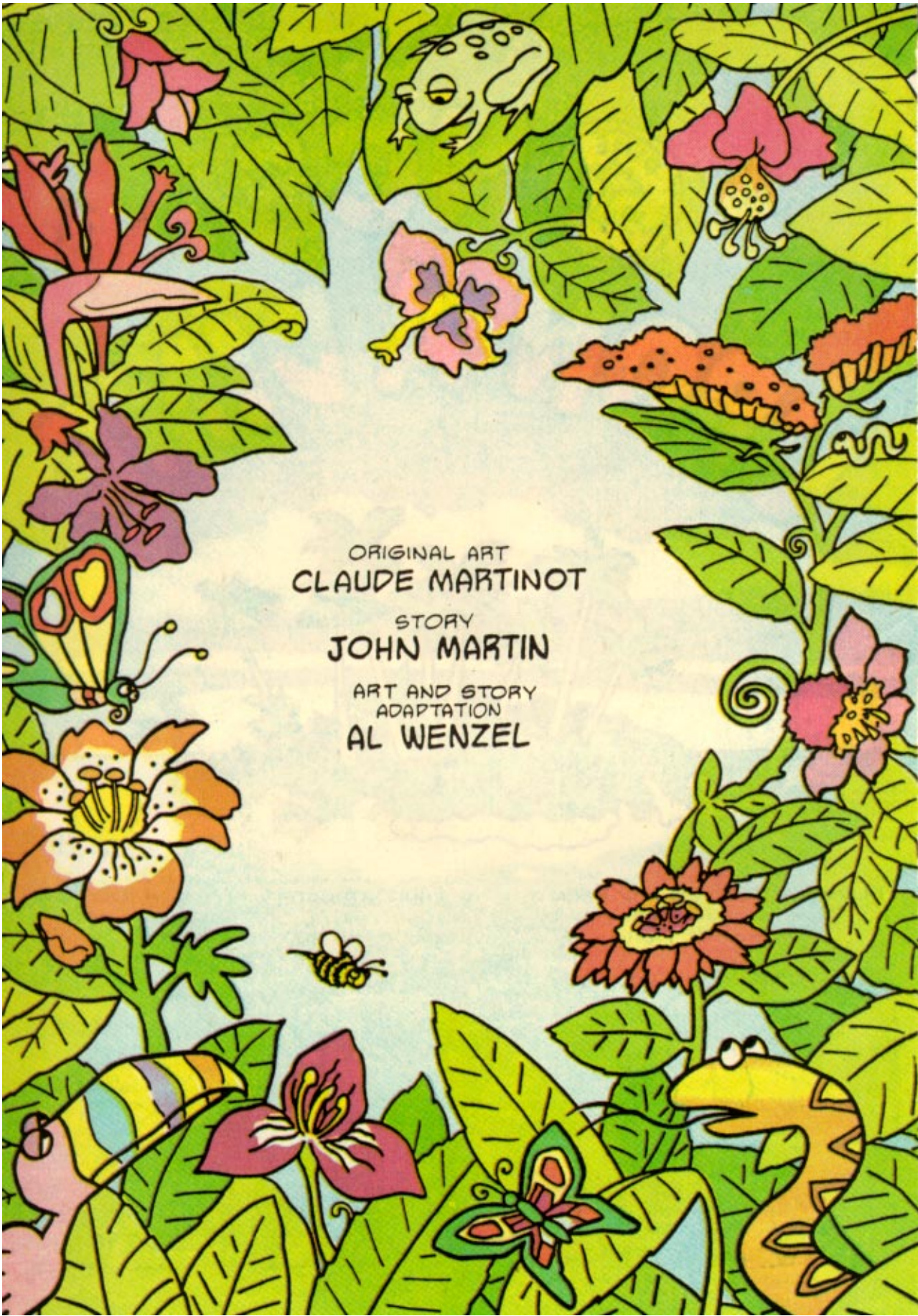
 ONCE
UPON A DIME



FEDERAL RESERVE BANK
OF NEW YORK

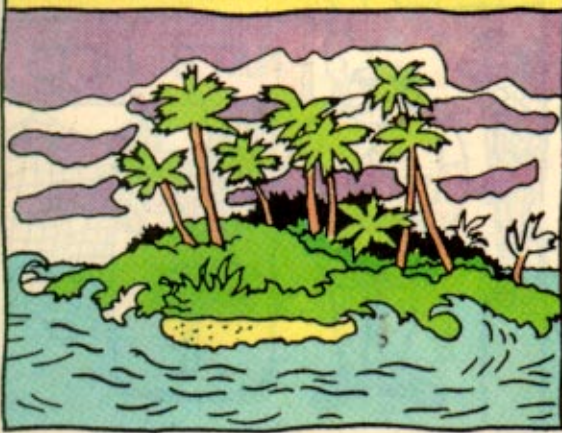


ORIGINAL ART
CLAUDE MARTINOT

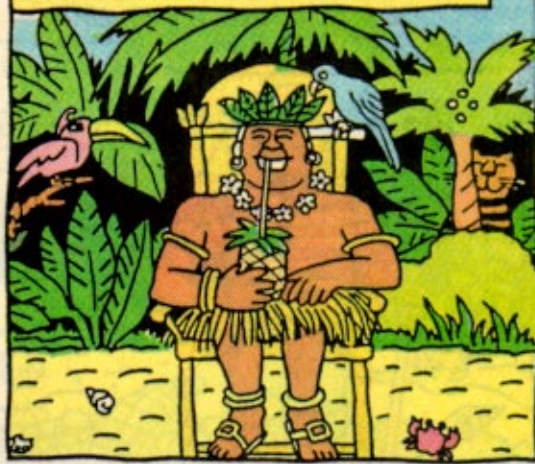
STORY
JOHN MARTIN

ART AND STORY
ADAPTATION
AL WENZEL

ONCE, LONG AGO, IN THE MIDDLE OF A VERY BIG OCEAN, THERE WAS A VERY SMALL ISLAND CALLED MAZUMA.



MAZUMA WAS RULED BY A VERY WISE KING NAMED KING BOMBA.



KING BOMBA WAS VERY PROUD OF HIS LITTLE ISLAND AND THE PEOPLE WHO LIVED ON IT. THEY WORKED HARD... HAD FUN... AND STAYED OUT OF TROUBLE.

WE SURE WORK HARD.

YES, BUT IT KEEPS US OUT OF TROUBLE.



FORTUNATELY, THEY HAD USEFUL SKILLS. MR. AND MRS. WINGIT HAD BEEN TRAPEZE ARTISTS IN THE CIRCUS. THEY SUPPLIED THE ISLAND WITH COCONUTS AND BANANAS.

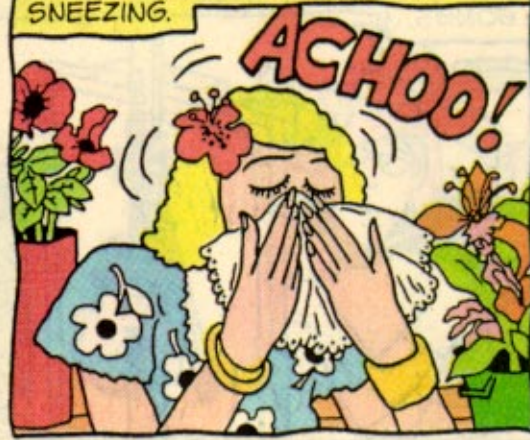


THAT'S ENOUGH COCONUTS, HONEY.

BLOSSOM FRISBEE HAD BEEN A FLORIST. NOW SHE WAS IN CHARGE OF GROWING THE ISLAND'S FLOWERS.



UNFORTUNATELY, BLOSSOM WAS ALLERGIC TO CERTAIN TYPES OF FLOWERS AND DID A LOT OF SNEEZING.



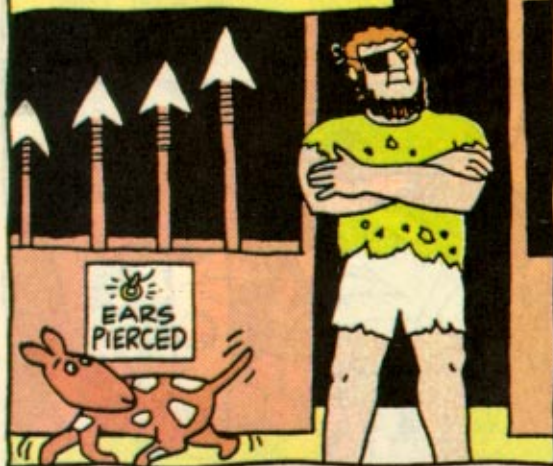
CAPTAIN SHARKY, WHO HAD LOST HIS ROD AND REEL IN A SHIPWRECK, WAS VERY GOOD AT USING A NET OR SPEAR TO CATCH FISH.



SHARKY TRADED WITH THE ISLAND'S NETMAKER, NAT THE NET, FOR HIS NETS ...



... AND WITH SPIKE THE SPEAR-MAKER FOR HIS SPEARS.



DR. MILLICENT DILIGENT HAD MANAGED TO SAVE ALL HER MEDICAL SUPPLIES WHEN HER HOSPITAL SHIP SANK. NOW, SHE TOOK CARE OF EVERYONE WHEN THEY GOT SICK.



AND ... THERE WAS BLOOMFIELD. HE WAS AN ARTIST WHO LIKED TO PAINT, PLAY THE VIOLIN AND WRITE SONGS.



BLOOMFIELD SPENT A LOT OF HIS TIME ON THE BANKS OF MAZUMA'S ONLY RIVER, THE MAZUMAZIPPY. THERE HE COLLECTED LITTLE SHINY STONES.

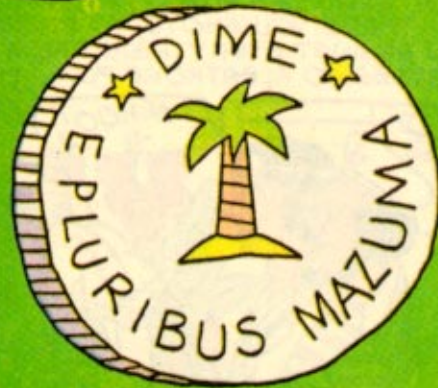


BLOOMFIELD'S GREATEST ENJOYMENT WAS PAINTING HIS FAVORITE INITIALS ON THESE LITTLE STONES.

D FOR DELIGHTFUL, I FOR IMAGINATION, M FOR MINERAL, AND E FOR EUREKA WHICH MEANS "I HAVE FOUND IT."



D-I-M-E WERE THE INITIALS, SO BLOOMFIELD CALLED EACH ONE A DIME.



BLOOMFIELD THOUGHT HIS DIMES LOOKED VERY PRETTY, AND HE KEPT TRYING TO TRADE THEM FOR FOOD AND CLOTHING AND OTHER NECESSITIES-- BUT NO ONE WANTED TO TRADE WITH HIM.

I'LL GIVE YOU A DIME FOR A PINEAPPLE.



NO WAY!

MEANWHILE, ALL THE OTHER RESIDENTS OF MAZUMA WENT ON HAPPILY TRADING WITH EACH OTHER. SOMETIMES THE TRADING GOT VERY COMPLICATED.



ONE DAY IT GOT ESPECIALLY COMPLICATED-- THE DAY THAT CAPTAIN SHARKY AND DR. MILLICENT DILIGENT DECIDED TO GET MARRIED.

I LOVE YOU, MILLICENT. WILL YOU MARRY ME?

YES, SHARKY. I LOVE YOU, TOO.



I'D LIKE A BEAUTIFUL WEDDING WITH LOTS OF FLOWERS.

THEN THERE'S ONLY ONE THING TO DO. LET'S GO TRADE WITH BLOSSOM FRISBEE.



BLOSSOM GREETED THEM WITH A BIG SMILE— AND TWO QUICK SNEEZES.

SHARKY AND I WANT LOTS OF YOUR VERY BEST FLOWERS FOR OUR WEDDING. I CAN TRADE YOU SHOTS TO PROTECT YOU AGAINST EVERYTHING FROM MAZUMA MEASLES TO ALBATROSS POX.



OR I'LL TRADE YOU TEN OF MY VERY FINEST FISH.

THANKS, BUT I ALREADY HAVE MORE FISH THAN I NEED AND I'VE HAD MY SHOTS.



THERE IS SOMETHING I COULD USE, AND THAT'S A MOSQUITO NET. WHY DON'T YOU GO TRADE YOUR FISH FOR A NET FROM NAT THE NET, THEN BRING IT TO ME AND I'LL TRADE YOU MY FLOWERS.



THAT'S A WONDERFUL IDEA. WE'LL GO SEE NAT.



NAT DIDN'T NEED ANY FISH JUST THEN EITHER, AND HE DIDN'T WANT ANY SHOTS. BUT HE WAS SHORT OF COCONUT MILK.

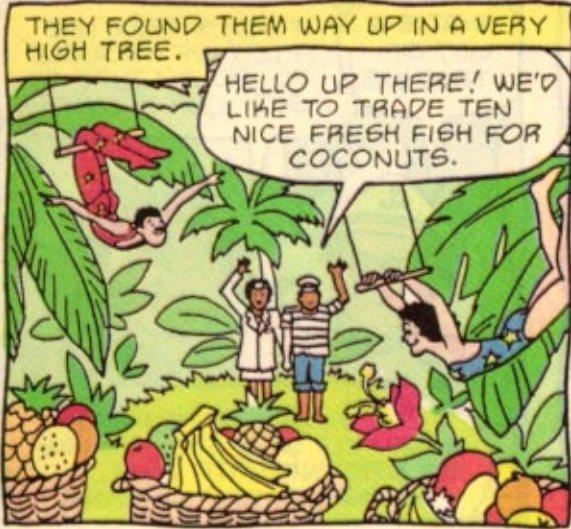
I'VE GOT IT. WHY DON'T YOU GO FIND THE WINGITS AND TRADE YOUR FISH FOR THEIR COCONUTS? THEN BRING ME THE COCONUTS AND YOU CAN HAVE THE NET.



AND SO SHARKY AND DOCTOR DILIGENT WENT OFF TO FIND THE WINGITS.

THIS IS GETTING COMPLICATED!





SO SHARKY AND DR. DILIGENT SET OFF ONCE AGAIN TO TRY AND MAKE A TRADE. THEY SAT DOWN ON THE RIVERBANK AND TRIED TO FIGURE IT ALL OUT.



JUST THEN, WHO SHOULD COME ALONG BUT BLOOMFIELD AND KING BOMBA.



YOU SEE, WE WANT LOTS OF FLOWERS FOR OUR WEDDING, BUT BLOSSOM DOESN'T NEED SHARKY'S FISH AND SHE DOESN'T WANT MY SHOTS. HOWEVER, SHE CAN USE A NET TO KEEP OUT MOSQUITOES.



IF SPIKE WILL TRADE A SPEAR FOR MY FISH, THEN WE CAN TRADE THE SPEAR FOR SOME COCONUTS, THE COCONUTS FOR A NET, AND THE NET FOR THE FLOWERS.

THAT'S A LOT OF TRADING!

IT DOES SEEM LIKE A LOT OF TROUBLE TO GO TO JUST TO GET YOUR FLOWERS.

I WISH THERE WERE A WAY TO GET THE THINGS WE NEED WITHOUT THIS COMPLICATED TRADING.

YOU KNOW WHAT WE NEED? WE NEED SOMETHING THAT EVERYONE ON MAZUMA WOULD ACCEPT. SOMETHING WE COULD ALL USE TO MAKE TRADING EASIER.

WHY NOT FISH?

WOULDN'T FISH BE A BIT INCONVENIENT TO CARRY AROUND? AND THEY DON'T KEEP VERY WELL, EITHER.

WE NEED SOMETHING THAT'S SMALL, THAT'S EASY TO CARRY, AND THAT DOESN'T SMELL BAD AFTER A FEW DAYS.

THAT GIVES ME A WONDERFUL IDEA. WHY NOT BLOOMFIELD'S DIMES? THEY'RE SMALL, LIGHT, AND EASY TO CARRY AROUND.

THERE'S JUST ONE PROBLEM. ANYONE WHO WANTED TO CHEAT COULD JUST PICK UP SOME OF THESE STONES AND PAINT D-I-M-E ON THEM.

BUT NOBODY WOULD KNOW MY SECRET FOR GETTING JUST THE RIGHT COLORS. DON'T WORRY-- NO ONE CAN IMITATE MY DIMES.



LET'S SEE WHAT THE OTHERS THINK.

SO MAZUMA HELD ITS FIRST CONFERENCE ON MONEY, AND EVERYONE APPROVED THE IDEA OF TRADING WITH BLOOMFIELD'S PAINTED STONES. SOON, THE FIRST OFFICIAL MAZUMA DIMES WERE ISSUED.

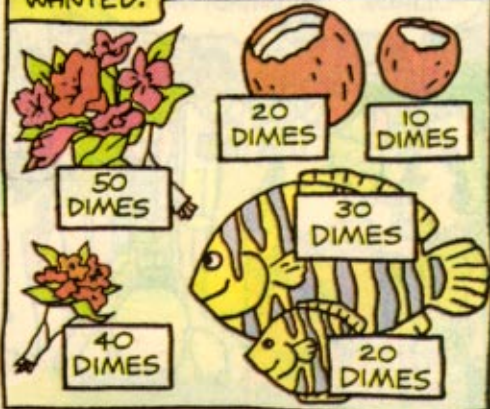
THE VOTE IS UNANIMOUS TO USE BLOOMFIELD'S DIMES.



NOW, WHENEVER PEOPLE WANTED ANYTHING, THEY DIDN'T HAVE TO WORRY ABOUT GOING FROM ONE PERSON TO ANOTHER TO GET A SATISFACTORY TRADE. MONEY HAD BEEN INVENTED.



ALL MAZUMA'S RESIDENTS HAD TO DO WAS PAY THE RIGHT NUMBER OF DIMES AND THEY COULD GET WHATEVER THEY WANTED.



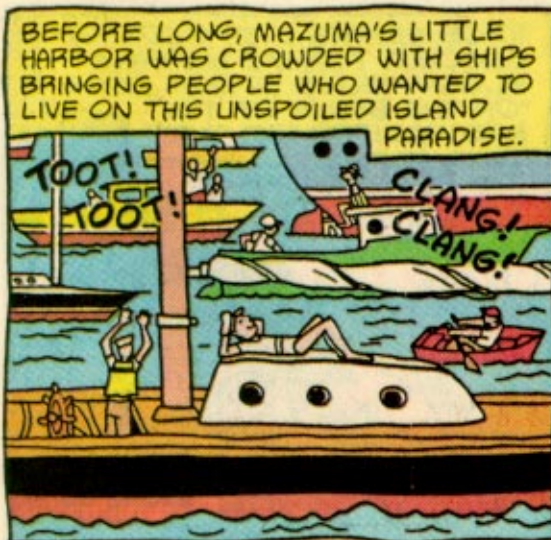
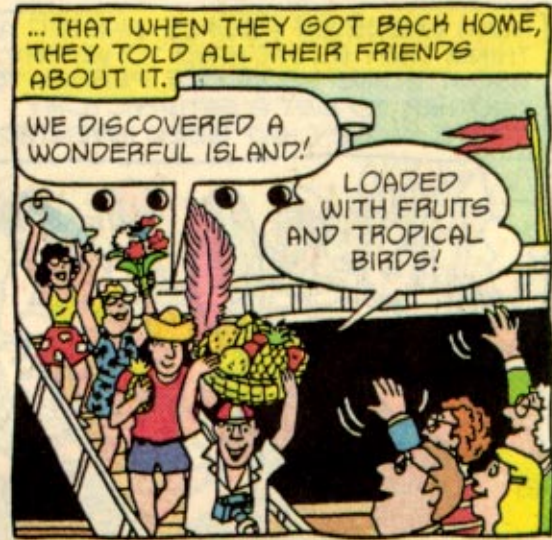
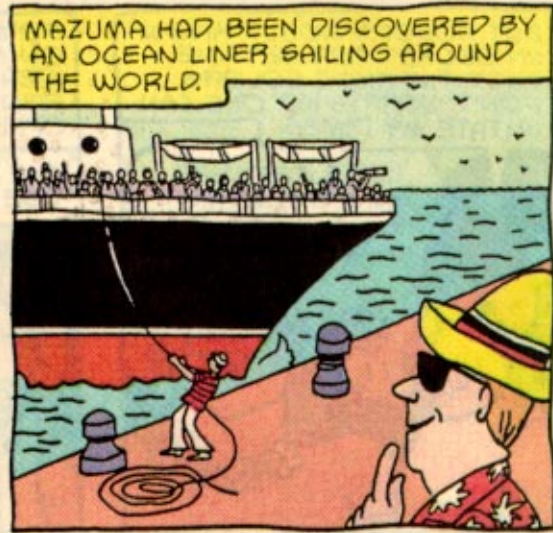
AND SO SHARKY AND DR. DILIGENT WERE MARRIED-- AND THERE WERE LOTS AND LOTS OF FLOWERS AT THEIR WEDDING.

DO YOU TAKE THIS MAN TO BE YOUR LAWFULLY WEDDED HUSBAND?



TO CELEBRATE, EVERYBODY HAD COCONUT FLAMBÉ AND SANG BLOOMFIELD'S LATEST SONG, "ON THE BANKS OF THE MAZUMAZIPPY FAR AWAY"





BUT HIS BIGGEST PROBLEM WAS DECIDING WHAT TO DO ABOUT BLOOMFIELD'S DIMES. BIG PURCHASES TOOK SO MANY DIMES THAT SHOPPING BECAME VERY INCONVENIENT

70,000 DIMES

I STILL NEED ANOTHER LOAD AND A HALF.

WHAT ARE WE GOING TO DO ABOUT THE DIME PROBLEM, BLOOMFIELD? IT JUST TAKES TOO MANY OF THEM FOR BIG PURCHASES.

FUNNY YOU SHOULD MENTION THAT, KING BOMBA.

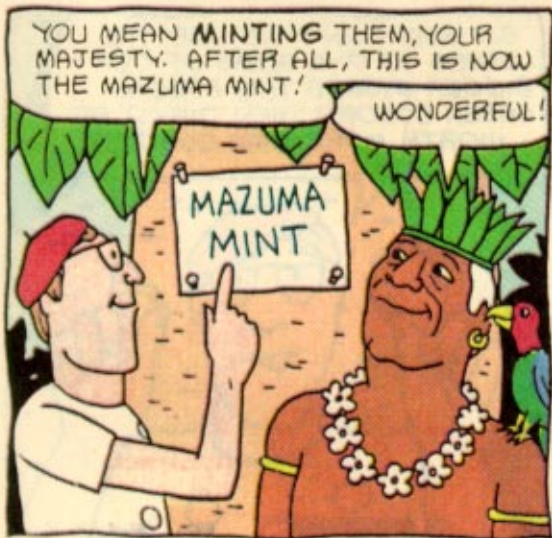
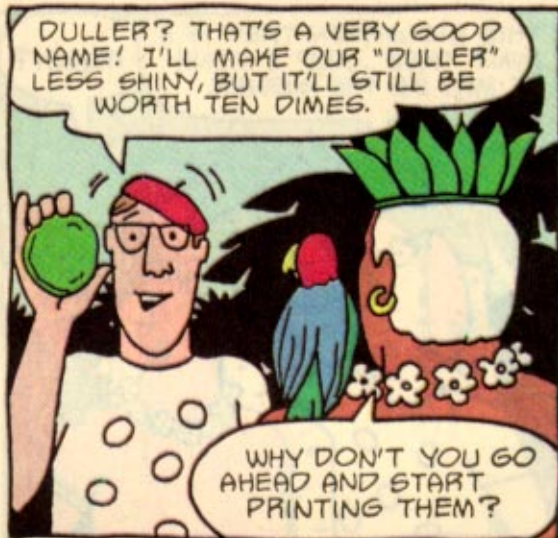
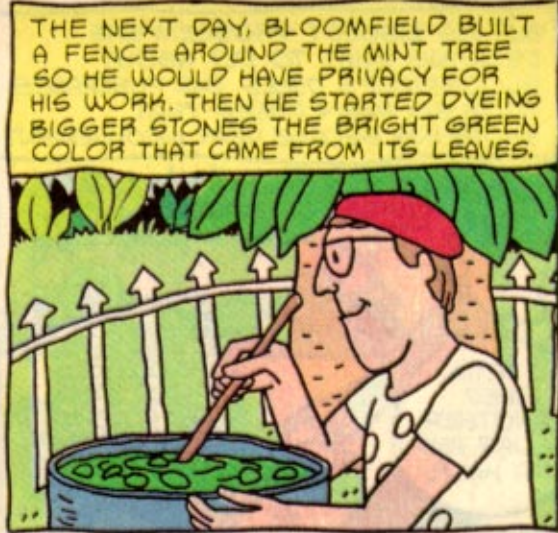
THIS BIG GREEN TREE IS A MINT TREE ... AND I THINK IT MAY BE THE ANSWER.

REALLY?

WELL, I MUST SAY IT SMELLS NICE... BUT HOW CAN IT SOLVE OUR PROBLEM?

WELL, YOU SEE, I'VE ALWAYS USED ITS BRIGHT GREEN LEAVES AS A DYE FOR MY GREEN PAINT.

SO WHY DON'T WE USE THE LEAVES TO DYE SOME OF OUR BIGGER STONES THIS SPECIAL GREEN COLOR? THEN THEY'D BE WORTH MORE THAN OUR DIMES.



THE PEOPLE OF MAZUMA LIKED THE NEW DULLER COINS. THEY WERE MORE CONVENIENT THAN DIMES BECAUSE FEWER WERE NEEDED--BUT THEY WERE A BIT HEAVY TO CARRY AROUND.

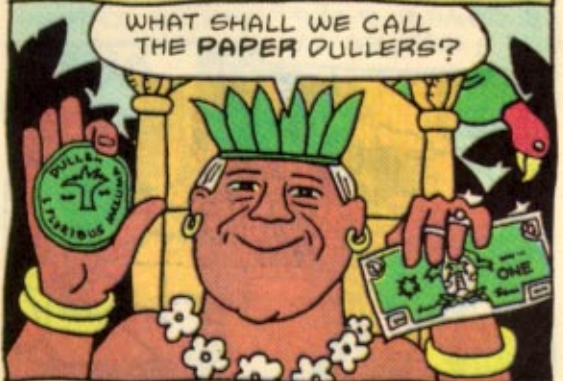


AT THE WEEKLY COMMUNITY MEETING, SOMEONE SUGGESTED USING PAPER INSTEAD OF STONES SO THAT MAZUMA'S MONEY WOULD BE LIGHTER

YOU HAVE TO BE VERY STRONG TO CARRY 10 AND 20 DULLER COINS!



THAT SEEMED LIKE A GOOD IDEA, SO KING BOMBA DECREED THAT BLOOMFIELD ISSUE BOTH STONE DULLERS AND PAPER DULLERS SO THAT PEOPLE COULD HAVE THEIR CHOICE.



IMMEDIATELY EVERYONE BEGAN TO HOLLER OUT SUGGESTIONS.



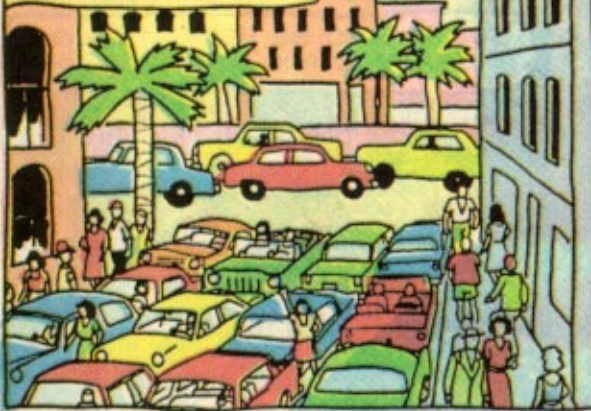
THIS UPSET THE KING.



THE PAPER DOLLARS, WHICH WERE LIGHT AND EASY TO CARRY AROUND, PROVED TO BE VERY POPULAR. IN FACT, THEY WERE SO POPULAR THAT SOON MAZUMA'S SHOPS AND INDUSTRIES BEGAN TO GET VERY BUSY.



AS PEOPLE MADE A PROFIT FROM THEIR BUSINESS OR RECEIVED THEIR PAY, THEY BEGAN LOOKING FOR A PLACE TO PUT THEIR EXTRA MONEY.



KING BOMBA HAD AN IDEA.

WHAT WE NEED IS A LOCATION THAT'S QUIET, RESTFUL, AND DIGNIFIED.

WHY NOT THE RIVERBANK? WE COULD BUILD A STOREHOUSE FOR OUR EXTRA MONEY THERE.



AND SO MAZUMA GOT ITS FIRST PLACE TO STORE MONEY. IT WAS CALLED A BANK BECAUSE IT WAS ON THE BANK OF THE RIVER.



EVERYONE WAS HAPPY KEEPING MONEY IN THE RIVER BANK. OF COURSE, IT WAS A LITTLE INCONVENIENT HAVING TO GO TO THE BANK TO TAKE OUT MONEY TO PAY FOR EVERY PURCHASE. BLOOMFIELD KEPT TRYING TO THINK OF A SIMPLER WAY.



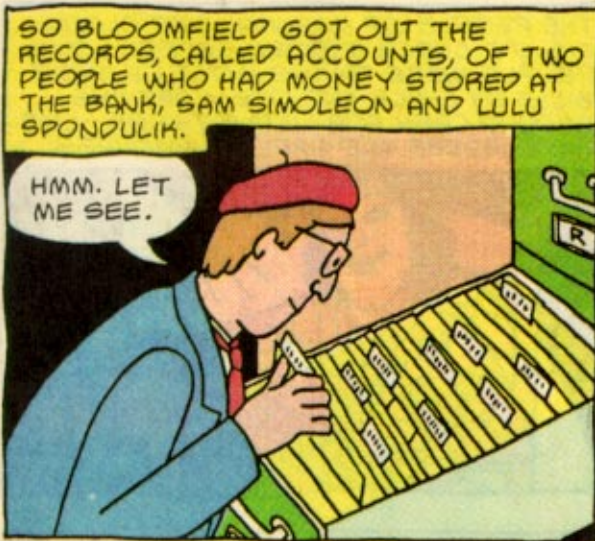
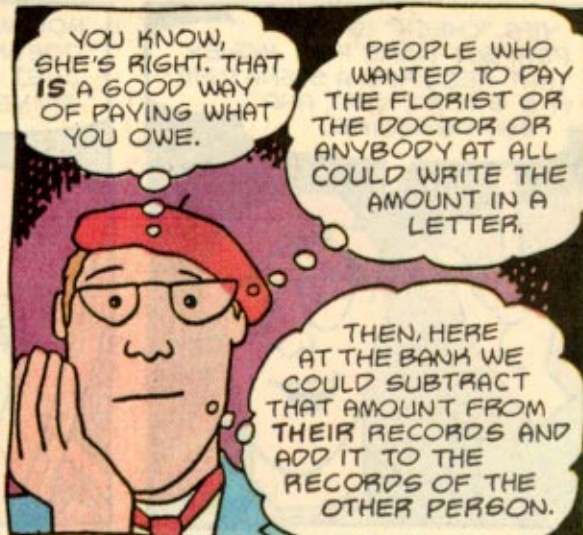
ONE DAY, KING BOMBA WAS TOO ILL TO GET OUT OF BED. HE NEEDED MONEY TO PAY DR. DILIGENT, SO HE WROTE A LETTER TO BLOOMFIELD AT THE BANK.



HE ASKED BLOOMFIELD TO DRAW \$20 FROM HIS BANK ACCOUNT TO GIVE TO MILLICENT THE NEXT TIME SHE CAME IN.

WHEN BLOOMFIELD GOT THE LETTER HE DIDN'T KNOW QUITE WHAT TO THINK. BUT HE SAW THAT IT WAS FROM KING BOMBA AND HAD THE OFFICIAL SEAL OF MAZUMA.

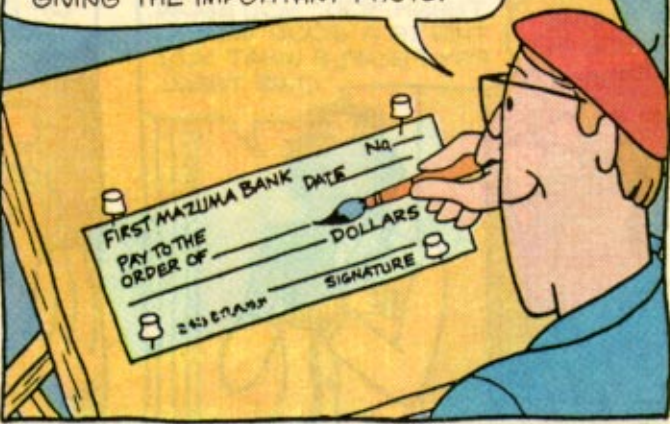




YES, "CHECK" IS THE PERFECT NAME FOR MONEY THAT REQUIRES A SIGNATURE-- IT'S SHORT, NEAT, AND BUSINESSLIKE.



NOW WHAT SHOULD IT LOOK LIKE? IT DOESN'T HAVE TO BE A LONG LETTER... JUST A SMALL PIECE OF PAPER GIVING THE IMPORTANT FACTS.



THERE! ALL SOMEONE HAS TO DO IS WRITE IN THE DATE, THE NAME OF THE PERSON TO BE PAID AND THE AMOUNT... AND SIGN THEIR NAME.



THE PEOPLE OF MAZUMA LIKED BLOOMFIELD'S CHECK SYSTEM. BEFORE LONG, PEOPLE WERE PAYING MOST OF THEIR BILLS BY CHECK AND ONLY CARRYING AROUND CASH FOR LITTLE THINGS-- LIKE HAMBURGERS AND APPLE TURNOVERS.



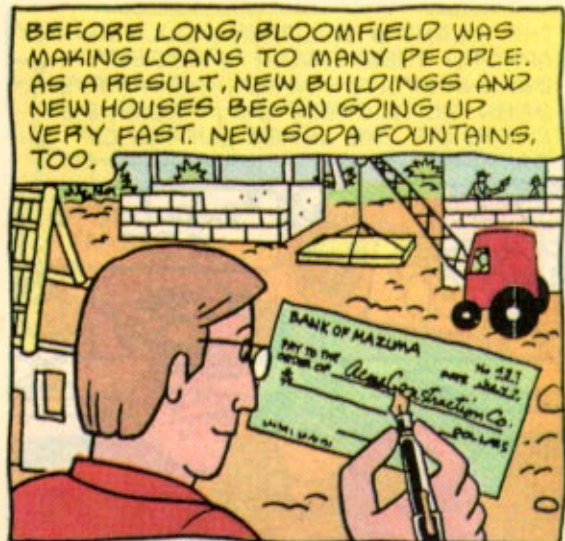
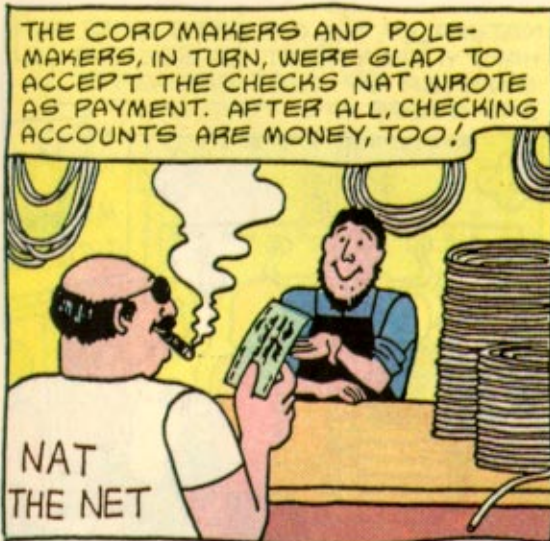
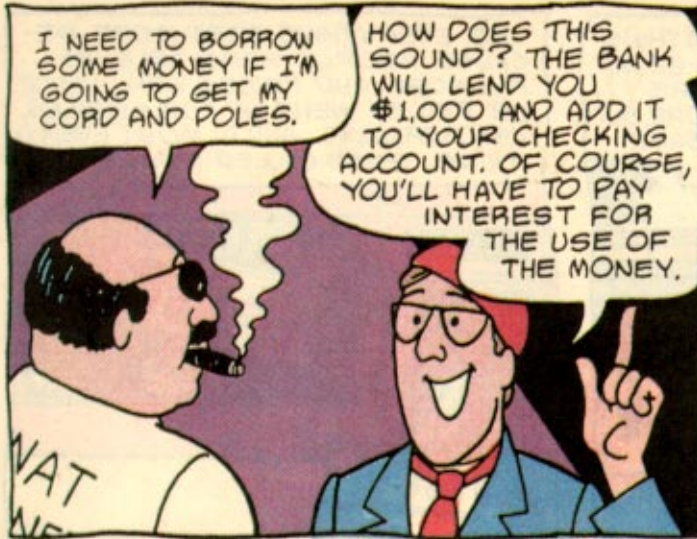
SINCE BLOOMFIELD WAS IN CHARGE OF THE BANK, HE WAS NOW CALLED A BANKER. HE HANDLED MAZUMA'S MONEY, WHICH WAS MADE UP OF BOTH CASH AND CHECKING ACCOUNTS.



ONE DAY, NAT THE NET CAME IN AND BLOOMFIELD GOT INVOLVED IN SOMETHING NEW... LENDING MONEY.

I'M SHORT OF MONEY BUT UNLESS I PAY FIRST, I CAN'T GET CORD AND POLES TO MAKE MY NETS. THAT'S QUITE A PROBLEM.





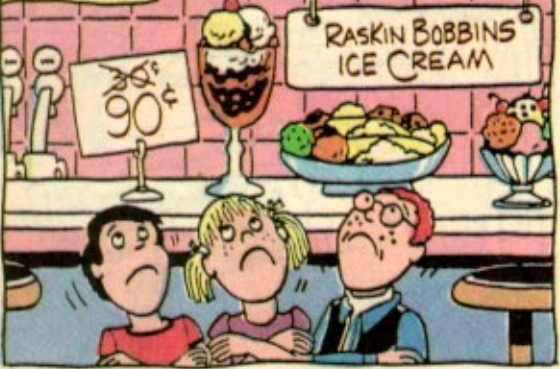
UNFORTUNATELY, HOWEVER, SOMETHING UNEXPECTED HAPPENED--PRICES BEGAN INCREASING. EVERYONE HAD MORE MONEY TO SPEND THAN BEFORE, BUT THERE WERE STILL JUST THE SAME NUMBER OF THINGS TO BUY...



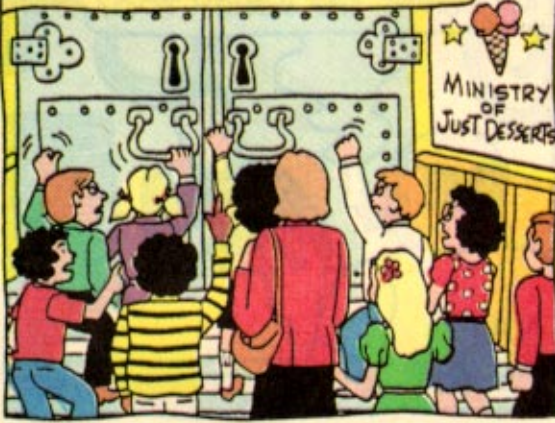
...SO EVERYTHING COST MORE BECAUSE PEOPLE WERE ABLE TO PAY MORE, AND PRICES WENT UP, UP, UP. PRICES WENT UP FOR MARBLES, CRACKERJACKS...AND ALMOST EVERYTHING. THAT'S CALLED INFLATION.



THE ISLAND'S CHILDREN COULD HARDLY AFFORD THEIR FAVORITE DESSERT--BANANA SPLITS--WHICH HAD ALWAYS BEEN QUITE CHEAP ON MAZUMA BECAUSE OF THE LARGE SUPPLY OF BANANAS.



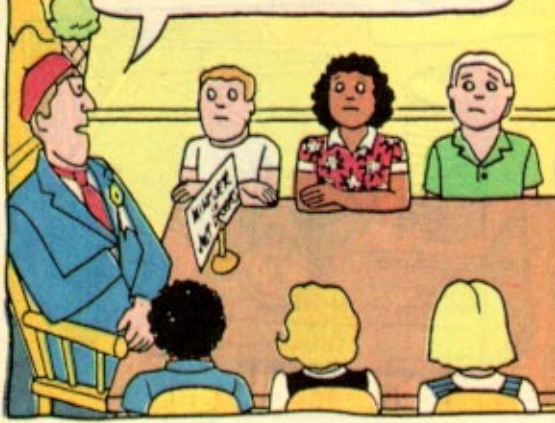
NATURALLY, THE CHILDREN WERE UNHAPPY. THEY WENT TO SEE THE MINISTER OF JUST DESSERTS... AND GUESS WHO THAT WAS?

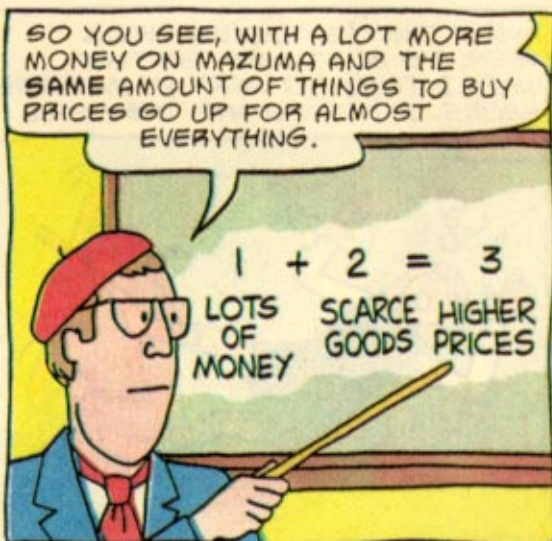


THE CHILDREN WANTED BLOOMFIELD TO ANSWER TWO IMPORTANT QUESTIONS.



LET'S TAKE A LOOK AT WHAT'S BEEN HAPPENING WITH SPIKE THE SPEARMAKER-- PERHAPS IT WILL HELP US UNDERSTAND.





EXCUSE ME, MY NAME IS GWENDOLYN GRENDEL AND THIS IS MY FATHER, THE PRESIDENT OF MAZUMA'S SECOND RIVER BANK. I HAVE AN IDEA THAT MIGHT HELP.



"EACH YEAR, MY MOTHER BUYS ME NEW SHOES BECAUSE MY FEET KEEP GROWING. AFTER ALL, IF MY SHOES ARE TOO SMALL MY FEET WILL SUFFER."



"AND IF THEY'RE TOO BIG--WELL THEN IT'S JUST LIKE THE TIME WHEN I TRIED TO WEAR MY MOTHER'S SHOES. I TRIPPED AND THEY FELL OFF."



OH, I SEE WHAT YOU'RE GETTING AT, GWENDOLYN. JUST AS YOUR GROWING FEET NEED THE RIGHT FIT WITH SHOES, MAZUMA'S GROWING ECONOMY NEEDS THE RIGHT FIT WITH MONEY.

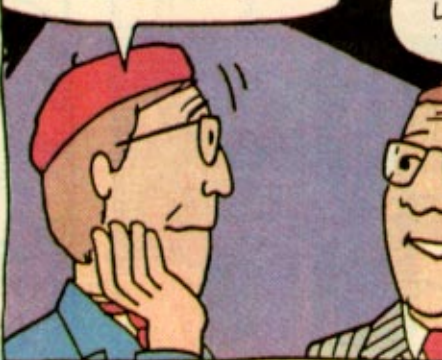


THAT'S IT!

OF COURSE, IT CAN'T BE AS EXACT A FIT AS SHOES. ONE WAY TO HELP WOULD BE TO KEEP THE BANKS FROM LENDING MONEY TOO QUICKLY.

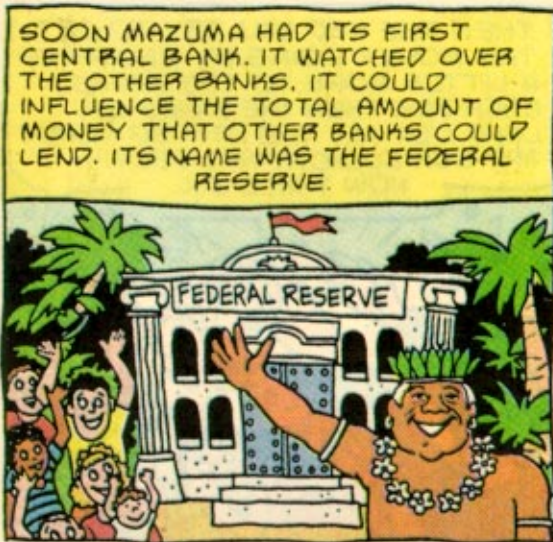
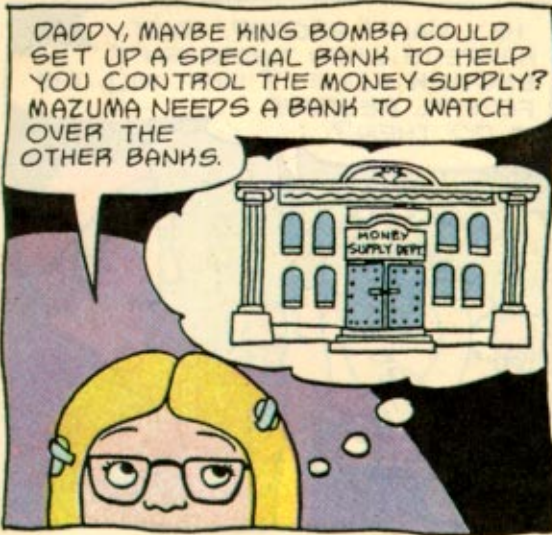


HMM... THAT MAY BE THE ANSWER. IF WE SLOW DOWN THE TOTAL AMOUNT THAT BANKS LEND, IT MIGHT SOLVE THE PROBLEM OF TOO MUCH MONEY.



YES. IF WE SET ASIDE A CERTAIN PART OF OUR MONEY AND DIDN'T LEND IT, THAT WOULD WORK.





OH, WHEN PRICES CLIMB UP HIGHER THAN THE PALM TREES, AND THE DOLLAR BUYS A LITTLE LESS EACH DAY, THEN IT'S TIME THE FEDERAL RESERVE MADE LENDING HARDER FOR THE BANKS OF MAZUMA FAR AWAY!



HEY, WAIT A SECOND! WHAT HAPPENS WHEN THERE ISN'T ENOUGH MONEY? WHAT WILL THE FEDERAL RESERVE DO THEN?



I'M GLAD YOU ASKED THAT. NEXT VERSE EVERYONE.



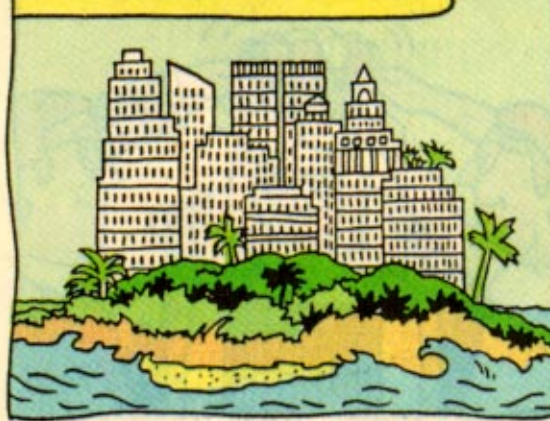
THEN THE FED WILL TRY TO GET THE MONEY GOING, BY RELEASING A LITTLE MORE TO THE BANKS EACH DAY. THEN THE BANKS CAN LEND OUT ALL THE NEEDED MONEY AND OUR ECONOMY WILL GROW— NOW THAT'S O.K.



OH, THERE'S MONEY IN THE BANKS ON THE 'ZUMAZIPPY, AND THERE'S REALLY ONLY ONE BIG THING TO SAY, THAT THE FED'RAL RESERVE MUST TRY TO KEEP THE MONEY BALANCED IN THE BANKS OF MAZUMA FAR AWAY!



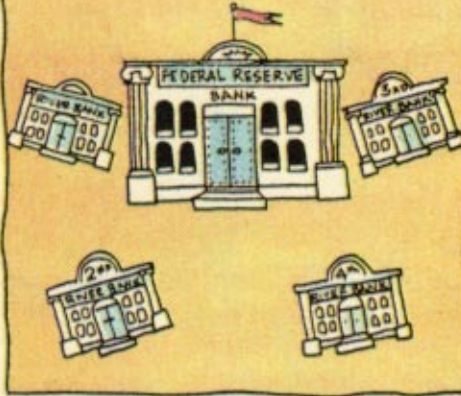
SO, THAT'S THE STORY OF HOW MAZUMA, KING BOMBA'S LITTLE ISLAND KINGDOM, DEVELOPED A MODERN ECONOMY.



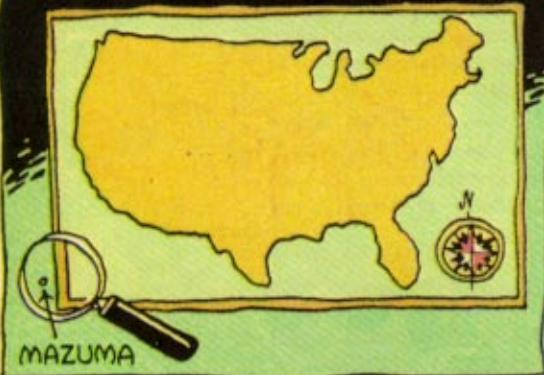
FIRST, MONEY REPLACED TRADING. THEN, BANKS WERE DEVELOPED-- FIRST AS STOREHOUSES FOR MONEY AND THEN AS OPERATORS OF THE CHECK SYSTEM AND THEN AS LENDERS.



THEN THE FEDERAL RESERVE, OR CENTRAL BANK, WAS ESTABLISHED TO MAKE SURE THE BANKS DIDN'T LEND TOO MUCH OR TOO LITTLE.



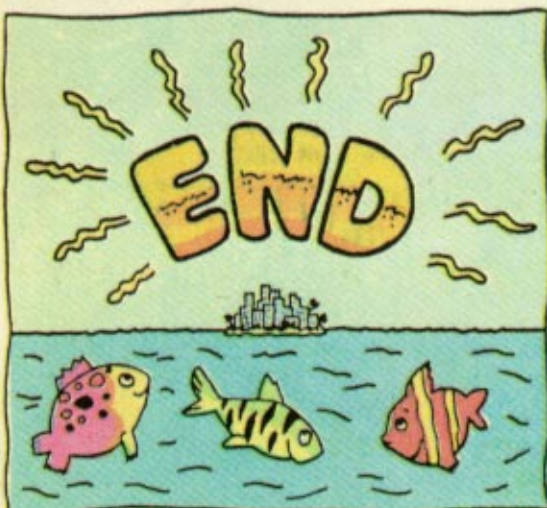
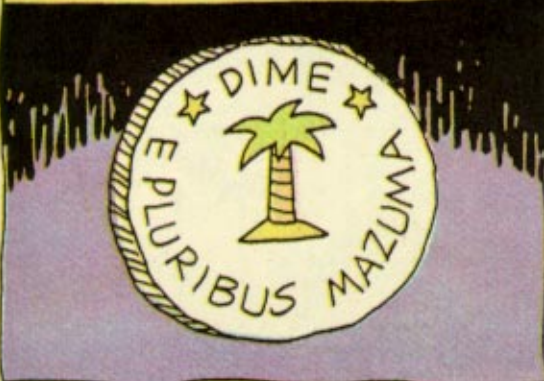
IN FACT, AMERICANS HAVE BEEN USING THE MAZUMA SYSTEM FOR MANY YEARS. OF COURSE, AMERICA IS SOMEWHAT LARGER THAN MAZUMA...



...AND THEREFORE THINGS ARE A LITTLE MORE COMPLICATED. BUT THE IDEA IS BASICALLY THE SAME.



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