



飛錢

Paper Money

The Chinese invented paper money in the ninth century. Paper money was originally called “flying money” because it was so light and could “fly” out of one’s hand. In previous centuries, the Chinese had used copper and sometimes iron as currency.

However, this metal money was difficult to carry and transport because it was so heavy. When copper became scarce and printing on paper became more widespread, merchants began to issue their own bills of exchange and letters of credit—paper certificates that could be exchanged for cash—to customers and other merchants. In 1024, the Song government took over the printing of paper money and began to issue official certificates, which were used as currency. The idea of paper representing metal money led the Islamic money changers in the marketplaces to develop a checking system. Gradually, paper money and checking systems spread to the rest of the world.