

Carlyle House

DOCENT DISPATCH

September 2010

Northern Virginia Regional Park Authority 

Colonial Currency by Heather Dunn

Today we hear ads on the radio with plans and scams to get out of debt. Television specials spotlight families that are “debt free.” No one feels comfortable owing a person money. However, in the 18th century debt was looked at through a different lens. Cash was not readily available. Most people made all their purchases with credit, with no intention of ever paying it back with cash as we do today. It would be with the promise of goods or services later. Workers were also not always paid in cash; they could receive goods, land, or even rum in exchange for their work.



materials they needed to import. These strategies would increase the amount of money the country held in its treasury.

This system left the colonists with little hard money.

Colonists therefore had to barter with goods and services. A tobacco crop was a 13 month cycle. Successful colonists kept very good books. Many of the account books of George Washington and Thomas Jefferson survive today and tell us not only every meticulous purchase but who was buying it for them. The books would not only record what they themselves purchased, but what people owed them money.

What were some of the reasons for this? Today we live in a capitalist society. Goods, labor, and money are privately owned and controlled. During the 18th century the western nations were following an economic system of mercantilism. This meant that the more gold bullion you had in your country's coffers the wealthier your country was. The royalty ruling the countries worked to keep as much gold or hard currency in their own country as possible. Explorers discovering the New World were not only seeking new trade routes but gold, to increase the wealth of their nation. The American colonies were a part of Great Britain. It was their purpose, according to the king and parliament, to make Great Britain as wealthy as they could. Tariffs were put in place to try and dissuade the colonists from buying foreign products and hard money was not freely flowing from England. Strong countries like England, Spain, and France were gobbling up as many colonies as they could to increase the wealth of their country, increase the goods they had available to export, and cut down on the raw

Planters made purchases all year relying on that one tobacco crop. They also sent a tobacco crop off with a list of goods they wanted from England. A tobacco note was a popular form of “money” in 18th century Virginia. If you did not have enough tobacco to fill your own hogshead (the large barrel used to transport 900lbs of tobacco) your tobacco was inspected and left in the warehouse to be shipped in conjunction with others. The colonist, often an innkeeper or artisan who planted tobacco on the side, received a note assigning a value to their specific crop. This note could be signed over to another person to buy goods or settle debts.

CARLYLE HOUSE

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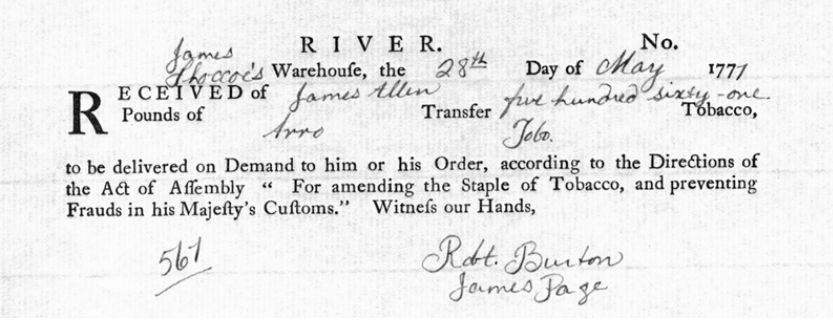


Ministers in 18th century Virginia were even paid in tobacco in some instances. In addition tobacco was also used to pay fines and taxes. For example, “persons encouraging Negro meetings were to be fined 1000 pounds of tobacco; owners letting Negroes keep horses were fined 500 pounds tobacco; if a person wanted to become married, he had to go to the rector of his parish and pay the man so many pounds of tobacco; a man's wealth was estimated in annual pounds of tobacco.”

Gentlemen often found themselves in debt. Men like Thomas Jefferson died living in comfort but large amounts of his estate had to be sold at his death to pay off the debt. This was the primary purpose of the probate inventory, to list the value of the objects, land, and people the gentleman owned, since he most likely did not have large amounts of cash saved up.

Hard money did exist. John Carlyle as commissary to the Virginia militia, did not only have to feed, clothe, and provide ammunition to the men going to fight, but he also had to pay them out of his own pocket with the promise that he would later be reimbursed. With a shortage of hard money Carlyle needed to go to cities such as Annapolis and Philadelphia to collect cash.

At this point in the American colonies it did not matter where the money came from, but rather what it was made of. Paper money was very hard to back up, it did exist but could easily lose its value completely. It was up to an individual whether to accept it. Foreign coins were most often used in the British colonies because they were made of gold, silver, or other metals with intrinsic value. Therefore, it made no difference where a coin came from or what its face value was; it was simply a piece of gold or silver, worth whatever its weight determined. A coin could even be cut into pieces and the pieces used separately – merchants and shop keepers had coin scales to determine the value of



whatever coin or part of a coin was offered as payment.

The most common hard money found in the British colonies during the

18th century was the *Peso de ocho reales* or “piece of eight reals” or “eight real piece.” The colonists often referred to this coin as the “Spanish Milled dollar” The term “milled” was referring to the grooves around the edge of the coin. This prevented people from shaving off parts of the coin and passing it as a whole coin. This coin precludes what we consider the dollar. It was a one ounce silver coin, and as its name says, it’s worth 8 Spanish reales. The coin was often cut into pieces to make smaller denominations of money. Intact it would be “a piece of eight” several such coins were “pieces of eight.” They were so popular they were considered acceptable for payment in the United States until 1857.

If you were to cut a “piece of eight reals” into eight equal parts, each part, obviously, would be worth one real. Since this was the smallest unit of the coin, each such part was known in colonial times as a “bit.” So two bits would make up one quarter of the whole coin, or dollar, four bits would make up one half, etc. Later, after the United States adopted a 100-cent dollar as the currency, it still refers to one quarter of the dollar as “two bits.” Hence the phrase



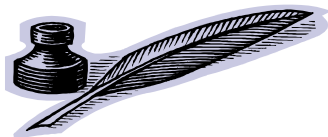
18th Century French folding scales, Check out the original 18th century ones on the desk in the study!



(still heard occasionally) “two bits” to mean twenty-five cents; and “just a two-bit affair,” to refer to something of little value. Also, when the New York Stock Exchange first opened in 1792, one bit (one-eighth of a Spanish milled dollar) was the minimum value that could be traded; and prices of stocks were still quoted in eighths of a dollar until the year 2000.



This image, from the Fry Jefferson Map Cartouche (displayed in the Central Passage) displays men bringing their tobacco to the warehouse to be inspected and pressed into an existing hogshead. They would then be given a tobacco note for the correct value. One of Carlyle’s jobs in Alexandria was to check the accuracy of the scales at the tobacco warehouse.



Carlyle Quotables



If I am blessed with children, those shall have English education and not be allowed to imbibe the principles looked upon here to be polite – gaming and drinking – principles I hope I nor my children will be addicted to

25 January 1747



Stamp the Staff

Did Sarah Herbert’s son William purchase Belvoir plantation in 1820?
~Pat Norwood

A fire following William Fairfax’s departure and a War of 1812 battle on the site left little of the home in which Sarah Fairfax was raised. “The association of Belvoir Plantation with the Fairfax family ended with the death of Fernando Fairfax in 1820. During the next decade, William Herbert of Alexandria acquired the property, which he quickly used as collateral for a loan. During the 1830s, Thomas Irwin, Herbert’s creditor, operated the shad fisheries at White House Point. However, Herbert’s continued inability to pay his debts eventually led to the sale of Belvoir at public auction in 1838.” <http://www.belvoir.army.mil/history.asp?id=Antebellum>



Did the reticule become our purse?
~Linda Greenberg

Simply put, yes. In the 18th century and before, personal objects were carried in pockets worn around the waist and hidden under clothes. When the new, slim, empire-style dresses appeared in the early 1800s, pockets could no longer be hidden under petticoats and thus the reticule became popular. While it changed in form over the years, the reticule is basically the ancestor of our modern purse.

