

A History of Colonial Paper Currency

Lecture Set #32

Edward T. Newell Visual Education Library

American Numismatic Association

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[Edited by John W. Dunn]

Introduction

During the Colonial period, only a few colonies minted a small quantity of copper or silver coins.

Coins from England, France, Spain, Holland, Germany, and Ireland circulated freely and on an equitable basis. Periodic rates of exchange were published in the newspapers of the day.

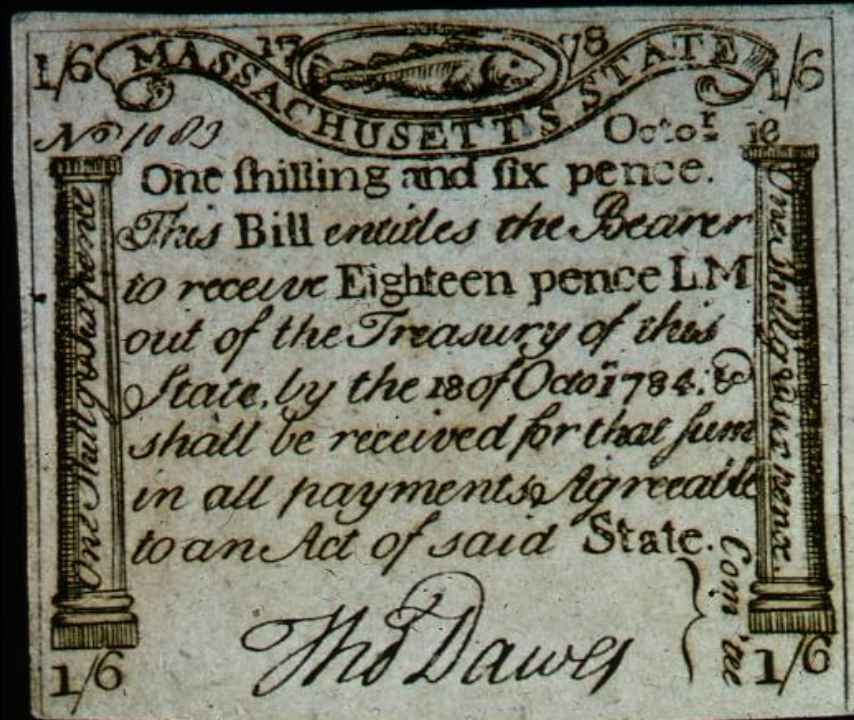
Numismatists conjecture that the printing and issuance of colonial notes would emerge as a primary cause of the American Revolution

Introduction

Massachusetts was the first colony to print paper money in North America in 1690 to pay soldiers on their return home from an ill-fated expedition to Quebec. The first issue amounted to £40,000 and was later re-issued up to £110,000, and by 1712 the total outstanding was £145,550.

After 1737, the New Tenor bills were issued in exchange for the earlier issues in a ratio in accordance with the extent of their depreciation.

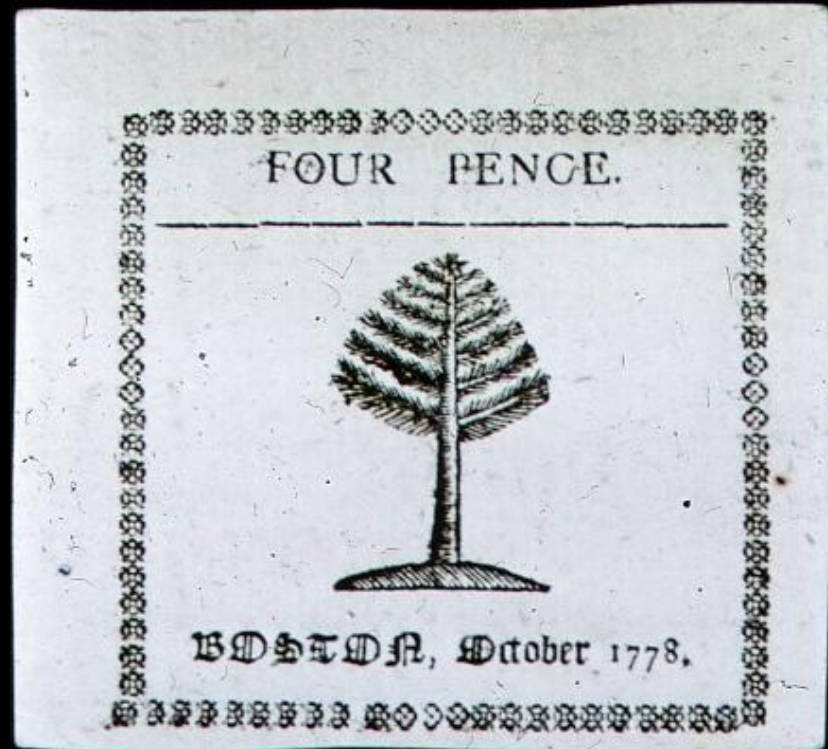
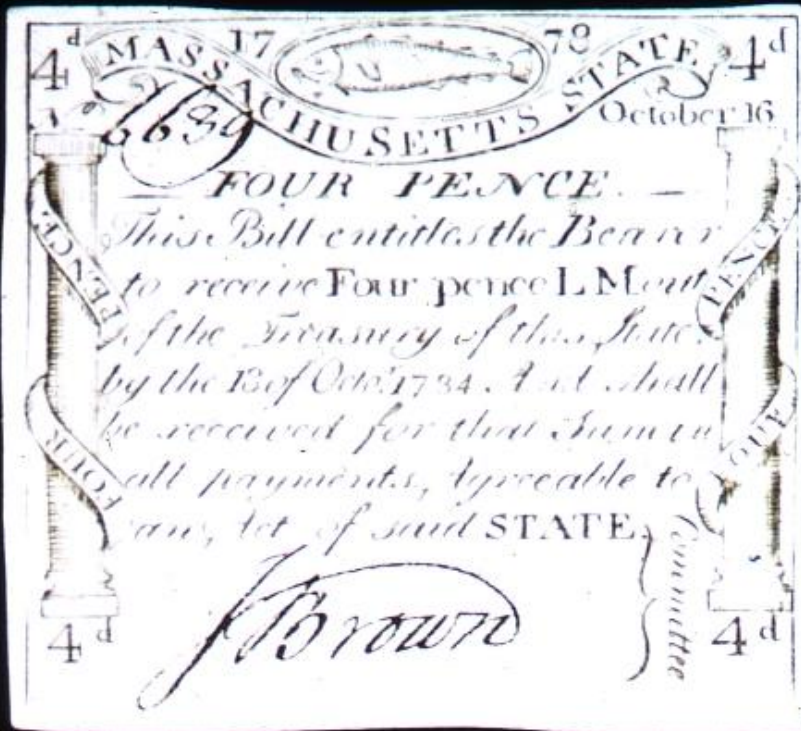
Massachusetts 1 Shilling, 6 Pence



1 shilling, 6 pence dated October 16, 1778, signed by Thomas Dawes of Boston. He was made a colonel of the Boston regiment in 1778, became a member of the House and later of the Senate.

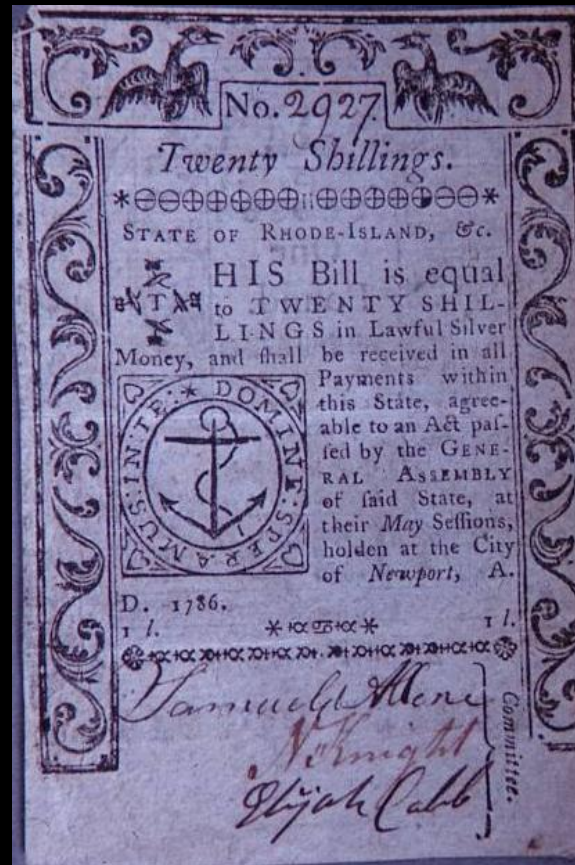
This note is called the "Pillars and Codfish Money," the pillars from Spanish dollars; the codfish pictured at top.

Massachusetts – 4 Pence



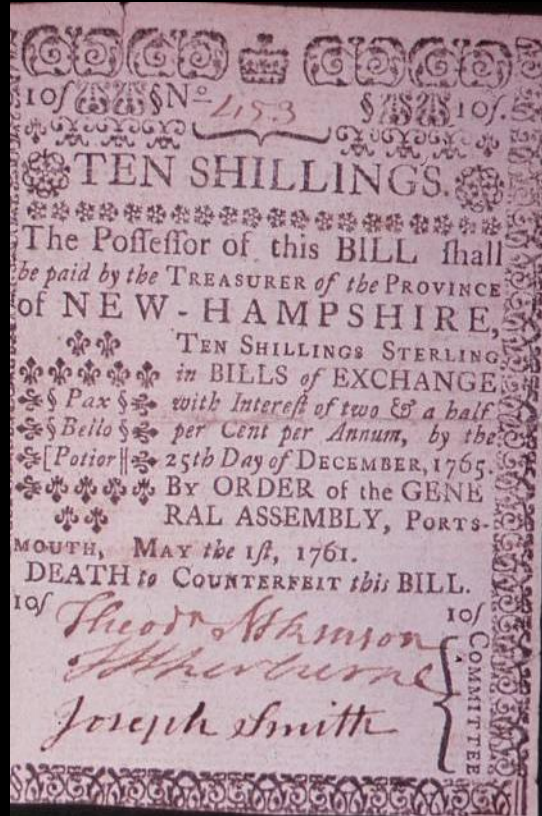
This note is signed by John Brown who settled in Pittsfield in 1773. He was a delegate to the Provincial Congress, with Ethan Allan at the capture of Ticonderoga, and at the storming of Quebec. Congress commissioned him a Lt Colonel but he resigned due to his dislike of Benedict Arnold. Brown was killed with 45 of his men at Stone Arabia in 1780.

Rhode Island-20 Shillings



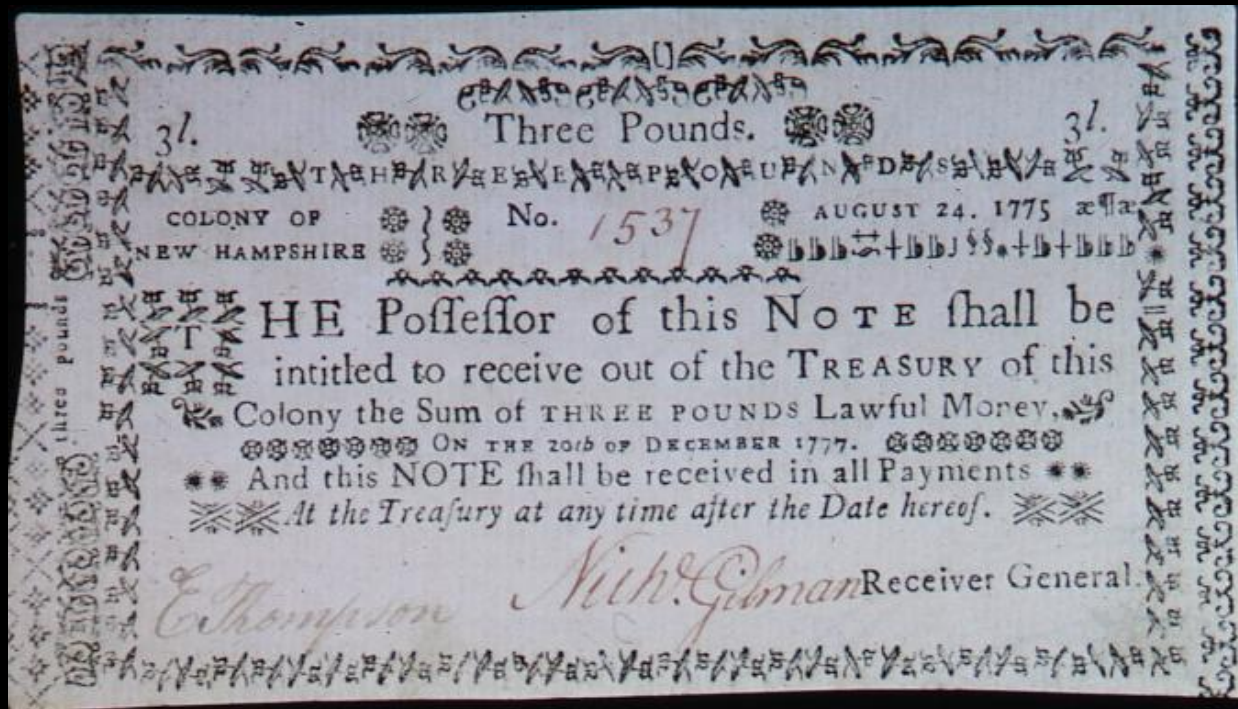
The first emission of paper money occurred in 1710 and Rhode Island created its own “bank” in 1715 with £40,000. As in Massachusetts, the notes were issued on 5% mortgage loans. Nine more issues followed until the total in circulation amounted to £165 per capita. The notes were never retired and depreciated very rapidly. The Crown forbade the colonies from any further issues except to cover current expenses and to finance the costs of wars benefiting England.

New Hampshire-10 Shillings



A rare early note of May 1, 1761. In the colonies at this time, Boston custom officials applied for writs of assistance to prevent smuggling, which made the search of all premises possible to find smuggled goods. Merchants were not happy!

New Hampshire-3 Pound



The only denomination printed of the August 24, 1775 issue. Signed by E. Thompson and Nicholas Gilman. Gilman served in the Continental Army, represented New Hampshire in Congress in 1786, and 1789-1797. A U. S. Senator from 1805-1814, and after the adoption of the Constitution, he was a presidential elector in 1793 and 1797.

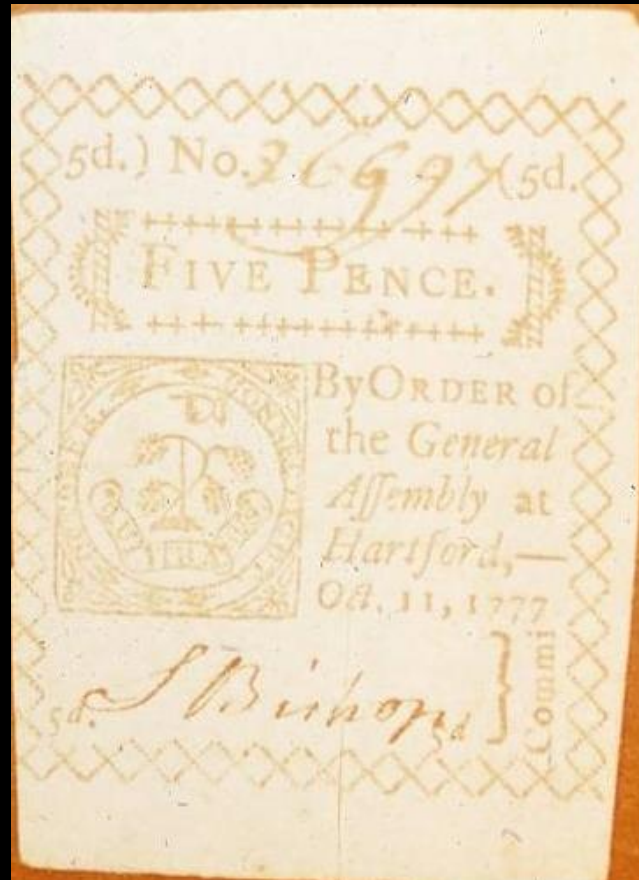
Connecticut

Connecticut adopted a paper money expedient in 1709. Notes soon were subject to a discount. Twenty-nine issues are recorded in the statutes of the colony. At Revolution's outbreak, per Peletiah Webster's estimate, \$12,000,000 in money circulated in the colonies. Of this amount, \$4,000,000 was in specie or "hard money." The remainder was in paper, but depreciated at a 25% discount.

The colonies had very little hard money so paper circulated quickly, mostly to get rid of it before it depreciated further. This artificial stimulation of business was a factor in the steady growth of seaboard colonies. A depression followed the French and Indian War, perhaps caused by the Parliamentary Act of 1764.

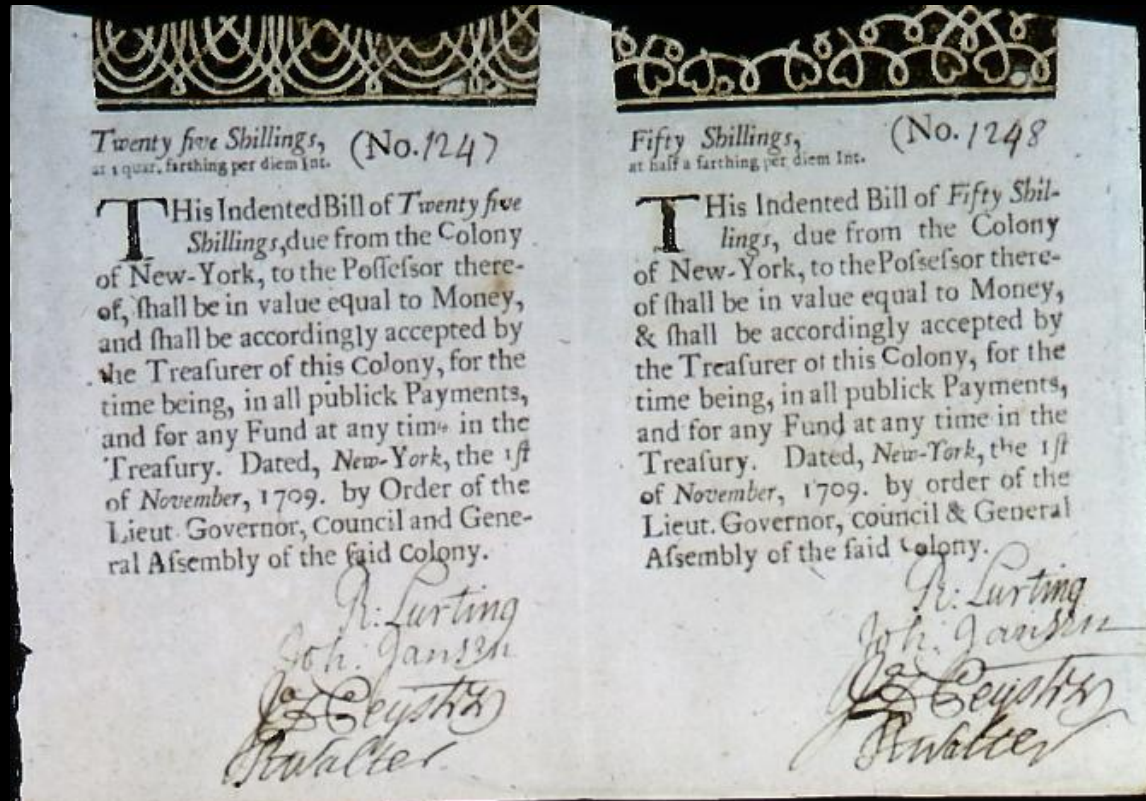
This act prevented further colonial currency expansion and along with the shortage of gold and silver coins resulting from the adverse balance of trade due to England's mercantile policy, the depression was inevitable. And of course, London merchants would have nothing to do with colonial paper money!

Connecticut-5 Pence



This note of October 11, 1777 was printed on blue paper and is the smallest of colonial notes. Most notes are found cut cancelled; issues of 1781 are cancelled with a round hole. At times, 3, 4, 5, and 7 pence notes are found on white paper and are scarce.

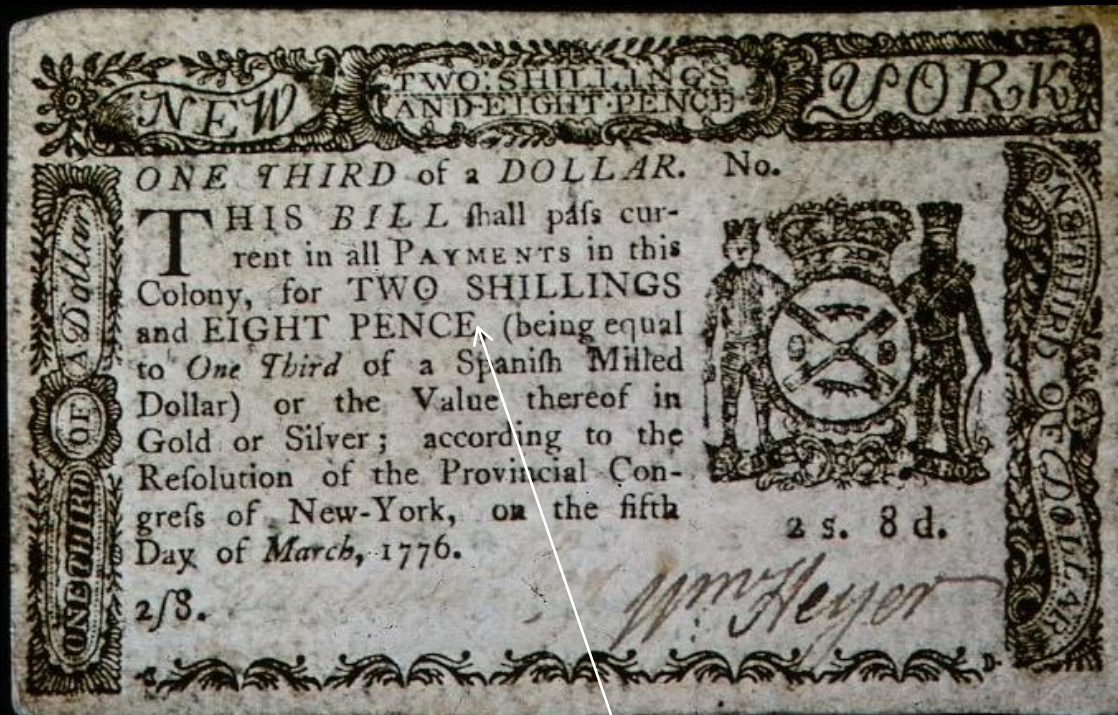
New York-25 & 50 Shillings



New York began issuing paper in 1709 also. A total of 34 issues ended on February 8, 1788. This was the end of colonial paper money, the final issuance of paper money as the colonies began to form a national government.

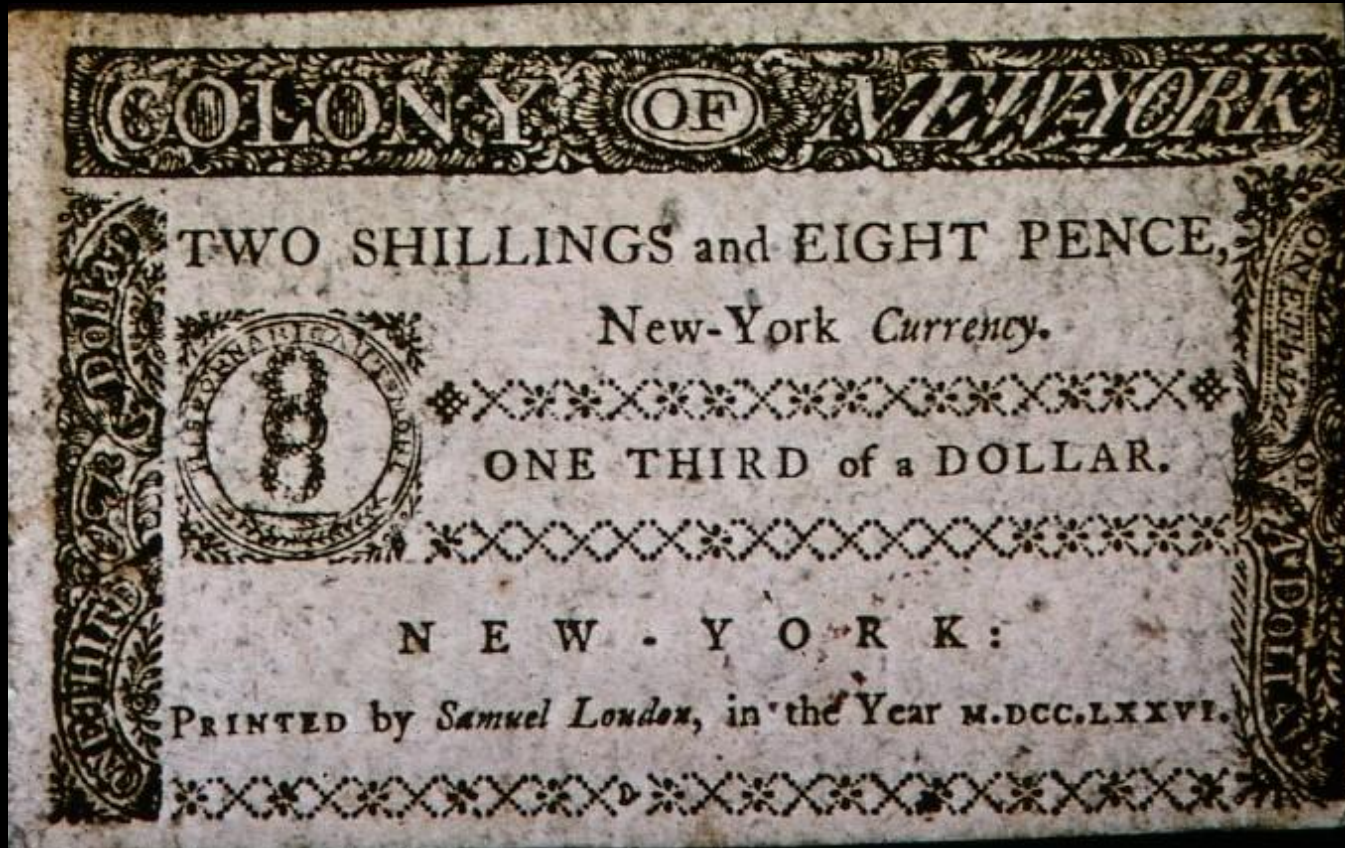
These are rare 25 and 50 Shilling notes of November 1, 1709.

New York-\$1/3

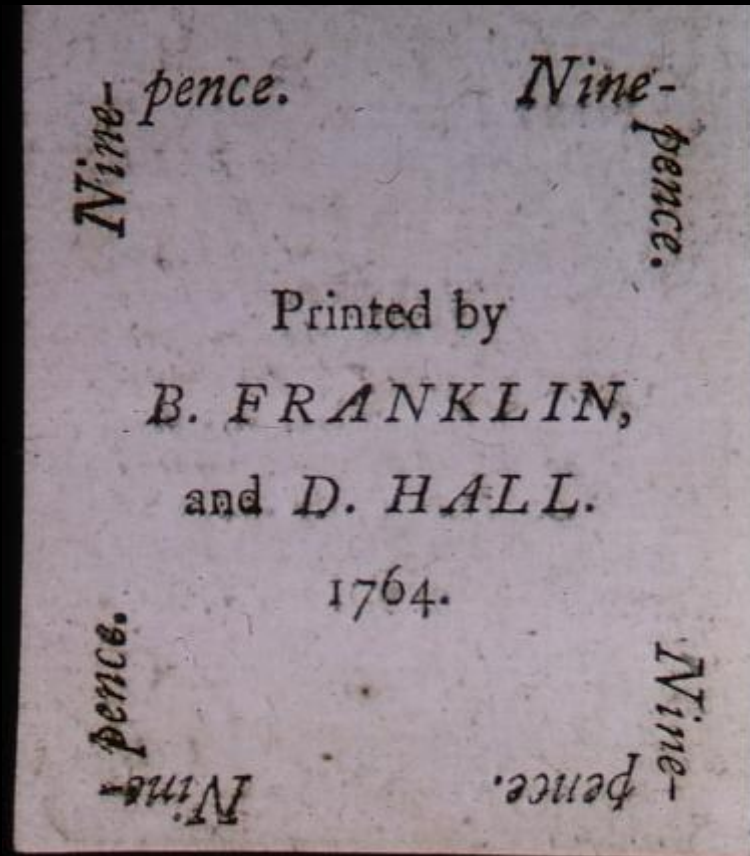


This note of March 5, 1776 also has the printed conversion to the sterling standard, 2 shillings, 8 pence equaling one third of a dollar.

New York-\$1/3 Reverse



Pennsylvania-9 Pence



Pennsylvania had 41 issues; the first in 1723, later than her neighbors. From 1729 on, Benjamin Franklin was the most influential person connected with the paper money problem. Franklin printed Pennsylvania notes including the 1764 issue. He also printed notes for Delaware and New Jersey and had great influence in the colonies, as Ambassador to Paris, and as Ambassador to the Court of St. James.

Pennsylvania-50 Shilling

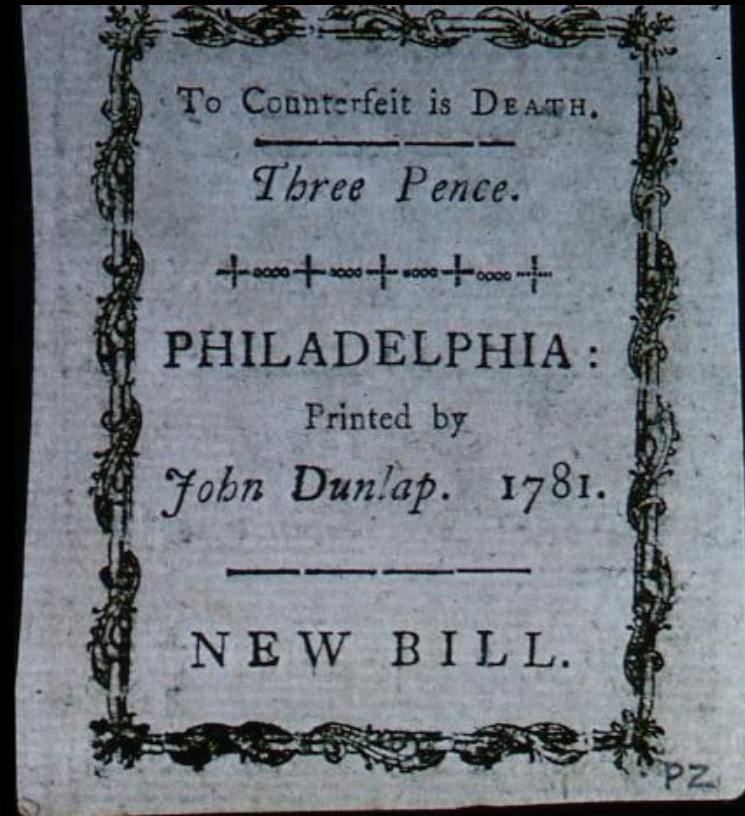


A note of April 10, 1775, plate letter D, printed in red and black, was issued to raise funds for a new prison in Philadelphia. There were other notes issued for specific purposes, March 10, 1769 was for the relief of the poor. Another issue was for the erection and maintenance of a lighthouse at Cape Henlopen.

Pennsylvania-50 Shilling Reverse

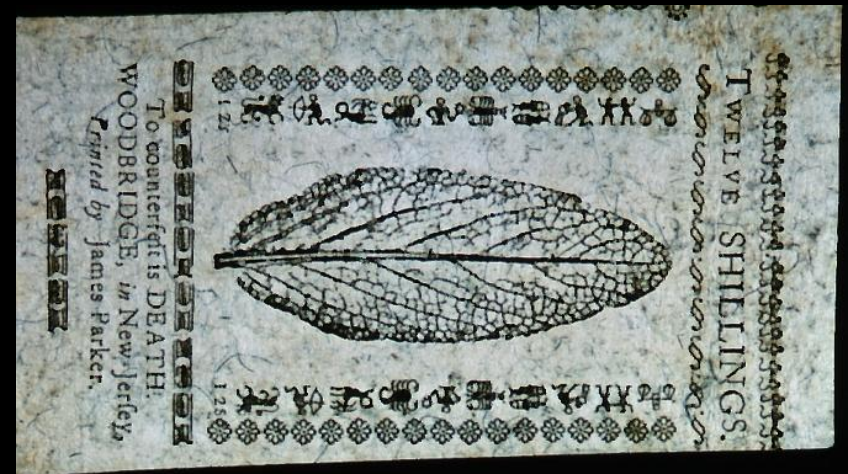


Pennsylvania-3 Pence



A note of April 20, 1781, plate letter B. This method of lettering was used on several issues of Pennsylvania, New Jersey, Delaware, and the fractional notes of Continental Currency of February 17, 1776.

New Jersey-12 Shilling



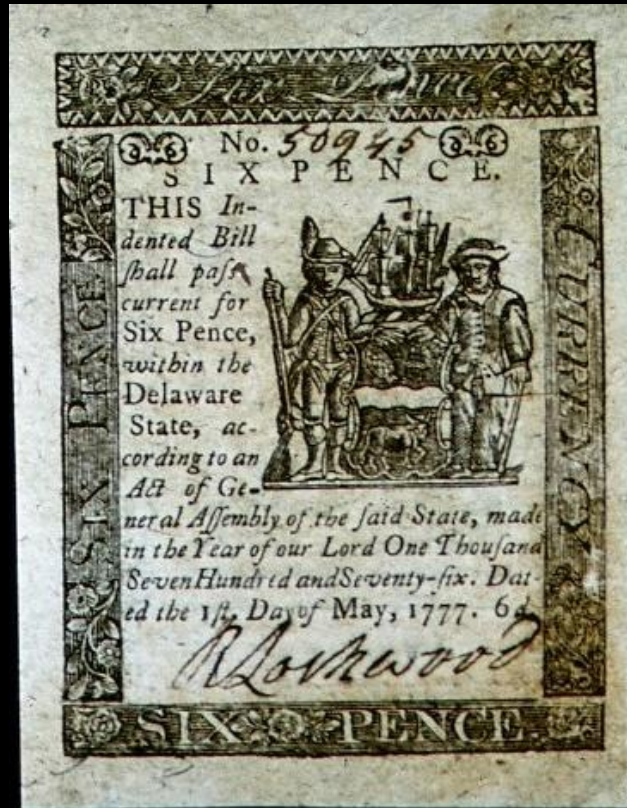
New Jersey began issuing paper money in 1724. This is a 12 Shillings, plate letter C, of June 22, 1756, is found many times in nice condition.

New Jersey-3 Pounds



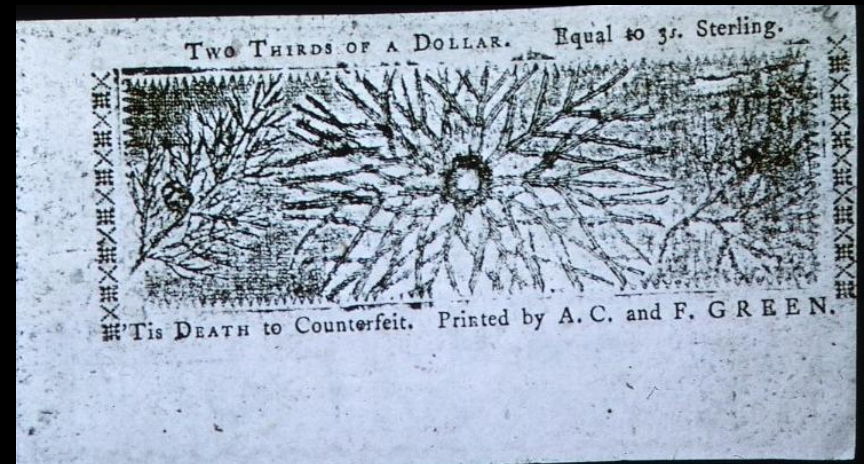
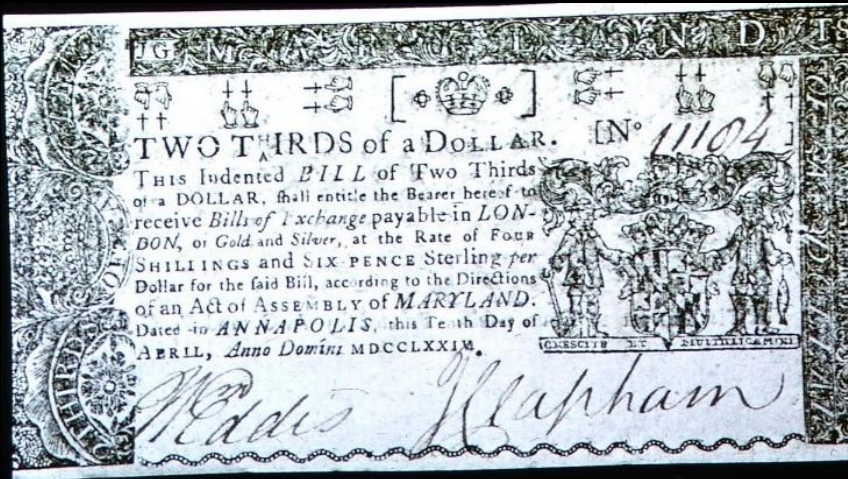
This New Jersey note of March 25, 1776, may be the most artistic and colorful of all colonial notes. A six pound note is very similar. A total of 125,000 was issued. The Crown approved its issuance in 1775.

Delaware



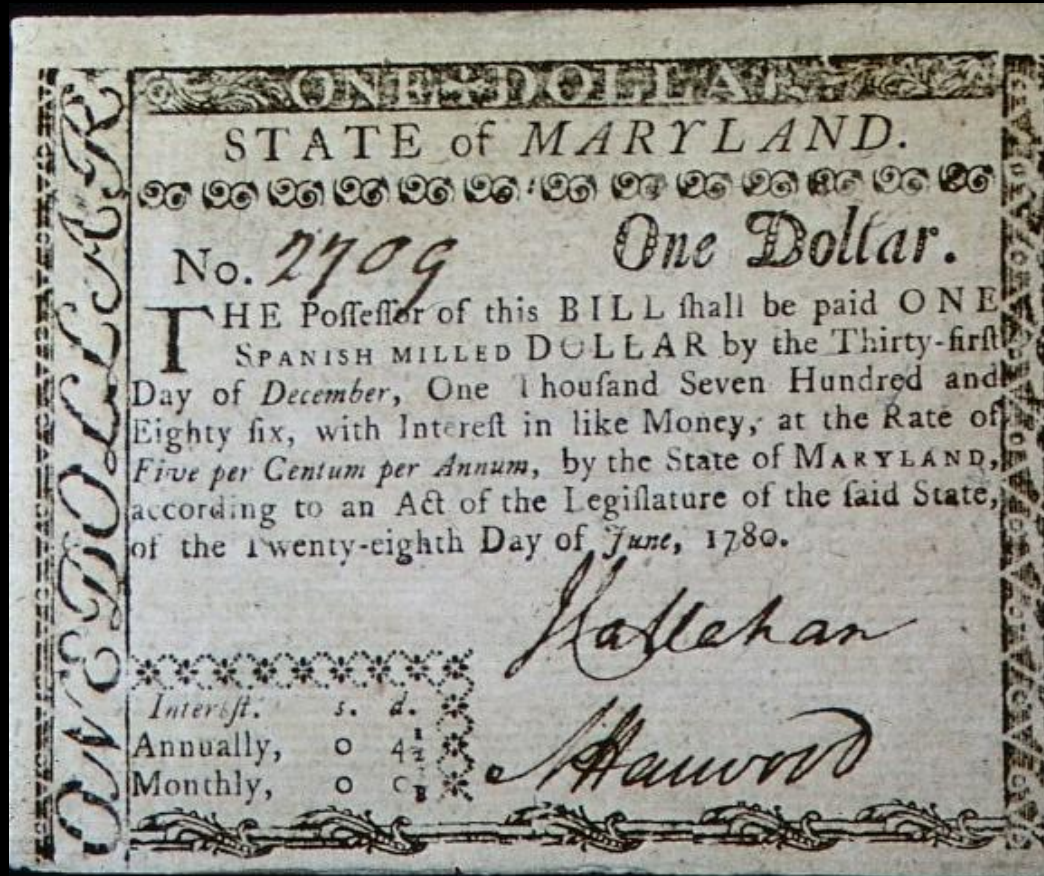
Delaware was formerly called "The Three Lower Counties" (New Castle, Kent, Sussex) because it once was part of Pennsylvania. David Hall, a signer of many notes of Delaware's earlier issues of 1776, was also Benjamin Franklin's partner in the latter's Philadelphia printing shop

Maryland-\$2/3 Note



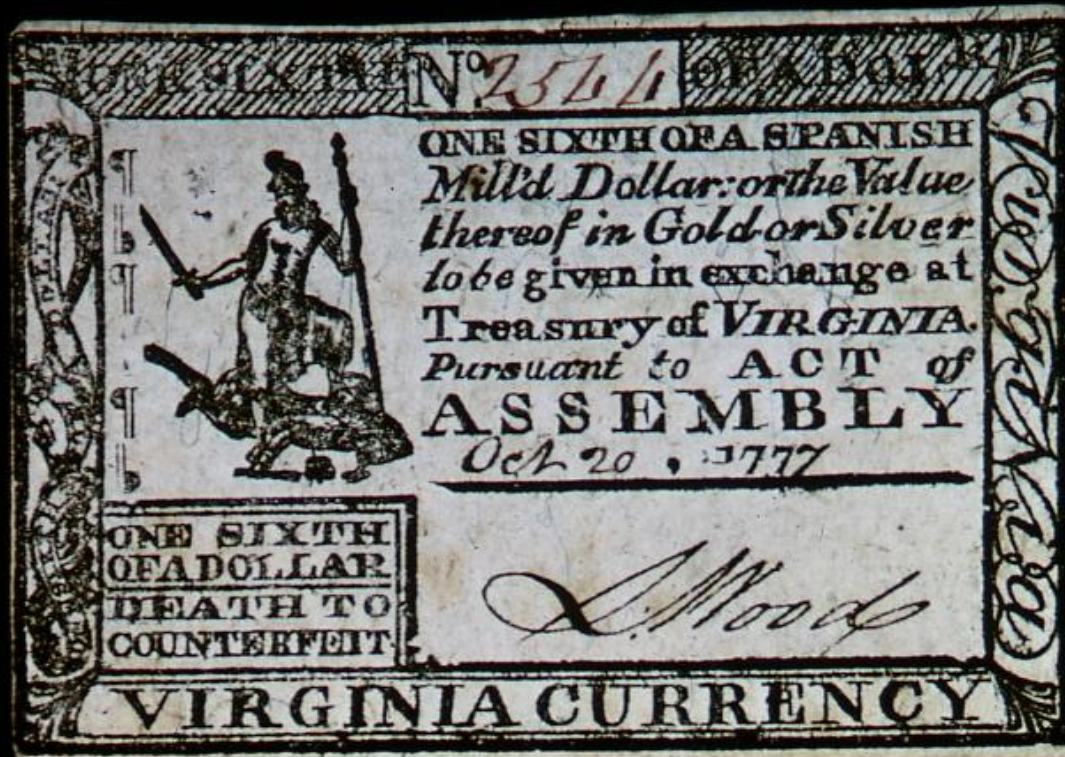
Maryland issued her first paper money in 1733 for £90,000. To redeem them, a duty of 16 pence was levied on every hogshead of exported tobacco.

1780 Issue of Colonies



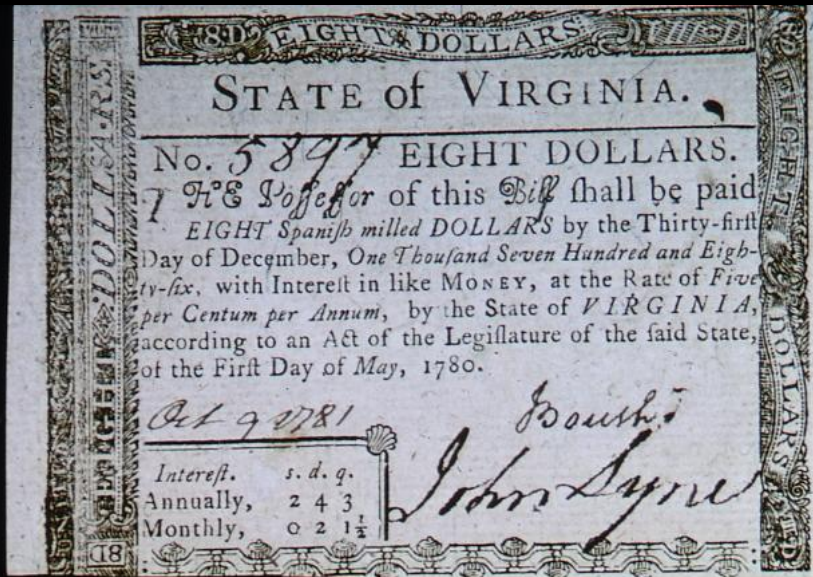
This is a typical note of the colonies of 1780. Most notes had a typical reverse, printed in red and black, and guaranteed by the United States. States that issued notes in this series were Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Virginia.

Virginia-\$1/6 Note



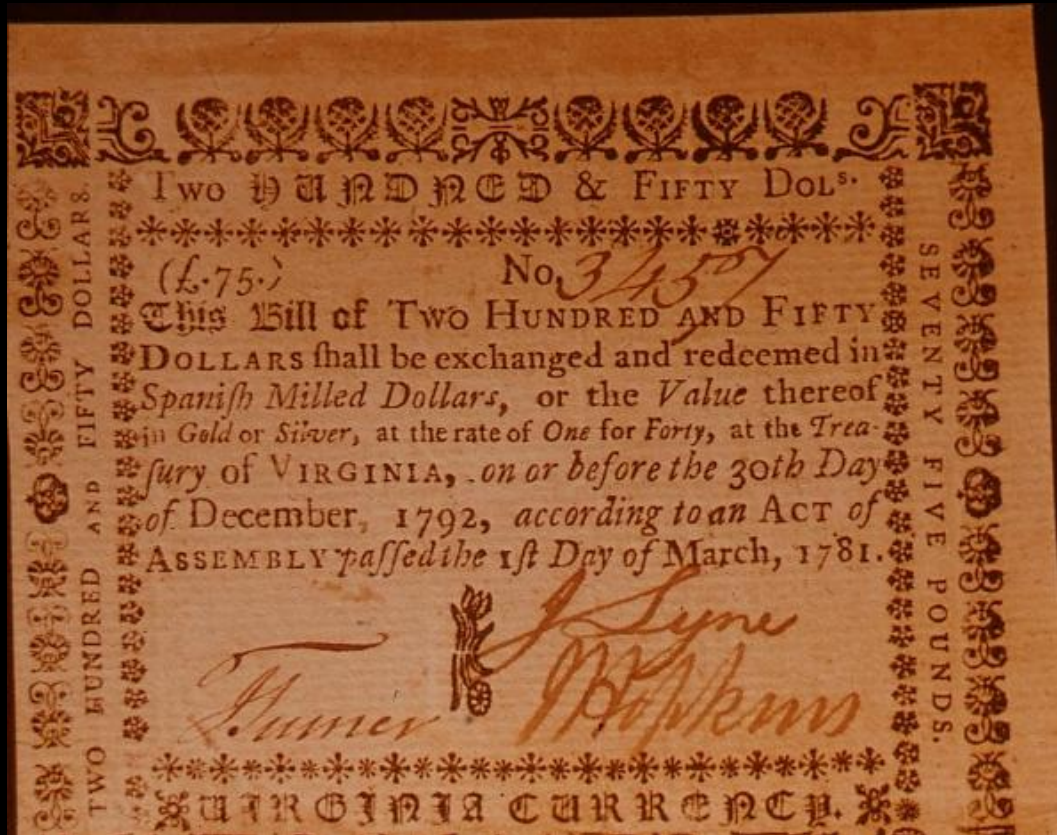
In the South, population grew more slowly. Credit was utilized through warehouse receipts for tobacco in storage. This note of October 20, 1777 was made by using wood cuts and was uniface. Many other notes used this design.

Virginia-\$8 Note



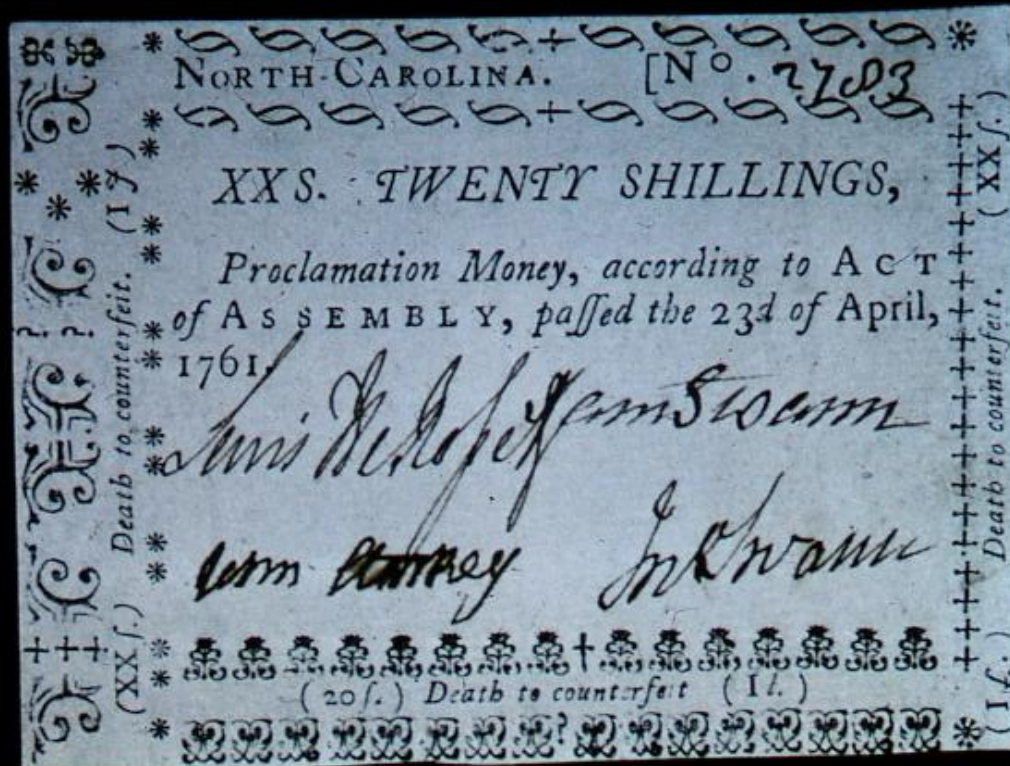
This is typical of a note guaranteed and signed by a representative of the United States.

Virginia-\$250 Note



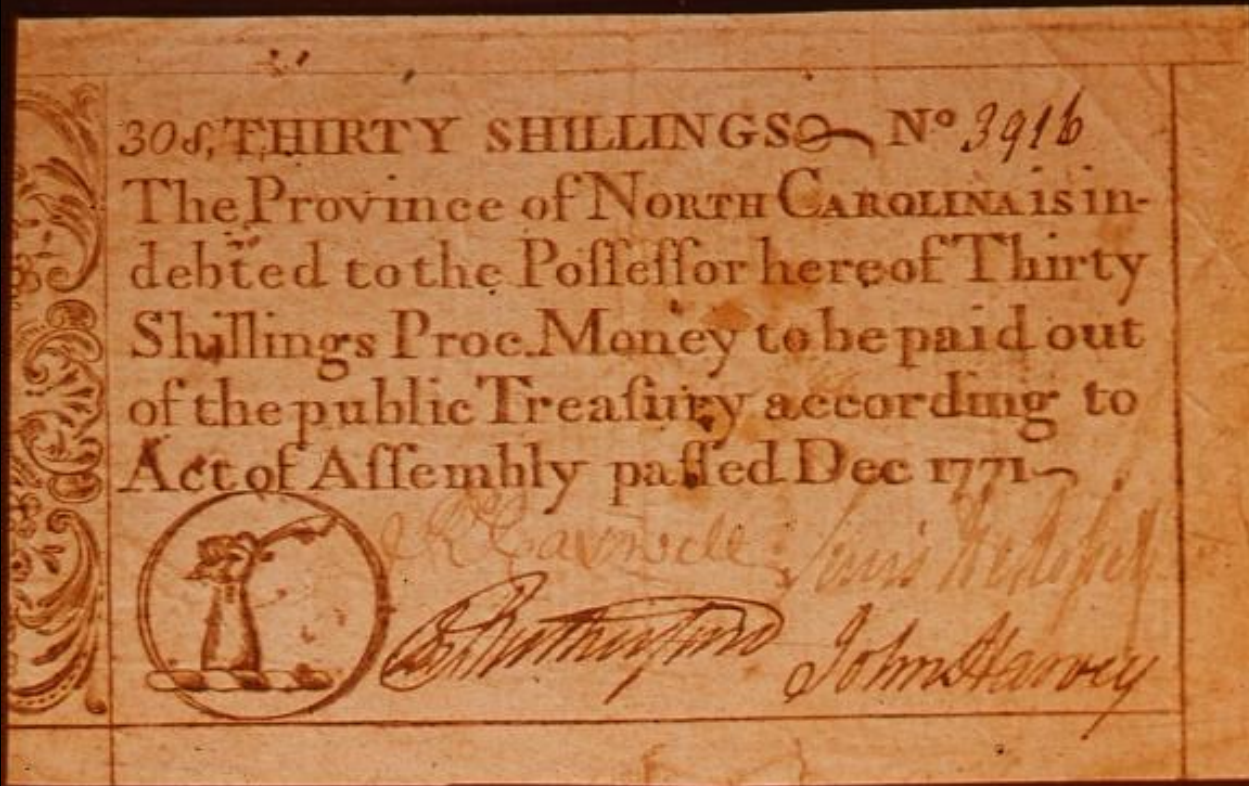
This is a note of March 1, 1751 on thin paper. It was also printed on thick paper. Prices had risen to substantial heights at this time; horses cost £3,000 to £4,000, cows £500, pigs at £100, and Slaves at £10,000! Army officials stated that all public faith was gone and provisions could not be bought at any price in paper money.

North Carolina-20 Shillings



North Carolina issued her first notes on November 27, 1729 modeled after the Pennsylvania plan. Imitating Virginia, the colony established a number of warehouses in which tobacco and other commodities could be stored. Notes were issued in 1754 against these commodities. This is a rare 20 shilling uniface note of April 23, 1761 bearing four signatures.

North Carolina-30 Shillings



In 1766 and 1768, meetings were held to remedy the ills that existed. A movement formed to force tax adjustments and in 1771 the movement resulted in the regulator's rebellion which was crushed by the militia under Governor William Tryon at the Battle of Alamance. This 30 shilling note shows an arm with sword vignette, a device that symbolized the colonist's strength as tension increased following the Boston Massacre.

North Carolina-\$4 Note



This note for \$4, dated April 2, 1776, shows a sheaf of wheat and also was printed with a vignette of a bee. It would be about 3 months later when John Nixon would be privileged to read the Declaration of Independence from the steps of the Philadelphia Statehouse.

South Carolina-3 Shilling 9 Pence



A 3 shilling, 9 pence note of April 10, 1778. The Valley Forge winter was over and Washington would march to Philadelphia to oust the British.

South Carolina-\$50



A \$50 note of February 3, 1779, obverse and reverse. Artfully engraved, the reverse shows Atlas holding up the world. In 1779, taxes were raised again in the colony to \$1 in specie, approximately \$20 in current paper money.

Georgia

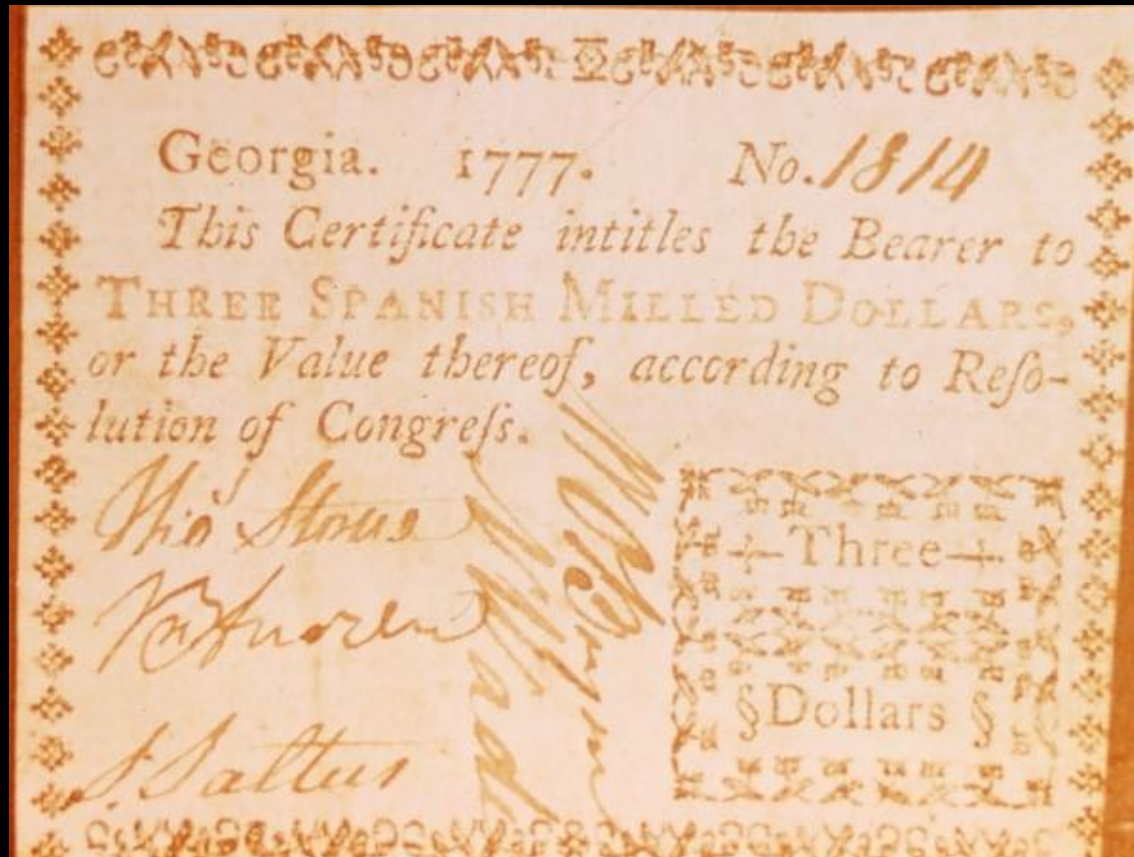
\$1 note of 1776 but not bearing a month or day of issue.

There were eight different issues with changes in vignettes and colors



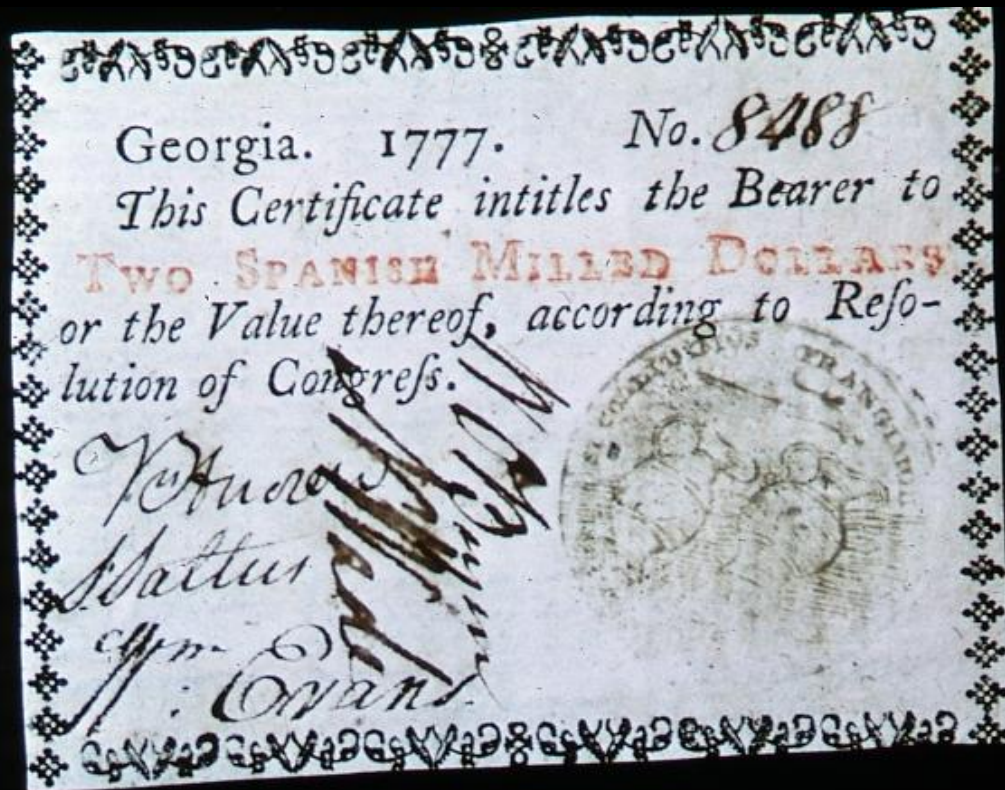
As the farthest south of the colonies Georgia first issued notes on March 7, 1749. Georgia, facing bankruptcy drew on the efforts of General Oglethorpe who pledged his personal fortune to meet the colony's general expenses. To raise money, quit rents (@ 4 shillings per 100 acres) were imposed, there were imposts on rum, a tax on houses, lands, slaves, and on money lent at interest. Quit rents were the greatest source of income when expenses in 1773 were £4,000.

Georgia-\$3 Note



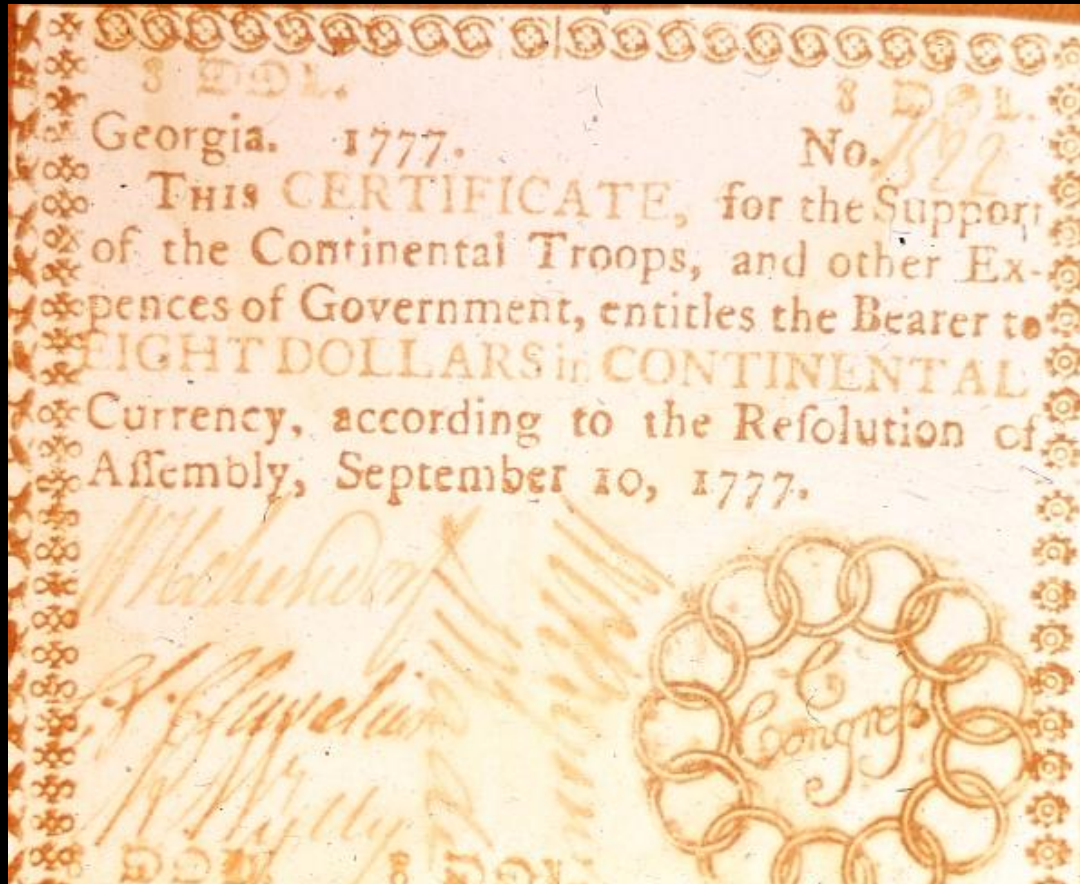
This first issue \$3 note was typeset

Georgia-\$2 Note



This second issue \$2 note also does not have a day or month of issue and is one of 3 emissions

Georgia-\$8 Note



This note for \$8 of September 10, 1777, was issued to support the Continental troops

Colonial Currency

There must be more!!