

Teaching American History

Economy in the Early
American Republic

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I. The Problem of Money

The Absence of a Plentiful Precious-Metal
Currency

The Dismal Legacy of Paper Money from Colonial
and Revolutionary America

The Absence of Banks

So, What Did they Use?

1. Foreign Currencies
2. Fiduciary Money
3. Paper



British Golden Two Guinea Piece - George III



above: a Dutch coin 1616



15th C. English coin - "Angel"



Two examples of Spanish coins from the silver mines of South America



17th C. Spanish “eight real” (pieces of eight),
a widely used coin in the colonies



Example of fiduciary money:
Shell beads used as currency
in Colonial America (wampum).





Massachusetts-produced 1652 "Pine Tree" Shillings



Another example of "Pine Tree Shilling"



N^o 1745

THIS Indented bill of Five Shillings due from the Massachusetts Colony to the Possessor shall be in value equal to money & shall be accordingly accepted by the Treasurer & receivers subordinate to him in all publick payments and for any Stock at any time in the Treasury Boston in New-England December the 10th 1690; By Order of y^e General & Court

Elizabeth Hutchinson



Edmund Wentworth

Com^{te}

Timothy Norton

2252

The First Printed Currency
Massachusetts Bay

Five shilling note - issued as legal
tender in Massachusetts in 1690



Eight dollar note from Massachusetts issued in 1780



South Carolina note issued in 1777 during the Revolutionary Era

II. The Problem of Debt

- A. The Revolutionary War Debt
 - 1. Owed by the Nation
 - 2. Owed by the States
- B. American Private Debt to European Merchants – How to Buy Finished Goods
- C. Revolutionary Economic Challenges: Rebuilding Old Connections, Locating New Ones

III. The Sources of American Credits: What Did Americans Have to Sell?

A. Plantation Commodities

1. Tobacco and the Chesapeake
2. Rice and Indigo in the Carolinas
3. Cotton? Not Right Away
4. Wheat, Corn, Livestock

B. Nature's Commodities

1. Fish
2. Timber Reserves of the Northern Forest
3. Land?

C. Services: The Carrying Trade

IV. Inventing a New Economy: Alexander Hamilton, First Treasury Secretary

- A. Creating a National Bank
- B. Funding the National Debt and Assuming the State Debts
- C. Hamilton's Report on Manufactures
 - 1. Tariffs
 - 2. Bounties to Encourage Industry
 - 3. Support for Infrastructure – Roads and Canals

First Bank of the United States, Philadelphia, PA



Slater's Mill, Pawtucket, RI

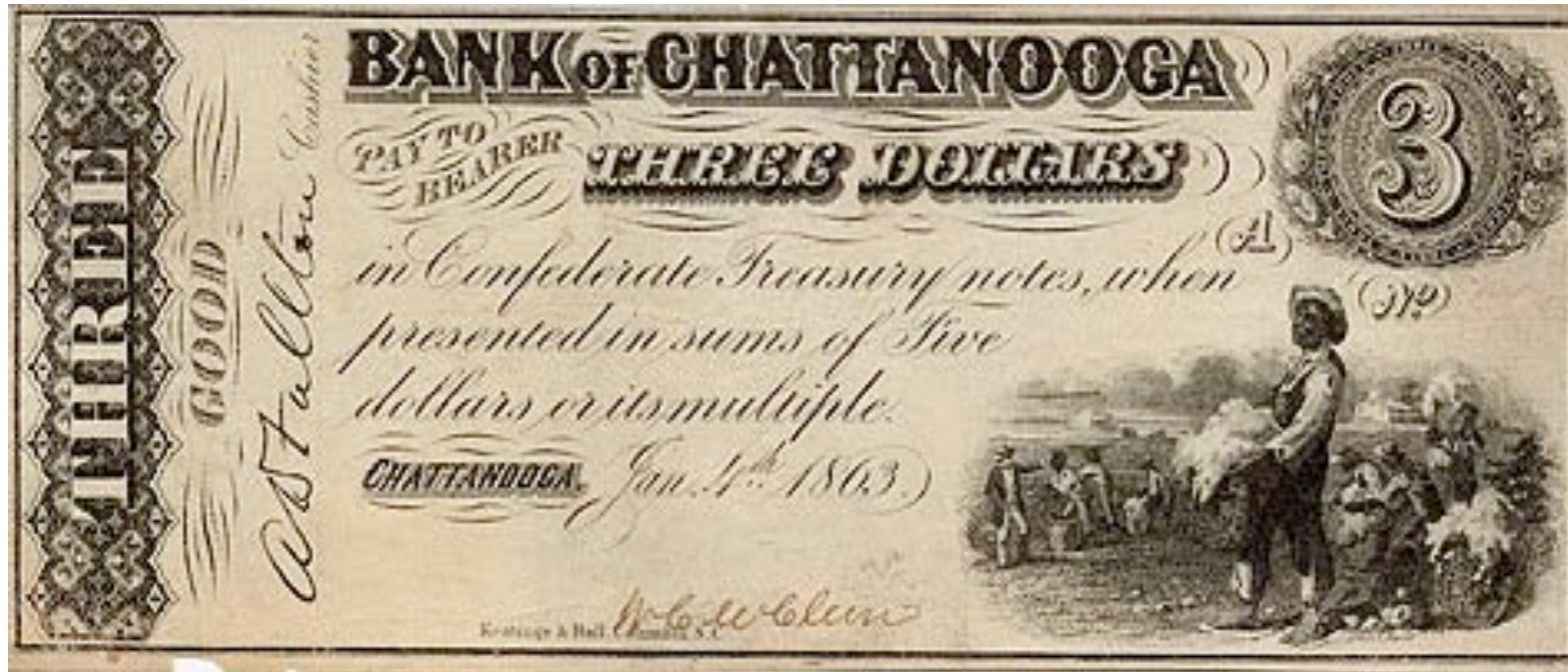


Paterson, New Jersey and the Society for Establishing Useful Manufactures



V. The Lasting Prominence of Plantation Agriculture

- A. Jefferson's Alternative Vision
- B. The Cotton Gin, the Expansion of the Slave-Plantation South, and the Growth of Northern Textile Industries
- C. The Destruction of Hamilton's Fiscal-Economic System
- D. A Return to Fiscal Chaos: Private Banks and Paper Money
- E. Conclusion: Money and Slaves, Slaves as Money



Example of Confederate currency depicting slave labor from
“Beyond Face Value: Depictions of Slavery in Confederate Currency “
<http://www.cwc.lsu.edu/cwc/BeyondFaceValue>



Example # 2 of Confederate currency depicting slave labor from
"Beyond Face Value: Depictions of Slavery in Confederate Currency "
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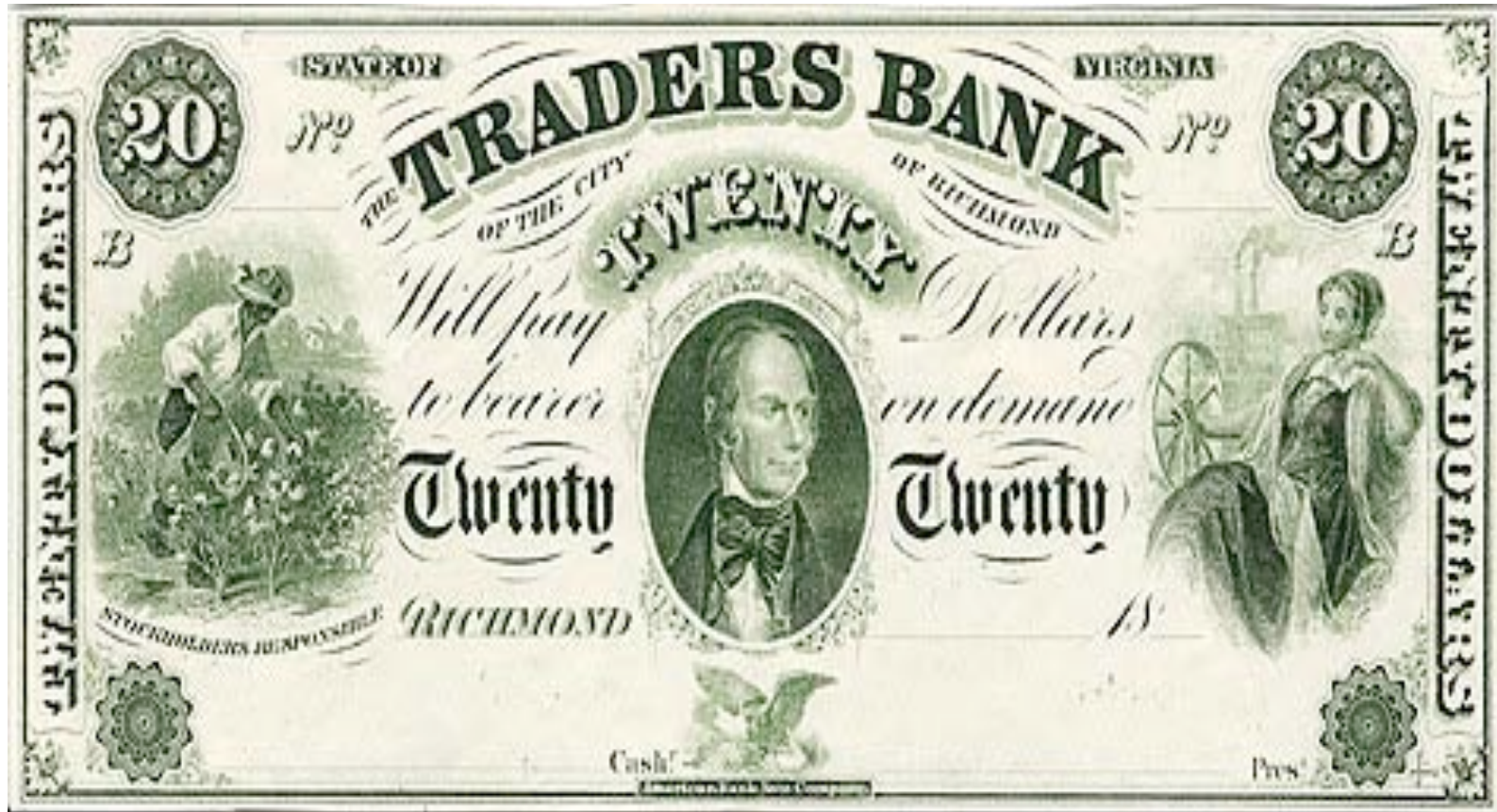
Example #3 of Confederate currency depicting slave labor from
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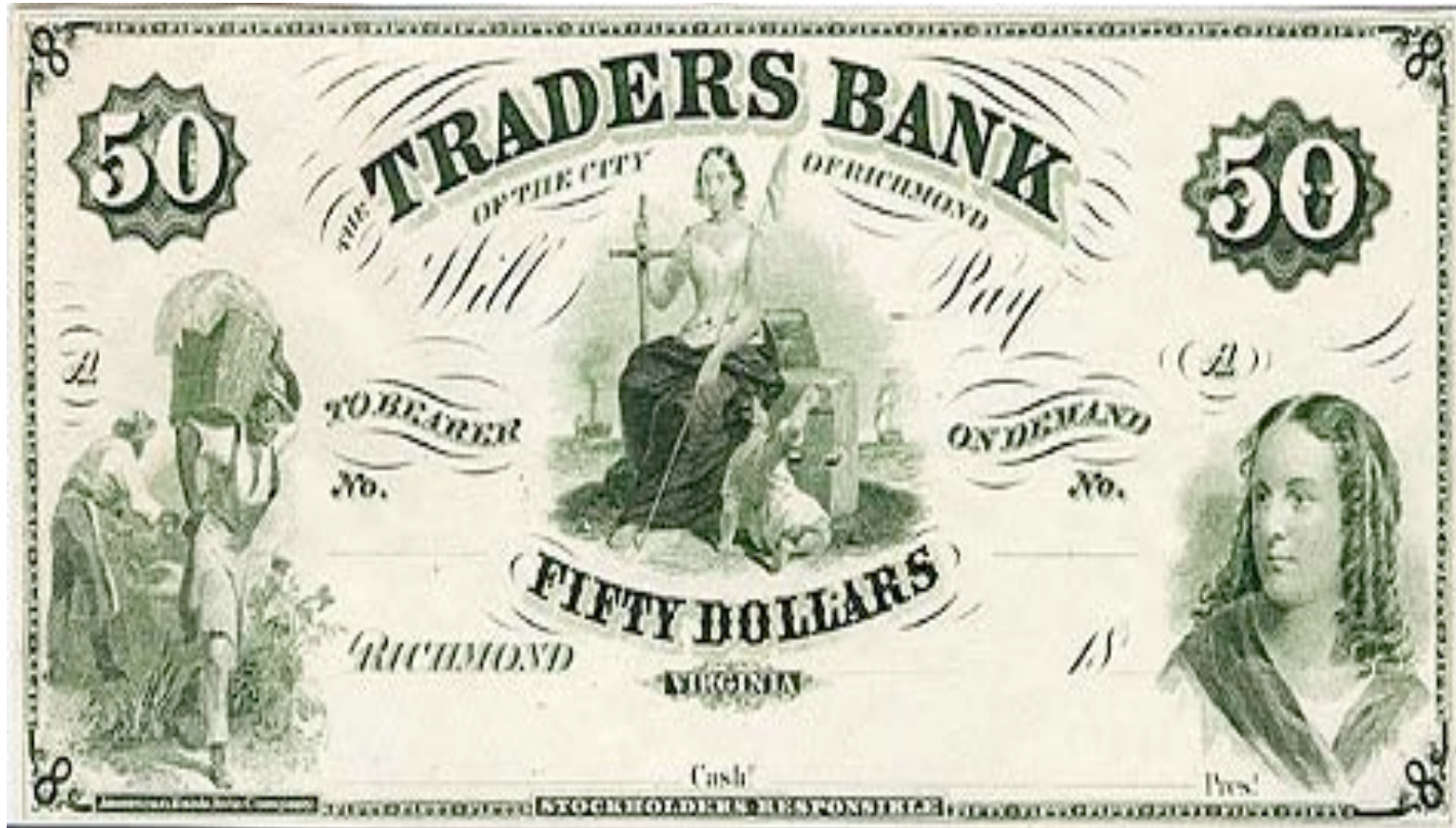
Example #4 of Confederate currency depicting slave labor from
"Beyond Face Value: Depictions of Slavery in Confederate Currency "
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Example # 5 of Confederate currency depicting slave labor from
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Example # 6 of Confederate currency depicting slave labor from
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Example #7 of Confederate currency depicting slave labor from
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