

Our Currency System

Few people know that we owe our system of currency to Thomas Jefferson. As a member of the continental congress in 1783 he became a leader in financial discussions and was made chairman of a committee to establish a system of currency and a standard of coin.

He proposed a gold piece of \$10 to be called an eagle, a half eagle, a dollar in silver, a tenth of a dollar in silver, and a hundredth of a dollar in copper. Jefferson's report was adopted by the congress, meeting in the city hall of New York, in 1785.

The following year, Oct. 16, 1786, the congress passed an ordinance for the establishment of a mint, and for regulating the value and alloy of coin, but only copper cents were struck to the value of about 200,000 dollars. These bore the legend "Mind Your Business." They were the first authorized coins minted by the United States. It was not until April 2, 1792 that under the constitution the present Philadelphia mint was authorized. The first coin struck at the new mint was a silver "half-dime" minted in the presence of President Washington, who handed it to Mrs. Washington.

When the Bank of New York was incorporated in 1791 the par value of the shares was set at "five hundred Spanish milled dollars." The word dollar comes from the old Dutch word "daler," and from the German word "thaler" for "Joachimsthaler," a piece of money coined about 1518 in the valley of St. Joachim, in Bohemia. The Spanish milled dollar was usually called a piece of eight. It is a moot question when the symbol "\$" first came into use, but the Bank of New York did not use it on the bank's journals until the 1820's, the designation always being "dollars," as appears in all cases in the journals of the continental congress. There is no "\$" symbol on our greenbacks today.

First reference to money in the records of the colonies was on June 3, 1775, when a Committee of congress was appointed to borrow "six thousand pounds for the use of America." The first mention of dollars is in a resolution of June 14, 1775, when the pay of officers of the continental army was set at 20 dollars per month for a captain and 13 1-3 dollars for a lieutenant, 6 2-3 dollars for a private, and so on. On June 22, 1775, it was "Resolved, That a sum not exceeding two millions of Spanish milled dollars be emitted by the congress in bills of credit, for the defense of America." This was the first issue of continental paper currency, of which the aggregate amount of 242,000,000 dollars was issued by the close of 1779, and which resulted in the phrase "not worth a continental." It depreciated in value, because the congress of the confederation had no powers of taxation. In January, 1781, one Spanish milled dollar in coin would purchase 100 dollars' worth of currency, and by May it had practically lost its value. Under Hamilton's funding act of 1790, the old continental issues of currency were accepted for the purchase of United States bonds at the rate of 100 to 1.

United States currency has maintained a fairly stable value from that day to this except during the civil war period when greenbacks were regarded with so much suspicion that at one time a dollar in gold would buy nearly three dollars worth of greenbacks.