



Left and right: Spanish dollar or Piece of Eight, Mexico City (New Spain), stamped with Chinese assay or chop marks, silver. 1.5 inches in diameter. Hall and Kate Peterson Fund for Minor Antiques, 2004.17. There are approximately 37 chop marks on this dollar. Most coin collectors consider chop marks damage (referring to anything that happened to the coin after leaving the mint), but some are now recognizing these chop marks in a broader, historical context.

Perhaps no other single object

represents the global economy in the 18th century better than the Spanish dollar or eight reale coin. Approximately one ounce in weight and 1½ inches in diameter, these coins, also known as “pieces of eight,” were first minted in the Spanish Empire beginning in 1497, as an imitation of the Hapsburg Empire’s popular thaler coin. By the late 18th century the Spanish dollar had become widely accepted throughout Asia, the Americas, and Europe as an international currency because of its availability, uniform size and weight, high purity,¹ and milled edge which discouraged clipping.

The discovery of massive gold, silver, and copper deposits in New Spain and Peru in the mid-16th century transformed the economy of Spain, made possible the support and defense of its overseas colonies, and set in motion rivalries with other European powers. Two main centers of silver production emerged in 16th-century Spanish America: the region north and west of Mexico City, centered on the provinces of Zacatecas and Guanajuato, and the “mountain of silver” at Potosí in the Bolivian Andes. Exploitive mining techniques and forced or slave labor removed millions of tons of silver ore from the earth.

In 1535, a colonial mint was established in Mexico City, quickly followed by ten other mints in Mexico, Peru, and modern-day Bolivia. These mints transformed raw materials into refined silver coin and bullion for shipment back to Spain. Using the patio process, silver was extracted by finely grinding the ore using hydraulic mills and treating the mix-

The Spanish Silver Dollar

The World’s First Universal Currency

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ture with mercury. The resulting amalgam of mercury and silver was then washed and fired in a kiln, driving off the volatile and toxic mercury and yielding ingots of nearly pure silver. Of this the Crown claimed a *quinto royal*, or 20%, of all silver produced. The first pillar dollars (those decorated with the pillars of Hercules) were minted in Mexico in 1732, and were an exclusively Spanish American product. By the time Historic Deerfield's coin was made in 1798, the mint in Mexico City used a rolling mill to produce sheet silver coils. When struck by a screw press, the resulting coins were of high quality and extremely uniform.

Historic Deerfield's Spanish dollar exhibits the worn, rubbed surface of a well-handled coin; it has been placed in numerous palms, carried in wallets, pockets, and coffers, and probably lost once or twice. Upon looking more closely, this coin is a repository of information about politics, religion, national identity, royal authority, and artistic achievement. On the obverse (or front), the coin features the profile of Charles IV (1748–1819), King of Spain from 1788 to 1808, crowned with a laurel wreath and wearing armor—with the legend “CAROLUS.

III. DEI. GRATIA.” [Charles III by the Grace of God] and date of “1798.” The reverse displays the pillars of Hercules, which hold up the world and often represented the riches beyond the straits of Gibraltar, flanking the crowned coat of arms of the King of Spain and the legend, “HISPAN. ET. IND. REX.” [King of Spain and the Indies]. The letter “M” (with small O above) is the designation for the Mexico City Mint. “8R.” stands for the denomination of eight reales, and “F.M.” are the initials of the mint's assayer (the tester of the composition of the metal).

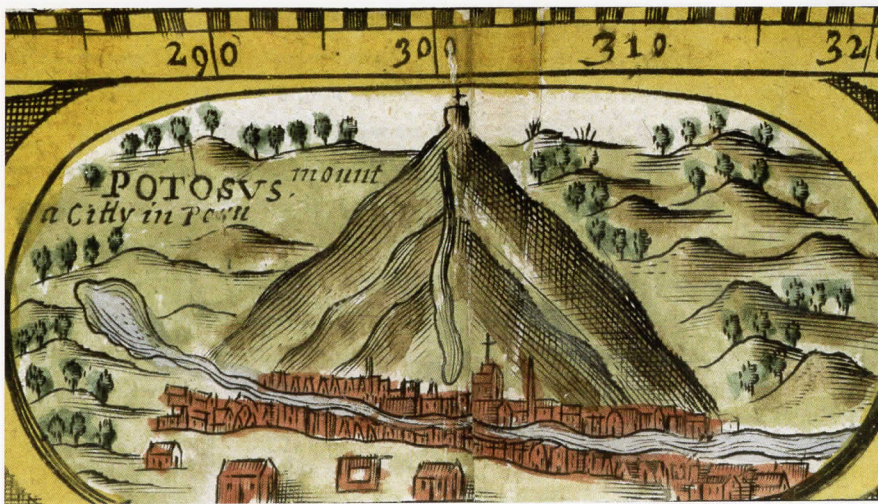
A chronic shortage of specie existed in Britain's North American colonies before 1775. The colonies had no mines that produced significant quantities of precious gold or silver, and Britain had banned the export of silver bullion. Because the cost of imports always exceeded the value of exports, most of the specie that entered into the colonies flowed back out to pay for British goods. Efforts to create a circulating currency were closely regulated by Britain, so early Americans traded readily available commodities such as lumber, flaxseed, potash, and other agricultural products as substitutes, all the while maintaining complicated ledgers of debits and credits. In the absence of locally struck coins, many

different coins minted by rival imperial powers circulated as legal tender in the British colonies. Merchants and tradesmen, especially silversmiths, developed familiarity with a wide variety of international coins including Portuguese “joes”, French guineas, and Spanish pistareens.

Spanish coins acquired through trade with the West Indies eventually predominated, especially the dollar.

Below: Spanish dollar or Piece of Eight, Mexico City (New Spain), silver, 1770. Hall and Kate Peterson Fund for Minor Antiques, 2018.17.3 In the center is the crowned Royal Arms of Spain, and around the edge, “REX/CAROLUS/III/DG/HISPAN/ET/IND” [King Charles III, by the grace of God King of Spain and the Indies]. Front of coin, pictured on pg. 19, features crowned twin conjoined hemispheres flanked by the Pillars of Hercules with their Latin motto “Plu Ultra” [More Beyond], and on the edge, “VTRAQUE/VNUM [Both are One].





Above: Detail of Potosí from *New and Most Exact Map of America*, published by John Overton (London, 1688). Paper, ink, and watercolors. 65.223. The city of Potosí lies at the foot of the Cerro Rico (Rich Mountain) in modern-day Bolivia. Founded in 1545 as a mining town, Potosí soon produced fabulous wealth. The population eventually exceeded 200,000 and produced an estimated 60% of all silver mined in the world during the second half of the 16th century. The city gave rise to a Spanish expression, still in use: vale un Potosí, (“to be worth a Potosí”) meaning “to be of great value.”

Below: Box of scales and weights, retailed by Joseph Richardson, Sr. (1711–1784), Philadelphia, c. 1780. Wood, brass, copper, steel, and paper. 61.140.2. A silversmith might be presented with a variety of international specie to pay for goods or to melt down for fashioning objects. It was necessary to know how each coin compared to the local currency for the proper exchange rate. These scales and weights, purportedly owned by silversmith and clockmaker John Russell (1767–1839) of Deerfield, Northampton and Greenfield, Massachusetts, have a paper table that notes values for each coin. Spanish pieces of eight traded at 7 shillings 6 pence Massachusetts currency.



While goods were officially valued in British pounds, in their day-to-day transactions colonists more commonly used the Spanish dollar as their unit of account.² Spanish dollars represented a universally understood and accepted currency that superseded the complicated monetary systems established in each colony. As globetrotting coins, Spanish dollars also made their way to the East. In order to increase trade, the Spanish colonial administration at Manila in the Philippines arranged for direct shipment of Spanish dollars from New Spain, beginning in the 16th century. Chinese merchants in Manila carried the coins back to China where they circulated, mainly in the southeast. As trade relations expanded with other Western countries, Chinese merchants based at Canton (now Guangzhou) expressed little interest in foreign goods in exchange for their valued teas, silks, and porcelains, preferring instead to take silver coins. In a 1793 letter to King George III of Britain, the Emperor Qianlong (reigned 1736–1796) wrote, “We possess all things. I set no value on objects strange and ingenious, and have no use for your country’s manufactures.”³ Traveling with a cargo of silver through pirate-infested waters presented expenses and risks, and trading exclusively in silver depleted Western coffers. Foreign (including American) merchants involved in the China trade transported chests of Spanish dollars to pay for Chinese goods until opium became the preferred commodity of exchange in the early 19th century. Yet the use of silver coins in Chinese trade continued well into the 19th century.

The small markings on the surface of the museum’s Spanish dollar indicate that it circulated in China. Known as “chopped” dollars or “cut

money,” these coins were repeatedly tested by money handlers or “shroffs.” The marks or “chops” hammered into the silver were made by assayers who had to validate the weight, authenticity, and silver content of each coin. Coins often display an assortment of “chops” because each money handler chose a personal mark that represented, to him, authenticity. Cutting into the coin also showed whether it was solid silver or just silver coated, exposing a common characteristic of forgeries. These marks are often Chinese characters, such as *tien* for heaven or *li*

for profit. Sometimes they are more abstract in design, using a sunburst or swastika.⁴ Dollars, especially those bearing the images of either Charles III or Charles IV, the so-called “Old Heads,” were highly prized and traded at a premium in 18th and early 19th-century Canton. The number of chop marks on the front and reverse of this coin attest to its extensive circulation.

Even after the American Revolution, Spanish dollars became a mainstay of the early American economy and served as the model on which the original Federal dollar was based.

Thomas Jefferson suggested at the 1776 Continental Congress to adopt the Spanish dollar as the official currency of the new country. When the United States Mint finally did start making dollars in 1794, they closely imitated the weight and size specifications of the Spanish dollar. The Spanish dollar remained legal tender in the United States until the Coinage Act of 1857.

As you jingle the change in your pocket, it is perhaps worth taking a closer at your coins for the stories they may have to tell.



Miniature View of the Foreign Factories at Canton, Canton (Guangzhou), China, 1803-1808. Watercolor and gouache on ivory. 69.0009. This painting depicts the Canton waterfront with an assortment of Western-style buildings called the foreign factories, which housed merchants while in Canton. The ground floors of these buildings commonly had a treasury, usually an armored and secured vault, generally encased in granite, for the storage of Spanish dollars. Chinese shopkeepers occupied narrow streets between the factory buildings selling paintings, lacquerware, furniture, silver, porcelains, and other novelty items.

ENDNOTES

1. There are 423.9 grains of silver in a Spanish dollar in comparison to 480 grains in one troy ounce of silver.
2. Sharon Ann Murphy, *Other People's Money: How Banking Worked in the Early American Republic* (Baltimore: Johns Hopkins Univ. Press, 2017), 17.
3. Quoted in Nigel Cameron, *Barbarians and Mandarins: Thirteen Centuries of Western Traveler in China* (New York and Tokyo: Walker/Weatherill, 1970), 313.
4. For more information on the China Trade and coins, see Jacques M. Downs, *The Golden*

Ghetto: The American Commercial Community at Canton and the Shaping of American China Policy, 1784-1844 (London and Cranbury, NJ: Associated University Presses, Inc., 1997), 87, 107.

