



Continental Currency See p. 5

AMERICANS *Becoming* TODAY

NO. 1 FOR COLONIAL WILLIAMSBURG



Carpenter's Hall See p. 5

Newsline

EVENTS IMPACTING THE ECONOMY

- March 31–June 22: Parliament passes the Coercive Acts and the Quebec Act.
- September 5–October 26: First Continental Congress meets in Philadelphia. The Association is passed prohibiting importation of British goods after December 1, 1774 and the exportation of colonial commodities to Great Britain after September 10, 1775. The Congress also called for ending the slave trade.
- 1775
- April 19: Battles of Lexington and Concord are fought.
- June 15: George Washington is appointed commander of the Continental Army.
- August 23: King George III declares the colonies in open rebellion.
- 1776
- March 23: Continental Congress authorizes privateering for the colonies.
- July 4: Continental Congress approves the Declaration of Independence.
- August 27: Battle of Long Island, New York; British take New York City.
- December 25-26: Washington crosses the Delaware River, Battle of Trenton.
- 1777
- January 3: Battle of Princeton.
- September 11: Battle of Brandywine.
- October 4: Defeat at Germantown and army retreats to Valley Forge for winter.
- October 17: British General Burgoyne surrenders at Saratoga.
- November 15: Articles of Confederation are approved by Congress.
- 1778
- February 6: France and the United States form an alliance.
- 1779
- May: Spain joins war on America's side.
- May 8–24: British conduct raids in Virginia destroying vessels, tobacco and arms worth more than £ 2,000,000.
- June 26: Inflation and sagging public credit forces Virginia to levy a specific tax for the payment of grain, hemp, or tobacco for every man over sixteen and for every female slave of like age.
- July 15-16: To curb runaway inflation, Williamsburg citizens resolve to set prices on goods and keep them in city.
- Nov. 30: To meet increasing demands in Virginia for foodstuffs for armies in the north and south, Jefferson, passes a law to ban exportation of meats and grain.
- 1780
- April 7: The state capital moved from Williamsburg to Richmond.
- May 12: British Capture Charleston, South Carolina
- June 10: Virginia enacts a law allowing commissioners to compel individuals to sell to the state at set prices provisions above the owner's immediate need.
- July 7: The Virginia House of Delegates accedes to Congress's plan to stop the runaway depreciation of Continental paper currency by recalling it for a new issue at 40 to 1 in specie.

[Continued on Page 6]

THE ECONOMY



"A Design to represent the beginning and completion of an American Settlement or Farm" was published in London in 1768

ECONOMIC CHANGES IN THE CHESAPEAKE

"The Citizens of America placed in the most enviable condition, as the Sole Lords and Proprietors of a vast Tract of Continent, comprehending all the various soils and climates of the World, and abounding with all the necessaries and conveniences of life, are now by the late satisfactory pacification, acknowledged to be possessed of absolute freedom and independence: They are, from this period, to be considered as Actors on a most conspicuous Theatre, which seems to be peculiarly designed by Providence for the display of human greatness and felicity.

George Washington, 1783

The outbreak of the American Revolution led to severe economic depression in the Chesapeake. Largely cut off by British naval blockades from international and inter-colonial markets, most planters cut back drastically on production of all market crops. No longer able to buy imported manufactures, they devoted their energies to producing fibers, making cloth, boiling salt, brewing alcohol, and finding ways to pay their taxes. Most Chesapeake residents were in reduced straits by 1781 as a result of absenteeism in government or military service, loss of income from market crops, destructive British raids, slave desertions, loss of rents from tenants who could not or would not pay, depletion of livestock herds and timber reserves, high taxes, scarce specie, and deterioration of buildings, fences, and other infrastructure.

Once hostilities ended, Chesapeake residents made concerted efforts to make up for years of lost revenues. But few planters were able to resume full crop production before 1785, and a post-war economic bust, falling land prices due to out migration, scarce money and credit, unpaid prewar debts, and continued high taxes all contributed to economic malaise. After the Constitution was adopted and a national government organized in 1789, entrepreneurially minded residents became more optimistic, and economic conditions improved.

Most planters at first returned enthusiastically to their traditional staple and resumed the sorts of arrangements they had with British merchants before winning independence. Tobacco remained the dominant element in the 1780s economy, import replacement strategies were curtailed, and heavy imports of British manufactures and British credit resumed. However the abolition of the national tobacco monopoly at the start of the French Revolution in 1791, and the closing of the French and other continental markets the following year upon the outbreak of war in Europe, finally brought to an end a colonial structured economy.

For the first time in the history of the region, many planters decided to drop tobacco entirely in favor of grains, hay, dairy products, and livestock. Per capita earnings from tobacco declined throughout most of the Chesapeake, with the exceptions of the Virginia piedmont and Southside where tobacco production continued to expand and outputs per laborer were sometimes higher than those realized before the war.

With the shift to a national rather than a colonial economy, the size and functions of

Chesapeake towns and cities also changed. After 1791 indigenous merchants, who had largely controlled the wheat and West Indian trades prior to the Revolution, took control of the tobacco and European merchandising trades as well.

Baltimore, with over 13,000 residents and extensive connections both to the west and to foreign and domestic ports, was already the nation's fifth largest city in 1790, and by 1830 grew to the second largest with a population of over 80,000, eclipsed only by New York City. Norfolk and Richmond were also among the twenty most populous cities in the young republic, with Alexandria, Georgetown, Petersburg, and Washington, DC ranking in the top thirty. Even interior trading centers like Frederick and Hagerstown, Maryland, and Lynchburg, Virginia, supported larger populations than had lived in the Chesapeake's colonial capitals.

These expanding urban places began to serve as centers of political and cultural life, as well as of commerce. However the region's merchants and bankers proved no match for the entrepreneurs of New York City and Philadelphia. These northern cities replaced London, Glasgow, Liverpool, and Bristol as the main sources of credit and the distribution centers from which Chesapeake residents obtained both imported and domestically made manufactured goods.



The shift into grain farming that commenced in the early 1790s, so lauded by contemporary agricultural reformers and by many twentieth century scholars, brought temporary prosperity largely to a privileged few, and moreover, created more serious environmental problems than the application of "scientific" farming solved. Unlike tobacco, there were economies of

COMMON CHALLENGES

1775 to 1789 2000 to 2008

- Mortgage Crisis
- Credit Crises
- Costs of Waging War
- Recession and Inflation
- Unemployment
- Accelerating Gap between Rich and Poor
- Government Bail Out

CRUCIAL ELECTION

1789 2008

scale in raising wheat, and middling to large planters benefitted more from the high grain prices generated by the Napoleonic Wars than did small planters. Up to 1818 or 1819 the agricultural situation was generally favorable despite the Embargo of 1808 and renewed war with Britain between 1812 and 1815. In addition to high overseas demand for grain, the region's rapidly growing urban populations expanded markets for hay, dairy products, meat, seafood, firewood, and perishable produce.

During the early nineteenth century, the revenues of large producers again pulled far ahead of those of smaller farmers. Big planters who shifted their crop mix to suit volatile markets and tailored their slave labor forces to that mix, realized increasing returns from major field crops as well as growing revenues from livestock sales.

Not all abandoned tobacco entirely, and planters who grew grain every year and tended tobacco when prices were favorable did better than most of the farmers who dropped it altogether. Gross revenues per laborer among large slave owners rose to about £25 sterling constant value between 1790 and 1807 and averaged over £35 between 1810 and 1818, almost certainly the highest returns realized in the region prior to the Civil War.

Newly available nonagricultural investments—urban real estate, bank stock, and shares in internal improvement companies—also contributed to big planter prosperity. In contrast, planters who owned few or no slaves realized gross revenues of only about £15 per worker, the same level as before the Revolution.

The fortunes of middling planters varied in the immediate post Revolutionary era. In some parts of the tidewater, such as Virginia's Northern Neck and Elizabeth City County on the Lower Peninsula, many moderately prosperous families opted to move west or into cities, and some who remained may have experienced downward economic mobility.

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UNITED STATES TODAY SNAPSHOT

WHAT IS IT WORTH???



One Third of a Dollar, Philadelphia 1776

[Colonial Williamsburg, Gift of Ruth P. and Joseph Lasser]

BA TODAY INDEX

This issue of *BA Today* focuses on the economic challenges that confronted the colonies as they declared independence from Great Britain, fought and won the Revolution, and established a new nation first under the Articles of Confederation. The economy remained in shambles until after the ratification of the United States Constitution and the election of George Washington.

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Interpretation: The Charlton Coffeehouse	Page 8

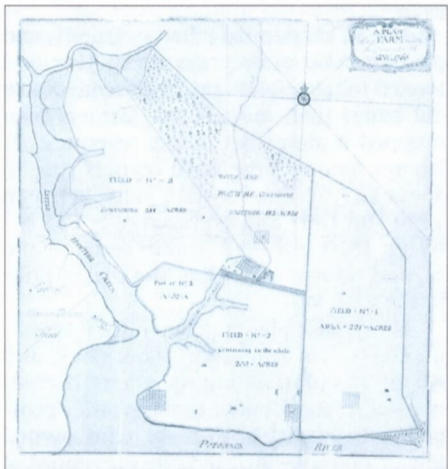
COLONIAL ECONOMIES

1774-1776

ACCELERATING GAP BETWEEN RICH AND POOR

Between 1680 and 1770 the economy of the British mainland colonies in America soared with growth unprecedented by both Old and New World standards. The economy swelled faster than the population expanded. It became more diverse and more complex. It drew from many European immigrants, enslaved Africans, and Indians, women and men alike. It stretched outward, pulling ever larger regions of the North American continent into its lucrative orbit. It brought American goods to expanding international markets and an extraordinary array of world goods to an increasingly affluent colonial market.

The economy also changed in ways not everyone liked or even understood. Its complexity often frustrated colonists who appreciated the benefits of increasing international exports when prices were high but damned them when prices were low. Competition increased everywhere, from the farm to the city, and families could lose as well as gain across the decades. The gap between rich and poor accelerated, probably more rapidly than in any other period in American history, so that poverty became a permanent feature of the American economic landscape. Some poverty represented personal failure and bad luck for European immigrants and their descendants, but far more stemmed from the consignment of Africans to perpetual servitude and enforced destitution through slavery . . .

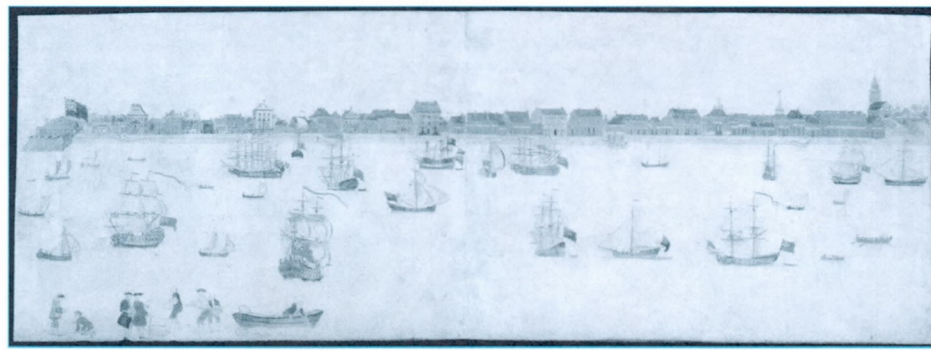


"A Plan of My Farm" by George Washington, 1766

Credits to Virca, Vincent, and Curators of the Library of Congress with Alan Brinkley (2004) *Eyes of the Nation: A Visual History of the United States*, Charlestown Hill Publishing

To speak of the economy in prerevolutionary America was to speak of farming, as it had been since the beginning of European colonization and would be through the 1870s. Between 75 and 85 percent of colonial men and women made their living as landholders and tenant farmers, or as servants, seasonal laborers, and slaves, who worked on farms . . . Much colonial farming remained largely "subsistence" in character, so that the entire household raised many crops directed explicitly to household consumption. But farming also became increasingly commercial after 1680, and farmers everywhere paid considerably more attention to "markets" than they had done before. Farmers who raised items for their own consumption also very deliberately produced crops to sell not only to neighbors or regional consumers but to "factors," who transported a wide variety of crops—grains, tobacco, rice, indigo, and large timbers—to markets mainly in Europe.

[Source: Jon Butler, *Becoming America: The Revolution before 1776*, Harvard University Press, Cambridge, Massachusetts, 2000, pp. 50-51]



Watercolor View of Charleston, South Carolina

ECONOMIC REACTIONS PROMPT NEW ACTIONS

1774 TO 1776

By 1774 the economies of the thirteen colonies had grown greatly in productivity and complexity creating great wealth for men of property and for the Empire. Slavery was present in all of the colonies, but in the South slaves furnished the manpower to drive the engine of those economies. As the colonies became more valuable and the costs of maintaining the expanding Empire increased Britain tightened her controls over the colonies and established more economic restrictions and demanded more revenues from taxes.

Thomas Jefferson argues in 1774 in his "Summary View of the Rights of British America," that Britain in the past "took upon themselves the power of prohibiting Trade with all other parts of the world, except the Island of Great Britain" and "prohibiting us from manufacturing for our own use, the articles we raise on our own lands with our own labor" for her American colonies. Jefferson then recounts "a series of oppressions" largely

economic like the closing of the port of Boston and taxing the colonists without allowing them representation in Parliament which "prove a deliberate, systematical plan of reducing us to slavery."

In October 1774 the Continental Congress passed the Association to protest Parliament's offensive and restrictive economic legislation in the Coercive Acts punishing the colonies for their support of Boston after the Tea Party in December of 1773. The Association was designed to limit trade and thereby reduce the Empire's wealth by ending all imports of manufactured goods from Great Britain by December 1, 1774 and all exports of valuable commodities by September 1, 1775. In addition the Association called for the end of the slave trade which had been very lucrative for the Empire. Committees of Safety were established in the colonies to reinforce the terms of the Association.

[Submitted by Anne Willis]

EXPORTS FROM THE COLONIES ON THE EVE OF THE REVOLUTION



Interior of a Shipping Merchant's Establishment Probably in Rotterdam, 1783 *Colonial Williamsburg* 1991-32

South Carolina Exported £500,000 Yearly

£325,000	Rice
£110,000	Indigo
£28,000	Deerskins
£10,000	Grains and Wood Products
£7,000	Livestock
£7,000	Naval Stores

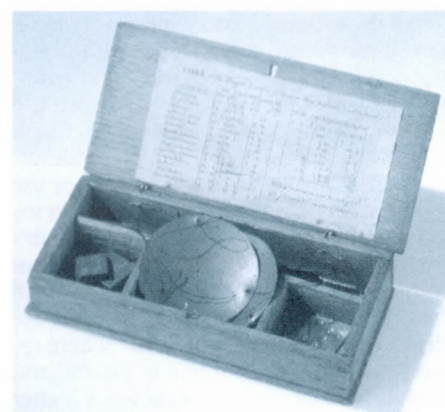
Maryland, Virginia and North Carolina Exported £1,100,000

Largest Number of Regional Exports in the Mainland Colonies

£760,000	Tobacco
£200,000	Grains
£35,000	Naval Stores and Wood Products
£30,000	Iron Products

The Middle Colonies Exported £525,000

£393,750	Grains
£131,250	Flaxseed, Livestock, Potash, Wood Products, and Iron



Money scale.

COLONIAL ECONOMIES

1774-1776

GOT TOBACCO?

Imagine yourself a successful planter located on the upper reaches of the Rappahannock River in Virginia. Your tobacco has been cut, cured, packed into hogsheads, and transported to a warehouse at Fredericksburg, where it was inspected and now awaits shipment, for you prefer to consign your crop to a merchant rather than sell it in Virginia.

Each hogshead is branded with your mark and separately numbered. That mark and number were carefully written on the "crop notes" that the tobacco inspector gave you as receipts. Now you have turned them over to a ship captain who has agreed to freight your tobacco to England. He uses the crop notes to find your hogsheads among the many others sorted in the warehouse.

As the containers are brought out to the ship and lowered into the hold, he or his mate double checks the marks and numbers and enters them on the ship's manifest, which will be examined and recopied by the royal customs officials before the ship is allowed to clear the colony.



The Cartouche of the Fry Jefferson Map *Colonial Williamsburg* 1968-11

Once everything tallies, you receive a bill of lading on which your identifying monogram is noted again. You enclose this bill or a duplicate in the covering letter that accompanies the shipment and tells your agent in London what you are sending him. You also include an invoice of the goods you are sending him and an invoice of the goods you want him to supply in return.

Arriving in the Thames six weeks later, the captain forwards your letter to a merchant and proceeds to unload the cargo under the watchful eye of a customs inspector. The merchant hastens to send round one of his clerks to clear customs, pay the duties, and arrange shipment to the agent's warehouse. Back in his counting room, the merchant, still using your monogram, credits your account for the hogsheads safely received.

Soon entries on the other side of the account book, the debit side, indicate that a clerk has been dispatched to fill your orders. All over the city he calls on suppliers of tea, yard goods, furniture, foodstuffs, and ironmongery. He leaves behind shop invoices that list the names (yours included) of all of the planters who have requested merchandise sold by that wholesaler together with marks to be used in identifying each order . . .

The various tradesmen package each order separately and affix the planters' marks, this time as shipping labels. The parcels are sent directly to a warehouse designated by the merchant, where your order is assembled and stored until a ship is ready to make a return voyage.

Again your monogram is the shorthand symbol that tracks your goods through the manifest, the bills of lading, and the customs records. It is used for the last time when the ship anchors in the Rappahannock and the captain makes up a "boat bill," a list of the boxes, bundles, and barrels transferred to a flatboat to navigate the shallow creek to the wharf where you and your neighbors will send you wagons.

Altogether, such transactions took upwards of eight to twelve months from the time Virginians placed their orders to the time the goods arrived. [Source: Cary Carson, *Historical Eassay CW Products*.]

WARTIME ECONOMY 1776-1781

WOMEN AND THE WAR

"Posterity who are to reap the blessings, will scarcely be able to conceive the hardships and sufferings of their ancestors."

Abigail Adams

Martha Washington at Valley Forge

When Martha Washington arrived at Valley Forge in the bitter winter of 1778, "Martha found a horrific situation. Fifteen hundred horses had died of starvation, and the human condition was not much better. Cold, hungry, sick, and dirty men threatened desertion chanting, "No bread, no soldier." Washington's position as commander in chief was threatened as well, so Martha had her work cut out for her when she arrived on the scene. Once again she brought supplies from Mount Vernon, which were even more welcome than the year before. She set up a sewing circle of officers' wives, including Kitty Greene and Lucy Knox, who had both left their children at home and joined their husbands. One witness to Martha's activities wrote: "I never in my life knew a woman so busy from early morning until late at night as was Lady Washington, providing comforts for the sick soldiers... Every few days she might be seen, with basket in hand...going among the huts seeking the keenest and most needy sufferers, and giving all the comforts to them in her power."

[Source: Cokie Roberts, *Founding Mothers: The Women Who Raised Our Nation*, Harper Collins Publisher, 2004], p. 94-95.

Mary Bartlett in New Hampshire

Joseph Bartlett, a physician from New Hampshire, headed up the Committee of Correspondence in his colony and as a result in 1774 Tories burned his house down leaving his wife and eight children homeless. He continued to serve in the Continental Congress and in her letters to him she describes the challenges she faces at home. "The men among us are very backward about going into war, they are not content with the province bounty... We hear of wars and tumults from one end of the Continent to the other, I should be glad to know if your courage holds out yet about keeping and defending America." She later describes the scarcity of goods and high prices and then begs her husband to come home as she is apparently pregnant, "before cold weather, as you know my circumstances will be difficult in the winter if I am alive."

[Source: Cokie Roberts, *Founding Mothers: The Women Who Raised Our Nation*, Harper Collins Publisher, 2004, p. 96].

Eliza Pickney in South Carolina

"Once the city of Savannah fell [end of December 1778], the British were able to establish a firm foothold in the South... With Georgia securely in their hands, enemy soldiers moved on South Carolina, plundering and pillaging as they marched, with the aim of taking Charleston... By 1778 Eliza Pickney had been widowed for twenty years and had been managing on her own since she was a girl. With the men off at war, her daughter Harriott found herself a virtual widow as well, but she stayed at her plantation on the Santee River in Hampton with her little children, to keep the family business going. In her isolation she was desperate for news. "I have not had a line to inform me of anything," Harriott wrote her mother, "I am here entirely alone." Eliza soon joined her daughter as the British rampaged through South Carolina in 1779. Of course the women weren't really alone on their plantations, there were scores of slaves as well, but that would soon change. While she was at Hampton, Eliza received word from her son Thomas that both her plantation house and his had been destroyed. "I have just received...the account of my losses and your almost ruined



"Advance of the Enemy" By A.W. Thompson. The Courtesy of the Connecticut Historical Society

Every spot of the old world is overrun with oppression, Freedom hath been hunted round the globe. Asia and Africa have long expelled her. Europe regards her like a Stranger, and England hath given her warning to depart. O! Receive the fugitive, and prepare in time an asylum for mankind."

Source: Thomas Paine, *Common Sense*

COSTS OF WAGING WAR

Wars always extract great loss of life and property especially if fought on home soil with an invading army. It is estimated that at least 25,000 Americans, or one percent of the estimated population of the country, died in the conflict many of whom perished on British prison ships. That percentage of deaths from American wars has been exceeded only by the Civil War. There was also a tremendous loss of personal and public wealth. Men who joined the army often left their farms and businesses to be neglected or operated by others. Labor was in short supply as men were recruited and slaves deserted their masters. Small farms and towns in the path of battles or movement of troops suffered from the confiscation of food stuffs and fodder.

The loss of European and Caribbean markets due to the presence of British blockades curtailed most trade leaving farmers and merchants unable to sell or export their commodities. Imported goods grew scarce as manufactured goods disappeared from store shelves. Individual states never were able to raise the number of troops that were needed in the field and their contributions of raw materials and supplies for the war effort were greatly compromised. The demand for iron for the manufacture of cannons and other firearms was urgent. Gunpowder and salt for the preservation of meat for the troops

were always in short supply. Individual states never were able to raise the number of troops that were needed in the field and their contributions of raw materials and supplies for the war effort were never adequate.

General Washington's troops from the beginning of the war until its end seldom received adequate pay. The Continental Congress was unable to raise money and the Continental currency that was issued soon became worthless as inflation rose throughout the states. As a consequence recruits often deserted and the troops that were in the field often suffered greatly from the shortages of food, blankets and shoes making the misery of the war all the greater especially during the long dark bleak winters of the war. The price of wheat, beef and firewood increased profoundly.

Throughout the period of the war the Continental currency that was printed became increasingly worthless, prices for all commodities skyrocketed while shortages compromised the quality of life for the army and all Americans. There was runaway inflation and all people suffered greatly especially the poor and enslaved. The new nation borrowed heavily from France and Spain to finance the war and the total of war debt was staggering.

[Submitted by Anne Willis]



[Image: View of Boston Harbor] Colonial Williamsburg 1962.302.3

fortunes by the enemy, a severe blow!" The British had gutted Eliza's house, burned Thomas's place, and taken the slaves. (In plundering South Carolina's plantations, the British rounded up about three thousand slaves, many of whom were still treated as property—just the property of new owners—and sold to the West Indies. Neither side in this fight for freedom was ready to grant it to the slaves.) . . . Several families of women and children moved in with Harriott, hoping to find safety there

while their husbands and sons hopelessly tried to save Charleston. In the end they failed, and the British finally achieved their long-awaited goal—they captured Charleston, the South's preeminent city culturally and economically, in May 1780, gaining major tactical and psychological victories plus control of the vast regions of Georgia and South Carolina."

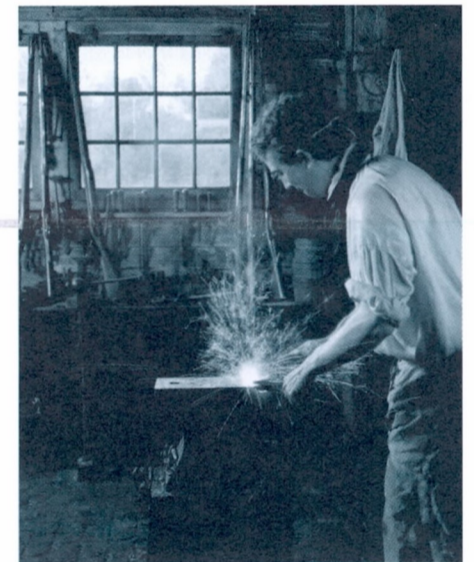
[Source: Cokie Roberts, *Founding Mothers: The Women Who Raised Our Nation*, Harper Collins Publisher, 2004, p. 96].

WARTIME ECONOMY 1776-1781

ARMING OUR TROOPS The Iron Industry

The years of the Revolutionary War presented Americans with great technical challenges, and at the same time great economic opportunities. The technical challenge was to develop an arms making industry that could supply war materiel needed to maintain the war effort. At the same time, this was the economic opportunity for entrepreneurial individuals.

James Anderson had served the Colony as an armorer during the last years of colonial rule, and had agreed to do armorers' work for the newly formed state. The armorer provided the service of repair and maintenance of military arms, and production of other military hardware. The tools used to make agricultural implements and household goods in peacetime, could easily be converted to a wartime status repairing guns, swords, and bayonets. At the outbreak of the war, Anderson worked from his shop located behind the Barraud House (on the site of the current Barraud kitchen) with 5 or 6 workmen. As demand for weapon repair grew, the shop was enlarged, and then expanded onto the site of the reconstructed Anderson Shop. By 1780 Anderson employed around 40 workmen between the two sites.



Blacksmith Steve Mankowski at the Anderson Forge

Large scale manufacture of weaponry required different production techniques. Shops employing specialized labor and water powered industrial machinery produced weapons of a standard pattern in large quantity. To that end, the state poured enormous sums of money into works located in Richmond and Fredericksburg. These were the primary locations for industrial manufacture of arms and military hardware due to their geographical location on the fall line of major rivers. In Fredericksburg, James Hunter had operated a large ironworks for some time, processing iron ore into metallic iron, some consumed locally, much for export to Britain. As the state sought to create a wartime industrial infrastructure, it did so by underwriting the expansion of existing businesses. By some accounts, the state put £40,000 into Hunter's works, building what was in the day perhaps the largest industrial operation in America. The small arms factory run by Hunter was described as being housed in a building 350 feet long and four stories high. In addition to this arms factory Ebenezer Hazard observed that

"At present he makes from pig iron; bar iron, anchors, all kinds of common blacksmiths work, small arms, pistols, swords, files, fuller's shears, and nails. He has a grist mill & saw mill, a Cooper's shop, a Saddler's shop, a Shoemaker's shop, a Brass Founder's shop, & a wheelwrights shop . . ."

Hunter employed nearly 2,000 men in his operation, a number nearly equal to the population of Williamsburg at the time.

The state also financed the construction of a "Gunnery" for the manufacture of muskets, pistols, and other weaponry and overseen by a board of commissioners. This manufactory employed about 60 hands

[Continued on Page 6]

WARTIME ECONOMY 1776–1781

Interview with John Carter: Merchant

Reporters: Mr. Carter, Where were you in business before the war?

John Carter: Since 1755 I have been a merchant and before the war and to the present time, I have been in business at this location between James Craig's Sign of the Golden Ball and the Raleigh Tavern. James Carter (surgeon and apothecary) built this brick structure as a joint business venture. He occupies the western portion of the shop, The Unicorn's Horn and in 1772, I moved my family into the upstairs of this structure. The war and removal of the capital to Richmond did not cause me to relocate my home and business as it did many other merchants and tradesmen.

Reporters: What were you selling in your store before the war?

John Carter: It was my intention to offer for sale anything that you desired so that you would have no need to visit my numerous competitors such as Mr. Greenhow, Mr. Prentis, and Mr. Tarpley. So I would import broadcloths, silk and worsted breeches, men's, women's, and children's silk, cotton, thread, and worsted stockings, satin and calimanco shoes, shoe soles, grammar books, psalm books, Glass's cookery, testaments, spelling books, and a variety of other books for children, writing paper, wax, ink powder, pens, a variety of tin ware, vis. swans, hens, chickens, hedgehogs, and nutmeg graters, etc., also sundry West Indian goods.

Reporters: Have you found it necessary to extend credit?

John Carter: Yes, indeed, because my competitors extend credit. I also found it necessary through the Virginia Gazette to admonish that all persons whose accounts have been standing 12 months are desired immediately to discharge them to prevent trouble. I did advertise some goods to be sold for ready money only, such as rum, molasses, brown and refined sugar.

Reporters: With trade stopped between Virginia and Great Britain how were merchants like yourself able to import goods for sale?

John Carter: Faster, smaller sloops were engaging in direct trade with the island of St. Ignatius in the West Indies, and some of those goods such as rum, pepper, and other spices, would find their way into Virginia. Also, there was direct trade with Europe with such cities as Rotterdam. Americans in Europe could introduce a Virginia merchant to a factor there. The Dutch ships would then attempt to bring your contracted goods such as textiles, tin ware, etc. into the Bay and up the James and Rappahannock rivers. Goods also came into upper Albemarle Sound in North Carolina and up the Nottoway and Black Water creeks, eventually being transported into Virginia.

Reporters: During the war years, as goods became scarcer and money more depreciated, what scheme was employed to guard against overcharging?

John Carter: In July 1779 the good citizens of Williamsburg gathered at the courthouse. They were in a sullen and angry mood because goods were in short supply and prices were being driven to new heights. Virginia's paper currency was worthless. The next morning the townspeople came together again to hear the proposal which were a set of fixed, fair and just prices for farm produce, imported goods, and everyday necessities such as firewood, shoes, and soap. To enforce the prices a committee was elected. Unfortunately, nothing more was ever heard of this committee and the collapse of Virginia's paper money continued unabated.

Reporters: How high did the price of some goods go during the latter part of the war?

John Carter: Very high indeed! At the beginning of the war in 1776 salt sold for 15 shillings per pound; sugar for 2 shillings per pound; and rum for £1 per gallon. By 1779 salt was selling for £25 per pound; sugar for 20 shillings per pound; and rum for £8 per gallon!

Reporters: Did you consider finding another occupation or leaving Williamsburg altogether?

John Carter: After the war began I advertised to rent my store along with kitchen, smokehouse, coal house, etc. I was unsuccessful.

[Continued on Page 6]



Watercolor. Six different vignettes of slave life, Colonial Williamsburg: 2007.301.1

AMERICAN PARADOX: FREEDOM AND SLAVERY

At the moment the North American colonies declared their independence from British rule, one out of every five Americans was enslaved and the institution itself was legal in each of the newly established United States. The incongruity of maintaining slavery in a society founded upon freedom and liberty was quickly recognized, harshly criticized, and ultimately justified by the founders of this new nation.

The revolutionary crisis transformed African-American life in the . . . Upper South. As in the northern colonies, the struggle for political independence—both the war itself and the changes that accompanied the establishment of an independent republic—challenged slavery, as slaves and their allies hammered at chattel bondage with the mallets of revolutionary republicanism and evangelical egalitarianism. But unlike in the North, slavery in the Upper South did not crack. The slave society that had emerged in the wake of the plantation revolution of the late seventeenth century hardly faltered, even as the region's periphery—most prominently the area surrounding Baltimore—developed into a society with slaves. Thousands of slaves gained their freedom in the Upper South, and the greatly enlarged free black population began to reconstruct black life in freedom. But the expansion of slavery and with it a host of new forms of racial dependencies more than counterbalanced the growth of freedom.

The simultaneous expansion of freedom and of slavery defined black life in the Upper South and united free and slave as in no other region of the United States . . .

that divided black people in the free states did not materialize in the Upper South; freedom and slavery evolved in a parallel course that entwined free and slave blacks in the same families, workplaces, churches, and communities. A two-caste system with rigid divisions between black and white came to exemplify the Upper South following the Age of Revolution...

But the continued existence of slavery muted the differences within black society. Many free people of color—men and women—married slaves and live, worked, and prayed together. Independent African churches were usually joint ventures of free and slave. If the ability of free people to hold property propelled them into positions of leadership in these organizations, slaves participated fully and often took leadership roles as deacons and ministers. Everyday experience reinforced the ties between free and slave peoples. Measured by church membership, family formation, wealth distribution, and aspirations and ideas, black society was much more of one piece in the Upper South—despite the formal divisions of freed and slave—than in the North. The shadow of slavery assured continued African-American unity. As perhaps nowhere else in mainland North America, the fate of free and slave blacks was entwined. Slavery defined freedom, and freedom defined slavery, in the Upper South during the Age of Revolution.

[Source: Ira Berlin, *Many Thousands Gone: The First Two Centuries of Slavery in North America* (1998), pp. 256, 288–289.]

ACT XXI. AN ACT TO AUTHORIZE THE MANUMISSION OF SLAVES

The General Assembly decided to allow slave owners to manumit their enslaved men, women, and children. The law required a former master to be financially responsible for a slave who was either too old or too young to support him or herself.

Ira Berlin notes that "The spectacular increase in manumission, self-purchase, freedom suits, flight, and immigration altered the size and character of the free black population in the Upper South. Maryland, which was fast being transformed from a slave society into a society with slaves, best exemplified the change. Between 1755 and 1790, the state's free black population grew 300 percent to about 8,000, and in the following ten years it more than doubled. In 1782, the year Virginia legalized private manumission, St. George Tucker estimated the presence of about 2,000 free blacks in the state. By 1790, when the first federal census was taken, the free black population had grown to 12,000. . .

As in the North, freedom arrived burdened with the heavy weight of slavery's continuing presence. New forms of dependency emerged even more quickly than the old ones could be liquidated. In the countryside, many free blacks continued to reside with their former masters, suffering the oversight of an owner even after they no longer were owned. Planters appreciated the advantages of power without responsibility. They held tight to the spouses and children of former slaves,

seeing them as a lever to access the labor of free blacks. Some planters sold or rented small plots of land to former slaves to secure the benefit of their labor during planting and harvest. In the cities, term slavery provided a means for owners to exact the labor of energetic young men and women and make them responsible for themselves in old age. Much like gradual emancipation and apprenticeship in the northern states, contingent manumission and term slavery delayed the arrival of freedom and strengthened the masters' hand.

But if the continued presence of slavery burdened black people, so did freedom. As slaves, black men and women were fully integrated into the economy and society of the Upper South. As free people, they faced ostracism and discrimination. To the new forms of subordination that equated free blacks with slaves, lawmakers added the new proscriptions that distinguished free blacks from white people. Free black men were barred from voting, sitting on juries, testifying in court, and attending the militia, and all free blacks, women as well as men, were barred from owning dogs and guns and trading without a permit. A pass system prevented free blacks from traveling freely and required them to register themselves annually with county authorities. Many of these restrictions had long existed, but the new legislation reinforced them, reminding all that freedom would not mean equality."

WARTIME ECONOMY 1776–1781

Just How Far Can the Dollar Fall?

Because the Continental Congress had no power to fund the war through taxes, it printed some \$250 million in irredeemable paper money, or bills of credit, called "Continental," backed only by the good faith of Congress. With decreased trade and manufacturing during the war, the enormous amount of money in circulation far exceeded the value of available goods, resulting in rapid inflation. The first Continental dollars were issued in 1775 with the expectation that the states would levy taxes, then collect the bills in payment and retire them. Instead, the states printed currency of their own, further contributing to the depreciation of all American paper money.



Two twenty dollar bills. Colonial Williamsburg, Gift of Ruth and Joseph R. Lasser

As the Continental dollars depreciated, the states came under pressure to force the populace to accept them as legal tender and often stigmatized those who refused to accept the devalued paper money. In North Carolina, people who so much as spoke disrespectfully of the currency were regarded as traitors, and in Virginia refusal to accept the notes was tantamount to cancelling the debt you were owed. Inflation also led Congress to call for controls on wages and prices, but price-control statutes approved in a number of states early in the war were soon repealed as ineffective and detrimental. Inflation, price controls, and legal tender laws produced economic chaos, driving merchants out of business and exacerbating the scarcity of everything.

The Continental currency also came under attack from the British and their Tory sympathizers. The following ad appeared in *The Weekly Mercury* of 14 April 1777:

Persons going into the other Colonies may be supplied with any Number of counterfeit Congress-Notes, for the Price of the Paper per Ream. They are so neatly and exactly executed that there is no Risque in getting them off, it being almost impossible to discover, that they are not genuine. This has been proved by Bills to a very large Amount, which have already been successfully circulated.

Despite all this, Congress had insisted throughout the first five years of the war, that the Continental currency would one day be redeemed at face value. In March 1780, however, Congress announced a plan for redeeming it at one-fortieth of its printed value. In 1781 the depreciated value reached a ratio of 100 to 1 and in some places plummeted to 1,000 to 1. Jokesters papered barber shops with the worthless bills and wry sailors on leave walked the streets of American port towns in dressed in suits made of the bundles of the currency with which they were paid. So arose the saying "not worth a Continental."

[Submitted by Bob Doares with Erik Goldstein]



Six dollar bill. Colonial Williamsburg, Gift of Ruth and Joseph R. Lasser

WARTIME ECONOMY

The Spanish Connection

While organizing a 2007 symposium on **The Spanish Contribution to the Independence of the United States: Between Reform and Revolution** Ambassador Eduardo Garrigues, Advisor for Hispanic Affairs in the Spanish Ministry of Foreign Affairs, stated:

In many history books, the Spanish contribution to the American Revolution has been ignored or underestimated, with the belief that Spain was playing only second fiddle to France in this international conflict, but in fact France had lost most of her American territories in the previous [French and Indian] war with England, while Spain still controlled vast territories in both North and South America. As the leaders of the American Revolution expressed, without the financial and military support of Spain, the outcome of the war might have been different.

The Spanish contribution to the success of the American Revolutionary War is evident in three major ways. First and foremost is monies loaned to America both overtly and covertly to be used for war materials and supplies. Secondly, Spanish *livre* was used to assist in the training of the continental army by sponsoring experienced European military strategists. Lastly, the Spanish military, particularly General Bernardo de Galvez, opened additional fronts in Louisiana and Florida causing the British to engage in battles on multiple fronts simultaneously.

Monies Loaned to U.S from Spain:

The first recorded moneys were two million *livres* in hard currency and war materiel. Thus, the United States currency, the Continental, was secured by Spanish silver dollars. Two additional sums were noted: the first, \$74,087.00, was loaned to Patriots Oliver Pollock and Thomas Willing and, second, \$174,011.00 to John Jay, United States Emissary to Spain. Another source was King Carlos III's August 17, 1780 Royal Order asking Spanish and Indian males in the Americas to donate two dollars and one dollar respectively in equivalent goods, the records of which were sent to Mexico City for distribution -- a mystery of history not quite solved, although rumors abound. Fr. Serra, Father President of Alta California, called this a "war tax." Alta California sent \$4,216.00.

Spain Support Brings European Military Leaders:

Spain also provided war materiel and brought European military leaders to the Patriots through a "dummy" world trading company, Roderique Hortalez et Cie. Based in Paris, but operated out of St. Eustatius in the Lesser Antilles, the Bourbon Kings of Spain and France each provided one million *livres* to start the company in May of 1776, six weeks before the Declaration of Independence. The materiel and leaders were sent via ships from St. Eustatius to Portsmouth, New Hampshire; Philadelphia, Pennsylvania; Charleston, South Carolina and New Orleans in the Spanish Province of Louisiana, then up the Mississippi and Ohio rivers and across the Braddock and Bedford roads. For example, Patriots received support for the Battle of Saratoga and during the Northwest campaigns led by George Rogers Clark. Baron F. W. Augustus von Steuben was brought to Valley Forge with these funds as were Casimir Pulaski, Thaddeus Kosciuszko and others for various Patriot activities.

Spain Opens Another Military Front:

Spain literally started another military front against the British as soon as war was declared in 1779. Governor of Louisiana, Count Bernardo de Galvez, received orders to take back forts the Spanish had lost to the British in 1763. September 6, 1779, Galvez took Ft. Bute at Manchac in the Mississippi River Valley with no losses to Spain. Taking the fort at Baton Rouge was a more formidable task, but the Spanish captured it September 20. Galvez next secured the peaceful surrender of Natchez October 5. The next year, Galvez



Thomas Rowlandson, *European; British, 1756 - 1827*
Courtesy of Fine Arts Museum of San Francisco, California

"The fate of America was suspended by a hair" Gouverneur Morris of New York

After the Revolution . . . "there was no greater testament to the feeble unity of the country than America's governing body; the Congress. After pathetically wandering from Princeton to Annapolis, from Trenton and then to New York, where it finally settled, the national legislature could scarcely muster a quorum. It remained a weak and wayward instrument, whose members either didn't appear, often had no work when they did appear, or weren't listened to when they actually sought to enact policy. At every step, its actions were marked by temporizing, indifference, hesitation. And governing was impossible. They couldn't tax, they couldn't raise an army to repel invaders—Congress had been forced to sell off its last warship—and they couldn't suppress internal insurrections. And under the articles of Confederation, all thirteen states had to agree to any amendment to the federal government's powers. By any standard it was woefully impotent.

Abroad for all the world to see, the weakness of the federal government was impossible to disguise. There were consequences, England took advantage, contemptuously refusing to withdraw its troops from its forts on American soil in the West, as had been promised in the 1783 treaty, and barring American ships from moving freely about the West Indies, stifling much-needed American trade. If that weren't enough, separatist movements were plotted with the Indians in the borderlands of the Northwest and Virginia. Spain took advantage too, taunting the new nation by prohibiting

Western settlers from shipping farm produce from the port of New Orleans; they also supported renegade separatist movements, this time in the Southwest. Even Arab Barbary pirates made a veritable sport of preying on American ships, selling off captured American sailors in the harsh Muslim slavery bazaars of North Africa, and destroying the young country's Mediterranean markets.

Month by month the American confederacy was increasingly shaky, and month by month, with ever-growing impunity, the thirteen states acted like thirteen independent countries, and squabbling, ill-tempered ones at that. New York laid onerous import duties on simple rowboats crossing with produce from New Jersey; it taxed lumber from Connecticut too. Pennsylvania followed suit (indeed, Pennsylvania and Connecticut literally waged a twenty-year war over land). So did Massachusetts, which was selling goods with inflated prices to Connecticut and New Hampshire, Rhode Island tried to stick out-of-state creditors with its debts, as did Maryland. And the inhabitants of Kentucky and the newly formed state of Franklin were threatening to arm 10,000 men to settle the question of navigation on the Mississippi . . .

Then came the thunderclap that rattled across the frail Confederation: Shays's Rebellion.

[Source: Jay Winick, *The Great Upheaval: America and the Birth of the Modern World 1788-1800*, Harper Collins Publisher, 2007, pp.56-58]



SHAYS'S REBELLION Debt and Foreclosures in Massachusetts

In 1786 a rebellion of nearly 2,000 distressed debtor farmers threatened with foreclosure of their mortgages broke out in western Massachusetts. The rebellion, led by a former militia captain, David Shays, closed the courts and threatened to take over a federal arsenal. But more alarming, it occurred in the very state, Massachusetts that was considered to have the best-balanced constitution. Although Shays's rebels were defeated by militia troops, his sympathizers were victorious at the polls early in 1787. Consequently the newly chosen state representatives soon enacted the kinds of debtor relief

led his forces to capture Mobile, West Florida. The attack on Pensacola in 1781 was on land and sea with Galvez Commander-in-Chief; however, Joseph Calvo de Irazabel led the fleet from Havana. Pensacola proved to be the most difficult of the three-year campaign, although, again Spain triumphed. There was one more battle between Spain and Britain May 8, 1782 when Spain regained the

legislation that Shays had wanted and that other states were enacting. This legislation convinced many that calling for people to obey the law was a remedy for insurrections only; it did not solve the peculiar problem of legislative tyranny. By voting the sympathizers of Shays into legislative office, the people had made it possible, as one Boston newspaper complained in May 1787, for "sedition itself [to] make laws."

[Source: Gordon Wood, *The American Revolution: A History*, New York: Modern Library, 2002, p.152.]

Bahamas from England. Although more military action was planned, negotiations for the Treaty of Paris 1783 had begun, and hostilities ceased in the Atlantic and along its seaboard. Protection of Spanish treasure ships from British pirates continued from the Spanish Main (Cartegena and Bilboa to Havana to Cadiz) and from Manila to the Sandwich Islands (Hawaii) to Acapulco.

CONFEDERATION ECONOMY

Congressional Malfunction

Even before the Articles of Confederation were ratified in 1781, the experiences of the war had exposed the weakness of the Congress and had encouraged some Americans to think about making changes in the central government. By 1780 the war was dragging on longer than anyone had expected and the skyrocketing inflation of paper money used to finance it was unsettling commerce and business. With congressional delegates barred from serving more than three years in any six year period, leadership in the Confederation was fluctuating and confused. The states ignored congressional resolutions and refused to supply their allotted contributions to the central government. With no ability to raise money, the Congress simply ceased paying interest on the public debt. The Continental Army smoldered with resentment at the lack of pay and began falling apart through desertions and even outbreaks of mutiny. All these circumstances forced mercantile and creditor interests, especially those centered in the mid-Atlantic states, to seek to add to the powers of the Congress. Reformers tried to strengthen the Congress by broadly interpreting the Articles, by directly amending them (which required the consent of all the states), by threatening the states with military force . . .

[Source: Gordon Wood, *The American Revolution: A History*, New York: Modern Library, 2002, pp.145-146.]

Debt and Unemployment

Soon between the swelling debt, shrinking money supply, and dwindling trade, the flush of prosperity was snuffed out. Seamstresses, shoemakers, and other craftsmen and artisans were suddenly without work; the shipbuilding industry collapsed too. As would follow in France, there were now dreadful visions of the poor rising up against the well-to-do. The situation became dire. There was no common trade policy, no real foreign policy, barely any domestic policy. And there was the debt, accumulated during the war. The young nation had borrowed millions from France and Holland to finance the Revolution, which it had scant hope of being able to repay. No wonder James Madison luridly warned about this "flagrant" and "present anarchy." Or that John Sullivan referred to the confederacy as "a Monster with thirteen heads!" In fact the future president of the Congress, Nathaniel Gorham openly worried that the clashes between New York and its neighbors would erupt into civil war.

[Source: Jay Winick, *The Great Upheaval: America and the Birth of the Modern World 1788-1800*, Harper Collins Publisher, 2007, p.57]

Summary:

Spain's involvement in the American Revolution was both crucial and timely. The foreign policy decisions of King Carlos III to provide trade and political support as early as 1774 shaped the progress of the conflict. The substantial financial support of approximately 6 million *livres* from Spain and France each and additional sums of about 2,700 and 4,200 Spanish dollars from the government as well as individual citizens was important in supplying war materials and supporting Count Bernardo de Galvez and his army. Those funds also allowed for sponsorship of European military strategists such as Baron von Steuben who helped Washington's army drastically improve their battlefield skills at Valley Forge. In addition, General de Galvez drawing England's attention to the additional battle front of Louisiana and Florida stretched British military commitment in America. Spanish support was vital to the success of an American victory in the Revolutionary War.

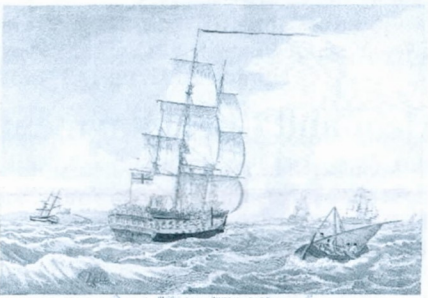
Source: Spain in the Revolution:
<http://www.americanrevolution.org/hispanic.html>
Spain's Support Vital to U.S. Independence:
<http://www.neta.com/~1stbooks/vital.htm>
[Submitted by Rose McAphee]

CONFEDERATION ECONOMY 1781-1789

New York Takes a Hit

In New York, after seven years of British rule and martial law, the city was in shambles, a legacy of the transforming burdens of war . . . The city was a patchwork of shanty huts and brick skeletons, remnants of the devastating fire of 1776. The enormity of the reconstructions challenge was overwhelming. In every direction spread weed-choked ruins, rotted out homes, and vacant lots; and everywhere stood the debris of war. The streets overflowed with trash, squalor, and excrement, and block upon block lay bare and decrepit; New York had been stripped of its fences and trees—the British troops used them for firewood—while its wharves had been left to rot and sink into the river. No less than Trinity Church was reduced to a blackened hull. Bony cows and pigs scavenged freely, and the people themselves were crammed into a haphazard mass of pitched tents and cramped hovels. Pale-faced and unwashed—disease ridden too—they existed, in the words of one visitor, “like herrings in a barrel.” No wonder New York’s future mayor, John Duane, ruefully noted that the city looked as if it “had been inhabited by savages or wild beasts.”

[Source: Jay Winick, *The Great Upheaval: America and the Birth of the Modern World 1788-1800*, Harper Collins Publisher, 2007, p. 49.]

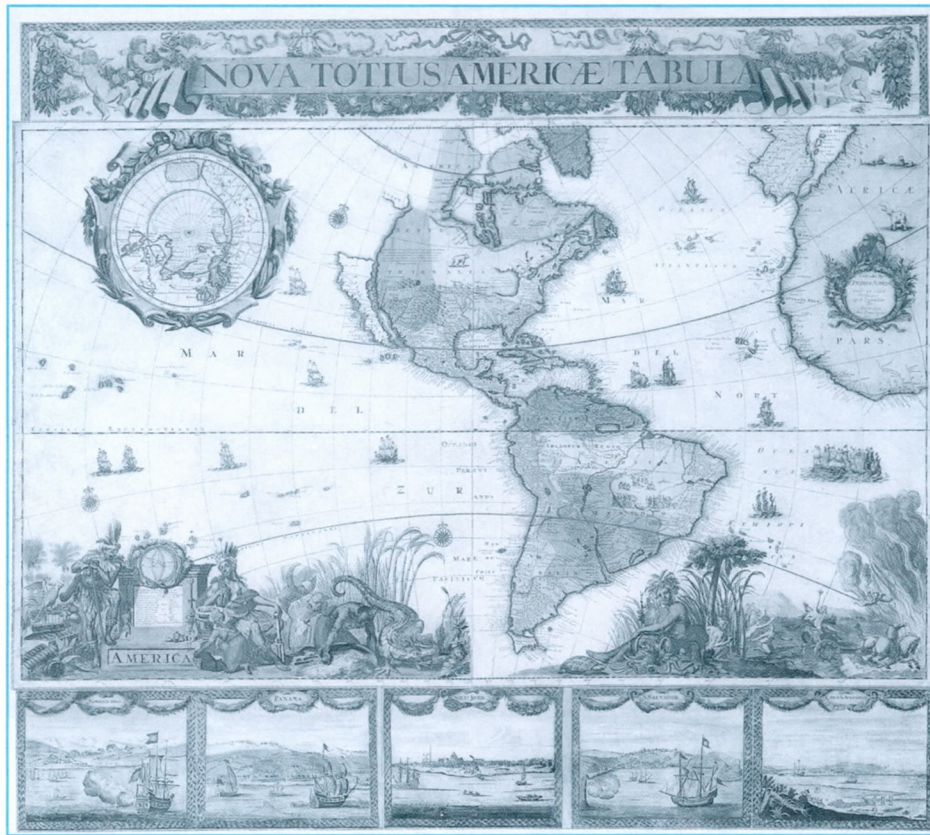


This ship was originally used against French privateers but was later used against the Colonies in the Revolution. It took part in the battle above New York in August 1776. Colonial Williamsburg: 1941-178

Credit Crisis

Even before the Articles of Confederation were ratified in 1781, the experiences of the war had exposed the weakness of the Congress and had encouraged some Americans to think about making changes in the central government. By 1780 the war was dragging on longer than anyone had expected and the skyrocketing inflation of paper money used to finance it was unsettling commerce and business. With congressional delegates barred from serving more than three years in any six year period, leadership in the Confederation was fluctuating and confused. The states ignored congressional resolutions and refused to supply their allotted contributions to the central government. With no ability to raise money, the Congress simply ceased paying interest on the public debt. The Continental Army smoldered with resentment at the lack of pay and began falling apart through desertions and even outbreaks of mutiny. All these circumstances forced mercantile and creditor interests, especially those centered in the mid-Atlantic states, to seek to add to the powers of the Congress. Reformers tried to strengthen the Congress by broadly interpreting the Articles, by directly amending them (which required the consent of all the states), by threatening the states with military force.

[Source: Gordon Wood, *The American Revolution: A History*, New York: Modern Library, 2002, pp.145-146.]



Nova Totius Americae Tabula Colonial Williamsburg

FAILURES OF THE CONFEDERATION

Congressional power, which had been substantial during the war years, now began to disintegrate. The delegates increasingly complained how difficult it was to gather even a quorum. The congress would not even agree on a permanent home. It wandered from Philadelphia to Princeton to Annapolis to Trenton and finally to New York City. The states reasserted their authority and began taking over the payment of the federal debt that many had earlier hoped to make the cement of union. By 1786 the states had converted nearly one third of the federal securities into state bonds, thus creating a vested interest among public creditors in the sovereignty of the individual states. Under these circumstances the influence of those, as Hamilton called them, “who think continentally” rapidly declined, and the chance of amending the Confederation piecemeal declined with them. The only hope of reform now seemed to lie in some sort of convention of all the states.

In Europe the reputation of the United States dwindled as rapidly as did its credit. The Dutch and the French would lend money only at extraordinary rates of interest. Since American ships now lacked the protection of the British flag, many of them were seized by corsairs from the Muslim states of North Africa and their crews were sold into slavery. The Congress had no money to pay the necessary tribute and ransoms to those Barbary pirates.

Amid a world of hostile monarchical empires the new republican confederacy was even hard pressed to maintain its territorial integrity. Britain refused to send a minister to the United States and ignored

its treaty obligations to evacuate its military posts in the Northwest, claiming that the United States had not honored its own commitments. The treaty of peace had stipulated that the Confederation would recommend to the states that loyalist property confiscated during the Revolution be restored to its owners and that neither side would make laws obstructing the recovery of prewar debts. When the states flouted these treaty obligations, the impotent Confederation could do nothing.

Britain was known to be plotting with the Indians and encouraging separatist movements in the Northwest and the Vermont borderlands, and Spain was doing the same in the Southwest. Spain in fact refused to recognize American claims to the territory between Florida and the Ohio River. In 1784 in an effort to bring American settlers moving into Kentucky and Tennessee under its control, Spain closed the Mississippi to American trade. Many westerners were ready to deal with any government that could ensure access to the sea for their agricultural produce. As Washington noted in 1784, the western settlers were “on a pivot.” The touch of a feather would turn them any way.

In 1785-86, John Jay, a New York aristocrat and the secretary of foreign affairs, negotiated a treaty with the Spanish minister to the United States, Diego de Gardoqui. By the terms of this agreement Spain was opened to American trade in return for America’s reunification of its rights to navigate the Mississippi for several decades. Out of fear of being denied an outlet to the sea in the West, the southern states prevented the necessary nine-state

CONFEDERATION ECONOMY 1781-1789

majority in the Congress from agreeing to the treaty. But the desire of the majority of seven states to sacrifice western interests for the sake of northern merchants aroused long-existing sectional jealousies and threatened to shatter the union.

Despite the efforts of the diplomatic commission of Jefferson, Franklin and Adams to negotiate liberal commercial treaties, the mercantilist empires of the major European nations remained generally closed to the new republic in the 1780s. The French were unwilling to take as much American produce as had been expected, and Britain effectively barred competitive American goods from its markets while recapturing American consumer markets for its own goods. The Confederation lacked the authority to retaliate with its own trade regulations, and several attempts to grant the Congress a restricted power over commerce were lost amid state and sectional jealousies. The Confederation Congress watched helplessly as the separate states attempted to pass ineffectual navigation acts of their own. By the mid-1780s, for example, Connecticut was laying heavier duties on goods from Massachusetts than on those from Great Britain.

In the end the Confederation’s inability to regulate commerce finally precipitated reform of the Articles. Jefferson, Madison, and other leaders with agrarian interests wanted American farmers free to sell their surplus crops abroad. They feared that if they were prohibited from doing so the farmers would sink into lethargy and lose their industriousness. More important, if the United States did not sell its agricultural produce in Europe, it would be unable to pay for manufactured goods imported from Europe and would therefore be compelled to begin large-scale manufacturing for itself. These developments in turn would eventually destroy the farmer-citizenry on which republicanism was based and would create in America the same kind of corrupt, rank-conscious, and dependent society that existed in Europe. Thus the Confederation desperately needed commercial regulatory power in order to compel the European states to open their markets to American agricultural goods.

[Source: Gordon Wood, *The American Revolution: A History*, New York: Modern Library, 2002, pp.148-150.]

Arming Our Troops *Continued from page 3*

and according to Hazard was producing about 20 muskets a week. State backing of the gunnery amounted to about £25,000.

In Richmond, the state built a foundry at Westham for casting artillery. It was a substantial works as well, housed within a structure a 50 foot square built for casting, with other buildings housing equipment for boring and finishing the ordnance.

[Submitted by Ken Schwarz]

Interview . . . *Continued from page 4*

Later, I offered for sale my store and the house I had purchased from Robert Carter Nicholas. Again I was unsuccessful and as you can see I am still in business at this same location.

Reporters: When you rented a room to Col. Washington in the fall of 1771, little could you have realized that 13 years later he would be the most famous man in America!
John Carter: None of us knew then the war was coming and eventually how many sacrifices would be made or sufferings endured before that war was won.

Submitted by your roving reporters Phil Shultz and Nancy Milton with special thanks to Kevin Kelly.

Newsline

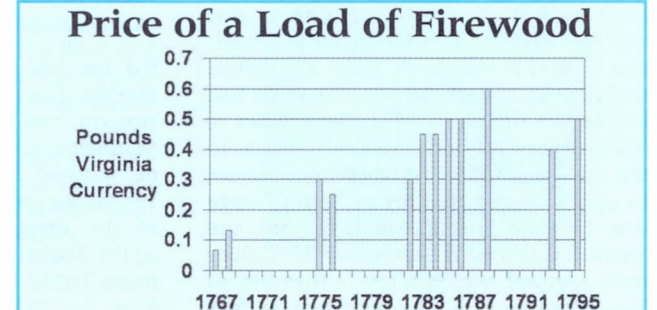
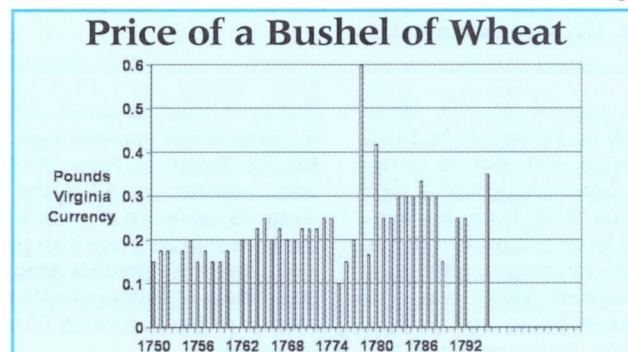
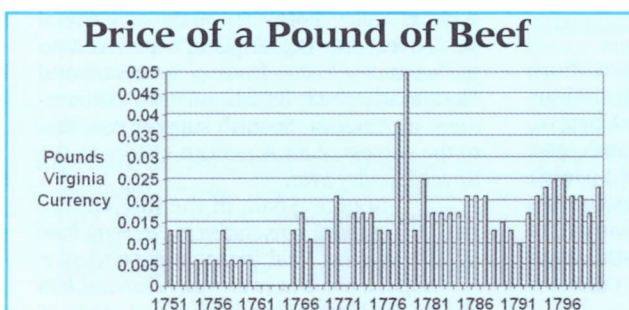
December 30: Benedict Arnold sails in to Chesapeake Bay and later inflicts great damage by burning buildings, public records, and the foundry at Westham and destroying quantities of tobacco and powder along the James River.
1781
March 1: Articles of Confederation are ratified
April 30: The British burn tobacco warehouses and about 1,200 hogsheads of tobacco in Manchester, Virginia on the James.
October 19: Cornwallis surrenders to Washington at Yorktown, Virginia
1783
September 3: Treaty of Paris between the Americans and the British is signed
1786
August 20: Shay’s Rebellion in western Massachusetts

Continued from page 1

1787
May 25: Constitutional Convention opens in Philadelphia to discuss revising the Articles of Confederation
September 17: Constitutional Convention approves the newly drafted Constitution and sends it to Congress
October 27: First of Hamilton, Madison, and Jay’s Federalist Papers appears
1788
January-August: Ratification of U.S. Constitution by all states except Rhode Island and North Carolina
1789
March 4: First U.S. Congress under the Constitution convenes in New York

FOOD AND FUEL PRICES SOAR

Provisioning Report

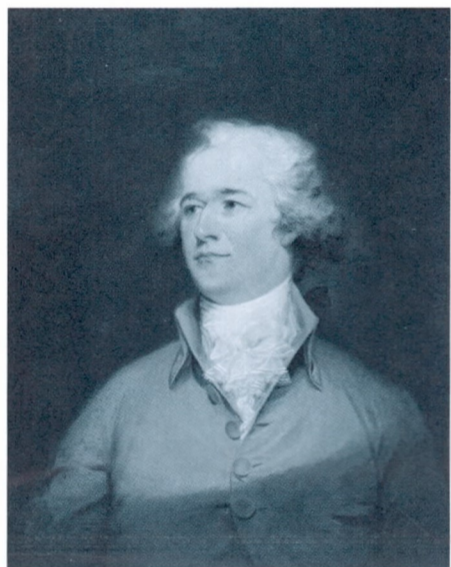


THE CONSTITUTIONAL CONVENTION

1789

Government Bailouts

"Like Madison in 1790, Hamilton was at the peak of his powers. He wrote the forty thousand words of his *Report on the Public Credit* in a three month surge and with the same kind of desperate speed he had turned out his fifty-one contributions to the *Federalist Papers*. Scholars on the lookout for the theoretical sources which may have shaped his thinking having invariably discovered multiple influences: Adam Smith . . . and David Hume . . . It is also well established that Hamilton's intense dedication to a centralized solution to the fiscal problems facing the new government emerged, like Madison's, out of his frustrating experience of the inadequate and hopelessly divided authority of the Confederation government in the 1780s . . .



Alexander Hamilton: 1792 by John Turnbull, 1756–1843, *The Carnegie Arts Collection of the United States*

. . . What Hamilton thought he was doing was essentially simple: The economy of the United States was a tangled mess of foreign and domestic debt that he was determined to unravel, then place on firm fiscal footing by restoring public credit. All this was to be achieved with a keen and shrewd appreciation for the dynamic potential of America's latest commercial energies, but unencumbered by even the slightest concern with how the resultant system might appear to those not sharing his nationalist vision . . . The whole point of the funding scheme was to move past such ambiguous entanglements, to establish the kind of clear and discernible reimbursement policy that inspired trust, and to concentrate the debt in those hands most likely to use it in the interests of the community's productivity and growth.

. . . Assumption was not a plot to destroy the political integrity of the states; it was a plan to consolidate their debts and nationalize the economy for all. . . The real problem was that Hamilton's plan was very much a projection of his own audacious personality . . . First, there was the implication, floating between the lines of the entire Report, that an authoritative new presence has appeared on the scene and taken charge . . . More sweepingly, it suggested that the enormous but latent potential of the American economy required more than mere release to achieve its full potential. Hamilton was hardly unique in his recognition that the vast resources of the North American continent constituted a repository of riches, that once unlocked, offered prospects of unparalleled prosperity and national destiny. He was, however, distinctive for his sense that the mobilization of these resources required abiding management and strategic orchestration at the national level. Madison, and an even greater extent Jefferson, seemed to think that economic policy consisted of getting out of the way to allow the natural laws of economic recovery and growth to proceed. But Hamilton thought the conditions for economic development needed to be created, then enduringly overseen. His model was England, with its national bank,



"Making Good in the New World," "A design to represent the beginning and completion of an American settlement or farm published in London in 1768. Colonial Williamsburg 1985–27

FLEXING FEDERAL MUSCLE

. . . few people expected what the Philadelphia Convention eventually created—a new Constitution that utterly transformed the structure of the central government and promised a radical weakening of the states. The extraordinary powerful national government that emerged from Philadelphia possessed far more than the additional congressional powers that were required to solve the United States' difficulties in credit, commerce, and foreign affairs. Given the Revolutionaries' loyalty to the sovereignty of their states and their deep-rooted fears of centralized governmental authority, the formation of the new Constitution was a truly remarkable achievement. It cannot be explained simply by the obvious weaknesses of the Articles of Confederation.

In the end, it was also the problems

within the separate states in the 1780s that made possible constitutional reform of the central government. The unjust and confusing laws coming out of the state legislatures, Madison informed Jefferson in 1787, had become "so frequent and so flagrant as to alarm the steadfast friends of Republicanism." These popular abuses by the state legislatures, said Madison, "contributed more to that uneasiness which produced the Convention, and prepared the public mind for a general reform, than those which accrued to our national character and interest from the inadequacy of the Confederation to its immediate objects."

[Source: Gordon Wood, *The American Revolution: A History*, New York: Modern Library, 2002, pp.151–152.]

FRAMEWORK FOR A NEW NATIONAL ECONOMY

Article 1

Section 7 All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

Section 8 The Congress shall have Power to lay and collect Taxes, Duties, Imports and Excises, to pay the Debts and provide for the Common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

To borrow Money on the credit of the United States;

To regulate Commerce with foreign nations, and among the several States, and with the Indian Tribes;

To establish a uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States;

To coin Money, regulate the Value thereof, and of foreign Coin, and for the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and Current Coin of the United States;

To establish Post Offices and post Roads;

To promote the Progress of Science and useful Arts, by securing for Limited Times to Authors and Inventors the exclusive

regulated commerce, and powerful finance ministers. From the perspective south of the Potomac, of course, these were the institutions and symbols the American Revolution had supposedly repudiated forever.

Second, there is the Hamiltonian confidence that the concentration of political and economic power was a dynamic force; it was not a threatening cluster of invasive corruption, but a synergistic fusion of developmental energies. . . For Hamilton, consolidation was a wonderful idea. While Madison's frame of reference was instinctively political, and idealized the dispersal of power naturally checked by the inherent diversity of diffused interest groups, Hamilton's cast of mind was instinctively economic. He visualized the concentration of capital in the hands of a select few as the essential precondition for commercial investment and economic growth. . . When money was spread out, it was only money. When concentrated, it was capital. And the main reason he welcomed the enlargement of the federal debt produced by assuming the state debts was that, once properly funded, it enlarged the pool of



Right to their representative Writings and Discovery;

To constitute Tribunals inferior to the Supreme Court

To define and punish Piracies and Felonies committed on the High Seas, and Offenses against the Law of Nations;

To declare War, grant Letters of Marque and Reprisal, and Rules concerning Captures on land and Water;

AMENDMENTS

Amendment V. No person shall be held. . . or be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.

Amendment VI. All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

government credit for investment purposes by the wealthy few who held the notes. In this limited sense at least, Hamilton regarded the national debt as a "national blessing," for it permitted the clustering of resources in the hands of a small group of enterprising men who would invest and not spend it. For Madison, on the other hand, a Public Debt is a Public curse," and "in a Representative Government greater than in any other."

Finally there is Hamilton's enshrinement of the urban elite—the merchants, bankers and business leaders—as the central figures in the emergent society . . . He wrote no idyllic testimonials to merchants and moneymen comparable to Jefferson's hymns to bucolic splendor of American's yeoman farmers, but his entire financial plan was an implicit endorsement of commerce as America's lifeblood and of men of trade and commerce as its chief beneficiaries and silent heroes.

[Source: Joseph J. Ellis, *Founding Brothers: The Revolutionary Generation*, Alfred A. Knopf, New York, 2001, pp. 60–65.]

THE CONSTITUTIONAL CONVENTION

1789

THE TANGLES OF DEBT FOR THE NEW NATION

State Debts: \$25,000,000.00

Foreign Debts: \$11,600,000.00

Total War Debt: Foreign,
National and State:
\$76,000,000.00

"And as the Founders knew, the growing turmoil in the ancient monarchy of France was vivid testimony to the Dangers of letting debt spiral out of control."

[Source: Jay Winik, *The Great Upheaval: America and the Birth of the Modern World, 1788–1800*, Harper Collins Publisher, 2007]

Economic Changes *Continued from page 1*

Economic inequality increased as the farms they left behind were often split into smaller parcels or worked by slaves owned by absentee buyers.

In other mainland tidewater and piedmont counties, middling planters had more success in raising some combination of tobacco and grains and were much more likely than their poorer neighbors to stay put. The changing crop mix encouraged new investment in agricultural buildings and other farm improvements.

In still other areas where diversified farming was well established before the Revolution, including the Upper and Lower Eastern Shore and the environs of Norfolk and Baltimore, new and more regular opportunities for marketing grain, timber, livestock, and naval stores to rapidly expanding urban populations as well as to new overseas markets raised revenues for middling as well as large farmers.

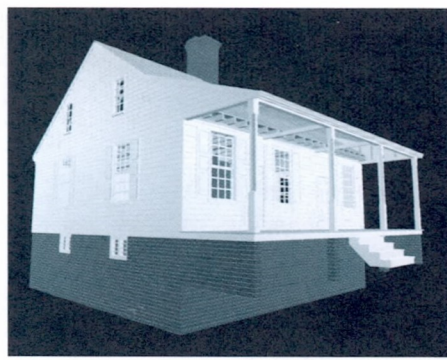
Farmers could choose between three general courses of action from the 1780s up to 1820. With the opening of new western settlements they could pull up stakes and move to fresh lands where they might continue farming in the old ways with better result. That many chose the first course is demonstrated by the fact that in 1790 the Eastern Shore and mainland tidewater accounted for just over one third of the Chesapeake population, while a majority then resided beyond the fall line, 43 percent in the Virginia piedmont and Southside and 20 percent in the Shenandoah Valley and trans-Appalachian west. In addition, Chesapeake out-migrants supplied much of the population of the new states of Kentucky and Tennessee, and parts of southern Ohio, Indiana, Illinois, and Missouri.

Many who remained at home followed the second course, that of pursuing a land-consuming crop progression of tobacco, corn, wheat, and finally fallow, accompanied by ever more extensive plowing which led to massive soil erosion in much of the region. Even zealous advocates of improvement recognized the best farmers who required "speedy supplies" of money to maintain their families could do was to select the crops that sold for the most money while drawing the greatest possible product from the soil "without entirely destroying future prospects of crops from their lands." Indeed, since land prices in most areas east of the Blue Ridge did not rise between 1775 and 1830, soil mining was not an irrational response, especially among any who anticipated eventually moving further west.

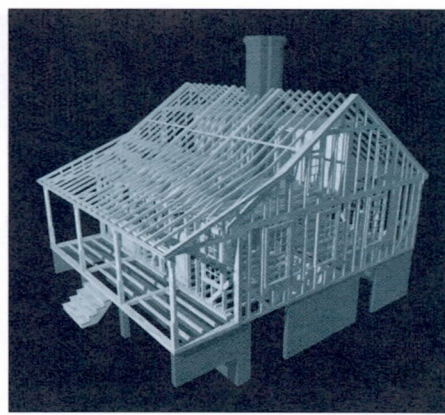
The third course, abandoning traditional land-mining, labor-saving Chesapeake husbandry for European style high farming was primarily an option for those wealthy enough to forego some present income in order to divert labor to the arduous business of keeping fields under permanent cultivation, as well as to improving

[Continued on Page 8]

INTERPRETATION



Architectural Drawings of Completed Coffeehouse and Framing, CW Website



INTERPRETATION

CHARLTON COFFEEHOUSE

In September of 2008, the Colonial Williamsburg Foundation began the reconstruction of Richard Charlton's 18th century Coffeehouse. Architects designed the project to appear as close to the original as our evidence permits, and the plan incorporates the remaining portions of the coffeehouse's original foundations. The Colonial Williamsburg Foundation's Historic Trades department will be creating much of the construction material, including bricks, rafters, shingles, and metal hardware.

A generous \$5 million gift from Mr. and Mrs. Forrest E. Mars Jr. of Big Horn, Wyoming made the Coffeehouse project possible. The Mars family has been a prominent supporter of the foundation for nearly 25 years.

Archaeology Questions

By Thanksgiving the new foundations will be constructed and will be waiting for the sills and framing to be delivered by Garland's crew on or about Grand Illumination. The archaeology will have been long-since completed, so the questions will probably be more about how we got to the point of the reconstruction they see. Obvious questions will be ones like:

Q. Are these the original brick?

A. In large part, yes they are. But this is a surprisingly complicated question that requires a bit of explanation. The first structure built on this lot was constructed in 1749 and used as a store or storehouse. This thirty-five by thirty five foot building became a coffeehouse run by Richard Charlton in the 1760s and was later used as a tavern, a store, and a residence. It survived in various iterations until 1891 when most of it was torn down to build a large Victorian house. In addition to the north and west walls, which remained intact, much of the building fabric and most of the bricks of the 1749 building were incorporated into the Victorian. So, most of the north or back wall and the west wall are foundations original to the 1749 structure that became Charlton's Coffeehouse in the 1750s. The east and south walls, constructed out of recycled 18th-century brick in 1891, have been removed. The south and east walls you see now were constructed this fall predominantly from brick painstakingly retrieved from the walls built in 1891.

Q. When did you uncover all this?

A. Most of what you see was always above ground. This building, like many in hilly cities like Atlanta and Charlottesville, was built on the side of a ravine, so while it appears to be only one or one-and-a-half stories on the front, it's two or two-and-a-half on the back. Some of the brick

foundations were partially covered on the outside, especially along the west wall where erosional and purposeful deposition has resulted in several feet of fill. Much of the fill consists of brick rubble and other building materials placed in front of the structure in order to build up the yard to the level of the road, although some is the result of trash from next door that was deposited against the coffeehouse building.

Q. What was the difference between a coffeehouse and a tavern?

A. Generally speaking, a coffeehouse catered mostly to men, served more hot drinks than a tavern, and didn't take in overnight guests. Coffeehouses didn't require a tavern license either. Specifically, Mr. Charlton's coffeehouse catered to men, after all, the House of Burgesses, all men, met virtually next door at the capitol, so it was a very convenient place to go, sip tea and discuss politics. We also know from the nearly 30,000 animal bones deposited during the period when the coffeehouse was in operation that Mr. Charlton was serving high-style cuisine including roast lamb, mutton, hams, calf's head (a delicacy), and a lot of wild game (a very manly fare). There is even evidence for peacock pie being served on occasion. The ceramic and glass recovered during the archaeology that took place in the 1990s show that while Mr. Charlton was using relatively inexpensive imitation porcelain (delft done in Chinese patterns) for everyday place settings, he was splurging on accent pieces like ornate glass syllabubs and a glass dessert pyramid. The air-twist stemware was an elegant touch for wine service as well. All in all, Charlton's Coffeehouse was a high-end establishment, probably superseding most nearby taverns.

[Submitted by Andy Edwards]

Economic Changes

landscapes now considered "slovenly." The marked changes in crop mix and cultivation techniques accompanying the shift into grain farming permanently altered ratios of land to labor, sometimes leaving planters with more workers—especially women and children—than they needed, and those opposed to breaking up slave families often realized lesser revenues than those who were willing to dispose of now "surplus" hands through some combination of selective sales, forced westward migration, selective manumissions, apprenticeships, and increased slave hiring.

Out migration and the accompanying shift of resources west coupled with falling agricultural productivity in older areas led to a drop in per capita exports throughout the South, which by the early 1790s were only half what had they had been in the 1770s. Meanwhile exports from more northerly areas equaled or surpassed pre war levels. The proportion of national private wealth held by New Englanders and Middle Atlantic residents consequently increased, while that of the Chesapeake residents fell. When the world wide economic depression that followed the ending of the Napoleonic Wars hit the Chesapeake in 1819, the region was already beginning to experience competition for markets from Kentucky and Tennessee settlers who farmed fresher and better lands. After 1820, neither Chesapeake tobacco planters nor wheat farmers could successfully compete with the new western states. Remaining members of the elite felt acutely a decline in relative wealth, social status, and

national political power. By 1830 many Virginians and rural Marylanders were looking back nostalgically to a mythical colonial golden age while engaging in an increasingly insular and retrogressive defense of chattel slavery and a slave society.

Excerpted from Lorena S. Walsh, "Migration, Society, Economy, and Settlement: The Chesapeake 1607-1830," an essay to appear in *The Chesapeake House: The Practice of Architectural Investigation at Colonial Williamsburg* (University of North Carolina Press, forthcoming)

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Interview with Garland Wood

CONSTRUCTING THE FRAMING FOR THE COFFEEHOUSE

Garland and the carpenters are currently busily constructing the framing for the Coffeehouse at Great Hopes Plantation. Once the process is complete, the entire structure will be disassembled at Great Hopes, and moved piece-by-piece to the Coffeehouse site, where final construction will take place. It is possible that a reconstructed eighteenth-century crane from VPI will be used at the Coffeehouse site to assemble the framing members as construction will require that block and tackle be used to assemble the frame. Here's a description of the framing process now being done at Great Hopes:

1. Masons first build level brick piers to represent the corners of the structure, carefully placed to mimic the dimensions of the real foundation of the original coffeehouse in the Historic Area. If the piers weren't level, or the dimensions weren't correct, then the frame we build wouldn't fit the foundation correctly when it was erected on site.
2. We square the sills, which are the beams that will rest directly on the brick foundations.
3. We then add the floor summers and joists to fill in the space between the sills. At this point, we've completed the floor of the first level.
4. Next, we build the front and back walls of the structure.
5. Once this is complete, we remove most of the components of the wall to storage. The plates (the top beams of the walls) are placed on the floor of the first level.
6. At this point, we build the floor of the second level using summer beams and joists.
7. Next, we frame the rafters, struts, purlins, and collars to create the structure of the roof.
8. Once the structure is completely framed, we mark both sides of each joint with a roman numeral, so that the entire frame can be recreated on site. Because of the variations of the materials and working by hand, every piece is unique, none are interchangeable. Without a system, it would be impossible to put the building back together.

According to Garland, this project is the most complex to have been under-

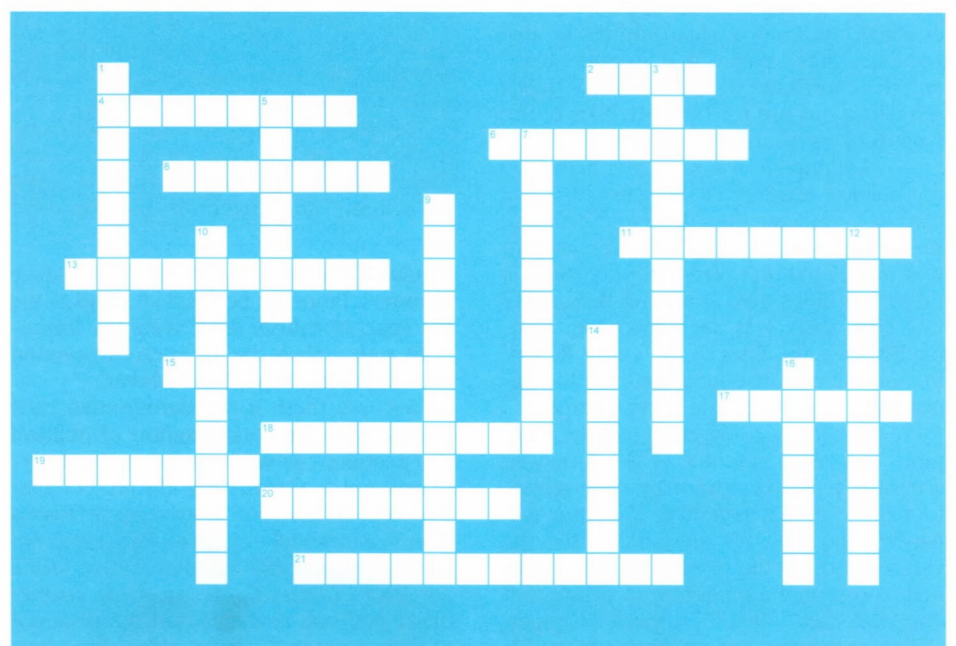
taken by his department. One of the most interesting aspects of the project is its relative wealth of evidence: Unlike some of the more recent structures that have been reconstructed, we have access to much of the coffeehouse's foundations and bricks as well as a number of wooden fragments, in addition to a photograph and other documentary evidence.

Garland stressed that it was not unusual for eighteenth-century carpenters to prepare the frame of a building off site especially if the building was to be constructed within a town or city or on a topographically challenging site. There are eighteenth-century records of bills charged for oxen and ferry tolls transporting framing members to Williamsburg for construction in town.

In terms of the wood used for the frame, the sills are made of white oak, while the rest of the frame is made of poplar. The shingles are made of white cedar. We're also looking for boards with as much heartwood as possible, as it was found in the original coffee house timbers, while most contemporary buyers look for as much sapwood as possible, for the sake of appearance. Heartwood waws found in the original coffee house timbers. Another challenge has been the extremely long beams, some of which are 40' long – many sawmills are not equipped to deal with that scale. When asked, Garland felt it would not have been difficult to find logs of that size in 18th century Virginia, as lumber was one of the colony's largest exports.

In terms of the project as a whole, Garland points to a number of challenges we face in the construction of the Coffeehouse. First, we need to preserve the original foundations while constructing a building around and above them. Secondly, we need to construct the Coffeehouse in as historically accurate a manner as possible. Thirdly, the building is to be used for food service and open to the public, both of which necessitate specific codes and requirements. Lastly, because of the stature and history of Colonial Williamsburg, there's a pressure both inside and outside the organization to make the reconstruction as accurate as is possible.

[Submitted by Josh Muse and Anne Willis]



ACROSS

- 2 Important South Carolina export
- 4 Williamsburg armorer for state of Virginia
- 6 Southern city that fell to British in late 1778
- 8 This monopoly abolished in 1791
- 11 Increased agricultural revenue after 1800
- 13 Economic condition induced by war
- 15 Difficult campaign in Spanish war effort
- 17 Fought British in Louisiana and Florida
- 18 Continental currency beset by this
- 19 Richmond artillery foundry
- 20 Perhaps branded on your tobacco hogshead
- 21 Location of Valley Forge

DOWN

- 1 British blockaded this export market
- 3 Replaced Articles of Confederation
- 5 Von Steuben brought to U. S. with these funds
- 7 Hamilton's plan for state war debts
- 9 Not imported during Revolution
- 10 Wartime America traded with this country
- 12 Used by Brits to undermine U. S. currency
- 14 Author of "Report on the Public Credit"
- 16 Institution not abolished by Revolution