

Barter

Once common substitute for money

Monroe Countians who are used to making regular stops at the drive-in-windows of their banks probably don't realize that their ancestors had to swap goods and services to get their necessities.

In 1833, Mrs. Cornellius Perring, wife of the principal of the Young Women's Seminary, wrote to a friend back home in England: "In this State we have principally silver and United States Notes, there being as yet no Bank in this State ... Money is scarce in this State at present, but the people are looking forward to their State Bank, which is to make it plenty enough."

ACTUALLY IT WAS a good thing Monroe Countians didn't hold their breaths until Mrs. Perring's predictions finally came true. Meanwhile, the small amount of cash in circulation was a strange mixture of English and French coins as well as the Spanish pieces of eight of pirate story fame.

Considering the scarcity of actual money, early Hoosiers resorted to

Looking back

5-23-1981

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trading for the staples they needed. Mrs. Perring wrote that such ordinary table and household items were going for the following prices: "tree sugar", 6 $\frac{1}{4}$ cents per pound, cane sugar, 12 $\frac{1}{4}$; loaf sugar, 16; dried ham and bacon, 6 $\frac{1}{4}$; coffee, 20; and wood, 75 cents a cord.

MRS. PERRING'S husband was paid for his services as principal of the seminary in money, but many of their rural neighbors brought their produce into town in the buckboard and either traded it off the back of their wagon parked on the square or ventured into the nearby businesses to make a swap. It was not uncommon for church members to tithe with

ground corn or eggs and patients to pay their physicians in bacon or firewood. Homebrew, legally produced by many farmers, was also used for exchange, along with homespun cloth — until the years when improved local transportation brought in the cloth from eastern mills.

In the midst of America's precarious and haphazard banking system, Monroe Countians fared pretty well, considering the chaos of banks that issued their own paper money. In 1811, when Congress failed to re-charter the Bank of the United States, state-owned banks began to spring up. *The Encyclopedia of American History* says that such banks flourished in Indiana, Ohio, and Virginia.

WIDESPREAD BANK PANICS followed in 1837 and 1857, when the public reacted nervously to the federal government's lack of credibility and unwillingness to make up its collective mind about a sane