

# Money and bartering in the 1830s

Though the majority of business in Monroe County in the 1830s was conducted by swapping goods and services, the transactions were by no means hit and miss.

Supply and demand, rather than whim, governed the prices, and there was no mystique involved in knowing which produce items could be expected to bring the highest return. Periodically the Bloomington *Post* published the going rates for everything from beeswax to feathers to ginseng. The prices were the current ones at Louisville.

Even though there was no mystique about day-to-day transactions, it would have taken a Philadelphia lawyer to explain Indiana's chaotic money system. In his letter back to relatives in England, Paris Dunning, the principal of the local female seminary, had noted that money was scarce. Furthermore, he wrote, there was some French and Spanish money



## Looking back

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in circulation. In fact, many years later a bag containing Spanish doubloons and other coins was dug up on a farm south of Bloomington — apparently someone's stash never retrieved.

Pioneers on the frontier were also obliged to make do with hand-written notes that often changed hands. A case in point was that of Josiah Baker. His advertisement in the *Post* was dramatically headlined, "CAUTION." According to Baker, he had given a promissory note of \$55 to William Pennebaker (of Owen County) for a sorrel mare, which Baker subsequently re-

turned because it was "disordered." Meanwhile, Pennebaker had traded Baker's note to someone else, presumably for goods or services.

Baker's message in his ad was that he would not pay the note due on July 1, 1836, because it was "fraudulently obtained."

Even more revealing about chaotic banking in the United States was the *Post* ad placed by James Mercer in that same year. Under a headline — "LOST ... Red Pocket Book" — the ad said, "Containing \$40 in cash, two 10-dollar bills on the Franklin Branch of Cincinnati, Ohio; two 5-dollar bills on the Branch of the State Bank of Indiana at Terre Haute; one 10-dollar bill on the bank of Worster, Ohio, folded in a letter from Thomas Tyons to J.K. Hemphill of Bloomington. Also two notes of hand, one given by S. Smith, of \$15 and one given by

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