

2014

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Recommended Citation

Clapsaddle, David. "Mexican Money/American Commerce." *Wagon Tracks* 28, 4 (2014). https://digitalrepository.unm.edu/wagon_tracks/vol28/iss4/13

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Mexican Money/American Commerce

By David Clapsaddle

The year 1821 was a decisive time on the American frontier. During that year, Missouri gained the status of statehood, the westernmost state in the United States of America. Mexico, after ten years of revolutions, won independence from the iron grip of Spain. Central to this discussion is Franklin, established in 1817 as the westernmost settlement of the westernmost state, and Santa Fe, established in 1610, ten years before our Pilgrim forebears arrived at the rocky shores of New England. Located in New Mexico, it was the capital of the northernmost province of New Spain.

The Panic of 1819, which destroyed the economy of the eastern states, reached Missouri in 1821. The ripples of the panic affected the economy of Franklin. Little money was in circulation, merchandise became dusty on the shelves, and the citizens of western Missouri resorted to the age-old system of exchange known as bartering.

In Santa Fe, conditions were equally sparse. Like an ancient feudal society, the population was, in the main, comprised of peons and the wealthy landowners. While the peons labored to survive, the landlord gentry had the benefit of thousands of acres, millions of sheep, and mines which produced both silver and gold. There was no manufacturing in Santa Fe. While wool was available in vast quantities, there were no mills to produce woolen clothing. Consequently, peons wore clothing made of animal skins and coarse homespun wool. No wonder that, in the early days of the Santa Fe trade, most of the merchandise transported from Missouri was cotton cloth. Annually, a shipment of goods originated at Mexico City and traveled 1,500 miles to Santa Fe. By the time the caravan reached Santa Fe the quality merchandise had been sold along the way, leaving only a small amount of shoddy goods for the citizens of New Mexico.

On September 1, 1821, William Becknell and five companions departed Franklin with a string of pack horses loaded with \$500 worth of trade goods. Their destination was Santa Fe. Becknell was a failed businessman, all but drowning in a sea of debt. Even his physician had brought suit against him for the payment of long overdue debt. Becknell's little retinue arrived at Santa Fe on November 16. There, the Americans were warmly received and exchanged their trade goods for a handsome profit in species, mules, asses, and Spanish blankets. Returning to Missouri, they arrived at Franklin in late January 1822.

The following account has long been told as historical fact. When Becknell rode into Franklin, he took his knife and slashed open the rawhide bags stuffed with silver coins hanging from his saddle. The coins, the species previously



mentioned, fell to the cobblestone street and rolled into the gutter.

Whether the story is fact or fiction, it reveals the introduction of Mexican currency into frontier American commerce.

The coins in question were 8-reales (also known as "pieces of 8"), the Spanish dollar which had been used in the British colonies before the American Revolution. The monetary system of the new United States was based on the Spanish dollar, and Spanish coins circulated in the young nation as legal tender. The coins brought to Franklin by Becknell, no doubt, were minted by the Spanish government in New Spain. After Mexican independence, the new government continued to produce the 8-reales, sometimes called the Mexican dollar (also "peso"), sometimes the eagle dollar for the image on one side of the coin. The old legend is that an Aztec deity proclaimed that where an eagle is found sitting on a cactus with a snake in its claw, there your city will be located. Today that is the location of Mexico City. The same image is found today on Mexico's flag. Of interest, the eagle portrayed is a golden or Mexican eagle.

On the reverse side of the coin is an image of a cap surrounded by rays and accompanied by the Spanish word for liberty. This symbol is that of the liberty cap which dates back to the pre-Christian era and has been used to represent liberty for well over 2,000 years in many countries, including the United States.

The liberty cap appears on the first issue of the American walking liberty half dollar. Since 1878 it has been used as a war office seal with the motto "This we'll defend." The symbol appears on the state flags of West Virginia, New Jersey, and New York, as well as the seal of the United States Senate.

These coins brought to Missouri by the Santa Fe traders were recognized by the U.S. government as legal tender through 1857. Once in circulation, they saved the economy of western Missouri from complete collapse. ♦

Dr. David Clapsaddle has published many articles in Wagon Tracks. They can be viewed online at www.santafetrail.org. He is president of the Wet/Dry Routes Chapter of the SFTA.