

# Spanish Colonial Paper Money

## IN PUERTO RICO & NEW ORLEANS

*While searching for 1766-dated notes, the author uncovered a discrepancy in a well-known reference.*

**O**N OCTOBER 12, 1492, Spaniards set foot in the “New World” and thus united the history of Western civilization with what we know today as America. Before European settlement, the population of North America comprised Native Americans such as the Inuits, Cherokee, Choctaw, and Navajo; the Taíno people in Puerto Rico; and other aboriginals down to Central America (the Aztecs in Mexico) and in South America (the Incas and Mapuches) all the way down to Patagonia. One common denominator among these tribes is that they all were conquered by the immigrant settlers from Europe, who used brute force to establish their dominance.

### Spanish Settlement

Spain founded its first settlement during Christopher Columbus’ first voyage in 1492 in what is now the island of Hispaniola (shared by Haiti and the Dominican Republic). The next year, during Columbus’ second voyage,

Puerto Rico was “discovered” and its colonization was begun in 1508 by Juan Ponce de León. In 1521 the City of San Juan was established on the north side of the island in what is now the Bay of San Juan, making it the oldest permanent settlement in a United States territory.



▲ **JUAN PONCE DE LEÓN** began colonizing Puerto Rico in 1508. **THE VIRGIN OF THE NAVIGATORS** by Alejo Fernández (right) depicts the Virgin Mary watching over the Spaniards as they journeyed to the New World.

The first coins in Puerto Rico arrived with those early conquerors, who came with Ponce de León. They all were excited by the possibility of acquiring gold on the Island of Puerto Rico





# The Spanish government in Puerto Rico issued paper money in 1766 and 1781 because of the **scarcity of coinage**.

using Taíno slave labor. After the Taíno rebellion in 1511, the Spaniards became more aggressive toward the aboriginals and started importing Africans as slaves to work the gold mines and agricultural fields.

The first permanent and continued settlement in the continental United States was founded in 1565 by the Spaniards in St. Augustine, Florida, which, at the time, also was inhabited by indigenous peoples. The first-known residents of New Orleans were Native Americans of the Woodland and Mississippian cultures. Explorers Hernando De Soto and René-Robert Cavalier passed through the area in 1542 and 1682, respectively,

Mississippi River.

The governor of French Louisiana, Jean-Baptiste Le Moyne de Bienville, chose the first crescent of high ground above the mouth of the Mississippi as the location for New Orleans. In 1722 he transferred the state's capital from Biloxi. That same year, a hurricane destroyed most of the new city. It was rebuilt on a grid pattern, which today can be found in New Orleans' French Quarter.

In 1762 France signed treaties that ceded Louisiana to Spain. The following year, the portion east of the Mississippi (other than the vicinity of New Orleans) was surrendered to England and became part of its North Ameri-

## The First Paper Money

The Spanish government in Puerto Rico issued paper money in 1766 and 1781 because of a scarcity of coinage. The 1766 notes were circulated to counter the lack of Mexican subsidy (*Situado Mexicano*) that was supposed to arrive annually in Puerto Rico beginning in 1587. This money was used to pay the militaries and ecclesiastics on the island. Eventually it funded the building of the fortresses and walls of San Juan.

Whenever the subsidy didn't arrive in Puerto Rico, the island would experience a financial crisis. This happened in 1766 and again in 1781, so the emergency notes were circulated and subsequently exchanged when the coins arrived. The subsidy lasted until 1809, and Mexico proclaimed its independence from Spain in 1810. The issuance of these bills makes Puerto Rico the first Latin American country still under Spanish rule to issue paper money.

## 1766 Puerto Rican Notes

Very little is known about the history or issuance of Puerto Rico's emergency paper currency from 1766. The first published account of these notes was in an 1832 book written and published by Pedro Tomás de Córdoba. It reads:

The lack of timely *Situados* from Mexico that was increased for the garrison and for the works of fortification, caused in the Island greater penury, and so unfortunately a furious hurricane [hit the island] on September 19, which

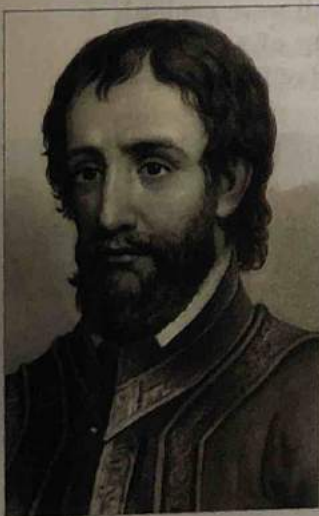
◀ **EXPLORERS** *Hernando De Soto (far left) and René-Robert Cavalier visited the area known today as New Orleans in 1542 and 1682, respectively.*

can colonies. The latter assimilated into the United States of America in 1776.

For 40 years, New Orleans was a Spanish city that often traded with Cuba and Mex-

ico. It also adopted racial rules that allowed for a class of free people of color. Fires enveloped the area in 1788 and 1794. The city was rebuilt in brick, and some of these original buildings, including a cathedral, still stand today. In 1800 Louisiana was secretly returned to Napoleon's France. By 1803, the emperor had negotiated its sale to the United States and the land became the Louisiana Territory.

but only a handful of permanent white settlers arrived before 1718. In 1717 John Law's Mississippi Company (also known as the "Company of the West") took control of Louisiana. France decided in Paris that year to found New Orleans (or *Nouvelle-Orléans*), named after the French regent Philippe II, Duke of Orléans. Its purpose was to become a transshipment center for future trade up from the





About five years ago, while **conducting research** in the General Archive of the Indies to find the 1766 notes, I uncovered examples of 1781 Puerto Rican paper money.

was again repeated in 7 and 8 of October, poverty reached its height, the loans that were made to the Government were not enough, which had to issue [papeletas or paper money] of 8 reales, in the absence of currency, which were to be extinguished by the arrival Situado, which was finally received in the amount of 271,929 pesos, 6 tomines and 6 grains, and 100,000 more for the fortification, with whose arrival helped to collect part of the paper money, and a payment was made of 50,993 pesos six reales of the loans.

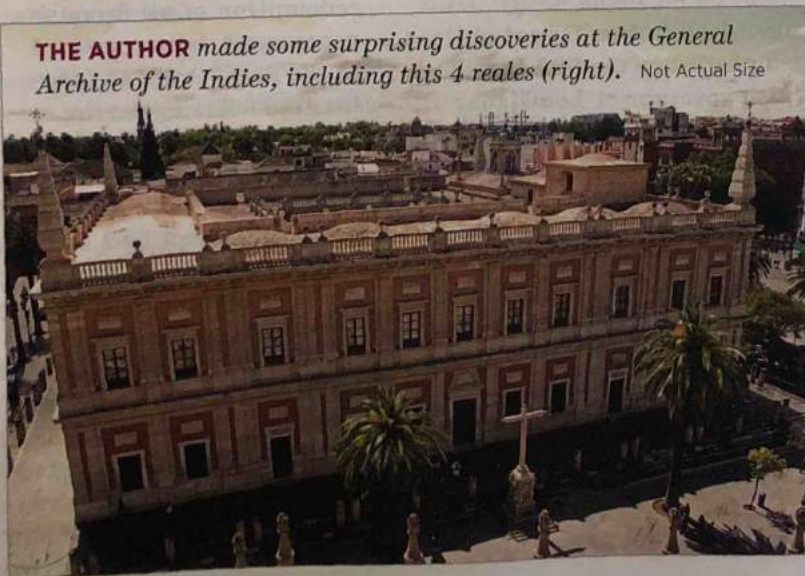
De Córdoba also mentioned new emissions of paper money in Puerto Rico in the year 1781:

From July 17, 1781, when they began issuing paper money due to the lack of the Situado [Mexicano], up until the end of March 1785, 654,325 pesos were created, and at the time when they were extinguished it was found an additional 25,233 ps. 2 rs.

Unfortunately, no illustrations of the notes are included in de Córdoba's book. Sightings or sales of this elusive currency have not been reported, and nobody knows what they look like. It could be that they are locked away in an archive somewhere, or they might be lost for good.

### Unexpected Find

About five years ago, while conducting research in the General Archive of the Indies in Seville, Spain, to find the 1766 notes, I uncovered examples of 1781 Puerto Rican paper money, including four notes—two 1781 8 reales and two 1781 4 reales. I reviewed secondary documents regarding the issuance of the 1781 bills and transcribed the few available documents on the topic, created at the time by the Spanish government in Puerto Rico. I also located illustrations of this newly discovered paper money. This research formed the basis of my 2014 article published in *Documenta & Instrumenta*, edited by the Universidad Complutense de Madrid, Spain. In the paper, I presented a brief



**THE AUTHOR** made some surprising discoveries at the General Archive of the Indies, including this 4 reales (right). Not Actual Size

discussion of Puerto Rican notes issued in 1781 under the Spanish reign of Carlos (Charles) III, in response to the lack of Mexican subsidy, and the war between Spain and England.

### New Orleans or Puerto Rico?

Soon after publishing my findings, I came across Spanish colonial notes from Louisiana. I contacted Early American

PHOTOS: GENERAL ARCHIVE OF THE INDIES (NOTE) & WIKIMEDIA COMMONS



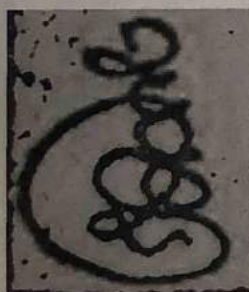
Soon after publishing my findings, I came across Spanish colonial notes from Louisiana.

PHOTOS: KRAUSE PUBLICATIONS (NEWMAN NOTE) & GENERAL ARCHIVE OF THE INDIES



▲ **ERIC P. NEWMAN** described the above-left note as a 1782 New Orleans Spanish specimen. The 8 reales at the right, which bears a striking resemblance to the note in Newman's reference, has been determined by the author to be a 1781 Puerto Rican bill. The signature on both notes (below) bears a striking similarity to the flourish at the end of Royal Officer of the Treasury of Puerto Rico Gabriel Tinajero's signature.

Not Actual Size



money expert John Kraljevich Jr. and asked him about paper currency from the area. He happily gave me much information and recommended helpful references, such as *The Early Paper Money of America* by Eric P. Newman.

In his book, Newman described New Orleans Spanish paper currency dated April 12, 1782, as follows:

100,740 pesos in peso denominations of Spanish bills and an unknown amount of denominations in reales were

received in New Orleans in June 1782 by the fifth Spanish governor of Louisiana, Don Esteban Rodriguez Miro (1744-1795) and were intended to be used to pay soldiers. One variety of 8 reales and all of the peso denominations specified payment in silver. Coin was requested and apparently paper money was not acceptable since Antonio St. Maxent, the Comandante of the garrison at Galveston, wrote that his portion of the shipment arrived wet and were good for

nothing. The peso denominations are detailed on a manifest prepared in New Orleans and were to be signed by the Intendant, the Comptroller and the Treasurer of the Colony when issued. The illustrations are from specimens in the Archivo General de Indias (General Archives of the West Indies) in Seville, Spain. The issue was printed in Spain and was the first paper money prepared for Spain or its dominions. The lowest three denominations in reales were undated. Some specimens show rubrica or flourishes

in the place of official signatures. Pursuant to a trial in Natchez and continued in New Orleans in November 1782 Guillermo Jones and Alejandro Greden were executed for counterfeiting this issue. On January 16, 1789 redemption of all Spanish paper money began pursuant to the Royal Order of October 1788 following the fire in New Orleans.

Illustrated on page 162 of Newman's text is a 1782 8 reales from New Orleans. This note bears a strong similarity to the one I pictured in my 2014 *Documenta & Instrumenta* article. However, my research suggested that this bill was issued in Puerto Rico in 1781. This led me to wonder: Was this note actually used in New Orleans? Did the notes circulate in New Or-



According to Dr. Rodríguez-Vázquez, it was **highly unlikely** for the same person's signature to appear on a 1781 note from Puerto Rico and a 1782 New Orleans specimen.

leans and Puerto Rico simultaneously? The latter certainly seemed possible, since both were Spanish colonies at the time. However, further research was needed.

I consulted Dr. Eduardo Rodríguez-Vázquez, a well-known numismatist in Puerto Rico, and some other colleagues here in Puerto Rico, such as Dr. Ignacio Olazagasti. They suggest that the paper money Newman attributed as a 1782 New Orleans 8 reales actually was made and circulated in Puerto Rico in 1781. They based their conclusion on the fact that the stamp in the upper right-hand corner of the note (added by the General Archive of the West Indies) is the same as the one I published in *Documenta & Instrumenta*. Also in my paper, I briefly discussed Gabriel Tinajero, Royal Officer of the Treasury of Puerto Rico, whose signature appears on both notes. According to Dr. Rodríguez-Vázquez, it was highly unlikely for the same person's signature to appear on a 1781 note from Puerto Rico and a 1782 New Orleans specimen.

Additionally, Newman reported that the 1782 New Orleans notes were the first issued by Spain for its dominions. However, this is not correct, given that the Spanish government in Puerto Rico issued the previously described emergency paper money in 1766 and 1781.

### Conclusion

The Spanish Empire began with the "discovery" of America by Christopher Columbus in 1492 and had its downfall after the Spanish-American War four centuries later (1898). Never-

theless, the influence of the Hispanic culture is deeply rooted in the history of the United States of America, and this can be found in numismatics as well.

By chance, I believe I found a common numismatic link between 18th-century Louisiana and Puerto Rico colonies under Spanish rule. However, I have not lost hope that I will one day find the elusive paper money of Puerto Rico from 1766.

### Addendum

I looked further into the topic of New Orleans paper money and found 1795 notes listed in Newman's reference without pictures. (The author includes an image of the lowest denomination, a 25 peso, on page 165.) These notes, also located in the General Archives of the Indies, are *Vales reales para socorro de la Luisiana* ("Royal Spanish Notes for the relief of Louisiana"). By royal decree addressed to the Council of the Indies on June 24, 1795, the notes were prepared and stamped in order to obtain money for the relief of Louisiana, but were never issued. These might be an interesting topic for an article, but additional research is required.

### Acknowledgments

I dedicate this article to the memory of Eric P. Newman, whose work I admire and respect. I'd like to thank the Puerto Rican Numismatic Society for providing funds for the acquisition of documents from the General Archive of the Indies, and to John J. Kraljevich for his expertise and advice on Early American numismatics. I also wish to acknowledge my beautiful, loving and caring wife,

Dr. Pilar C. Mercado Rivera, for her unconditional support of my research, and my two young sons, Lucas Mateo and Matías Manuel, who I hope one day will enjoy history and numismatics as much as I do. ■

### SOURCES

Carrete Parrondo, Juan, ed. "Documentación y estudios para la Historia del Arte Gráfico." [sites.google.com/site/arteprocomun/cedulas-de-vaes-reales](https://sites.google.com/site/arteprocomun/cedulas-de-vaes-reales).

"New Orleans." [history.com/topics/new-orleans](https://history.com/topics/new-orleans).

Jackson, Joy Juanita. "New Orleans." [britannica.com/place/New-Orleans-Louisiana](https://britannica.com/place/New-Orleans-Louisiana).

de Córdoba, Pedro Tomás. *Memorias Geográficas, Históricas, Económicas y Estadísticas de la Isla de Puerto-Rico*, Volume III. [loc.gov/resource/lhbr.6064b/?sp=29&st=text](https://loc.gov/resource/lhbr.6064b/?sp=29&st=text).

Navarro Zayas, Ángel O. "Report of New Copies of the Issuance of Paper Money in Puerto Rico (1781)." *Documenta & Instrumenta*, Volume 12 (2014), pp. 195-208. [revistas.ucm.es/index.php/DOCU/article/view/45695](https://revistas.ucm.es/index.php/DOCU/article/view/45695).

\_\_\_\_\_. "Documentos Históricos Sobre la Primera Contramarca Reportada en Puerto Rico y del Primer Dibujo Numismático Criollo." *Numiexpo 2010* (2010).

Newman, Eric P. *The Early Paper Money of America*. Iola, WI: Krause Publications, 2008. [archive.org/stream/earlypaper-moneyo2008eric/page/164/mode/2up](https://archive.org/stream/earlypaper-moneyo2008eric/page/164/mode/2up). (ANA Library Catalog No. US40.N4e)

Sieber, Arlyn G. "Portrait of Puerto Rico." *The Numismatist* (April 2009).