

PENNSYLVANIA CREDIT IN THE VIRGINIA  
BACKCOUNTRY, 1746–1755

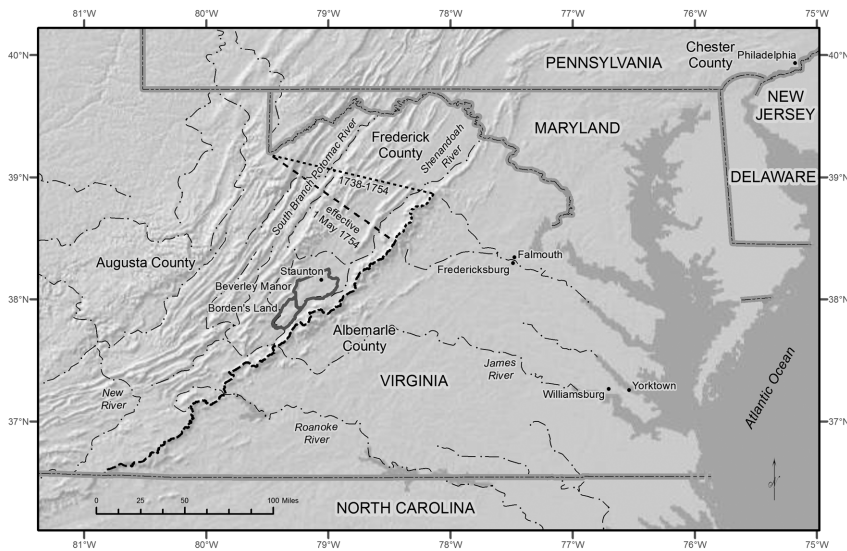
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**Abstract:** This essay investigates economic connections between Virginia frontier settlements and Pennsylvania during the period 1746–55. We explore how frontier debtors in remote Augusta County, Virginia, acquired Pennsylvania monetary obligations, what happened when debts involving Pennsylvania money were litigated in Augusta County, and what exchange rate was used in judgments for debts denominated in Pennsylvania money. We find that fluctuations in Augusta County exchange rates correlated to the overall regional market for monetary exchanges involving pounds sterling and Pennsylvania or Virginia money. A statistical tool called the two-tailed student t-test indicates the correlation was not the result of random chance. We therefore conclude that ordinary settlers in the Virginia backcountry were thoroughly acquainted with Pennsylvania market conditions at an earlier period than previously has been recognized.

In 1739 New Jersey speculator Benjamin Borden acquired over 90,000 acres in the upper Valley of Virginia and promptly began subdividing it. Most of Borden's clients immigrated from Ulster and the north of England, debarking at Delaware River ports and following the Great Wagon Road through Lancaster, Pennsylvania, and across Maryland into Virginia.<sup>1</sup> To one such newcomer, Nathaniel McClure, Borden sold a modest

tract located about a mile north of modern Lexington, Virginia, and well over 300 miles from Philadelphia (see fig. 1).<sup>2</sup>

As McClure settled into routines and relationships that defined the lives of frontier yeomen, he in many ways exemplified male Scots Irish immigrants of the mid-eighteenth century.<sup>3</sup> The 180 acres he purchased from Borden included fertile soil close by the Great Wagon Road. McClure was mustered with a militia company in 1742, served as a neighborhood constable for a year beginning on March 10, 1745/6, and presented children for baptism by a Presbyterian minister in 1747 and 1749.<sup>4</sup> Like many of his peers, McClure obtained goods and services on credit, acknowledging his indebtedness by



**FIGURE 1:** Augusta County, Virginia, 1738–1769. *Sources:* State boundaries: Minnesota Population Center. National Historical Geographic Information System, Minneapolis: University of Minnesota, 2004. Available online from <http://www.nhgis.org>. Shaded relief: World Shaded Relief: Copyright:© 2009 ESRI, available online at: [http://goto.arcgisonline.com/maps/World\\_Shaded\\_Relief](http://goto.arcgisonline.com/maps/World_Shaded_Relief). Rivers: National Atlas of the United States of America. Reston, VA: U.S. Geological Survey, n.d. Available online from <http://nationalatlas.gov/atlasftp-na.html>. Augusta County boundaries: DenBoer, Gordon, and Peggy Tuck Sinko. Virginia Historical Counties. Data Set. Laura Rico-Beck, digital comp. Atlas of Historical County Boundaries, ed. by John H. Long. Chicago: The Newberry Library, 2010. Available online from <http://www.newberry.org/ahcbp>. Augusta County border adjustment, 1754: Hening, *Statutes at Large* 6:376–79. Cartography by James W. Wilson, James Madison University.

signing notes of hand. Such notes were legally enforceable debt contracts to pay a sum certain to the creditor. As with a smaller proportion of his peers, McClure defaulted on at least two notes of hand, forcing creditors to sue him for £1:15:0 in 1746 and £6 in 1749. Intriguingly, both overdue sums were denominated in Pennsylvania currency.<sup>5</sup>

McClure's unpaid debts and others like them amount to evidence about early intercolonial business connections. Scholars long have recognized such ties in a somewhat later period, commercial links between colonial Pennsylvania and the Virginia settlements west of the Blue Ridge. In his 1978 book *Commercialism and Frontier: Perspectives on the Early Shenandoah Valley*, historical geographer Robert D. Mitchell investigated how the regional frontier economy of western Virginia increasingly was integrated into the larger economies of both colonies. Mitchell demonstrated that ordinary early settlers wanted to earn and spend money, and their spending impulse included purchases on credit.<sup>6</sup> By 1760, according to Mitchell, Valley of Virginia settlers followed well-established routes to markets in Philadelphia as well as to the more modest port towns of tidewater Virginia. Exports of cattle, grain, butter, hides, and cloth thus financed the flow of consumer goods back to the Valley.<sup>7</sup>

Such a summary makes the backcountry economy sound almost orderly, but details of those commercial exchanges, especially with regard to credit relationships, remain obscure. Relatively few business records survive from frontier settlements, and Virginia debtors represented only a small proportion of accounts in Pennsylvania's voluminous mercantile documents. Anecdotal evidence from Frederick and Augusta counties, the two mid-century polities west of the Blue Ridge, indicates that some initial settlers in the Valley of Virginia maintained direct commercial relationships with Pennsylvania merchants and creditors.<sup>8</sup> Beyond incidental glimpses, however, the extent to which Pennsylvanians traded with a whole region in colonial Virginia cannot be quantified from surviving mercantile records.

It is possible, however, to quantify the degree to which ordinary frontier Virginians like Nathaniel McClure were informed about market conditions in Pennsylvania. The calculations involve additional lawsuits from early Augusta County, which was organized in late 1745 and then considerably disorganized in the summer of 1755. As of the May court in the latter year—the last session before the onset of the Seven Years' War—plaintiffs had launched and concluded 3,764 suits. The majority of these cases involved some form of indebtedness.<sup>9</sup>

Of those early Augusta County debts, a minority but statistically significant proportion was denominated in Pennsylvania money. Of the 1,198 judgments in indebtedness cases for which the debt was recorded, at least 118—9.8 percent—involved Pennsylvania money. These 118 suits allow an exploration of three related questions: how did Augusta County debtors acquire Pennsylvania monetary obligations, what happened when debts involving Pennsylvania money were litigated in Augusta County, and what exchange rate was used in judgments for debts denominated in Pennsylvania money? The answers to these questions indicate that ordinary settlers in the Virginia backcountry were thoroughly acquainted with Pennsylvania market conditions at an earlier period than previously has been recognized.

### How Augusta County Debtors Acquired Pennsylvania Monetary Obligations

Augusta County debts denominated in Pennsylvania money had diverse origins. Some delinquent debtors incurred their obligations as residents of northern colonies and subsequently moved to Virginia. Others were Virginians shopping abroad in Maryland, Pennsylvania, and Delaware. Unexpectedly, a third category of debtors were Virginians dealing with fellow Virginians.

Debtors residing in northern colonies who moved to Augusta County included John Scull of New Jersey (see table 1). As a young man living in Gloucester County, New Jersey, just across the Delaware River from Philadelphia, Scull executed a bond for £15 on May 21, 1746. Scull promised to pay Gloucester County resident Nicholas Gibbons by July 1, but instead immigrated to Augusta County. By late 1747, Gibbons had located the debtor and obtained a summons for Scull to appear before the next Augusta County court. Augusta County's sheriff served the summons on Scull, who twice failed to appear in court and answer Gibbons's suit. County magistrates therefore confirmed a conditional judgment against Scull. On February 28, 1749/50, a jury on a writ of inquiry found Gibbons's damages to be £15 proclamation money valued at £11:5:0 Virginia, plus costs.<sup>10</sup>

The second type of debtor was comprised of Augusta County residents who visited Pennsylvania. It seems today a daunting journey, but ordinary settlers such as Andrew Scott nevertheless sometimes undertook it. In the course of

TABLE 1. Middle-Colony Plaintiffs Suing in Augusta County for Debts Denominated in Pennsylvania Money, 1746–1755

Plaintiff and Location	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
Adam Andres/Andrews, Philadelphia, PA	Jost Dubbs/Tubbs	Attachment 3-3-1749/50	Penal bond	£54:15:4 (£109:10:8) <sup>a</sup>	AOB 2:327, 345
John Ax, Germantown, PA	Jahanes Kogh and Jost Dubbs/Tubbs	Debt 3-1-1750/1	Promissory note	£8	AOB 2:545, 3:52, 64, 78, Aug. CCC
James Blythe, PA, assignee of William Blythe	John Story, dec'd, and John Rutledge <sup>b5, c</sup>	Debt 6-19-1752	Penal bill	£36	AOB 2:566, 3:100, 125, 134, 150, 277
Adam Boyd, Chester Co., PA	Andrew Scott <sup>b7, c, d</sup>	Debt 5-18-1753	Penal bond	£9 (£18)	AOB 3:452
Thomas Campbell, Philadelphia, PA	Joseph Love <sup>b4, c</sup>	Trespass on case 2-28-1750/1	Account	£34:14:1	AOB 1:353, 2:23, 123, 460, 535, 3:14, 34, 46
George Croghan, Logstown, PA	James Rutledge, dec'd <sup>e</sup>	Debt 3-26-1754	Penal bond	£278:1:3 (£556:2:6)	AOB 2:604, 3:96, 114, 472, 4:47, 155
Robert Dunning, dec'd, Lancaster Co., PA, by executors Mary, Ezekiel, and James Dunning	James Rutledge, dec'd <sup>e</sup>	Trespass on case 3-26-1754	Not specified	£16:10:10	AOB 2:605, 3:96, 114, 473, 4:47, 147, 156
George Emblen Jr., Philadelphia, PA	Joseph Love <sup>b4, c</sup>	Debt 2-28-1750/1	Penal bond	£15:17:9 (£31:15:6)	AOB 2:88, 124, 460, 535, 3:14, 48
John Theobald End, Lancaster Co., PA	Henry Moyer	Debt 3-26-1754	Penal bill	£7:13:0	AOB 3:404, 493, 4:33, 93, 157

(Continued)

TABLE 1. Middle-Colony Plaintiffs Suing in Augusta County for Debts Denominated in Pennsylvania Money, 1746–1755 (continued)

Plaintiff and Location	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
James Galbreath, Lancaster Co., PA	John Wilson <sup>b4, f</sup>	Petition 8-26-1749	Note of hand	£6	AOB 2:284
	James Millican and Charles Millican <sup>b1, c</sup>	Debt 3-3-1749/50	Note of hand	£5	AOB 2:343
	James Millican and Charles Millican <sup>b1, c</sup>	Debt 5-25-1750	Note of hand	£14	AOB 2:146, 386, 3:25
Nicholas Gibbons, Gloucester Co., NJ	John Scull	Debt 2-28-1749/50	Penal bond	£15 <sup>g</sup> (£30)	AOB 1:351, 2:21, 329, 3:21;Aug. CCC
Hans Hamilton, York Co., PA	Daniel Henderson	Petition 8-22-1747	Note of hand	£3	AOB 1:226, 277
John Leshner, PA, assignee of Frederick Skerch	Abraham Dealback	Debt 6-19-1752	Penal bond	£8:15:0 (£17:10:0)	AOB 3:118, 134, 180, 223, 276
Nathan Levy and David Franks, Philadelphia, PA	Joseph Love <sup>b4, c</sup> and Francis Fulton	Debt 3-1-1750/1	Penal bill	£292:11:5	AOB 2:87, 123, 482, 542, 3:14, 34, 46, 84
		Debt 3-1-1750/1	Penal bill	£197	AOB 2:88, 123, 482, 542, 3:14, 84
Hugh Parker, dec'd, Lancaster Co., PA, by executors Thomas Cresap and Jeremiah Warder	James Rutledge, dec'd <sup>e</sup>	Debt 3-25-1754	Penal bond	£250 (£500)	AOB 3:470, 4:45, 143

Plaintiff and Location	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
William Purveyance, Paxton Township, Lancaster Co., PA	James Rutledge, dec <sup>d</sup> e	Debt 3-25-1754	Penal bond	£42:5:0	AOB 2:605, 3:96, 114, 473, 4:48, 99, 146
Andrew Reed, Trenton, NJ	Thomas Moffet	Petition 6-20-1746	Penal bill	£2:13:4 <sup>g</sup>	AOB 1:64
John Stevens, Philadelphia, PA	John Trimble <sup>b19, c, d, f, h</sup>	Debt 5-19-1748	Penal bond	£11	AOB 1:312, 334, 2:11
	Joseph Love <sup>b4, c</sup>	Petition 5-22-1749	Nore of hand	£6:4:2	AOB 2:82, 146
Walter Thretford, New Castle Co., DE	John Young, dec <sup>d</sup> q <sup>b5, c, d, f</sup>	Debt 3-23-1754	Promissory note	£12	AOB 3:118, 134, 148, 152, 166, 171, 290, 331, 379; Aug. CCC

<sup>a</sup>Parentherical amounts indicate the doubled nominal value of a penal bond; at judgment, 5 % interest was awarded on the principle, i.e., the lesser figure.  
<sup>b</sup>Petit juror in Augusta County during study period for number of trials indicated.  
<sup>c</sup>Defendants owned land in Augusta County at the time of their suit.  
<sup>d</sup>Constable in Augusta County during study period.  
<sup>e</sup>Justice of the peace in Augusta County during study period.  
<sup>f</sup>Grand juror in Augusta County during study period.  
<sup>g</sup>Source identified as proclamation money.  
<sup>h</sup>Named in Augusta County road orders during study period.

Abbreviations: AOB= Augusta County Order Book (microfilm, Library of Virginia); Aug. CCC=]Judgment Files, Office of the Clerk, Augusta County Circuit Court, Staunton, VA.

what would have been at least a 600-mile round trip to Pennsylvania, Scott signed a penal bond with a face value of £18 to secure £9 owed to Adam Boyd of Chester County; the debt was due on November 1, 1752. When Scott failed to make restitution, Boyd sued on a writ of debt, to which Scott responded by promptly appearing in court and confessing judgment. Scott acknowledged the £18 Pennsylvania debt, which was noted in the court order book as worth £13:10:0 Virginia.<sup>11</sup>

Scott's business connections far beyond the county borders are notable because he was a typical small frontier farmer, the sort of person not normally thought of as a roving consumer. Scott settled in Augusta County as early as September 12, 1742, when he sponsored his son's baptism at the Tinkling Spring Presbyterian meeting house near modern Staunton. He presented two more children for baptism in 1747 and 1749.<sup>12</sup> County magistrates appointed him a constable in May 1747, and he served the usual one year; this was the sole county office Scott held through at least 1772.<sup>13</sup> He also served on a total of seven petit juries in the years 1747, 1751, and 1755.<sup>14</sup> In early 1748, Scott requested and received permission to keep an ordinary at his house, an annual license the magistrates subsequently renewed once.<sup>15</sup> Presumably the house in question was located on the 200 acres that Scott later purchased in Beverley Manor in 1753. His land lay in the same militia precinct as his constable's appointment six years previously, and Scott neither bought nor patented additional land in Augusta County through at least 1772.<sup>16</sup> A 1756 militia roster indicates that Scott still resided within the bounds of the same militia company in that year.<sup>17</sup> Andrew Scott thus embodied a variety of traits shared by small farmers who incurred debts while traveling in Pennsylvania.

A third and unexpected type of debtor was comprised of Augusta County defendants owing Pennsylvania money to Virginians in adjoining counties. At least two Albemarle County residents sued in Augusta County courts to recover such debts.<sup>18</sup> Most strikingly, fourteen Frederick County residents filed comparable suits (see table 2). Their cases suggest that some Virginia retailers dealt with Pennsylvania markets so extensively that they found it simpler to reckon Virginia store accounts in Pennsylvania money. This hypothesis is supported by the fact that in Frederick County, out of the fifty earliest judgments for financial suits in which monetary amounts were specified, thirty judgments (60.0%) involved debts calculated in Pennsylvania money.<sup>19</sup>



TABLE 2. Frederick County Plaintiffs Suing in Augusta County for Debts Denominated in Pennsylvania Money, 1746–1755

Plaintiff	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
Peter Bowman, assignee of George Maurer	Jacob Miller <sup>h</sup>	Petition 2-17-1747/8	Bill	3:5:0	AOB 1:310, 339; file Aug. CCC; Joyner 24 (plaintiff location, hereafter cited plt location)
Peter Bowman, assignee of John Miller <sup>g</sup>	Jacob Miller <sup>h</sup>	Trespass on Case 8-20-1748	Account	8:18:7	AOB 1:312, 333, 2:10, 61; File Aug. CCC
Andrew Campbell <sup>e</sup>	Joseph Walker <sup>b5, h</sup>	Debt 8-31-1750	Promissory note	6:11:3	AOB 1:352, 362, 2:11, 400, 451, 3:5, 32; Drawer 389 Aug. CCC; EJC 5:117
Andrew Campbell <sup>e</sup> assignee of Joseph Beggs <sup>g</sup>	William Mahon <sup>i</sup>	Debt 3-1-1750/1	Penal bond	£7 (£14) <sup>a</sup>	AOB 2:492, 540, 3:68, 80; Drawer 390; Aug. CCC
John Hite <sup>e</sup>	Peter Mauck	Petition 8-17-1753	Note of hand	2:17:1	AOB 3:482, 4:23; EJC 5:269, 302
Absolom Howard	John Hodge <sup>c, d</sup>	Petition 9-3-1750	Note of hand	2:7:0	AOB 2:476, 4:121; Aug. MB 1754, 20 (plt location)
John Jones, assignee of James John	Valentine Sevier <sup>b5, d, h</sup> Robert Williams <sup>b3, c, h</sup>	Debt 2-20-1746/7 Petition 8-17-1753	Bond Note of hand	14:2:0 4:10:0	AOB 1:33, 56, 86, 107, 136, 161 AOB 3:483, 4:22; Aug. MB 1749-50, 60

(Continued)

TABLE 2. Frederick County Plaintiffs Suing in Augusta County for Debts Denominated in Pennsylvania Money, 1746–1755 (continued)

Plaintiff	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
Thomas Jones	Morgan Thomas	Petition 6-1-1751	Note of hand	6:0:0	AOB 2:609; Joyner 83 (plt location)
Nathaniel Kerr	John Smith <sup>b2, h</sup>	Petition 4-15-1746	Bill	4:0:0	AOB 1:32; Joyner 28 (plt location)
John Neal <sup>e</sup>	John Campbell <sup>b2, c, d, h</sup>	Petition 3-19-1746/7	Note of hand	2:10:0	AOB 1:126, 150, 180; EJC 5:269, 302
John Nealand, assigned to James Rutledge	Joshua Hickman <sup>b2, f</sup>	Petition 8-23-1746	Note of hand	3:0:0	AOB 1:94; Aug. MB 1746-47, 75 (assignee location); Hofstra, 214, 216 (assignor)
James Ross execs	Abel Westfall	Petition 11-20-1752	Note of hand	5:0:0	AOB 3:400; Aug. MB 1755, 19
George Seller	Abraham Miller <sup>d, h</sup> and Christian Miller	Debt 9-17-1747	Penal bond	£9 (£18)	AOB 1:209, 228, 264, 295; Drawer 386, Aug. CCC
George Smith	Francis Wafer	Attachment 3-23-1754	Note of hand	102:0:0	AOB 4:13, 15, 78, 125, 126 Joyner 68, 142 (plt location)
Lewis Stevens <sup>e</sup> , assignee of Richard Johnston/ Jones	Philip Carl Carson and Johan Yough Rough	Petition 8-29-1751	Note of hand	3:3:0	AOB 2:552, 610, 3:192; EJC 5:269, 302, 391

Plaintiff	Defendant	Action and Date of Judgment	Instrument	Amount in PA £	Citations
Peter Tostee	Daniel Richardson <sup>b2, d, h</sup>	Petition 11-30-1750	Note of hand	2:5:0	AOB 2:5:10

<sup>a</sup>Parentherical amounts indicate the doubled nominal value of a penal bond.

<sup>b</sup>Petit juror in Augusta County during study period for number of trials indicated.

<sup>c</sup>Defendants owned land in Augusta County at the time of their suit.

<sup>d</sup>Constable in Augusta County during study period.

<sup>e</sup>Magistrate in Frederick County during study period.

<sup>f</sup>Grand juror in Augusta County during study period.

<sup>g</sup>Assignor = Frederick County resident (unmarked assignors have not been located).

<sup>h</sup>Named in Augusta County road orders during study period.

<sup>i</sup>Moved from Frederick County to Augusta County after incurring debt.

Abbreviations

AOB    Augusta County Order Book (microfilm, Library of Virginia).

Aug. CCC    Judgment Files, Office of the Clerk, Augusta County Circuit Court, Staunton, Virginia.

Aug. MB    Augusta County Minute Books (microfilm, Library of Virginia).

EJC    Hall, ed., *Executive Journals of the Council*.

Joyner    *Abstracts of Virginia's Northern Neck Warrants and Surveys*, ed. Peggy Shomo Joyner, vol. 2, *Frederick County, 1747-1780* (privately published, 1985).

Hofstra    Hofstra, *The Planting of New Virginia*.

At least three Frederick County creditors suing in Augusta County were magistrates; others, such as Peter Tostee, were shopkeepers.<sup>20</sup> Tostee operated a store in the Frederick County (lower) portion of the South Branch of the Potomac River valley as early as 1748.<sup>21</sup> A delinquent customer of Tostee's, Daniel Richardson, had lived upstream in Augusta County since at least June 18, 1746, when Augusta County magistrates appointed Richardson and two South Branch neighbors as road viewers.<sup>22</sup> Richardson never owned land in Augusta County, but he played an active role in its early settlement. He served as a constable in his neighborhood for the usual one-year term beginning in May 1750 and was named again in a 1751 South Branch road order.<sup>23</sup> On May 31, 1751, two days after he petitioned the court to relieve him of his constable duties, Richardson twice served as a petit juror in Augusta County trials at Staunton.<sup>24</sup> He did not attend court, however, the previous November (1750), when Peter Tostee's attorney petitioned the Augusta County magistrates to recover a debt secured by Richardson's note of hand. Because Richardson failed to appear to answer Tostee's petition, the magistrates immediately issued judgment for the plaintiff. Richardson's note of hand was for £2:5:0 Pennsylvania, which the court valued at £1:13:9 Virginia.<sup>25</sup> Richardson thus represents a third type of frontier debtor dealing in Pennsylvania money, a Virginian dealing with another Virginian who in turn was closely tied to the Pennsylvania economy.

Taken together, the three types of debtors shared certain characteristics. All were male, and most exercised only occasional minor public authority. The great majority owned no land when their creditors sued them.<sup>26</sup> Debtors who did own land held acreage that was typical for Augusta County yeomen.<sup>27</sup> In short, they were ordinary frontier white men.

### Litigation Involving Pennsylvania Money

Virginia statutes offered scant guidance about how to handle lawsuits involving debts incurred in other colonies. As of 1686, debts contracted in Maryland or North Carolina were "recoverable in Virginia... as though... [they] had been contracted in Virginia."<sup>28</sup> Over time, Virginians traded farther afield, and the practice of recovering debts incurred abroad apparently was extended to include those from Pennsylvania and other colonies without additional statutory authorization.

Debts contracted outside Virginia did require special handling, however. Virginia courts could only render judgments in Virginia money or in pounds

sterling. If debts were denominated in the money of some other colony, then an exchange value had to be established. Given that no Virginia statute governed exchange rates for money from other colonies, who set the exchange rates in Augusta County cases? The answer, it turns out, is a reminder that English common law as practiced in local courts often defied easy generalization.

Judgments for debts denominated in Pennsylvania money were translated into Virginia currency in various ways. Sometimes contemporaries approached conversion problems as questions of fact resolvable via trial by jury. For example, in 1742, John Pickens signed a penal bond for a nominal £23 Pennsylvania money to secure £11:10:0 payable on demand. When plaintiff's attorney James Porteus initiated suit on a writ of debt in 1747, Porteus stipulated that £23 Pennsylvania was of the value of £23 Virginia. At the trial in early 1748, however, an Augusta County jury found for the plaintiff and valued his award in Virginia money as 75 percent of the Pennsylvania amount.<sup>29</sup> The facts determined by juries thus included factual questions of exchange rates. Cases were tried by juries—relatively rarely—5 out of 118 suits (4.2%)—but the 56 individual jurors in those suits represented a substantial number of votes about monetary exchanges.

More commonly, juries were convened by writ of enquiry outside the court under a sheriff's supervision to determine a plaintiff's damages after a defendant defaulted—that is, after a plaintiff received judgment when a defendant failed to appear in court. In cases involving a writ of inquiry, defendants did not present their side of the issue to the jury. Sheriffs oversaw such juries in 14 out of 118 suits (11.9%) involving Pennsylvania currency. For example, in 1748, James Greenlee's attorney, Gabriel Jones, launched a lawsuit against Malcom Campbell seeking £11:0:6 Pennsylvania in damages, valued by Jones at the identical amount in Virginia currency. Campbell defaulted by not appearing in court to plead, and the sheriff subsequently convened a jury to determine the plaintiff's damages. The jury found Greenlee's damages to be £8:5:4 in Virginia money.<sup>30</sup> In all, 106 individuals served on juries convened for writs of inquiry involving Pennsylvania money, of whom 85 jurors had not served in trials of the issue regarding monetary conversion. Adding 56 unique jurors in trials of the issue to 85 unique jurors on a writ of inquiry yields 141 different venire men with a vote in establishing exchange rates.

Exchange rates also were set by magistrates, either in their individual capacity or collectively while sitting as a court in course. In 1749 magistrate

David Stuart ordered an attachment against Edward McGinnis on the suit of Robert Aul, evaluating McGinnis's debt of £5:1:7 Pennsylvania as worth £3:16:2¼ Virginia.<sup>31</sup> On a number of occasions, the court acted on behalf of defendants who seem not to have been present for trial. For example, George Lewis ignored a summons to appear in court on March 26, 1754, so the magistrates awarded judgment to plaintiff John Dickenson. In delivering its judgment, the court disregarded a complaint drawn by Dickenson's lawyer, who asserted that the original bond's principle of £20 Pennsylvania was worth the same amount of Virginia money. Instead, the court considered that Lewis owed £15 Virginia plus interest and costs.<sup>32</sup> During the study period, thirty-eight individual magistrates participated in verdicts involving Pennsylvania money.

In summary, during the study period at least 179 jurors and magistrates set monetary exchange rates in law suits. Frequently they rejected plaintiff attorney assertions that Pennsylvania debts should be paid at par with Virginia money. The jurors and magistrates represented a range of social and economic circumstances; collectively their decisions about exchange rates constituted a frontier money market.

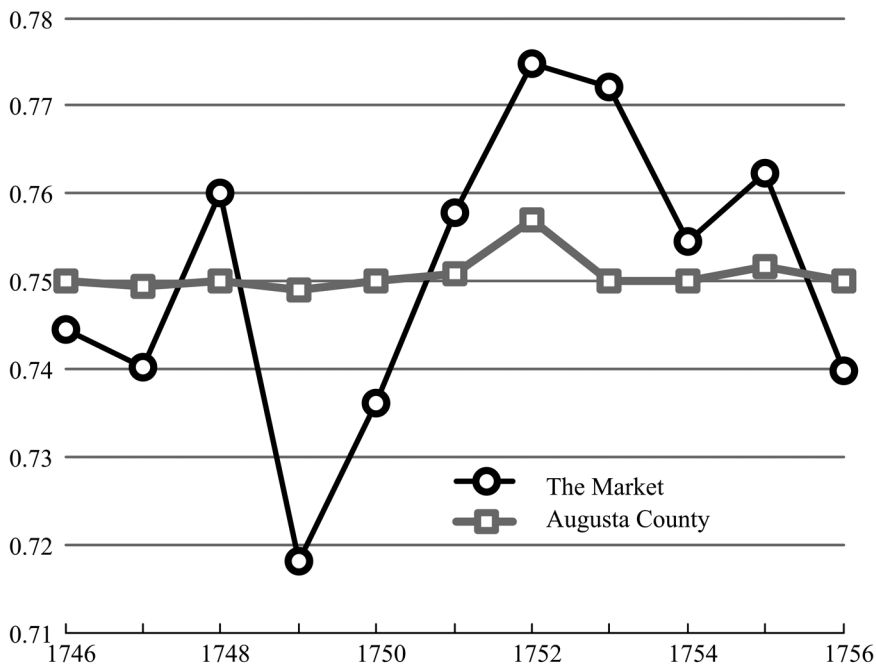
### Monetary Exchange Rates on the Virginia Frontier

Given such a diverse market, what exchange rate was produced? At first glance, the ratio seems to have been a foregone conclusion: during the study period, £3 Virginia usually equaled £4 Pennsylvania. Specifically, the 118 suits under consideration had an average annual exchange rate of 0.7507. In other words, the average was within seven ten-thousandths of 3 to 4; indeed, the ratio was exactly £3 Virginia to £4 Pennsylvania in nine out of ten cases.<sup>33</sup>

But what about the other 10 percent? That remainder has some interesting fluctuations which contributed to slight annual variations visible in figure 2. In part, figure 2 graphs the annual average of Augusta County exchange rates for Pennsylvania money. Significantly, the average sometimes was pulled a little above or a little below the 0.75 ratio.

The fluctuations in Augusta County's exchange rate have an intriguing mathematical relationship with a second set of averages also graphed in 2figure 2. The additional exchanges, labeled "The Market," compare annual average exchange rates in sterling for bills of exchange drawn in Virginia and in Pennsylvania. Data for The Market come from a wide range of sources tabulated and published by John J. McCusker.<sup>34</sup> The Market's more volatile

# PENNSYLVANIA CREDIT IN THE VIRGINIA BACKCOUNTRY, 1746-1755



**FIGURE 2:** Comparison of Virginia-to-Pennsylvania Exchange Rates. *Sources:* The Market: John J. McCusker, "Table Eg 315-324, Rates of Exchange on London, by Colony or State: 1649-1790," in *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition*, vol. 5. *Governance and International Relations* (Cambridge: Cambridge University Press, 2006): 697-99. Augusta County: Augusta County Order Books 1 through 5, microfilm, Library of Virginia.

Year	The Market	Augusta County
1746	0.74452	0.75002
1747	0.74026	0.74932
1748	0.75998	0.75000
1749	0.71812	0.74907
1750	0.73619	0.75001
1751	0.75773	0.75078
1752	0.77470	0.75694
1753	0.77217	0.75000
1754	0.75453	0.75009
1755	0.76229	0.75174
1756	0.73971	0.75000

graph illustrates all known exchanges of Virginia or Pennsylvania money for pounds sterling in a given year.

It is important to note that while this second set of rates shows a more diverse range of values, it also averages to almost exactly 3 to 4. Specifically, the average is 0.7509. Augusta County's average annual rate for the decade under study thus was just two ten-thousandths off The Market's average annual rate—a minuscule difference equal to one farthing out of about £5:2:2. In the big picture, then, Augusta County currency exchanges almost exactly reproduced The Market rate but with much less year-to-year fluctuation. To a modern economist, this means Augusta County exchanges included less financial risk than The Market.

"Less financial risk" is not a phrase normally associated with economic activity in colonial settlement frontiers, and the finding invites additional analysis. On closer scrutiny it appears that in each year but 1754 Augusta County average rates moved with The Market—up a bit when The Market rose, down a little when it fell. The movements are an evocative—not in themselves definitive—set of coincidences; the similarities encourage investigating whether the relationship between exchange rates in Augusta County and exchange rates in The Market could have been a product of random chance.

This question—for brevity we'll call it the null hypothesis—can be resolved statistically with the student t-test. According to the rigorous, two-tailed student t-test, there was a 4.22 percent chance that randomly assembled data would follow The Market as closely as Augusta County's exchange rate. That 4.22 percent chance, which statisticians call a *p*-value, is below the 5 percent threshold generally accepted to indicate the data are statistically significant. We can reject the null hypothesis. The correlation was *not* a product of random chance. The small *p*-value tells us the two rates are correlated. It does not say anything about causality; we cannot tell which exchange rate tracks the other. But we can be confident that their correlation is no accident.

## Conclusion

Between 1746 and 1755, ordinary frontier white men incurred debts denominated in Pennsylvania money. They carried those debts to Virginia or acquired them while traveling north of Virginia or agreed to them while doing business with other Virginians. When debtors refused to pay and were sued to recover what they owed, an exchange rate was set by Virginia



magistrates, jurors, or plaintiffs. In Augusta County, numerous people representing divergent interests comprised a frontier market, and the frontier market was correlated to the overall regional market for monetary exchanges involving pounds sterling and Pennsylvania or Virginia money. Exchange rate data therefore reveal that in the earliest decade of Augusta County, even ordinary Virginia settlers were knowledgeable participants in the colonial Pennsylvania economy.

## NOTES

Thanks to Warren M. Billings, Ronald Hoffman, and John J. McCusker for valuable comments.

1. Robert D. Mitchell, *Commercialism and Frontier: Perspectives on the Early Shenandoah Valley* (Charlottesville: University Press of Virginia, 1977), 31–36. A minority of immigrants elsewhere in the upper Valley of Virginia were Germans; for a comprehensive account of scholarship on their early history in western Virginia, see John B. Frantz, “The Religious Development of the Early German Settlers in ‘Greater Pennsylvania’: The Shenandoah Valley of Virginia,” *Pennsylvania History* 68 (Winter 2001): 66–100. German speakers tended to settle either in the northern end of Augusta County or far southwest in the New River Valley and only rarely appeared as parties to the lawsuits examined below.
2. Augusta County Deed Book 1:265. (County records cited herein are available via microfilm, Library of Virginia, Richmond, unless otherwise noted.) McClure’s exact migration path is unknown, but his kinsman James McClure swore on July 24, 1740, that he had imported himself, his wife, and five children from Ireland to Philadelphia and thence to Virginia. Orange County Order Book 2:209.
3. James G. Leyburn, *The Scotch Irish: A Social History* (Chapel Hill: University of North Carolina Press, 1962), 204–7; Kenneth W. Keller, “What Is Distinctive about the Scotch-Irish?” in *Appalachian Frontiers: Settlement, Society, and Development in the Preindustrial Era*, ed. Robert D. Mitchell (Lexington: University Press of Kentucky), 72–75; Patrick Griffin, *The People with No Name: Ireland’s Ulster Scots, America’s Scots Irish, and the Creation of a British Atlantic World, 1689–1764* (Princeton, NJ: Princeton University Press, 2001), 158–59, 162–63; Ned C. Landsman, “Religion, Expansion, and Migration: The Cultural Background to Scottish and Irish Settlement in the Lehigh Valley,” in *Backcountry Crucibles: The Lehigh Valley from Settlement to Steel*, ed. Jean R. Soderlund and Catherine S. Parzynski (Bethlehem: Lehigh University Press, 2008), 107–9; Landsman, *Crossroads of Empire: The Middle Colonies in British North America* (Baltimore, MD: Johns Hopkins University Press, 2010), 99–100.
4. “Augusta County, [Va.] Muster-book of militia,” [1742] Draper Mss. 1QQ 10–17 (microfilm edition, 1980, reel 121), State Historical Society of Wisconsin, Augusta County, Virginia, Order Book 1:20 (hereafter Augusta OB). “Appendix F. Record of Baptisms, 1740–1749,” in Howard McKnight Wilson, *The Tinkling Spring, Headwater of Freedom: A Study of the Church and Her People, 1732–1952* (Richmond, VA: Garrett and Massie, 1954), 478.
5. William Alexander v. Nathaniel McClure, Augusta OB 1:36, 43, 184; Joseph Duncan v. Nathaniel McClure, Augusta OB 2:143.

6. Mitchell, *Commercialism and Frontier*. Earn money: "The great majority of settlers were eager to exploit any profit-making opportunities available" (4). Purchase on credit: "The early search for markets, characterized by small-scale trade by individual settlers with a large number of widely distributed centers in Virginia, Maryland, and Pennsylvania, appears to have been out of all proportion to the generally localized, limited commercial capabilities of early agriculture" (160).
7. "Fig. 21. Trading connections of the Shenandoah Valley by 1760," in *ibid.*, 150. See also Richard K. MacMaster, "The Cattle Trade in Western Virginia, 1760–1830," in *Appalachian Frontiers*, ed. Mitchell, 127–49.
8. Warren R. Hofstra, *The Planting of New Virginia: Settlement and Landscape in the Shenandoah Valley* (Baltimore, MD: Johns Hopkins University Press, 2004), 202–3, 231–32.
9. Augusta County, Virginia, Order Book No. 1 through 4:462. The 3,764 suits included at least 721 petitions to recover debts, 56 assumpsit actions, 1,083 suits on a writ of debt, 471 actions on attachment, and at least 10 suits on a writ of trespass on case involving a financial instrument. In all, at least 2,341 suits over indebtedness represented at least 62.2 percent of the total.
10. Augusta OB 1:351, 2:21, 329, 3:21. Penal bond May 21, 1746, complaint n.d., capias December 18, 1747, and appearance bond January 13, 1747/8, in *Nicholas Gibbons v. John Scull*, originally filed in bundle February 1749A [i.e., 1749/50], Augusta County Circuit Court, Staunton, Virginia [hereafter cited as Augusta CCC]. For a comparable case involving parties from Newcastle County, Delaware, see *Walter Thretford v. John Young*, deceased, administration by James Young in Augusta OB 3:118, 134, 148, 152, 166, 171, 290, 331, 379, 4:127, and promissory note, September 16, 1736, complaint n.d., Augusta CCC. Proclamation money was colonial money emitted by colonies such as Pennsylvania and New Jersey and exchanged with British sterling at a rate of 4 to 3. Thus in general, £100 British sterling was valued at £133.33 in proclamation money. Gibbons's bond does not specify the currency so presumably the original debt was for New Jersey money, but given that "New Jersey's paper circulated in Pennsylvania at Par," the Gibbons debt is included here in the cohort of Augusta County debts denominated in Pennsylvania money. John J. McCusker, *Money and Exchange in Europe and America, 1600–1775* (Chapel Hill: University of North Carolina Press for the Institute of Early American History and Culture, 1978), 126, 168. (Quote regarding New Jersey/Pennsylvania par on latter page.)
11. As with all penal bonds, Scott's debt was to be discharged by payment of half the face value plus interest from the date due and court costs. Augusta OB 3:452; see also Lyman C. Chalkley, *Chronicles of the Scotch-Irish Settlement in Virginia* (1912; repr. Baltimore: Genealogical Publishing Co., 1980), 1:308.
12. Wilson, *Tinkling Spring, Headwater of Freedom*, 481.
13. Scott's precinct was in Captain John Christian's militia company. Augusta OB 1:198, 217, 2:4 Scott was listed as a private in Christian's company in a muster roll not later than September 15, 1742. Augusta County Militia Roster, 1742, Draper Mss 1QQ 14.
14. Augusta OB 1:299, 300, 302, 3:224, 4:435, 436 (2 juries).
15. Augusta OB 1:344, 2:148. There is no record that Scott sought an additional renewal after the one-year permission expired in May 1750.
16. Augusta County Deed Book 5:224. For Scott's residence in 1753, the year of his suit, see the August 15, 1753, road gang roster for John Henderson's road. Augusta OB 4:7.
17. Muster roll of Captain Israel Christian's company, August 9, 1756, in Augusta County Court Martial Records, 1756–96.

## PENNSYLVANIA CREDIT IN THE VIRGINIA BACKCOUNTRY, 1746–1755

18. *Joseph Kinkead v. John Carmichael*, Augusta OB 1:242, 3:304; *James Finlay, deceased, administration by David Bell {subsequently James Bell} v. James Rutledge*, Augusta OB 2:39, 391, 3:5.
19. Frederick County Order Book 1:1–53.
20. *Andrew Campbell gent v. Joseph Walker*, Augusta OB 1:352, 362, 2:11, 400, 451, 3:5, 32; Campbell was reappointed as a Frederick County magistrate on April 23, 1743. Wilmer L. Hall, ed., *Executive Journals of the Council of Colonial Virginia* (Richmond: Virginia State Library, 1967), 5:117 (hereafter cited *EJC*). *John Hite gent v. Peter Mauck*, Augusta OB 3:482, 4:23; *EJC* 5:269, 302. *John Neal v. John Campbell*, Augusta OB 1:126, 150, 180; For Hite and Neal's initial appointment to the Frederick County commission of the peace on November 12, 1748, and renewal on October 13, 1749, see *EJC* 5:269, 302.
21. Hofstra, *Planting of New Virginia*, 192.
22. Augusta OB 1:49.
23. Constable: Augusta OB 2:354, 576. Road: Augusta OB 2:581.
24. *Ibid.*, 2:596, 597.
25. *Ibid.*, 2:510.
26. Out of 118 cases in which debts originally were denominated in Pennsylvania money, 82 (69.5%) involved defendants who owned no land when they were sued. Out of 90 individual defendants, 62 (68.9%) owned no land when they were sued.
27. In 36 cases, defendants owned land. Of these, the minimum acreage was 100, the maximum acreage was 1,348, the mode acreage was 400, the mean acreage was 422.4, and the standard deviation was 261.4. In all, 28 individual defendants owned land. These had the same minimum, maximum, and mode acreage; their mean acreage was 431.7 and standard deviation was 275.9.
28. "An Act declaring Maryland and North Carolina debts pleadable," October 1686, in *Statutes at Large, Being a Collection of All the Laws of Virginia*, ed. William W. Hening (Richmond, 1823–35), 3:29. This act repealed a 1663 law stipulating that "noe debt whatever is pleadable against any inhabitant of this country but for goods imported in this country." "An act concerning forreigne debts," September 1663, 2:189.
29. *Martha Arthur by next friend & father-in-law Thomas Williams v. John Pickens*, in debt, Augusta OB 1:370, 2:50. Per Augusta CCC box "Jan 1747–Aug 1747," the capias dated May 26, 1747, cited defendant's debt for £23 Pennsylvania valued at £23 Virginia. The instrument was a penal bond dated September 16, 1742, for £23 Pennsylvania to secure £11:10:0 payable on demand.
30. *James Greenlee v. Malcom Campbell*, Augusta OB 2:88, 334, 3:22. The jury's award was one ha'penny less than 75 percent of the Pennsylvania value claimed by Greenlee's attorney.
31. *Robert Aul v. Edward McGinnis*, on attachment. Judgments, Augusta CCC.
32. Penal bond and complaint, *John Dickenson assignee of Israel Robinson assignee of Nicholas Roberts v. George Lewis*, in debt, Box 1753 Nov–1753 Dec, Augusta CCC; *John Dickenson assignee of Israel Robinson assignee of Nicholas Roberts v. George Lewis*, in debt, March 26, 1754, Augusta OB 4:171.
33. Out of 118 suits in which Pennsylvania money was converted to Virginia money, the ratio of Virginia to Pennsylvania money was 0.7500 in 106 cases (89.8%).
34. John J. McCusker, columns Eg 315 and Eg 321 within Table Eg 315–324, "Rates of Exchange on London by Colony or State: 1649–1790," in *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition*, vol. 5, *Governance and International Relations* (Cambridge: Cambridge University Press, 2006), 697–99.