**Money Substitutes in New Netherland and Early New York: The Beaver Pelt**

This is an introduction to the various coin substitutes used in New Netherland and early New York. The essay is divided into three parts. First is a discussion on the role and history of wampum, followed by a section on the beaver pelt and concluding with a section on various other commodities used as money. A discussion of the coinage used in New Netherland and Early New York is located in the section "Coins Imported into the Colonies to 1750," in the chapter on Dutch coinage.

**The Beaver Pelt in New Netherland**

Fur, in the form of the beaver pelt, was the single most important commodity in New Netherland. Profit from the fur trade was the reason the West India Company first settled the land and was the basis for the economic prosperity of the province. The beaver was prominently displayed in the center of the provincial seal of New Netherland and was also on top of the shield of the city of New Amsterdam. In Adriaen van der Donck's *Description of New Netherland* written in 1653, the longest and final descriptive chapter of the work was devoted to a history and discussion of the beaver, which the author stated, "has attracted many persons to the country." (p. 110 in Desc.)

On September 23, 1626 the first supply of pelts to be shipped to the West India Company headquarters left New Amsterdam on the ship Wapen van Amsterdam (the Arms of Amsterdam). The main cargo consisted of 7,246 beaver pelts; 853.5 otter pelts; 48 mink pelts, 36 wildcat pelts and 34 rat pelts (O'Callaghan, vol. 1, p. 37). Numerous ships followed her route. By the early 1630's New Netherland yielded between 10,000 and 15,000 pelts annually. This number continued to grow so that by the mid 1640's and through the 1650's the annual yields were in the range of 80,000 pelts. For the year 1657 the total number of furs shipped from the single village of Beverwick, at Fort Orange, to New Amsterdam amounted to 40,000 pelts (Maika, pp. 30-31).

The value of a beaver pelt was based on supply and demand as well as on pelt quality. A thick winter beaver pelt was far more valuable than a skin having a thinner summer pelt. Some documents, especially from the later part of the century, specify beaver pelts to be used as payment should weigh one and a quarter pounds, although throughout the Dutch period and into the English era the most frequently used phrase to describe an acceptable pelt was a "merchantable beaver."

Generally the value of a whole merchantable winter beaver pelt fluctuated between 6 and 8 guilders in Dutch money, of course a mouldy or incomplete pelt was discounted. For the period 1626-1632 it is known the West India Company obtained some 63,000 pelts which yielded approximately 454,000 guilders or about 7.2 guilders per pelt (Rink, Holland, p. 90). In a letter from the Company directors written on December 25, 1660 we learn the beaver pelt was trading at 7 guilders in New Amsterdam and selling for 9 guilders in the homeland (Fernow, History, p. 487). However, the value of the pelt in Amsterdam did not always reflect the fur value in New Amsterdam. For instance, starting in 1639 the province's Director General Willem Kieft conducted a series of military campaigns against the coastal Algonkian Indians which escalated into a full scale war from 1641-1645. Following this conflict the trade in pelts became even more profitable. The western Mohawk Indians had not been involved in the war and therefore continued to trade pelts at Fort Orange throughout the conflict. When the war ended there was a great surplus of pelts at the fort driving local prices down, while at the same time, the lack of imports during the war had created a scarcity of furs in Amsterdam, causing the foreign price to rise.

The earliest mention of the value of a beaver pelt in the New Netherland laws appears in the mid 1650's when the West India Company tried to devalue the price of beaver. This was during the height of the beaver trade when about 80,000 pelts were being exported annually. The increased imports resulted in an oversupply of furs which led to a decrease in the value of the beaver in Amsterdam. Therefore, the West India Company was simply trying to reflect the economic situation by devaluing the beaver in New Netherland, so it would be relative to the value in Amsterdam. This became a major problem because in New Netherland the beaver was not just a commodity. It was also a negotiable instrument like our paper currency and even more, it was the standard by which other significant money substitutes were measured. To devalue the beaver was to devalue the currency. However for the Amsterdam directors, if the beaver was not devalued, the profit margin for the West India Company stockholders would diminish and the situation would continue to deteriorate until the supply was brought in line with demand.

We first hear of pelt prices in an ordinance of September 27, 1656, concerning the payment of export duties to the West India Company. The ordinance stated in the past the 4% export duty had been paid using beaver pelts at the rate of 8 guilders per beaver; and went on to complain the duty was usually paid in poor quality pelts. The ordinance changed the rate of exchange to 6 guilders per beaver and required the skins to be of good merchantable quality. The ordinance also stated the export duty could be paid in silver coin or, if the West India Company officials agreed, in goods needed by the company. Clearly the company felt they were not getting their full value from beaver duties and needed to take action; they gave merchants the option of paying at the revalued beaver rate or at the standard 4% rate in silver coin.

While the devaluation may have bolstered export duty payment to the West India Company it did not change the situation in New Netherland commerce. The ruling was only applicable to the payment of export duties. We learn from an ordinance of January 9, 1657 that in general merchant trade a beaver was still rated at 8 guilders. The 8 guilder rate was also the rate quoted in an ordinance of November 29, 1657.

Attempts by the company directors to devalue beaver continued. In a letter of December 22, 1659 the directors ordered Stuyvesant to reduce the currency value of a beaver from 8 to 7 guilders (Fernow, History, p. 450). In June of 1660, Stuyvesant sent a letter to the directors stating that the value of wampum was declining in relation to the beaver (excessive quantities of wampum were in circulation) and a reduction in the value of a beaver from 8 to 7 guilders would cause a more severe depreciation of wampum (the letter is quoted and discussed above in the wampum section). Basically the success in the New Netherland fur trade with the Indians had resulted in both a beaver glut and an even worse glut in the quantity of wampum, causing the purchasing power of these currencies, especially wampum, to plummet. As the value of these commodity monies fell, merchants raised their prices, thus there was a money devaluation and price inflation (as discussed in the wampum section).

Apparently, Stuyvesant's June letter did not change the opinion of the directors. For in a letter from the Amsterdam directors dated December 25, 1660 we learn the beaver pelt was trading at 7 guilders in New Amsterdam. That price continued for about two and an half years. In an ordinance of December 28, 1662 we learn the West India Company had been and was continuing to value the beaver at 7 guilders in all company payments (Laws, pp. 433-434). Then, in a letter from the company directors in Amsterdam dated September 27, 1663, it was ordered that the beaver was to be valued at 6 guilders (Laws, p. 434). In another letter from the directors dated January 20, 1664 the 6 guilder rate was confirmed and the hopeful comment was added, "the Beaver, for which there has been little demand here [i.e. Amsterdam], is now again beginning to improve and rise, and from all appearances, will advance further." (O'Callaghan, vol. 2, p. 218) That was the last mention of beaver rates I have been able to uncover in the Dutch records. On September 8, 1664 the British took control of the colony.

**Beaver Pelt Usage in Contracts during the Final Years of Dutch Control**

In the documentary evidence from the Beverwyck / Rensselaerswyck area it is clear the beaver held first place as the preferred commodity currency. The vast majority of contracts were to be paid in beaver pelts, sometimes supplemented with wampum or wheat, when there were not enough merchantable quality pelts. As the winter pelt was a seasonal item, most contracts specified payment in the spring or in a specific month, usually April but sometimes May or June. For example, Jurriaen Theunisz a master glazier in the village of Beverwyck had taken delivery of two large drums of brandy from the baker Jan Harmensz and on December 7, 1661, signed a bond agreeing to pay Harmensz, "ninety two good, whole beavers reckoned at eight guilders apiece ... which said ninety-two beavers he, Jurriaen Theunisz, promises to pay [in] the latter part of the month of June, anno 1662, punctually."(Documents, vol. 3, p. 137) In this case the actual amount of the sale, 736 guilders, was not even mentioned, the important element was not the guilder amount but the quantity of beaver.

For the most part, however, amounts were expressed in guilders at "beaver rate" or "beaver price" or "beaver value" which was often expressly state as 8 guilders per beaver. Thus a contract for 800 guilders would require payment in 100 beavers or a quantity of wampum or other commodity that would allow one to purchase 100 beavers. The 8 guilder beaver value in contracts is constant throughout the century, even when beaver had a market value below 8 guilders. Thus for every 8 guilders of the total contracted amount one could expect to get in return the value of one beaver either in pelts, wampum, grain or whatever commodity payment might be specified in the contract.

In very large contracts payment was usually made in installments, often each spring over a two or three year period. Some contracts allowed for partial payment in beaver and the remaining payment in wampum or wheat or some other commodity money at the beaver rate. The beaver rate seems to have been the one stable element in these commodity exchanges.

The one major exception to this was when beaver traded for silver coin. As mentioned above we know from late 1660 beaver pelts were trading in New Amsterdam for 7 guilders and this continued until September of 1663 when they were devalued to 6 guilders. During this period there are a few recorded exchanges of beavers for coin from the Fort Orange area. One example is a promissory note of Sophia van Wyckersloot to Johanna Ebbingh, dated June 28, 1661. Van Wyckersloot was indebted to Mrs. Ebbingh for 125 guilders (or florin) in Holland money, 48 guilders 2 stuivers and 8 pence in seawan and 13 guilders, two stuivers and 8 pence in beavers or beaver's value. The document later explained, "as regards the aforesaid item of fl. 125 Holland money, she promises to pay it in beavers reckoned at six guilders to the beaver."(Documents, vol. 3, p. 75) Why the rate was so low is not explained, clearly there were some unusual circumstances. Possibly the difference between the agreed rate and the then current 7 guilder beaver rate was taken to be interest on the loan.

A similar situation appeared on July 28, 1663 when Margarita Hardenbroeck gave Carsten Fredericksen van Jeveren, a master smith in Beverwyck, fifty good whole beavers. The smith stated Reynier Frederickson, a gunsmith in Amsterdam, Holland would pay the woman 300 Carolus guilders of Holland money at 40 groats each, within six weeks sight of the note. If not, he would pay the same amount in "Holland money here in this country, with exchange and reexchange charges, on demand, without cost or loss;" (Documents, vol. 3, p. 232). This rate calculates out to 6 guilder per beaver. As discussed below in the coinage section of this essay, most contracts expressed in Dutch coin (called Carolus guilders) were based on sight drafts payable in the Netherlands (not in New Netherland).

Two other examples, from 1663, appear to be more straightforward. On August 3, 1663 two New England merchants named John Willet and Andries Teller were in Beverwyck and agreed to pay Goosen Gerritsen van Schaick the sum of 602, "good pieces of eight at fourty-eight stuivers each, or otherwise in Holland value or specie" for 200 beaver pelts he had delivered to them. This equaled just over 3 pieces of eight or 7 guilders and 4 stuivers per pelt (Documents, vol. 3, pp. 235-236). Soon thereafter on August 7, 1663 Willet made a deal with Jan Coster van Aecken for 100 beaver pelts for 304 pieces of eight (Documents, vol. 3, p. 239). Assuming the pelt quality was the same, this deal was marginally better for the seller than the previous negotiation (3 spanish dollars, or 144 stuivers, extra per 100 pelts); the per pelt price was just over 7 guilders and 5 stuivers. Thus when silver coin was involved it took precedence and became the basis of the transaction, in those cases beaver pelts were calculated at market rate.

**Beaver Pelts under the British**

As mentioned in the wampum section above, on June 23, 1675 the British gave the beaver pelt a dual valuation, it was legislated at 8 guilders or at 13s4d in country pay (commodities), when used in contracts. However the British had little interest in the beaver as a form of currency, as there are few mentions of it in their official correspondence with England. Nevertheless, beaver pelts continued in local usage and were regularly cited as a money substitute in court records, contracts and other legal documents into the 1690's.

During the British era the market value of beaver continued to decline. Whereas a beaver pelt was valued at 3 Spanish dollars in 1663 it was down to 2 Spanish dollars by 1679! In a bill of lading dated May 12, 1679 the merchant John Shakerly accepted a consignment of blankets valued at 40 merchantable beaver pelts from John Robinson to be taken to Delaware. A note below stated the blankets were valued at £24 which would put a beaver pelt at 12s in New York money of account (Andros, vol. 2, p. 261). As the Spanish dollar was valued at 6s in New York, each pelt was valued at two Spanish dollars. This valuation is confirmed in a contract of November 30, 1682 in which Arnout Cornelissen Viele purchased two houses and a lot on Jocker Street in New Albany from Jan Jansen Blecker and Johannes Wendel. The negotiated price was stated as being fourteen beavers more than Blecker and Wendel had paid. It was to be executed in two payments the first in June of 1683 and the second in June of 1684, "in good, whole, merchantable beaver skins or in good whole pieces of eight such as are currently accepted among traders without cavil, to wit, two pieces of eight for one beaver." (Documents, vol. 3, p. 548). As the Spanish dollar was valued at 6s in New York, the per pelt price was 12s.

From the 1679-1680 diary of Jasper Danckaerts, we learn from an entry for January 31, 1680 (p. 169) that in New York City a beaver traded at 5 guilders in Dutch money, a significant decline from the 6 and 7 guilder market rates of the 1660's. Actually this valuation was probably an estimation that was four stuivers too high, as a Spanish dollar was equal to 48 stuivers (2gl. 8 st.), a beaver pelt valued a two Spanish dollars would actually be 96 stuivers (4gl. 16 st.) and not 100 stuivers ( 5 guilders).

A example of a purchase using beaver is described by Danckaerts. On Wednesday April 3, 1680, while making preparation for his departure, Danckaerts wanted to sell some unused goods. These were new items he had purchased for use during his stay in New York but that had not been needed. He said he still had the original sales receipts for the items. Danckaerts began negotiations with a neighbor named Cornelius Van Kleif who wanted to purchase the supplies but did not have the funds. Danckaerts remarked, "He did not say he had no means of payment, though he did remark he had no peltries, which we would willingly have taken in payment." (p. 186) Danckaerts went on to comment Van Kleif's wife took some thread, ribbons and pins from the lot, thus giving us an indication of what kind of items he was selling. On Sunday another acquaintance, Arnoldus de La Grange, mentioned he was also interested in the items but would need to wait until a boat he had chartered returned from the South River (that is, the Delaware River). The boat arrived on Wednesday and on the same day an agreement was made to purchase the items at fifty per cent over invoice. The transaction took place on Monday April 15, 1680 and was described as follows:

Meanwhile we disposed of all our goods to M. de La Grange, upon the terms before mentioned, and received in pay peltries of every description. But, as we were not experienced in merchandise, and much less in peltries, we deemed it proper to have what we received, examined and valued against the goods sold, by Van Kleif, before named... there were three beavers among them which were not current; these De La Grange cheerfully took back, as they were not his, but had been borrowed by him from his nephew, in consequence of his not having enough of his own. (pp. 186-189, with quote on 189)

From this exchange we discover beaver pelts, like other commodity assets, were not always readily available. Also, it appears that Van Kleif by stating he had no pelts was implying he did not have the liquid capital, or as we would say, the available cash, to purchase the items; but Danckaerts did not realize this. Apparently he thought Van Kleif might have had coin available. Danckaerts did not automatically equate pelts with money, while it appears both local inhabitants seem to have naturally assumed a larger purchase would be made with pelts. We do not know the value of this deal but it clearly was for several pelts, as it appears the three returned pelts were only a small portion of the payment. Further, we get some insight into the complexity of the deal, not only did one need to negotiate a price for the goods to be sold but one also needed to examine pelts used in payment; not all pelts were current, that is merchantable at the going rate. Problems with pelts were documented on both sides of the Atlantic. Oliver Rink has observed, " Numerous cases in the colonial court testify to the differences of opinion that often arose in such matters, and complaints about moldy and bare pelts are found throughout the notarial records of Amsterdam merchants." (Encyclopedia, vol. 1, p. 561).

Beaver value continued to plummet, from the 5 guilder value in 1680 we find beaver trading at 4.8 guilders (4 guilders and 16 stuivers) in 1683. The 1683 case is especially interesting in that we find beaver was the currency used but, unlike earlier documents, the amounts were not expressed in beaver or beaver value. This was a case before a special session of the court at Albany held on August 6, 1683. It seems on August 2nd a new minister named Godefridus Dellius arrived from Holland to assist the elderly Reverend Gideon Schaets. Dellius had a contract that had been signed in Amsterdam on July 20, 1682 stating he would have a position for four years at the rate of 800 guilders per year payable in beaver at 8 guilders per beaver or with 600 schepels of wheat, at the option of Dellius. The citizens of Albany had voluntarily offered to contribute to his salary. The list of donations was recorded by individual in the court record with the amount pledged by each person expressed in Spanish American eight reales. The total of the offering amounted to 350 spanish dollars. The court record stated Dellius was distressed that his pay was to be in beaver or wheat rather than coin. In the end the court ruled his salary would be: "300 pieces of eight or 150 beaver, being fl. 1,200 in beavers, which is 200 guilders in beaver more than Dom Schaets has ever had or received." (Minutes, vol. 3, p. 371). As the Spanish dollar was equal to 48 stuivers this rated the beaver at 4 guilders and 16 stuivers.

In reality Dellius was not distressed over the fact of being paid in beaver pelts, as that had been mentioned in his contract, rather the market value of beaver apparently was the root of the conflict. Dellius believed his contract for 800 guilders was the equivalent of 800 guilder value in silver currency, which would equal 16,000 stuivers or 333 pieces of eight and 16 stuivers in change. However, by calculating the beaver at 8 guilders in the contract Dellius would receive 100 beaver for his 800 guilder salary. As the beaver was trading at 96 stuivers (4 guilders and 16 stuivers), this meant his yearly income would be 9,600 stuivers, which equalled 480 guilder in coin or 200 Spanish dollars! The court awarded him an annual contract of 300 Spanish dollars or 150 beaver, which at the market rate of 96 stuivers per beaver equalled exactly 300 Spanish dollars, which they said was more than the salary of the current minister. The minutes conclude with the observation that Dellius, "is not too well pleased with their honors [i.e. the judges] in fixing the salary at 300 pieces of eight." (Minutes, vol. 3, p. 376). Clearly he wanted the full 333 Spanish dollars, which he assumed was the amount specified in the original contract.

Among the interesting points brought out by the Dellius case was the disparity between the contract rate for beaver and the continually declining market value for the fur. The difference was so pronounced that, local tallys were being expressed in terms of Spanish dollars, even though payment in silver coin was unlikely. The older formula of calculating guilders in beaver at a standard rate was no longer useful and a new standard was being introduced based on the Spanish dollar. Thus the contracted salary changed from 800 guilders paid in beaver at 8 guilders each to a new amount expressed as 300 pieces of eight, or an equivalent sum in beaver. Interestingly the contribution list, made prior to Dellius's arrival, was also denominated in Spanish dollars although it is unlikely many would have paid their share in that medium; indeed, based on the contract sent to Dellius, the community expected to pay the minister in beaver or wheat.

The Albany court records stop in 1685. In the very last case of the last surviving court record, from December 1, 1685, the court awarded the plaintiff the sum of 4 beaver. Thus, beaver continued in use but became less significant in the 1690's as the number of pelts and their value diminished. As we saw in the wampum section, later accounts were listed in New York pounds or Spanish dollars. Beaver was limited to trading posts where it became the medium of exchange for purchases by Indians. A trading post price list survives from July 14, 1703 listing the values of several products supplied to the Eastern Indians. In the left colum was a listing of products available for purchase with prices denominated in beaver pelts. For one beaver an Indian could purchase one of the following: a yard of duffel cloth; two yards of cotton; five pecks of Indian corn; five pecks of Indian meal; two pints of powder; one pint of shot; six knives; two small axes or two small hoes. In the right column was what may be called an exchange rate, giving the value of various fur pelts in relation to the beaver. One beaver skin equalled: an otter skin; two fox skins; two woodchuck skins; eight mink skins; four racoon skins or five pounds of feathers; interestingly a bear skin equalled one beaver but a moose hide equalled two beavers. (a plate of the price list is in Taxay, Money of the American Indians, p. 94 and Massey, Early Money Substitutes, p. 18)

Beaver were not only replaced as a monetary standard, concurrently they lost their central role in trade. As mentioned above in the 1650's some 80,000 beaver pelts were exported annually from New Netherland. In 1686 New York exported 30,000 pelts while in the following year, partly due to an Iroquois-French war, exports were down to 12,000 pelts. From June 1699 - June 1700 exports were not much better at slightly over 15,000 pelts. It has been observed this decline was not a result of King William's War but rather was due to a decrease in the available beaver population. At the same time the beaver supply declined unpredicted event occurred. As we have seen, the market price of pelts dropped dramatically, in terms of British denominations it went from a high of 14s per pound in the earlier period to 5s per pound in 1700. The trade was hit with a double blow, beavers were becoming less abundant and the demand for pelts dropped as fur hats became less fashionable. In 1700 New York's Governor Bellomont stated, "the market is so low for beaver in England that 'tis scarce worth the transporting." (Norton, p. 100).

The beaver trade never regained its earlier position but continued to be profitable in New York on a more limited basis. Whereas beaver fur had been the most significant export in New Netherland, from 1700 to 1755 it is estimated furs were only 20% of all the New York exports to England and by 1775 they had dropped to 10% of the total exports. Although the fur trade remained a profitable enterprise for a few merchants, pelts were no longer a mainstay of the economy. (Norton, ch. 6-7, esp. pp. 100-103).

**Reference**

Oliver A. Rink, *Holland on the Hudson: An Economic and Social History of Dutch New York,* Ithaca, NY: Cornell, 1986; Dennis J. Maika, *Commerce and Community: Manhattan Merchants in the Seventeenth Century,* Ph.D. Dissertation, New York University, 1995; John Franklin Jameson,*Narratives of New Netherland, 1609-1664,* New York: Scribner, 1909.