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Treasury Department,

Bureau of the Mint,

Washington, D. C., March 6, 1899.

Mr. M. E. Ailes,
Private Secretary to the Secretary of the Treasury.

Dear Sir:

Referring to your inquiry as to the value in gold in 1780 of "5,000 pounds of current money of Virginia," I have to say:

This "current money of Virginia" was a paper currency issued under an ordnance of the Colony, passed July 7th, 1775. This, in common with the paper issues of other States, became very much depreciated. By the Act of March 18th, 1780, Congress provided for an issue of Continental money with such provisions for its restriction and redemption as would guarantee its remaining at par with specie. The Assembly of Virginia, thereupon provided that the "current money" of that State should be redeemed in the new Continental currency at the rate of $40. of the old money to $1. of the new. This therefore, may be accepted as the rate of the "current money of Virginia" to specie at the date of the passage of this Act. It follows that 5,000 pounds of current money of Virginia would be worth 1/40 of that amount in sterling or 125 pounds sterling. The attempt to maintain the new issue at par with gold and silver was a failure and consequently the old issue of the State of Virginia continued to depreciate and at the close of the year 5,000 pounds in it was worth not more than one-half of the amount calculated above.

Very truly yours,

ROBERTS

Geo E Roberts

Director of the Mint.