

The Curious Career of T.W. Dyott, M.D.

by Q. David Bowers

Continued
Part 4 of a four part
mini-series

Anyone desiring to redeem bills for cash could obtain gold or silver.

There had been financial uncertainties nationwide in early 1836. Business slowed, there were shortages of flour and other goods in some cities, and it was sensed that the prosperity of 1835 had ended. In the latter year speculation in land in the American West, the expansion of railroads, and other events contributed to the federal Treasury having a surplus of fund and making an unprecedented return of some funds to the various states.

Into the year 1837 problems expanded. On May 10 in New York City, banks suspended the payment of gold and silver coins in exchange for paper bills. On the next day in Philadelphia 11 banks suspended. Soon, all paper became dis-trusted, but there was little alternative to using it. Bills sold at a discount in terms of coins. Large-denomination bills in particular were viewed with suspicion in the marketplace. Up to this time all deposits in the Manual Labor Bank had been in the form of silver and gold coins and notes of solid banks. Afterward, no more than a few hundred dollars in species was received.

A chill enveloped nearly all businesses in the country, forcing the closure of thousands and the failure of many banks. Orders for the glass factories plummeted, and Dyott saw no prospect for a change anytime soon. Depositors swarmed the office of the Mutual Labor Bank from mid-March through May, during which time the bank's bills were exchanged for bills of various state-chartered banks in the region. There were no longer any silver or gold coins in general circulation anywhere. Later, many good notes of other Philadelphia banks were taken by Dr. Dyott who exchanged Manual Labor Bank bills for them at face value. He was besieged with threatened and real lawsuits, upward of 500, but there is no record of his having paid anything to the plaintiffs, although accounts varied.

The new notes issued by the Manual Labor Bank, including the fractional denominations, were readily accepted by local merchants and tradesmen in return for goods and services, but were not accepted by some of the city banks. Caution was the byword or the time. Would the specie suspension be temporary and soon end? Or would it continue?

In the late spring of 1837 a new issue of small-denomination notes was issued in order to allow children, workingmen, and



Dyott's signature on a June 1, 1837 5 cent note



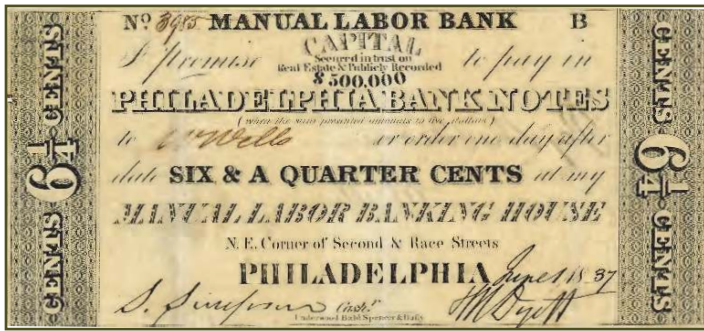
Dyott's signature on a September 28, 1838 \$100 note



Simpson's signature on a \$10 note of August 2, 1836. Name in full, as seen on the vast majority of 1836 notes



Simpson's signature on an early \$50 note of February 2, 1836. Name with first initial as seen on all later notes



Simpson's facsimile signature on a 6 1/4 cent note of June 1, 1837



Simpson's signature on a \$3 note of June 1, 1837

others with small incomes to take advantage of the bank's generous 6% interest. Low-value dollar-denominated bills were issued as well. With cashier Simpson's approval, others were allowed to imitate his signature on fractional notes from 5 to 12 1/2 cents, but none higher. However, examination revealed that is facsimile signature was also on bills of 25 cents and 50 cents.

It is presumed that Dyott personal signed all notes, including fractional bills, but facts are scarce. Which Simpson signatures are facsimiles and which are genuine is difficult to determine. Examples are shown here:

With the onset of what economists would call the Hard Times era, the Manual Labor Bank was more attractive than ever, with its high interest rate maintained. Obviously, Dyottville was immune to the troubles of business and finance and continued to do well, or so it seemed to most citizens. However, a close look at the internal workings would have revealed a reduction of the working force and related activities.

On June 30, 1837, the Saturday Evening Post printed this:

Counterfeit & Loss Prevented:

SMALL BANK BILLS

The proprietor of the Manual Labor Saving Fund (at the request of, and to accommodate the public) having caused to be inimitably engraved, in first rate style, a series of plates, notes from \$3 to 5 cts. printed on bank-note paper, is now prepared to supply a limited amount of same for public convenience.

These bills effectually baffle all attempts to counterfeit them, and being issued on an ample Security of Real Estate and redeemed when presented in sums of \$5 in the bank bills of this city, no loss can possibly accrue on them. Any amount of the same, not under 50 cents, will always be received on deposit, to the credit

of the holder, at 6 percent interest, at the Saving Fund. N.E. corner Second and Race Streets

T. W. Dyott.

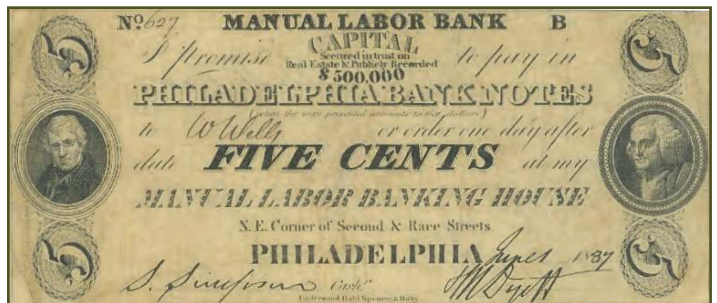
Stephen Simpson, cashier

Manual Labor Bank, June 22, 1837

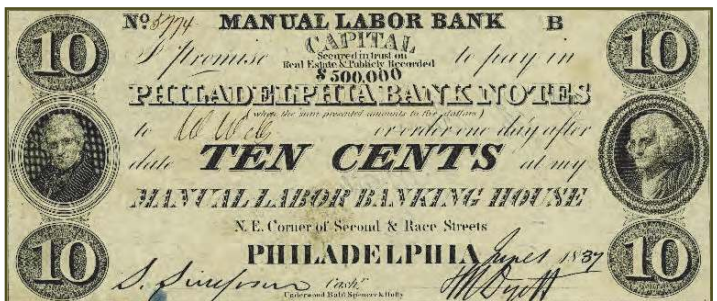
Unlike the 1836 issues, those of 1837 were not payable in specie, but "in Philadelphia bank notes when the sum presented amounts to ten dollars." At the time the Manual Labor Bank bills remained popular in circulation and by reciprocal agreement most but not all of the Philadelphia banks exchanged the notes of others at par. The Panic of 1837 had set in, and silver and gold coins were no longer available from any banks. In the summer of 1837, notes were issued in unprecedented quantity. As a result, other institutions—the Penn Township Bank in particular—presented large sums for redemption, a situation accomplished but under duress.

One presenter of \$200 in bills had to wait two hours until bills of other banks could be found. Dr. Dyott had a large supply of other banks' notes in a private chest but would not allow them to be used for redemptions. The vast majority of the Bank Manual Labor bills issued after this time were discounted by Jacob Ridgway and Captain Daniel Man. No record was kept of the quantity issued or of the denominations. Bank note engraving and printing companies did not and would not reveal any information about printing orders. This was industry-wide practice. The signature of Simpson was by a clerk on denominations from 5 cents to 12 1/2 cents and some if not all of 25 cents and 50 cents.

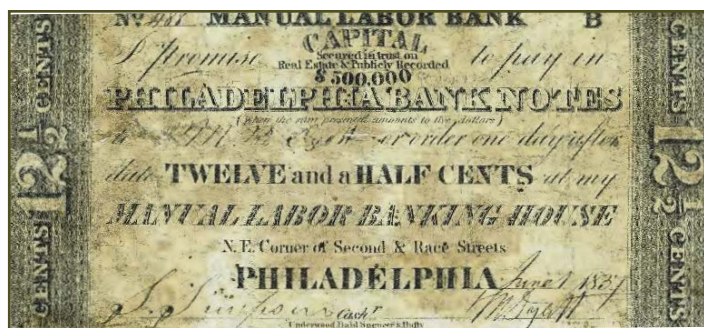
According to the Pennsylvania Auditor General's report for 1837, this bank had in circulation in denominations of 5, 6 1/4, 10, 12 1/2, 25 and 50 cents, and 1, 2, and 3 dollars, to the amount of \$117,500. Most have W. Wells as the payee, a few M.B. Dyott



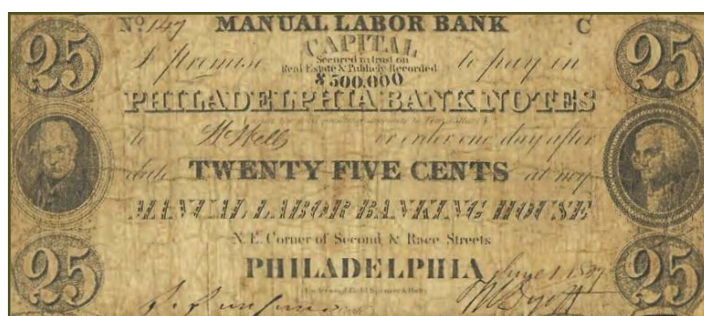
Manual Labor Bank 5 cent note. June 1, 1837. Payable to W. Wells, the name on many notes of the 1837 issue. Payable in Philadelphia bank notes. Plate letters A and B. Most are payable to Wells



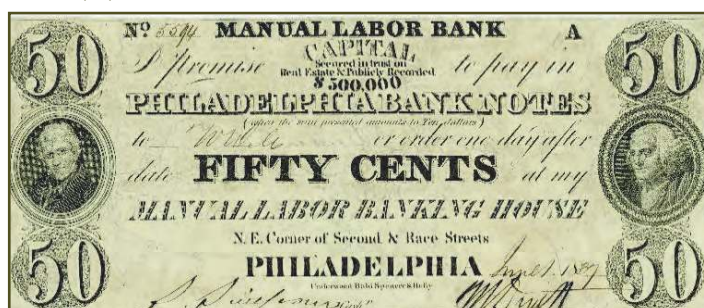
Manual Labor Bank 10 cent note, June 1, 1837. Payable to W. Wells. Plate letters A, B, and C



Manual Labor Bank 12½ cent note, June 1, 1837. Payable to M.B. Dyott. Plate letters A and B



Manual Labor Bank 25 cent note, June 1, 1837. Payable to W. Wells. Plate letters A, B, and C



Manual Labor Bank 50 cent note, June 1, 1837. Payable to W. Wells. Plate letters A, B, and C



Manual Labor Bank \$2 note, June 1, 1837. Payable to W. Wells. Medallion heads of Franklin flank the central vignette



Manual Labor Bank \$3 note, June 1, 1837. Payable to M. Dyott. Another note is payable to W. Wells

By the late spring of 1837 this and other banks in Philadelphia had abandoned the idea that the suspension of specie payments would soon end. Dr. Dyott did not keep track of the amount of notes issued up to this point, but later estimated it might have been “about \$140,000.” Cashier Stephen Simpson later told of the time:

When depositors came to the bank after the suspension, the Doctor treated them all coarsely and rudely. When they applied for their money he said that they might starve. There was cursing and swearing, and the most profane language used on both sides. Dyott would say one was a damned rascal and that another was, and that they had no business there. The depositors would call him a damned thief and a damned robber, and women would sometimes forget their sex and use like language.

At first, some of the larger denomination bills had “in Philada Bank Notes” added by hand in ink to the face, to advise that the notes were not redeemable in specie. The denominations used and their extent is not known. The \$2 note as the portrait of Andrew Jackson on the right, a departure from the usual Franklin.

Manual Labor Bank \$2 note, May 1, 1837, with “In Philada Bank Notes” inked by hand below the portrait to advise that the note was not redeemable in specie. With Jackson portrait on the right. Payable to C.W. Dyott. Plate letter A, serial 2211. As specie payments were suspended later, on May 11, it is assumed that this bill was dated and numbered in advance, and then paid out after March 11, at which time the inked notice was added.

Soon, Manual Labor Bank bills had inscriptions added to the plate, stating “In Philadelphia Bank Notes” or related wording. It is not known what denominations were involved. From June 1 to October 24, the amount of bills in circulation “increased about \$140,000.”

Manual Labor Bank \$1 note, June 1, 1837. Overprinted in italic type above the payee with “In Philadelphia Bank Notes when the sum presented amounts to Ten Dollars” to advise that the note was not redeemable in specie. Payable to M.B. Dyott. Plate letter A, serial 1499. Plate letters A and B. Others are payable to W. Wells, serials 2445, 3657.

Manual Labor Bank \$1 note, June 1, 1837, from different plate PHILADELPHIA BANK NOTES in large type at the top with “when the sum presented amounts to Ten Dollars” in italic type below. Payable to W. Wells. Plate letter A, serial 2739. This seems to have been an extensive issue with plates A, B, C, and D. Other notes with the same payee include serials 474, 1265, 1379, 2,445, 4120, and 4125. One remained with no ink fill-ins has been seen.

Manual Labor Bank \$2 note, June 1, 1837. With Franklin portrait. Overprinted under the vignette with “In Philadelphia Bank Notes when the sum presented amounts to Ten Dollars,” Payable to W. Wells. Plate letter A, serial 1384. Another is the same but with serial 1579.

Manual Labor Bank \$3 note, June 1, 1837. Overprinted at the upper left with “In Philadelphia Bank Notes,” Payable to W.

Wells. Plate letter A, serial 3942. Another note, same date and plate, serial 1273, has M.B. Dyott as payee.

Manual Labor Bank \$5 note, September 1, 1837. Overprinted with "In Philadelphia Bank Notes." Payable to J. Ridgway. Serials 217, 230, and 452 seen.

Manual Labor Bank \$10 note, September 1, 1837. Overprinted with "In Philadelphia Bank Notes," Payable to J. Ridgway. Serials 630 and 789 seen.

On July 1, 1837, Dr. T.W. Dyott rented the glass factories to his brother, Michael B. Dyott, who had been superintendent. The yearly charge was set at \$25,000. No account has been found of the young workers and others at the time. Dr. Dyott claimed to have stayed away from the glass works, visiting only occasionally. Min the meantime he devoted increased attention to his store at Second and Race streets.

Around November 1, 1837, a "run" on the Manual Labor Bank followed a rash of nasty rumors that it was on the brink of failure. A crowd assembled, but men came from the glass works to keep things under control. Dyott sprang into action and stated, "Gentlemen, you not need to be at all uneasy. I have enough to pay you all—if not in money, I have in goods." He then explained system whereby the bank's bills would be redeemed at par at local store—actually a declaration of a policy that had been working for a long time. On November 6th Dyott published a reward of \$500 to be paid for the identification of the person who first circulated the rumor of the bank's instability. Runs on various banks were common by this time, due to prevailing financial distress nationwide. Attention paid to them in the popular press was minimal.

Many advertisements in the autumn of 1837 were placed by T.W.'s brother, M.B. Dyott, for his store in Dyottville, this being an example:

M.B. Dyott's

Wholesale & retail grocery, provision, and variety stores at the Dyottville Glass Factories, in the District of Kensington, Philadelphia County.

N.B. The highest prices (in cash or store goods) will always be given for all kinds of domestic goods and country produce, including live and dead stock, by applying as above. Manual Labor Bank notes taken at par.

The first issue of post notes may or may not have been distributed in December 1837. Dyott later stated that "there were \$775 in 50s and 25s issued with Simpson's facsimile [signature] and an issue of \$90,000 post notes of larger denominations; that the greater part were issued—perhaps all, and there were no fresh signatures of post notes after the \$115,000." In another recollection, Dyott stated that these fractional notes were issued without his approval or knowledge, in the amount of "many thousands." Further concerning post notes, per cashier Stephen Simpson's recollections:

There were two issues of post notes; one of December 1837 pay-

able one year after date, of the denominations of \$1, \$2, and \$4; \$12,000 of these were signed. Dyott said he had put \$18,200 in circulation.

The second issue was from the month of February to September inclusive, 1838. \$115,000 of the second issue were signed, and the Doctor said he had put \$100,000 of them in circulation. These notes were of the denominations of \$5, \$10, \$20, and \$50. On March 26, 1838, and in other issues the Public Ledger, Philadelphia, carried this advertisement:

Post Notes

The notes of the Manual Labor Bank, dated one year after date (either with or without interest), of all denominations, are received by the subscribers at their full par value, the same as those notes payable on demand, in payment for glass and every kind of goods in their line of trade, at the very lowest cash prices.

J.B. & C.W. Dyott

Nos. 139, 141, and 143 N. Second St.

M.B. Dyott.

Dyottville, East Kensington.

N.B.—It having been represented by holders of the notes that many persons who advertise to receive the Manual Labor notes at par are in the habit of imposing an extra price on purchasers, to the amount of from 10 to 25 per cent, when payment is made in Manual Labor Notes. If persons were to apply to the above stores they can be accommodated with nearly every kind of articles necessary in a family, and avoid being imposed upon.

J.B. & C.W. Dyott was a new firm set up in the summer of 1837 by Charles W. Dyott (son of his brother John B. Dyott and wife Julia) and and his own son, also named John B. Dyott). Dr. Dyott sold his store and contents to them for \$150,000. With the Hard Times era continuing to present challenges, Dr. Dyott moved many assets and other things around. Some of this was to prevent attachment by his two creditors, Captain Daniel Man and Jacob Ridgway. Another entity, Thomas W. Dyott & Co., was formed, never mind that young Thomas was only 16 years old. The published reason for this is that the Manual Labor Bank was "increasing in profit" and he decided "to give his undivided attention to the bank."

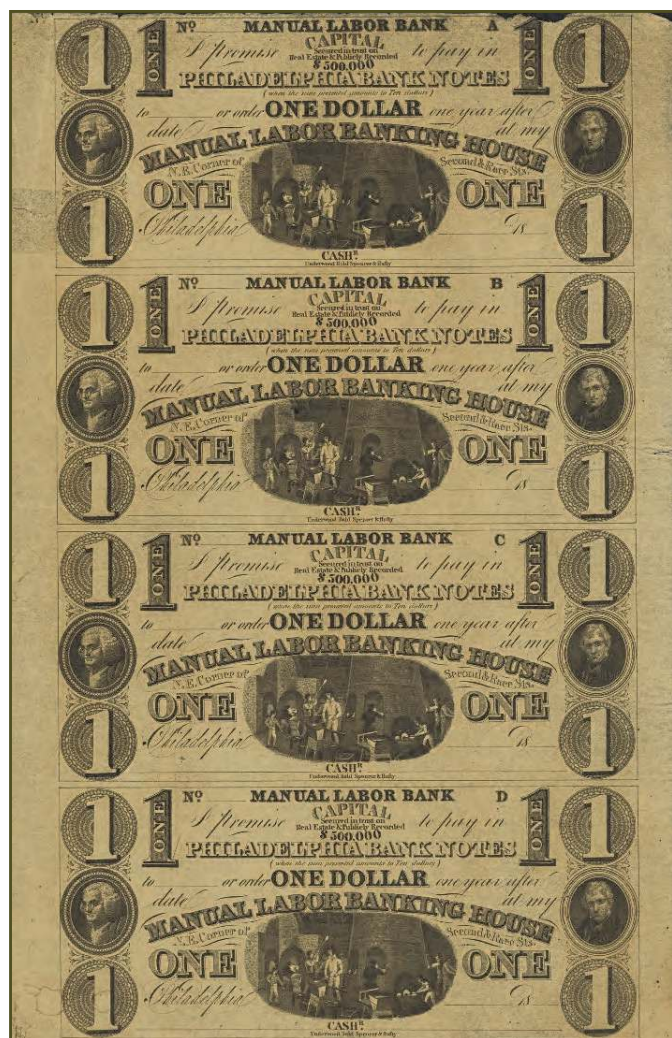
A new series of notes was issued early in 1838. These post notes were payable "one year after date." Stephen Simpson stated that all post notes except for 100 sheets had W. Wells as payee.

Manual Labor Bank \$1 post note, February 1, 1838. Payable one year after that date. Payable to W. Wells.

Manual Labor Bank \$5 post note, February 1, 1838. Payable one year after that date. Payable to W. Wells.

Manual Labor Bank \$5 post note, May 1, 1838. Payable one year after that date. Payable to W. Wells.

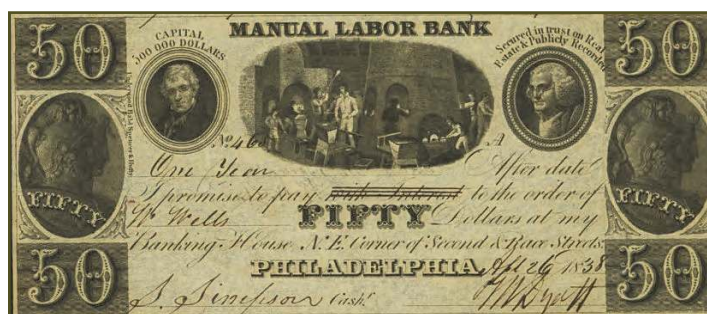
This series was followed by another series of post notes, these with a space for the payable date to be added in ink and with



Unissued four-subject sheet of Manual Labor Bank \$1 post notes, Payable one year after date to be inked in

"I promise to pay with interest." Likely, these bills were few in number as they are rare today.

Post notes were next issued with "with interest" ruled out by hand



Manual Labor Bank \$50 post note, May 12, 1838, with "with interest" ruled out. Payable to W. Wells

in three parallel lines in ink using a straightedge. During this era many bills of various emissions were sold at deep discounts and mailed to distant locations in the South and West.

In August 1838, Dyott published this update:

Post Notes

The notes of the Manual Labor Bank dated one year after the date, either with or without interest of the denominations of 1, 2, 3, 5 and 10 dollars, are received at their full par value, the same as those notes payable on demand, at the stores of the subscribers, in payment for groceries, drugs, medicines, paints, glass ware, and every other kind of goods in their line of trade, at the lowest cash prices, either wholesale or retail.

J. B. & C. W. Dyott, 139 and 141 N. Second Street
T. W. Dyott, Jr. & Co., 143 N. Second Street
M. B. Dyott, Dyottville Glass Factories

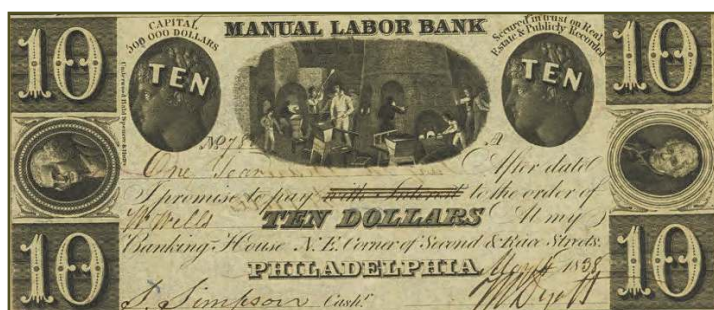
NB Notes of larger denominations taken by special contract The Messrs. Dyotts invite the attention of druggists, merchants, manufacturers, mechanics, store-keepers, farmers and all who are favorably disposed to the Manual Labor System and who may be in possession of any of the Manual Labor bank notes not to part with them below their full par value, but to call at their stores, where every attention will be paid to them.

Fair prices in cash or store goods will be paid for all kinds of country produce and for goods generally of domestic manufacture.

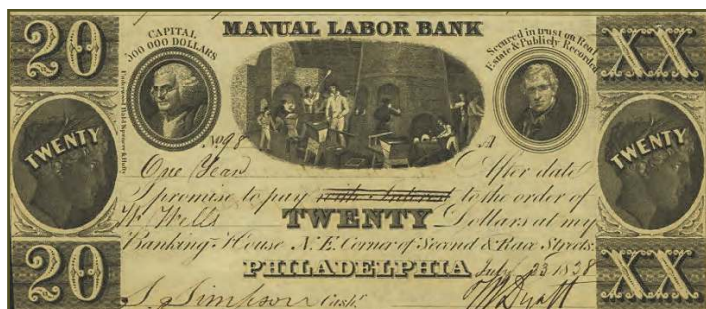
The final series of known notes of the Manual Labor was released in the late summer of 1838. These were regular (not post) notes "payable on demand" with no mention of how they would be paid (such as with notes of other banks).

These were probably issued in large quantity and discounted to J. Ridgway and possibly others as payment toward loans. The payees then endeavored to circulate them.

Manual Labor Bank \$20 note, September 10, 1838, payable on demand. Payable to J. Ridgway.



Manual Labor Bank \$10 post note, May 4, 1838, with "with interest" ruled out. Payable to W. Wells



Manual Labor Bank \$20 post note, July 21, 1838, with "with interest" ruled out. Payable to W. Wells. Notes with the same payee, but July 23, August 20, and August 36, 1838 have been seen

Group of \$20 notes, part of a run never distributed. Plate letters A and B.



Manual Labor Bank \$100 note, September 10, 1838, payable on demand. Payable to J. Ridgway. Those seen are from a small hoard of signed but not issued notes, payable to Ridgway, plate A, serials 224 to 284. These are in AU to Unc. grades. Serial numbers seen from hoard notes range from 224 to 537

Manual Labor Bank \$50 note, September 10, 1838, payable on demand. Payable to J. Ridgway, as on all seen. A hoard of several hundred filled in but not distributed came on the market, numbered from 16 to 244.

Numismatic Considerations

Bills of the Manual Labor Bank have been widely collected for many years. With little regard to various denominations and issues, in the second decade of the present century most have sold at auction or on the Internet in the high tens of dollars or slightly over \$100. For most notes of \$5 and above, grades range from Extremely Fine to Uncirculated, with About Uncirculated being usual for notes that were not distributed and remain from old-time hoards held by Jacob Ridgway and, to a lesser extent, Captain Daniel Man. The source of some of these may be gained from Jacob Ridgway's testimony on May 9, 1839:

In May 1837 I received one parcel of \$25,000, and one parcel of \$10,000; on the 10th of September 1838 \$40,000 making \$75,000 in all. Have never opened the packages.

In 1985, *Pennsylvania Obsolete Notes and Scrip*, by Richard T. Hooper was published by the Society of Paper Money Collectors and included extensive listings of Manual Labor Bank bills. This was followed in 1988 by *Standard Catalog of United States Obsolete Bank Notes 1782-1866*, by James A. Haxby, issued in four volumes by Krause Publications.

Today this is the source most often consulted for bills issued in Pennsylvania. In 2006 Whitman Publishing issued my book, *Obsolete Paper Money Issued by Banks in the United States 1782 to 1866*, which includes an extensive commentary on Manual Labor Bank bills and is still in print today.

There are gaps in information as to the dates and denominations of certain issues, inviting further research.

The Twilight of T.W. Dyott

Financial Difficulties

No advertisements indicating the Kensington glass factories were still in operation have been seen after the summer of 1837.

The New York Herald on October 3 included an article about glass factories in America, including this: "There is one glass house for the manufacture of bottles in Philadelphia, containing 5 furnaces of 6 pots each, and on the premises there are 280 persons employed." Likely, this information was from an earlier source and did not refer to operations in place in October.

Beginning in July 1837, T.W. Dyott began the wholesale transfer of his assets and businesses to his close relatives, taking notes in payment and sometimes charging rental, as in the case of the glass factory signed over to his brother Michael B. Dyott, who had arrived from England in the late 1820s. His 16-year-old son was set up as Thomas W. Dyott, Jr., & Co., retail grocers.

The senior Dyott's stated purpose for doing this was to permit him to spend more time with the increasingly busy and ostensibly prosperous Manual Labor Bank. In the autumn of 1837 all of the glass-making tools and other equipment were secretly removed by taking the goods down to the river and loading them on scows. No accounts were kept. By the end of November the everything was gone.

By this time Dyott's debtors operating the businesses he leased and transferred were experiencing continuing losses as was the bank. However, Dyott endeavored to maintain the appearance of prosperity. Or, more accurately, nothing has been found in newspaper notices suggesting otherwise.

A new venture was announced in the autumn, such as advertised on October 5, 1838 in the Philadelphia Public Ledger:

Rotary Steam Engines

The subscribers have established a factory at Dyottville in the district of Kensington, where they are building and have constantly on hand for sale Rotary Steam Engines, of an improved construction under the patent of Ethan Baldwin, the simplicity and durability of which surpass any other steam engine now in use, and they require one third less fuel.

Engines from five to sixty horse power may be seen in operation and examined every day at the factory.

The subscribers will sell their engines on reasonable terms and guarantee any engine they sell not to cost one dollar for repairs or packing in two years.

Orders for lathes, slide-rests, cutting wheels, boring cylinders and for machinery in general will be punctually attended to under the superintendence of George W. Henderson, known as a first rate machinist.

Dyott, Baldwin & Hazelton

