

Marek, Petr

Article

225th Anniversary of the U. S. Dollar or about Czech Way Leading to Its Name

European Financial and Accounting Journal

Provided in Cooperation with:

Faculty of Finance and Accounting, Prague University of Economics and Business

Suggested Citation: Marek, Petr (2010) : 225th Anniversary of the U. S. Dollar or about Czech Way Leading to Its Name, European Financial and Accounting Journal, ISSN 1805-4846, University of Economics, Faculty of Finance and Accounting, Prague, Vol. 5, Iss. 2, pp. 4-6, <https://doi.org/10.18267/j.efaj.46>

This Version is available at:

<https://hdl.handle.net/10419/109844>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

225th Anniversary of the U. S. Dollar or about Czech Way Leading to Its Name

Dear readers,

this year it will be 225 years from 6th July, 1785 – the day when *dollar* was declared the money unit of the United States of America by the Second Continental Congress. However, the issue of the *dollar* itself was done 7 years later based on the Coinage Act at 2nd April, 1792. From the moment the U.S. *dollar* was everything that it could be. For some people it was and it is their God to which they prayed and pray, and to its acquisition they sacrificed and sacrifice their entire lives. For other people it is a synonym of all evil, which can be responsible for almost all human crimes and other vices. The truth is probably somewhere in the middle of both views. The *dollar* is in fact a good servant, but also can become a very bad master.

However, I would like to use this anniversary to commemorate the Czech tracks in the word *dollar*. For this purpose we must return to the beginning of the 16th century, when at the noble family estate Schlick in the Ore Mountains (Krušné Hory) there had been found rich deposits of silver ore and then established miner settlement with Latin-German name *Sanctus Joachims Thal*, in English called the *Valley of St. Joachim* or today called *Jáchymov*. The Schlick family based on the intensive diplomatic negotiations managed to obtain the consent of the Czech Provincial Assembly on 9th January, 1520 to set up a private mint. It was later followed by the approval of the Czech King Louis Jagiellon.

Permission was granted for the coinage partly of Prague raps in conformity with the Kutná Hora model and partly of raps in conformity with goldsmith Saxon model. And the very goldsmith pennies received label after the place of its origin subsequently. The word “*tolar*” was derived from the Altdeutsche word “*Thal*” (“*Tal*” in today German).

We have to admit then, that the word *dollar* comes from the German, not Czech word. Despite this, the Czech track in its title is completely indelible. *Tolars* were minted in the former Kingdom of Bohemia, now the Czech Republic, with the consent of the King and of Czech Provincial

Assembly, whereas on the reverse of the coin was portrayed two-tailed lion with a crown as the Czech emblem and the name of the reigning King of Bohemia (Czech King).

The several factors together helped to the rapid expansion of *tolar* over the Holy Roman Empire. In particular, it was a well-minted coins whose weight and fineness of metal were carefully guarded. Schlicks were not forced to mint small coins and could concentrate on higher value coins. The Schlick family got access to the Saxon market, especially the market of precious metals in Leipzig thanks to a good relationship with the Saxon court. Proceeds were used, inter alia, for debt repayment of Schlick debt abroad, for share payment to other aristocratic families in Bohemia, and, paradoxically, for the purchase of small silver coins to ensure payments to miners and other employees. As a result, the *tolars* become one of the most popular means of payment of his day.

How *tolars* came across the Atlantic Ocean to America? Credit for this goes to European settlers, who were used to indicate by this word high-quality silver coins. At 18th century such coins were mainly Mexico's the *real de a ocho* available in America. And very these coins have been started to called *Mexican dollars* due to similar size and weight with Czech *tolars*. It was already a one step before the Second Continental Congress sets *dollar* as a money unit of the U.S., i.e. the sign commonly used for the finest coins in the market at that time.

The symbol "\$" for the *U.S. dollar* also comes from Mexico's the *real de ocho*. At first glance, it seems that it is a simple vertical line through the letter S. In fact, this symbol represents Hercules's pillar. The obverse side of the Spanish colonial coins minted in Mexico was, of course, a portrait of the Spanish King, particularly it was Carlos III in the years 1759-1788. On the reverse side was at first royal emblem and also two pillars of Hercules, each encircled with a band bearing inscriptions *Plus* on the left and *Ultra* the right pillar.

According to ancient Greek myths and legends Hercules built them on his way towards one of the twelve labors, which was in drive in sort of a herd of cows from the far west. These pillars should be two rock outcrops on both sides of the Strait of Gibraltar, Gibraltar to the European side and Jebel Musa on the African side.

For many travelers from ancient times the pillars of Hercules represented the end of world after which the life is no more. In accordance with Plato, however, there should be lost Atlantis behind them. To overcome obstacles and explore new countries became a challenge for Columbus therefore he discovered America (or at least its island part).

Spanish King Carlos I (who reigned from 1516-1556) had just under the new geographical discoveries chose as his personal motto *Plus Ultra* (in English *Even Further*), which he used together with display of these pillars. At the end his motto has survived on Spanish coins from the 18th century. American settlers used the symbol "\$" to simplify its accounting records firstly as the expression of Mexican's the *real de ocho*. And later the symbol took the root for the *U.S. dollar* as well.

What to wish to the *U.S. dollar* on the anniversary of its birth? So let us wish him *Even Further*, or the *Plus Ultra* in accordance with an inscription on Hercules pillars, which uses as its symbol.

prof. Ing. Petr Marek, CSc.

Editorial board's chairman

European Financial and Accounting Journal

and investigator of the research plan

*Development of Financial and Accounting Theory and its Application
in Practice from Interdisciplinary Point of View*