

# THE CURIOUS CAREER OF T.W. DYOTT, M.D.

by Q. David Bowers

## Introduction

Among my numismatic interests, paper money is in the front rank. Over a long period of years, I have studied different banks, their officers, and methods of distribution. I have also collected various series, especially obsolete notes. As the years have slipped by, I have deaccessioned most of the notes, but have kept all of my research information and have added to it.

In 2006 I completed the manuscript for *Obsolete Paper Money Issued by Banks in the United States 1782*

to 1866, which was issued by Whitman Publishing and had become a best seller and standard reference. In it is a section devoted to Dr. Thomas W. Dyott and his Manual Labor Bank. Located in the Kensington district of Philadelphia, it and its founder have in parallel two of the most fascinating and almost unbelievable histories.

In the present study I share what I have learned about this unique enterprise, a narrative full of surprises, unique in the history of American currency.

## The Early Years

### Thomas W. Dyott

Thomas W. Dyott was born in England in 1777. As a young man he sailed to America and arrived in Philadelphia in 1804 or early 1805. In 1807 the city directory listed him for the first time as owner of a

“Patent medicine warehouse, No. 57 South Second Street.” The *Philadelphia Gazette*, January 24, 1807, carried this advertisement:

#### *Pro Bono Publico*

*Patent water proof Brunswick Blacking. Prepared with oil, which softens and preserves the leather—words cannot set forth its just praise, nor can its transcendent qualities be truly known, but by experience—it is particularly recommended to sportsmen and gentlemen who are much exposed to the wet, as it will prevent the water from penetrating, preserve the leather from cracking, and render it supple and pleasant to the last.*

*Prepared and sold, wholesale and for exportation, with full directions for using it, by T.W. Dyott, at his medical warehouse, No. 57 S. Second Street, Philadelphia, second door from Chestnut Street; also by appointment at J.B. Dumontet’s, No. 120 Broad Street, Charleston, South Carolina, where may be had the Imperial Wash for taking out stains, and preserving the quality and colour of saddles, and the tops of boots, prepared only by T.W. Dyott, who has for sale an assortment of brushes of superior quality for using the patent blacking.*

*N.B. Captains of ships and storekeepers throughout the United State will be supplied on the most reasonable terms, and their orders punctually attended to and executed at the shortest notice.*

*T.W.D. has also for ale, patent wine, bitters of a superior quality, together with a variety of patent family medicines, essences, perfumery, &c. suitable for the West Indian and other markets.*



Thomas W. Dyott, M.D. as seen on a bank note of the 1830s.

It is obvious that by this time Dyott had his fingers in many business pies, early evidence of his entrepreneurship. His narrative, written in a convincing manner, would be essential in his future enterprises. In April 1807 he ran large advertisements for Dr. Robertson’s Celebrated Stomachic Elixir of Health and Dr. Robertson’s Patented Stomachic Wine Bitters. These were “Prepared only by T.W. Dyott, sole proprietor and grandson of the late celebrated Dr. Robertson, physician in Edinburgh, and sold wholesale

and retail at the proprietor’s medicine warehouse, No. 57, South Second Street.” Sans Pareille Oleaginous Paste to improve the beauty of the mahogany and other hardwood furniture was another product, not to overlook his agency for Bug-Destroying Water. A list of his items sold for health and beauty would be lengthy.


In 1809 his business was listed as “Medical dispensary and proprietor of Robertson’s family medicines, No 116 North Second Street.” By that time it seems that his brother John had joined him in the trade.

Dyott continued to make liquid blacking. In 1810 he is listed for the first time with "M.D." after his name. It is not known if he had actual medical training. In that era there were no licensing requirements, and the patent medicine field was rife with "doctors." In that year he claimed to have 41 agents in 36 towns and cities in 12 states, including 14 in New York State. On September 3, 1811, he moved to 137 Second Street in Philadelphia, the address where he maintained a store for years afterward.

In the Philadelphia *General Advertiser*, July 1, 1815, he advertised to have had "long experience and extensive practice in the City of London, the West Indies, and for the last nine years in the City of Philadelphia." In 1815 he married Elizabeth, and in October 1816 the couple had a son, John Dyott. In 1822, Thomas W. Dyott, Jr. was born. In 1815, John G. O'Brien became a partner in O'Brien & Dyott, of which few details are known today. In 1816, in addition to his main store, he had an outlet at 341 High Street.

Probably as a result of needing glass bottles and flasks for his products, he became involved in wholesale distribution of various related items. By 1817 he was the sole agent for the Olive Glass Works in Glassboro, New Jersey, the New Jersey Union Glass Works in Port Elizabeth in the same state, and for the Gloucester Glass Works in Clementon, also in New Jersey. It is likely he had an ownership interest in some or all.

Moving forward to 1820, he advertised his Cheap Drug, Glass, and Family Medicine Warehouse at 137 & 139 North Second Street, corner of Race Street. He offered dozens of patent medicines, dye stuffs, sundries, and other products, including many items of glass ware. An advertisement in the local *Democratic Press*, March 11 of that year, had this at the bottom: "Wanted: Two apprentices to the drug business. Boys from the country will be preferred, they will be required to be of good moral habits, of respectable connections, have a good English education and knowledge of the German Language."



**T. W. DYOTT,**  
*Wholesale and Retail Druggist, &c.*  
 Nos. 137 & 139, NORTH-EAST CORNER OF SECOND AND RACE STREETS,  
 PHILADELPHIA.

Offers for Sale or Barter, at very reduced prices, a large and general assortment of choice and well selected *Drugs and Medicines, Patent Medicines, Chemicals, Dye Stuffs, Colours, Window Glass, Vials, Bottles, &c.* with a variety of other articles usually called for.

His extensive Stock, consisting chiefly of his own manufacture, or of goods purchased at the very lowest prices, for *Cash*, enables him to sell to Country Merchants, Druggists, Physicians, and Manufacturers, on the most advantageous terms, or take in *Barter* any of the following articles, for which he will always give the highest market prices: viz. Bright Rosin, Turpentine, Lampblack, Pink Root, Rice, Cotton, Tobacco, Sugar, Molasses, Coffee, Rum, Gin, Brandy, Bees-wax, Wheat Flour, Rye and Buckwheat Meal, Hams, Pork, Bacon, Butter, Lard, Cheese, Rye and Apple Whiskey, Peach Brandy, Mackerel, Shad, Pearl and Pot Ashes, Flaxseed, Flaxseed Oil, Logwood, Firewood, Castor Oil, Castor Oil Beans, Soap, Candles, Glass, Lead, Nails, Glue, Furs, Feathers, Rags, Paper, Bristles, Brushes, Shoes, Hats, Saddlery, Domestic Goods generally, Real Estate, in or near the city of Philadelphia, U. S. Bank Stock, &c. &c. &c.

From the extensive and general assortment of articles offered for sale by T. W. DYOTT, and the favourable terms on which he conducts business at his establishment for the accommodation of purchasers, he presumes that country merchants, manufacturers, and dealers in general (whom he solicits to give him a call,) will find it their interest to supply themselves as above.

*N. B. Each article is warranted to be of the most pure and genuine quality of its kind.*  
 JAMES BEDFORD, New-Orleans, General Agent for T. W. DYOTT.

Whitely's Philadelphia Journal Advertiser.

T.W. Dyott's store as advertised in 1820.



The *Democratic Press*, July 17, 1820, carried an advertisement stating that the Olive, Gloucester, and Kensington Glass Manufactories, informed readers that “they have appointed Dr. T.W. Dyott, druggist, their sole agent, with whom all the glass as it is manufactured will be deposited for sale, by which means, from the extensive stock generally on hand, almost every order can be executed at an hour’s notice.” Signed by “David Wolf & Co., Olive Glass Works; Jona. Haines, Gloucester Glass Works; Hewson & Connell, Kensington Glass Works.” The outlet was at the old stand at the corner of North Second and Race streets. The *Commercial Directory*, 1823, lists these businesses:

Kensington Cylinder Glass Works. T.W. Dyott, proprietor.

Kensington Hollow Ware Glass Works. T.W. Dyott, proprietor.

Olive Glass Works, in Gloucester County, New Jersey. Manufacture bottles and vials. T.W. Dyott, agent.

Dyott, T.W. Druggist & colourman; manufacturer of window glass, &c., 137 & 139 North Second Street [Philadelphia]

Dyott’s actual ownership interest in Kensington at this time has not been determined. Among his products were whiskey flasks with patriotic themes, including eagles and General Washington, not to overlook those with his own image. These are widely collected today. During this period he borrowed a lot of money to finance his enterprises, causing concern among his creditors when repayments became slow. However, he persevered and by mid-decade it seems that he had surmounted these difficulties.

In the *United States Gazette*, Philadelphia, October 19, 1824, he advertised “Washington, LaFayette, Franklin, Ship Franklin, Agricultural and Masonic, Cornucopia, American Eagle, and common ribbed Pocket Flasks.” In the same publication he advertised on March 14, 1825, that he had 3,000 dozen flasks available for purchase. After the deaths of John Adams and Thomas Jefferson, they were commemorated on flasks as well.



Lafayette-Eagle flask by Dyott

In this era two of his important sources for finance were Philadelphia merchants Jacob Ridgway and Captain Daniel May, both of whom were prominent in the local social scene. Dyott complained of the high interest they charged, but continued the relationships. These arrangements were not known to others outside of Dyott’s inner circle and came to light years later in 1839 court proceedings, as explained later in the present text.



Franklin-Dyott flask with T.W. Dyott’s portrait on one side

On May 17, 1826, in the *Cayuga Republican* issued in distant Auburn, New York, he advertised his Philadelphia store, also indicating that he was involved in glass manufacture: “3 or 4 first rate vial blowers will meet with constant employment and good wages by applying as above.” Not long afterward his advertisements told of his ownership, such as this notice in the *Commercial Advertiser*, New York City, June 18, 1828:

### Glass Ware

Philadelphia and Kensington Factories. Apothecaries' vials, patent medicine and perfumery do, mustards, cayennes, shop furniture, confectioner's show bottles, druggists packing bottles, carboys, acids, castor oil, cordial and wine bottles, demijohns, flasks, quarts, half gallon, and gallon common bottles, preserving and fruit jars, with a complete and general assortment of every other article in the glass line.

The above establishment is on the most extensive scale, embracing three distinct factories located in the immediate vicinity of Philadelphia—affording every facility for executing orders with promptness. The quality of the glass is decidedly superior to any other of the same description made in this country.

Orders punctually attended to, addressed to the proprietor, T.W. Dyott, Philadelphia, or to H.W. Field, agent, New York.

Dyott secured several patents relating to glass making. The glass factories were expanding by leaps and bounds. To add to the work force, advertisements were placed, such as this in the *Philadelphia Inquirer*, July 19, 1832:

### Apprentices Wanted

A number of boys of industrious habits from the ages of ten to fifteen are wanted as apprentices to the art and science of glass blowing; in connection with which they will also be taught an additional and distinct trade, leaving them a choice of following either occupation when they become of age.

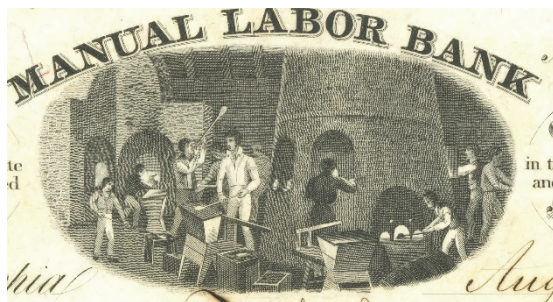
The terms on which they will be taken will insure them good boarding, clothing, washing, and lodging, with a privilege of doing overwork, for which they will be paid journeymen's wages.

In the arrangement and formation of his establishment the proprietor has spared no expense in making it an advantageous situation for the boys and meriting the approbation of their parents and friends. Strict attention will be given to their morals and education, a qualified school-master having been engaged for their solid instruction.

The school house, house of public worship, and dwelling house are all erected on the premises at the factories, which are situated on one of the most pleasant and healthy locations on the banks of the Delaware near Philadelphia.

The school is open every evening in the week and before and after the hours of worship on Sundays. A regular course of instruction will thus be maintained during their whole apprenticeship, and those who are anxious to acquire improvement will meet with every facility.

Apply to T.W. Dyott, corner of Second and Race Streets, or to M. Dyott at the factories in Kensington.



Glass factory workers as illustrated on a bank note.

As to the history of the glass factory, it dated back to 1771 when Robert Towers, a leather-dresser, and Joseph Leacock, a watchmaker, decided to erect a glass works in Kensington. They purchased frontage on the east side of Bank Street (later called Richmond Street), extending back to the shore of the Delaware River, which was navigable at that point. The business was up and running in short order, as evidenced by this notice in the *Pennsylvania Gazette*, January 1772: "The glass-factory, Northern Liberties, next door to the sign of the Marquis of Granby, in Market Street, where the highest price is given for broken flint-glass and alkaline salts."

Not long afterward in November of the same year the business was sold to druggists John and Samuel

Gray, who added Isaac Gray as a partner. The works were expanded. In May 1780 the business was sold to tobacconist Thomas Leiper, who is thought to have found it to be a convenient source for bottles in which to store and sell snuff. On March 6, 1800, the factory was sold to Joseph Roberts, Jr., James Butland, and James Rowland for \$2,333, after which it was known as James Butland & Co., with an outlet at 80 North Fourth Street. In 1801 Roberts sold his interest to his partners, who continued the business until 1804, after which Rowland became sole proprietor. Rowland in 1808 had his outlet at 93 North Second Street. In the 1820s, Dyott was agent, later proprietor.



**DYOTTVILLE FACTORIES.**

**White Flint, and  
GREEN AND BLACK  
GLASS  
WAREHOUSE,**  
NORTH EAST CORNER OF  
**Second & Race Streets.**

The Subscriber being extensively engaged in the Manufacture of Apothecaries Vials and other Glass Ware, has constantly for sale a general assortment of every description, among which are

Apothecaries Vials of all sizes, } wide and narrow mouths, }	Druggists' Shop Furniture, do Packing Bottles,
Prescription, do do	Confectioner's Show do
Patent Medicine and Perfumery, do do	Ground Stoppered Acids, Castor Oil, Cordial and Wine Bottles.
Fancy Colognes, Durable Inks, Mustards, Cayennes, Bear Oils, &c. &c. &c.	Flasks and Bottles, Preserving Jars, Snuff Bottles, Demijohns of all sizes.

The recent discoveries and improvements in the art of Glass Manufacturing, for which the subscriber has obtained letters patent from the United States, enables him to sell at very reduced prices, and of a quality superior to any that has heretofore been manufactured in this country.—The proximity of his factories to the city also enables him to execute orders at the shortest notice.

*Bottles and Vials of any pattern made to order.*

**T. W. DYOTT**  
North East Corner of Second and Race Streets.

\*.\* Druggists, Country Merchants and Dealers generally, are invited to call and examine the quality of the ware, specimens of the different varieties and patterns being always open for inspection.

## Happy Times at Dyottville Dyottville

In March 1833 it was announced that the four factories would henceforth be known as the Dyottville Glass Factories. While Dyottville was not a name recognized by the state, the designation was widely known. The growth of the enterprise had many detractors, including in particular Jeremiah Kooch, publisher of *Kooch's Blue Book for the County of Philadelphia*, who claimed that much public money was spent in improving the area, including for a bridge, walls, and fences, and that the county commissioners were frequent guests of the Dyott family and were treated like royalty. T.W. Dyott, M.D., was a fraud, an impostor, he alleged. Per contra, many articles in the popular press praised Dyottville and its proprietor.

The spread included a farm of about 200 acres on which vegetables, poultry, and 48 cows (per a May 1833 account) were situated. Dyottville included housing for all of the workers plus about 40 houses arranged in a row, for the accommodation of married persons and their families. The boys were accommodated in rooms for six to eight, with partitions, deep shelves for storing clothing and personal effects and other amenities. There were facilities for washing three times a day, before each meal.

In a separate building the boys had their own dining hall, with fine provisions. On Christmas, turkeys and plum pudding were the usual fare. Snacks of crackers were furnished before and after the noon meal. The adults had their own dining hall.

In May 1833 a reporter from the *United States Gazette* visited Dyottville and turned in lengthy glowing report describing cheerfulness and harmony. Selected excerpts:

...The general government of the place is in *persuasion*, not *coaxing*,

persuasion that cheerful obedience to reasonable rules is the best policy....

On entering one factory, in the center of which was a furnace, having in it ten or twelve melting pots, and employed about thirty persons, we were struck with the cheerfulness with which all performed the offices assigned to them. On the side of the furnace opposite to that, on which we and other visitors stood, some one of the workmen commenced singing. He had scarcely proceeded a note before the whole band of youth and children joined in perfect harmony and time, and carried through in the most admirable style we have ever heard. It was one of the richest extemporaneous musical treats we have ever enjoyed. It was carried on without a relaxation of labor on the part of a single individual. The vaulted roof was favorable to the prolongation of the sound....

This was no trial "got up" to please the company. Twenty times and perhaps fifty times a day, labor is lightened by the accompaniment of music in all the factories.

Dyottville was for a long time exclusively conducted by Dr. T.W. Dyott of this city. He has recently associated with his brother, who with his family occupy the central building of this little town—where, we are bound to say, true hospitality, its comforts and graces are fully exercised....

The *Daily Pennsylvanian*, Philadelphia, September 9, 1834, included this advertisement:

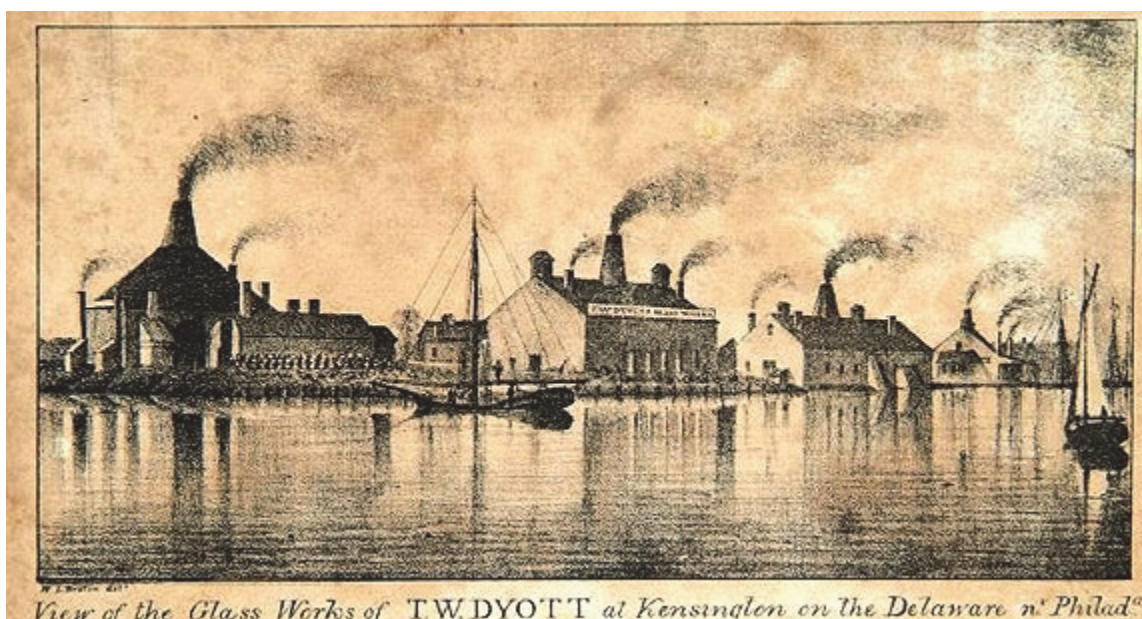
### A Teacher Wanted,

In an extensive establishment, wherein a School System of Moral and Mental Labor is adopted, for the instruction of a large number of boys. A person from one of the Eastern states would be preferred. He must be a single man, of pleasing address, industrious habits, and strictly moral character; one who will feel it incumbent on him to impart to the *working boy* an elevation of character; and a sentiment of self-dignity that will tend to equalize him with all men, and that will teach him to brook no distinction of superiority, excepting such as is conferred by virtuous principles.

His entire time will have to be devoted to the interests of his pupils among whom he must associate during their hours of labor, of study, and of amusement.

To a person thus qualified, a liberal salary will be given. Satisfactory references as to character and capacity will be required. Apply to

T.W. Dyott Philadelphia



Dyott's glass factories in Dyottville on the bank of the Delaware River in the 1830s.

In 1834 *The Mechanic, Journal of the Useful Arts and Sciences* published this:

#### Glass Works

Just above Kensington, near Philadelphia, are the Dyottville Glass Works—one of the greatest curiosities of this country.

There are *four* large factories or furnaces each having ten melting pots and constantly employing more than 300 men and boys. They make 10,000 pounds of glass a day. If they work 310 days in a year they must make 31,000,000 pounds of glass in a whole year. How many half-pint tumblers would all this glass make, each weighing four ounces.

In making this glass they consume in a year 240,000 lbs. of red lead, 370,000 lbs. pot and pearl ashes, 1,360,000 lbs. of sand, 2,300 bushels of lime, and 1,550 of salt. (What then is glass made of?)

Part of the fuel which they burn is rosin—at the rate of 50 barrels a day, or more than 15,000 a year. Besides this, they burn 1,800 cords of pine and oak wood and 1,200 bushels of Virginia coal. Surely this is a most splendid establishment.

Of the 300 laborers, 225 are boys, some of whom are not more than eight years of age. They are taught each evening the branches of a plain, practical education. They have also a library. Almost all learn to sing, and you may hear the various companies of laborers singing most delightfully, while busy at their work, sometimes twenty or thirty times a day.

Not a drop of spirit or any other intoxicating liquor is allowed in the whole establishment.

In 1833 more than 300 people were employed at the Dyottville Glass Works, of whom more than 200 were young apprentices. Most workers lived near the factory, which was connected to about 400 acres of land along the river. A farm produced dairy products and vegetables. In that year he published a brochure, *An Exposition of the System of Moral and Mental Labor Established at the Glass Factory of Dyottville, in the County of Philadelphia*, mainly to back his unsuccessful petition to obtain a state charter for a proposed bank.

The author of the publication is not known, but his talented friend Stephen Simpson may have been involved. Simpson had been a bank clerk earlier and in 1830s had become a candidate for Congress on the Workingmen's Party ticket. In 1831 his treatise, *Working Man's Manual: A New Theory of Political Economy on the Principle of Production the Source of*

*Wealth*, was published in Philadelphia. In the next year his *Biography of Stephen Girard* was published.

The presentation of Dyott's philosophy included this (excerpts):

*It is too much the propensity of our nature, to run after fortune with intoxicating ardour, without considering how many human hearts we may crush in the heat of the pursuit; or without paying very punctilious regard to the means by which we accomplish profit. The passion for gain is often too powerful to be modulated by Reason, arrested by judgement, or qualified by justice. It is perhaps to this point that we are to refer the hitherto neglected point of combining mental and moral with manual labor....*

*I projected the plan of instructing boys in the art of glass blowing, taking them at so tender an age that their pliant natures could be molded into habits of temperance, industry, docility, piety, and perfect moral decorum, under a system of instruction within the walls of the Factory, fully adequate to develop all these moral and intellectual faculties, which make*



*the happy man, the good citizen, and the valuable operative....*

*The mere act of blowing does not cause an exertion of the lungs and habit soon renders the heat imperceptible.... The exertion of blowing glass, by giving a slight and healthy expansion to the chest and lungs, adds vigor and energy to the whole frame....*

Dyott was a remarkably beneficent employer and wanted his workmen and apprentices to enjoy their life experience, highly unusual for the era. He built a chapel and hired a clergyman to give sermons three times on Sunday. He held prayer meetings and educational lectures. Singing lessons were given. A well-stocked library contained classical volumes.

In 1835 Dyott partnered with Stephen Simpson to launch on January 4, 1835, *The Democratic Herald and Champion of the People*. In a discussion, Simpson had

asked Dyott if he was a Whig or if he was a Democrat. He replied that he had no particular persuasion, but voted for the candidate, not the party. Simpson made the decision, based on the current strength of the Democratic Party under President Andrew Jackson and his perception that there were more Democrats than Whigs among potential readers. Curiously, the name on the masthead was John B. Dyott, his son who would not be 21 years of age until the next October.

In practice, the newspaper was light on political news but mainly consisted of promotional material for Dyottville and its various glass products. Another sheet, *the General Advertiser and Manual Labor Expositor*, seems to have had a local or regional distribution and was short-lived. *The Democratic Herald* lasted for nearly three years.

Starting in 1836, this advertisement was run in regional papers, as here from the June 4, 1836 issue of the *Public Ledger*, Philadelphia.

#### Apprentices

A few more boys of health, industrious habits from the age of ten to fourteen years will be taken in as apprentices to the glass blowing and wicker working in the Dyottville factory system as set forth by the proprietor of that establishment in his Exposition of Moral and Mental Labor, copies of which are published in pamphlet form and will be presented to those who feel interested, but applying at the N.E. corner of Second and Race streets.

T.W. Dyott

## The Manual Labor Bank

Expanding his business horizons and also to provide a place for workers' savings accounts, in early 1836, with Simpson as the business manager and cashier, he formed the Manual Labor Bank. On March 26 this was published, dated February 1:

#### Six Percent Savings

at the Manual Labor Bank, N.E. corner of Second and Race streets—Capital \$500,000; secured in trust on real estate and publicly recorded.

Deposits for four months, not less than ten dollars, will be received every day on which six per cent per annum will be allowed, free of all charges of commission. Ten days' notice will be required of intention to withdraw the deposit at the end of that period. If no notice to withdraw has been given, the deposit will be held, and the interest for that period carried to the credit of the depositor, when interest will be allowed on the whole sum to his credit; and the same will be done at the expiration of every four months, until the notice be given to withdraw the deposit.

T.W. Dyott, President

Stephen Simpson, Cashier

Philadelphia, Feb. 2, 1836

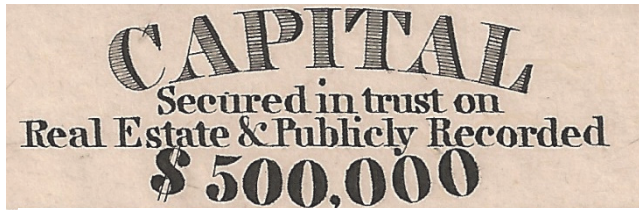
N.B. Savings and deposits will be received after the usual banking hours, until nine o'clock P.M. at the counting house and deposit office, No. 141 North Second St. two doors above the banking house.

Permanent deposits for one year will be received and the interest paid quarterly at six percent subject to the usual notice of withdrawal.

Unlike most of its contemporaries, the bank did not have a state charter despite applying for such. However, this lack did not seem to bother the authorities, as Dr. Dyott and his Dyottville had a sterling reputation as viewed by most of the public. Behind the scenes, Dyott was often short of funds, having to borrow privately at high interest rates, as later information would reveal. An entrepreneur he was, but a money manager he was not.

The engraving firm of Underwood, Bald, Spencer & Hufty was given the contract to print bank notes of several different denominations, illustrated with a scene of the interior of a glass factory with workers engaged in bottle making. The portrait of Franklin was on one side of each bill and that of Dr. Dyott on the other, perhaps representing Dyott's opinion of Philadelphia's most prominent citizens past and present.

This bank-note partnership was new on the Philadelphia scene and had just recently opened its doors in the Exchange Building. As the successor to Murray, Draper, Fairman & Co. and Underwood, Bald & Spencer, the principals were already well-known. They included Thomas Underwood, Robert Bald, Asa Spencer, Samuel Hufty, and Samuel Stiles. In New York



Backing for the currency as stated on the bank's bills.

City an office was maintained at 14 Wall Street under the directorship of Nathaniel and S.S. Jocelyn, well-known engravers who hailed from Connecticut. The firm lasted until 1843 when it was succeeded by the related partnerships of Bald, Spencer, Hufty & Danforth, Philadelphia, and Danforth, Bald, Spencer & Hufty, New York City.

On its currency the bank claimed to have \$500,000 in capital "secured in trust on real estate and publicly recorded," a phrase continued to be used in advertising. This large advertisement was published in late spring 1837, as in the *Daily Pennsylvanian*, Philadelphia, on June 2:

#### The Highest Rate of Interest

Six Per Cent per Ann Paid Quarterly, or compound interest carried to the credit of the depositor every three months and the MANUAL LABOR BANK and Six Per Cent Saving Fund, North-East corner of Second and Race Sts.

Instituted February 2d, 1836.

Capital \$500,000

Secured in trust by judgment confessed on real estate and publicly recorded—according to the following Certificate

Go the 11th day of May, 1836, a bond and judgment, commencing from 2nd February last, was filed in the District Court for Five Hundred Thousand Dollars, as security for all the responsibilities of banking and saving fund deposits secured by Dr. Thomas W. Dyott of the City of Philadelphia.

*Copy from the endorsement on the bond:*

"Entered in the Office of the District Court for the city and county of Philadelphia, and warrant of attorney filed May 11, 1836,"

Pro Prothonotary,

(signed) K Coats

Jacob Ridgway, Esq.

Trustee and bond holder

The Manual Labor Bank and Saving Fund has been established by the proprietor in order to afford a safe depository for the savings of labor and the surplus of incomes, under an ample security of his estate, at the full rate of legal interest—a security which he believes no other institution possesses—and a rate of interest which he is certain is not paid by any other.

His motive for this *is to give to the meritorious working man the full legal interest which he ought always to obtain for his savings*; and the individual responsibility of the proprietor affords a guarantee that he will accept no more deposits than his interest calls for, on the single principle of his liability; and which so effectually guards and protects the common safety of all the depositors by restricting the amount to be received, to the security pledges of 500,000 Dollars.

Deposits received every day until nine o'clock P.M.

Pamphlets containing the terms and exposition of this establishment to be had gratis at the Banking House.

T.W. Dyott, Banker

Stephen Simpson, Cashier

Money rolled in from depositors, and the funds found ready use in financing Dyott's other enterprises. Even President Andrew Jackson seems to have endorsed the bank, per this comment in an advertisement in the *Philadelphia Public Ledger*, January 1, 1837:

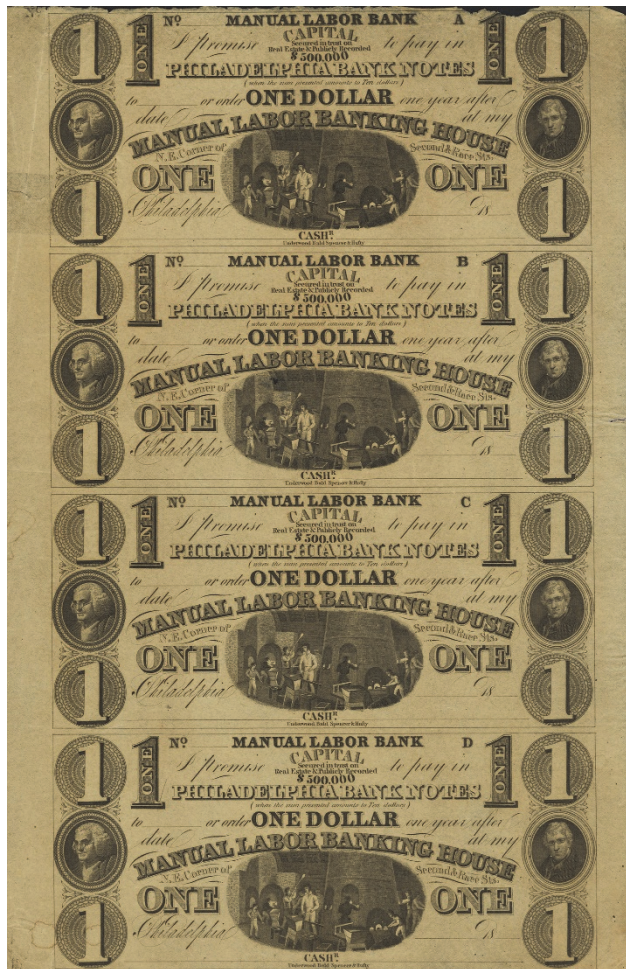
*General Jackson says he can see no objection to your plan of business, with reference to your banking, as it is founded on a real security and must depend upon*

*commercial credit for circulation which is all fair; but he is decidedly opposed to chartered monopolies, which sanction a paper credit, without a proper metallic basis.*

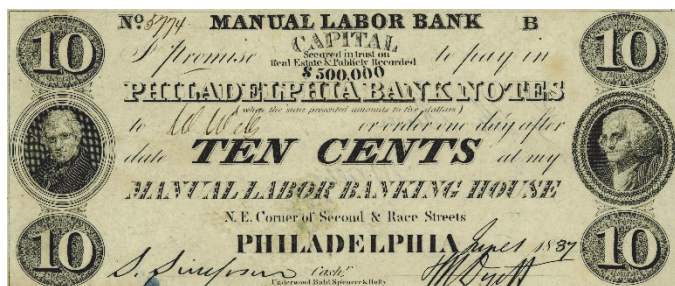
Dyott and Simpson spent a lot of time hand-signing as president and cashier the bank's bills, probably many thousands of sheets of them. They were the currency of choice in Dyottville and were readily accepted at par elsewhere in the Philadelphia district.



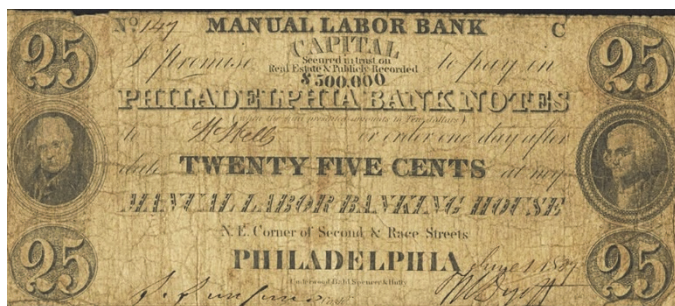
Advertisements in the autumn of 1837 were placed by T.W.'s brother, M.B. Dyott:



Sheet of four \$1 notes of the Manual Labor Bank. The individual notes are lettered A to D.

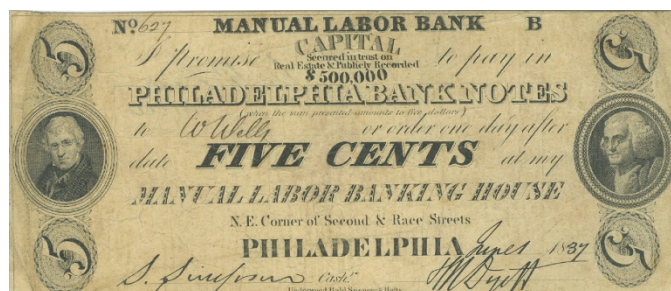


Manual Labor Bank 10-cent note.

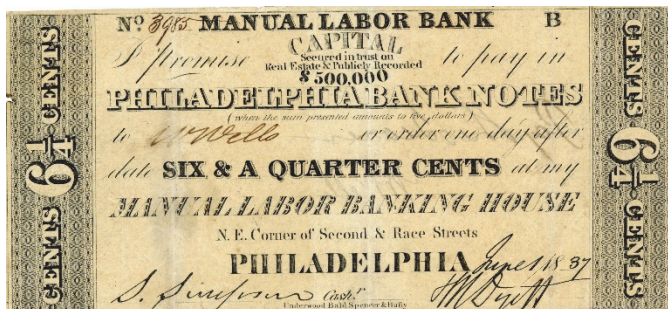


Manual Labor Bank 25-cent note.

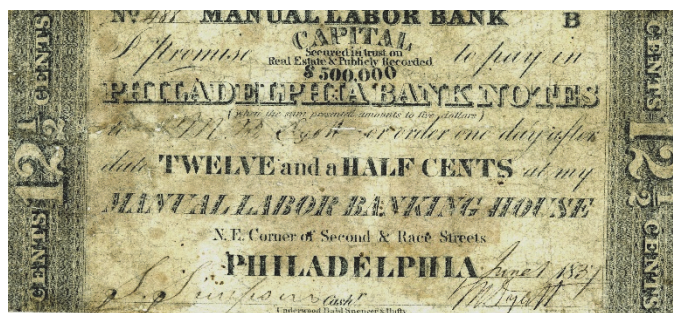
**M.B. Dyott's**  
Wholesale & retail grocery, provision, and variety stores at the Dyottville Glass Factories, in the District of Kensington, Philadelphia County.  
N.B. The highest prices (in cash or store goods) will always be given for all kinds of domestic goods and country produce, including live and dead stock, by applying as above.  
*Manual Labor Bank notes taken at par.*



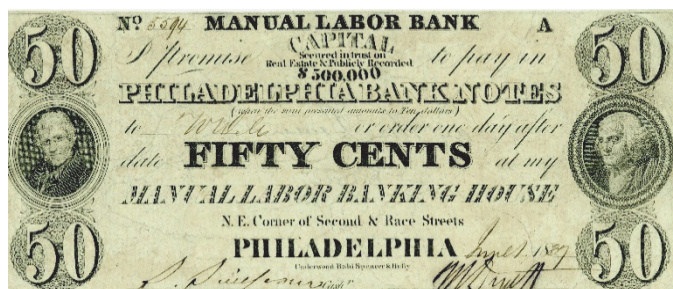
Manual Labor Bank 5-cent note.



Manual Labor Bank 6 1/4 cent note.



Manual Labor Bank 12 1/2 cent note, June 1, 1837.



Manual Labor Bank 50-cent note.



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

According to an early account, these small bills were readily accepted by local merchants and tradesmen in return for goods and services, but were not accepted at the city banks. According to the Pennsylvania Auditor General's report for 1837, this bank had in circulation in denominations of 5, 6¼, 10, 12½, 25 and 50 cents, and 1, 2, and 3 dollars, to the amount of \$117,500.



Manual Labor Notes in denominations of \$1, \$2 and \$3





Manual Labor Bank \$5 note, August 2, 1836. The payee, in this case Tannahill & Lavender, represents the first person or entity to which a newly-signed note was given.



Manual Labor Bank \$10 note, August 2, 1836.



Manual Labor Bank \$50 note, February 2, 1836.



Manual Labor Bank \$100 note, September 10, 1838, no mention of interest.

## The Financial Panic and Consequences

### Financial Difficulties

Dyott did not reckon with the Panic of 1837—nor did many others. He thought that the unbridled prosperity of the early 1830s would continue forever. On May 11, 1837, in Philadelphia 11 banks suspended the payment of gold and silver coins in exchange for paper. Soon, all paper became distrusted, 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.

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. During this time, Dyott maintained that all was well. In the meantime, cash was given to his family.

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 brother Michael, 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.

Around November 1<sup>st</sup> a "run" on the Manual Labor Bank followed a rash of nasty rumors that it was on the brink of failure. Dyott sprang into action, and announced a system whereby the bank's bills would be redeemed at par at local stores—actually a declaration of a system 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.

In August 1838, Dyott announced the issuance of a popular type of currency used by many different banks at the time:

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 specie 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.

Some regular (not post) notes were issued with dates slightly later than post notes, as illustrated on the next page. No record has been found as to specific 1838 notes listed and which are post notes and which are not, although examination of existing notes shows some that were issued.

On March 26, 1838, and in other issues the *Public Ledger*, Philadelphia, carried this advertisement:

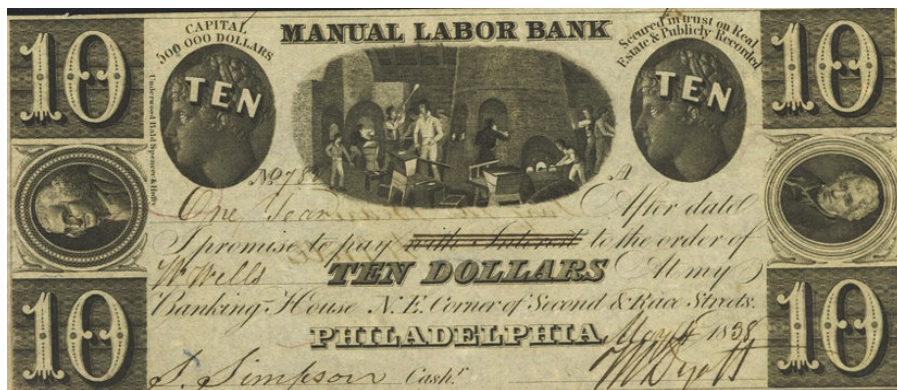
### Post Notes

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.

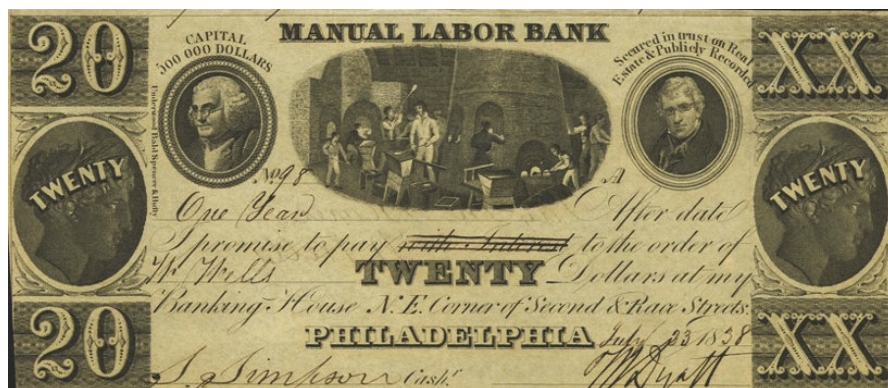


J.B. & C.W. Dyott  
Nos. 139, 141, and 143 N. Second St.  
M.B. Dyott.  
Dyottville, East Kensington.

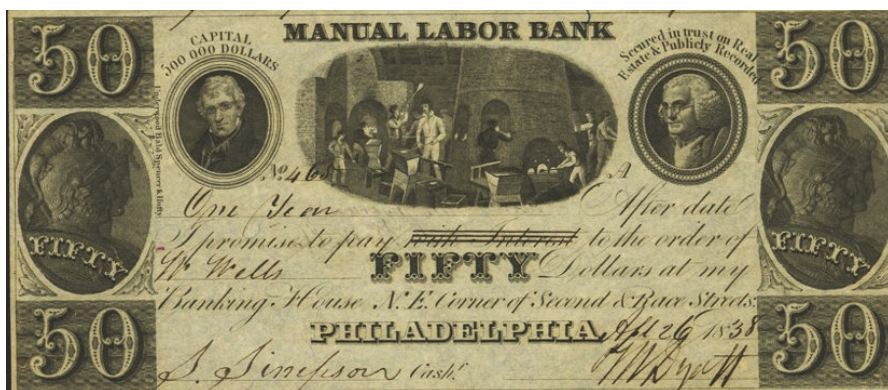
N.B.—It having been represented by holders of the notes that many persons who advertise to receive the Manual Labor notes at par are in the habit of imposing an extra price on purchasers, to the amount of from 10 to 25 per cent, when payment is made in Manual Labor Notes. If persons were to apply to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



Manual Labor Bank \$10 post note, May 4, 1838, predating the above-quoted announcement as do some other post notes. The interest provision is crossed out.



Manual Labor Bank \$20 post note, July 21, 1838. The interest provision is crossed out.



Manual Labor Bank \$50 post note, July 21, 1838. The interest provision is crossed out.

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. Later advertisements were mostly brief, such as this from the April 5, 1838, issue of the *National Gazette*, Philadelphia:

#### Druggist's Bottles, &c.

4,000 packages druggist packing bottles and shop furniture from the Dyottville Factories, for which Manual Labor Bank notes will be received in payment. For sale by J.B. & C.W. Dyott, Nos. 139, 141, and 143 N. 2nd St.

Beginning on July 22, 1838, this notice was published, in the Philadelphia *Public Ledger*, July 23:

#### Post Notes

The notes of the Manual Labor Bank dated one year after date (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 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 St.  
T.W. Dyott, Jr. & Co.  
No. 143 N. Second Street  
M.B. Dyott  
Dyottville Glass Factories

N.B.—Notes of larger denominations taken by special contract.

The Messrs. Dyotts invite the attention of druggists, merchants, manufacturers, mechanics, storekeepers, 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 them.

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

Slight variations of the above were published into September. 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

These advertisements were published into February 1839.

## The Fall of the Dyott Empire

#### Aftermath

Dr. T.W. Dyott was hardly alone in financial problems, for at the time thousands of businesses were failing all across the United States, and the Hard Times era had begun. His *Democratic Herald and Champion of the People* folded literally and figuratively. Finally, in November 1838, Dyott filed for bankruptcy in the Insolvency Court. Notice of his status was published in December.

As various banks failed around the United States, their presidents, cashiers, and stockholders usually walked away, without further obligation. Sometimes legal actions were instituted to recover funds, especially in instances in which shareholders simply gave IOUs rather than paying for capital

stock, and owed cash. However, assets were few and far between, and neither stockholders nor the public received much for the shares or bills of failed institutions.

However, with Dyott the situation was different. He was viewed by many as a captain of industry, a man of great wealth living in regal circumstances, but with great concern for working people, including children. Creditors of his enterprises denounced him as a fraud and called for his arrest on criminal charges. On February 5, 1839, his case was scheduled to be reviewed by a jury at the court. Upon arrival, Dyott was met with an angry mob. Hurriedly, he dashed into the nearby



store of Jacob Ridgway and escaped through the back door. Accounts of the case were published in newspapers, overlapping advertisements for steam engines as given above.

The case was held over, and the judge ordered him bound over for \$10,000 on a charge of fraudulent insolvency. On March 30 the grand jury returned a true bill against him. *Niles' National Register*, April 6, 1839, had this account:

Dr. Dyott, the Banker. The Philadelphia papers state that the grand jury of that city have found a true bill containing the following counts: 1. Colluding and contriving with T.B. and C.W. Dyott, to conceal goods, value \$100,000.

2. Fraudulently conveying to T.B. and C.W. Dyott, goods, value \$50,000.
3. Colluding and contriving with Th. W. Dyott, Jr., to conceal goods, value \$50,000.
4. Fraudulently conveying to T.W. Dyott, Jr., goods, value \$2,000.
5. Colluding and contriving with M.B. Dyott, to conceal goods, value \$30,000.
6. Colluding and contriving with W. Wells to secrete \$480 in money.
7. Fraudulently conveying to Julia Dyott furniture, value \$1,000.
8. Concealing goods and merchandise, value \$50,000.
9. Concealing \$300,000 in money.
10. Concealing \$100,000 in money.
11. Concealing \$10,000 in money.

All with the expectation to receive future benefit to himself, and with the intent to defraud his creditors.

Then followed a long court trial, April 30 to June 1, on 11 indictments, later reduced to seven. Testimony was contradictory, ranging from presenting Dyott as a benefactor to mankind who had simply suffered the widespread effects of the panic, to a malicious criminal who sought to defraud his associates and creditors. On June 1st, the jury returned a verdict against Dyott, guilty as charged on all counts.

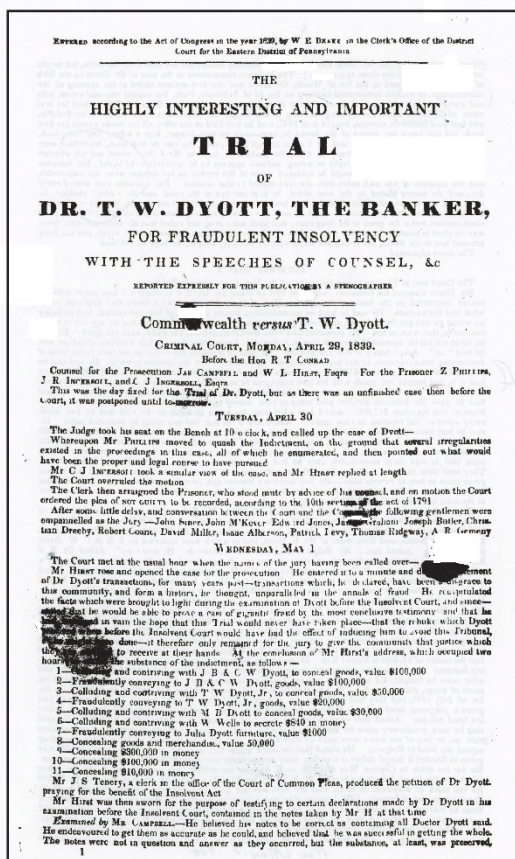
The sentence was to be from one to seven years at hard labor, in solitary confinement, the length being at the discretion of the judge. On August 31 the judge delivered a sentence of three years of normal imprisonment. The case was appealed, Dyott lost again, and went to the Eastern Penitentiary.

### Snippets from the Dyott Court Case

*The Highly Interesting and Important Trial of Dr. T.W. Dyott, the Banker, for Fraudulent Insolvency with the Speeches of Counsel, &c.* By the clerk's office, Eastern District of Pennsylvania, 1839, contained 28 pages of court proceedings, prefaced by Dyott's testimony and that of his counsel, followed by others. James Campbell and W.L. Hirst, esquires, acted for the State and Z. Phillips, J.R. Ingersoll, and C.J. Ingersoll were attorneys for Dyott.

Dyott's words and those of others shed light on certain dates and details.

The case of Commonwealth Vs. T.W. Dyott opened in Criminal Court, District Court for the Eastern District of Pennsylvania, Wednesday, April 29, 1839, before the Hon. R.T. Conrad, with a jury of citizens empaneled. Attorney Hirst opened for the prosecution and presented a list of 11 alleged criminal acts that led to the indictment. Hirst related that the examination of the situation had started on February 20 and was completed on March 5. This included interviews with the defendant.



First of 28 pages of the Dyott trial transcript.

Dyott had commenced banking on February 2, 1836. "His capital was real estate, pills and plasters, phials and glasses; he considered himself worth, at that time \$600,000 or \$700,000, valued his real estate at \$550,000." After entering banking he bought the house next above his bank for \$16,000. Dyott claimed he was not a bookkeeper, and thus few specific records were available. After the petition was filed, a "Mr. Calder could not tell whether the account in his ledger was right or wrong; balance appears to be overdrawn \$233,261."

Cashier Stephen Simpson had desired that his own accounts be kept and balanced, but that does not seem to have been done until July 1837. After that time "the account was balanced every night, and the daily account was in the books; his discounted notes were all privately bought, he kept no bill book." The last refers to Dyott selling large quantities of bills at deep discounts and keeping no record.

On Tuesday, May 2, the court reconvened at the usual hour of ten in the morning. Mr. Hirst continued his testimony based upon his earlier investigation. "He said that he asked Dr. Dyott if he could say how many bills appeared discounted in the books of the bank. He said he could not say what books they appeared in, or what the amount was. He said he kept no memorandum, private or public, of bills discounted." Dyott related that the discounted notes were "shaved" (sharply discounted) to get loans. Upon questioning if the amount was half a million dollars, or what, Dyott had no information. Bills were given to lenders such as Ridgway and also to Dyott's family, without records being kept.

Dyott had related that in the summer of 1837 he had sold his glassware and other stock to his son and nephew for \$150,000 and had been paid in Manual Labor Bank bills. The glass factories were leased to his brother M.B. Dyott for \$25,000 per year in rent. Dr. Dyott related that his brother "had stripped it of everything." [Nothing was related how the operation was shut down or what happened to the employees, the farm, and other people and activities.] Mention was made of the new steam engine manufactory at Dyottville that was expected to add profit, but resulted in a loss. This was under the aegis of his brother until his passing from "mortification of the throat" on December 31, 1838, seemingly leaving little in the way of records. [The steam engines did not operate properly despite Baldwin being on the premises constantly; details in the Philadelphia *Public Ledger*, March 1, 1839.] As to the amount of bank bills that had been issued, Dr. Dyott said he did not know, but thought it was about \$140,000, not including post notes, and that at one time there was \$108,000 in an iron chest and some other notes in the glass store.

Hirst then proposed to discuss three items that Dyott had printed and distributed: "A Reward of \$500," dated

November 6, 1837; "Final Arrangement of Business," December 5, 1837; and "Regulations for the Business of the Manual Labor Bank," December 5, 1837. Attorney Phillips then arose for the defense, stating that these had nothing to do with the evidence and could not be admitted into testimony.

Hirst then resumed his testimony, that regarding the first, Dyott had said, "It is my real estate. I got 500 or 1,000 copies of that pamphlet printed. None were circulated with my knowledge or approbation." [Perhaps *without* was intended in the transcript?]

A bond was assigned to creditor Ridgway and was publicized, as both men thought it would enhance the apparent credit of the troubled bank. [Further testimony seemed strange, such as Dyott selling his house furniture to sister-in-law Julia Dyott because "I wanted money."]

"I was my own broker in getting a great many discounts, but I cannot say the amount within \$100,000," Dyott was quoted as saying. [This would seem to indicate that hundreds of thousands of dollars in bills had been issued; at the time it was standard policy of various bank note printers to issue any quantities called for, without any concern or investigation. Numismatically, this reflects that no realistic estimate can be made of the number of notes printed or issued.]

Dyott had told Hirst that he had acquired the glass works 20 years earlier, when it was a "mere swamp." "It had cost him originally \$42,000 and [he] had since spent less than \$300,000. It had 1,000- or 1,200-foot river front. The house at the corner of Second and Race streets cost him \$15,000. He erected a warehouse on it which cost \$9,000. Bought the lot adjoining for \$8,000, and [in Dyottville] on 40 houses there was a mortgage of \$16,000, on a cost of \$9,000, and on Dyottville [a mortgage] of \$20,000 and on the Second Street property \$29,000."

Attorney Phillips related that when he began banking, he was looking for a large capital for the glass business, but had paid off most of it. "Being asked why he sold out his stock to his relations, he said that he gave it to them, as he had enough to attend to, besides, he would increase his banking capital by those means. He was paying thirty per cent a year for money, and expected to relieve himself by his bank. In a question about money, he said, 'I am the Manual Labor Bank.' Mr. Simpson is trusted by me entirely, he had the power to manage everything, but much of the discounting was done by me, and the bank never saw the notes."

Later in court on the same day, Attorney Phillips related that \$115,000 in post notes was issued. Dyott told Phillips that "if he could have got out \$500,000 of his bills, and kept them out, he would have done very well." [It seems to the present-day reader and must have seemed to the jury in 1839 that Dyott's financial empire was built on debt with an attempt to correct that by



fraud. This scenario was quite different from the early accounts of workers happily working and singing, and Dyottville being a model business and community. During these procedures Dr. Dyott was brought from jail to observe the court.

On Friday, May 3, the court opened at the usual time, with prosecution Attorney Hirst continuing his narrative, telling of his Dyott interviews: "I examined him when he stated that \$10,800 of post notes were made in December 1837, that \$7,000 of them were put in circulation, that there were \$775 in 50s and 25s [*sic*] issued with S. Simpson's fac simile, that there was an issue of \$90,000 of post notes of large denominations, that the greater part were issued—perhaps all, that there were no fresh signatures of post notes after the \$115,000, and that was the whole amount. There was an issue of \$90,000 of cash notes on the day the bond was reassigned, of which issue Mr. Ridgway has \$40,000 and Captain Man had likewise \$32,000."

In other testimony it was related that the first time Dyott saw Stephen Simpson was that when he was on board a steamboat in which Simpson was a fellow passenger. Dyott was seeking a charter for his bank, and Simpson said he had the political connections to help, including with President Jackson [who had nothing to do with *state* banking]. It was then or shortly afterward that Simpson suggested the proposed bank take a political stance, and the Democratic Party was decided upon, with working men being the base.

Dyott told him that his property was worth \$700,000, and Simpson said this was a fair figure. Going forward to 1839, Dyott stated that he had no idea of what his indebtedness was.

On the first day of the bank's operation, Dr. Dyott had brought in \$150 in specie "and perhaps there also might have been from \$50 to \$100 in bank notes." Simpson understood that before the bank opened, Dyott had issued \$3,000 to \$5,000 in bank notes that he and Dyott had signed. Deposits rolled in to about \$150,000, all of which was personally turned over to Dyott, who issued promissory notes in a like amount. The workmen at the glass works were owed money, Dyott stated [and it likely that some of the money went to them, but this was not stated.]

On Monday, May 6, Dr. Dyott, who had been indisposed and not able to leave prison, came to the courtroom at the suggestion of prosecutor Hirst.

Stephen Simpson was then brought to the stand to testify. His comments were wide-ranging. The earliest issued of fractional bills went mainly to country people—farmers and average citizens—and took the place of coins after banks had suspended specie payments. A copy of the printed "Exposition of the Manual Labor Bank" was shown, showcasing American manufactures, particularly glass. In the first run 5,000 to 10,000 were distributed, followed by other editions up to the fourth and possibly the fifth.

Simpson said that he did not know anything about the post notes until he first saw them during the trial depositions. Dyott countered this by saying that he and Simpson "had signed notes from 8 o'clock A.M. to 3 P.M., from 4 P.M. to 11 P.M., and from 5 A.M. to 7 A.M." Dyott had wanted Simpson to "sign as late at 12 and 1 at night."

Going back to early 1837, there were clandestine and unauthorized issues of paper money. After July 1837, according to Simpson, when citizens brought bills of other banks to be deposited, Dyott took them personally and replaced them with Bank of Manual Labor notes.

In other testimony, seemingly contradictory, it was stated that as of July 1838, Simpson had signed about \$100,000 in post notes and had delivered them to Dyott.

On Wednesday, May 8, Simpson was first on the stand. On this and succeeding days, many details were given of how bills were circulated, how assets were moved around, and other matters largely beyond the purview of the present narrative as they added little to information about the signing of or quantities issued of the notes.

There was a movement to implicate Jacob Ridgway, whose name had appeared in advertisement as "trustee" of the bank. Testimony revealed that this was part of the fraud, as Ridgway was owed a lot of money by Dyott and suggested that as is (Ridgway's) reputation as a financier and civic leader was excellent, this would draw more deposits. Ridgway emerged unscathed by the court case.

### Another Account of the Case

The November 1839 issue of *The Merchant's Magazine and Commercial Review* included a lengthy account, here excerpted.

#### Fraudulent Bankruptcy

The recent trial of Thomas W. Dyott, in Philadelphia, has caused so much excitement there, and is fraught with so much that is instructive in a mercantile point of view, that we are induced to give an extended account of the case. A few years since, Dr. Dyott established the famous Manual Labor Bank in Philadelphia, and by means of circulars, advertisements, and false representations, induced a great many people, principally of the middling interest and poorer classes, to deposit their earnings in his bank. The institution became insolvent, and the banker applied for a discharge as an insolvent. After a long examination, the court refused to grant the application, and committed him to jail in accordance with the following provision of the law....

There was also much documentary evidence. The jury returned a verdict of guilty. At a subsequent day, the defendant moved for a new trial; but after a full and elaborate argument, the court overruled the motion, and he was sentenced to confinement in the Eastern Penitentiary three years. Dr. Dyott is more than seventy years of age....

"It is impossible," says the Philadelphia Gazette, "to contemplate the imprisonment of this man, at the age of seventy years, with his gray hairs, in solitary confinement and at hard labor, without feelings of commiseration for himself, his family, and his friends." "We believe," adds that paper, "Dr. Dyott guilty of fraudulent insolvency. The trial, after a long and most patient investigation, has so decided." And "one cannot contemplate the losses of special depositors in the Dyott bank, without indignation and sorrow; yet pity mingles with a feeling of justice, when the main actor in the fraud, bent with years, goes into the gloomy recesses of a penitential cell, there, perhaps, to end his days."...

These were the principal facts in the case, on which the counsel for the government offered that there was probable cause for binding the defendant over to answer the following charges, viz.: 1. Conspiracy to establish an unlawful bank. 2. Conspiracy to support an unlawful bank with a false capital. 3. Conspiracy to support an unlawful bank with a false capital, knowing the representation of capital to be false. And each of these with a view to cheat and defraud the citizens of the Commonwealth....

Beware of Over-Trading: If by depending upon fictitious credit, you extend your business very far beyond your real capital, the hazard of bankruptcy and ruin will be great. In this case, you risk not only your own property, but that of your creditors, which is hardly reconcilable with honest principles. When the profits of trade happen to be greater than ordinary, over-trading becomes general; and, if any sudden change occurs in the state of the commerce or currency of the country, a revulsion must inevitably ensue, and consign thousands to unexpected ruin.

After serving about a year and a half in prison, T.W. Dyott was pardoned by Governor David Rittenhouse Porter and became a free man.

Soon, his creditors caused his re-arrest as a debtor, and he was sent to the Debtor's Apartment at the Moyamensing Prison, where he stayed for just a week or two after Daniel Man stood as surety for his future appearances in the Insolvent Court. His assets were liquidated by sheriff's sale and auction in 1841. It was estimated that approximately \$250,000 due to depositors and bill holders of the Manual Labor Bank might yield about 10 cents on the dollar.

In time, although Dyott never became prominent in business, he fit back into the community. Products bearing his name were advertised well into the 1840s, these including Dyott's Toothache Drops, Vegetable Purgative Compound, and Circassian Eye Water, among others.

Dyott lived among his society and friends until he died of old age in Philadelphia on January 17, 1861. His death certificate listed his occupation as druggist. He was buried in the Union Church graveyard.

### **The Glass Factories: Epilogue**

When Dyott went to prison, the glass factories were idled. Later, the Lehigh Coal and Navigation Company secured the waterfront land on the Delaware River and set up a depot for the off-loading of anthracite coal to be shipped to distant ports.

Following advantages gained under the Tariff Act of 1842, Henry Seybert rented the glass factory from Lehigh, renovated the premises, and began making bottles, with Eugene Roussel, a purveyor of mineral water, as his most important customer. In later years the

factory changed hands multiple times but remained in operation.

Starting in 2011, extensive archaeological excavations were done at the factory site, described as "at the intersection of Dyott Street and Richmond Street, with Dyott Street to the south and Richmond Street to the west, and the Delaware River to the east, situated along the northeast shoulder of the Dyott-Richmond streets intersection." Under Dyottville Glass Works site extensive information is presented.

### **Postscript**

There is no escaping the fact that the Bank of Manual Labor was conceived and operated as a fraud. As such, it stands as the largest such criminal action in early 19th century American banking history.

### **Acknowledgments**

The following have helped with or corresponded concerning the present study: American Numismatic Society, Charles Anderson, Thomas Denly, Jennifer Dow, David Gladfelter, Glass Works Auctions, Ferdinand Meyer V, peachtreeglass.com, Eric Richter, Smithsonian Institution, and Stack's Bowers Galleries.



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*American Glass*, by Helen McKearin, Crown Publishers, 1948.

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"Dr. Thomas W. Dyott—A True Renaissance Man," by Kevin A. Sives.

### Style and Production Notes

Certain quotations have been lightly edited and misspellings corrected (the alternative would have been to have burdened the reader with a long stream of *sic* notations). For example, the surname of financier Ridgway was often misspelled as Ridgeway. Certain British spellings, inconsistent in original texts, such as favour, have been changed to American usage. Deposit has been changed to deposit.

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