OREGON ODDITIES
AND
ITEMS OF INTEREST

Beaver State Money
Number Two

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The Federal Writers’ and Historical Records Survey Projects
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WORKS PROGRESS ADMINISTRATION OF OREGON
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The items in this bulletin, selected from the material compiled by the Writers’ Project and the Historical Records Survey of the Works Progress Administration, are representative of the significant collections being made by these nation-wide programs.

The Historical Records Survey is inventorying all sources of early Oregon history, including county and state records; town and church archives; historic cemeteries; old manuscripts and imprints; old printing presses; monuments and relics; private diaries, letters, and memoirs; historic buildings; and Indian records and lore.


In addition to all the state guides, interesting publications now available include American Stuff; Cape Cod Pilot; Hoosier Tall Stories; The Hopi; Italians of New York; New Orleans City Guide; Whaling Masters; Who’s Who in the Zoo; and Wisconsin Indian Lore.

Publications now in preparation by the Oregon Writers’ Project include the Oregon Guide, an Oregon Almanac for 1940, Old Towns of Oregon, and Fire Prevention in Portland.

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SPECIAL NOTICE

Oregon Oddities Radio Series

Beginning in January, 1939, on your local radio station. Further notice in forthcoming issues of Oregon Oddities and in your local newspaper.
GOLD MONEY (Continued)

The United States National Bank of Portland has a $50,000 coin collection, which includes two of the precious Beaver coins, valued at $1500 each. Harvey Starkweather of Milwaukie also owns two.

At the time Beaver coins were in general circulation, prices were very high. Following which appeared in the Oregon Spectator, September 12, 1850, illustrates the trend:

Dried apples $ .75c per pound
Dried peaches 1.00 per pound
Flour 7.50 per hundred or 15.00 per barrel
Wheat 1.50 per bushel
Brown sugar .30 per pound
Loaf sugar .75 per pound
Eggs .50 per dozen
Salt 6.00 per hundred lbs.

Mrs. Mary Ann Griffin, in recalling the high prices during the gold rush, declared that wheat sometimes sold in Jacksonville as high as $24 per bushel, and an ounce of salt was worth an ounce of gold.

Following the discovery of gold in eastern Oregon and Idaho in the early 1860s, such quantities were transported down the Columbia and to the San Francisco Mint, so Congress acceded to local demands and made an appropriation for building a mint at The Dalles. The building was actually constructed at a cost in excess of $100,000. By the time it was finished, however, the most productive mines were well worked out and the plant never netted a dime. The building is now used as an engine room for the Diamond Mills Company.

When Curry County was enjoying a gold rush, the county treasurer accepted gold dust in payment for public dues. As late as 1886 the Union County Treasurer found that the handling of gold dust had occasioned a loss of $183.44 and the county court ordered that:

"Dr. S. Kinsey be allowed for the loss of Gold Dust during term of office the Sum of One hundred and Eighty-three Dollars and forty-four cents and that he be credited with the same."

SILVER MONEY

Except for an occasional Mexican or Peruvian silver dollar, silver coins were practically unknown during the era of settlement. The distribution of a barrel of silver as pay for the men on board the British man-of-war which was stationed at Fort Vancouver, was, in the summer of 1846, an occasion of great interest and considerable curiosity. Small change was almost unknown, even in a much later era.

It is related that two bright young men, Frank and Andy Gilbert, then employed by the Breyman store in Salem, in 1870 conceived the idea of purchasing dimes at ten for a dollar and selling them at eight for a dollar. Accordingly, they sent to San Francisco for the dimes and began passing them out as change. Each dime passed as a "bit" and two of them passed for "two bits" or twenty-five cents. If a customer paid for one bit's worth of merchandise he would get a dime in return if he tendered twenty-five cents. If he paid a dime it became acceptable as a "bit." Merchants discovered that they were losing money on this arrangement and agreed not to pay out the silver dimes when they were received. One tradesman collected $200 in dimes, keeping them in a sack, not considering it worth while to lock them up. The Gilbert boys, finding their venture decidedly successful from the money-making point of view, promptly imported more dimes. Dimes had come to stay. "One bit," "two bits," "four" and "six bits," as popular descriptions of prices passed out of the ordinary Oregonian's vocabulary, much in the manner that "two bit" and "four bit" tokens passed from the traveler's life when the stagecoach tavern became obsolete.

Several amusing anecdotes are told of this period, when silver was scarce. One relates that there was so little silver money, especially coins in less denomination than 25c, that when the Congregationists held a meeting in West Salem for the purpose of raising money for a church, it was expressly requested that no silver money be pledged. They believed, apparently, that it would be impossible to collect it.

The Weekly Astorian, January 18, 1884 reported:

"There is at present a scarcity of small change. Ten and twenty dollar pieces are plenty enough, but silver is scarce. Nothing so disconcerts a sensitive man as to be obliged to fumble over a handful of gold, trying to find a ten cent or two bit piece."

SCRIP

A piece of scrip is a printed or written promise to pay money. In this respect it
like a greenback or a treasury note.

It differs, however, in that it is issued by private concerns or by small political divisions and makes its appearance only in hard times or when minted money is scarce. It is very much like a promissory note which the general public believes the signers are willing and able to redeem. In the settlement era and during the Provisional and Territorial Governments in Oregon, scrip served a very useful purpose. It was issued in such a variety, however, that it was sometimes difficult to cash it at face value. One man's scrip was worth more than another's. Provisional government scrip was not all redeemed and so came into ill-repute.

J. M. Bacon, who arrived in Oregon in 1845 said:

"The first thing I did after landing -- landed Saturday night after dark -- and on Sunday morning three of us got a job laying rails several miles from here. We took a job of making 5000 rails up here in the Clackamas... The rails were for a man named Peter H. Hatch. His claim was about 5 miles from here up on the Clackamas. He paid us in what we call Abernethy money. It was orders on the store. That was the only kind of money that was going. Ermentinger money was orders on the Hudson's Bay store. That was considered good as cash. Abernethy's orders were good deal under par. The cause that he had nothing in his store for one thing; if you would go there with an order he would force something on you that he wanted you to take that or nothing. They were independent in those days.

"If we wanted a horse we would have to give 2 or 3 times as much as the horse was worth with Abernethy money; but Ermentinger money was as good as gold. If you gave them your orders they would give you as much as if you paid them in gold. People never gave them an order unless they had credit. It was just like a banking account."

Later Bacon went to work for a man living in the Chehalem Valley where, he reported:

"I asked him the kind of money he had and he said it was Ermentinger money. It was Hudson Bay money so-called because a charge by the name of Ermentinger was in charge."

That other merchants issued scrip which fell below par value is proved by the following, taken from the entries in the Provisional Court Journal, April 6, 1848:

"This day came the parties by their attorneys and submit this cause to the Court upon the issue joined between the parties and the Court being fully advised, in that the promissory note which the said defendant did promise to pay in manner and form as the said plaintiff hath complained against him and assess the damages of the said plaintiff by reason thereof to thirteen dollars and seventy three cents in McKinley Money. Therefore, it is considered that said plaintiff recover of the said defendant and B. B. Rogers the security in appeal the said sum of thirteen dollars and seventy three cents in McKinley money his damages as aforesaid assessed and costs in this behalf expended. William Monzy vs Sidney W. Moss."

Provisional Government scrip was receivable for dues to and from the Provisional Government throughout the period this organization functioned, even when wheat was declared legal tender. Provisional Government scrip gradually superseded the merchant's orders (merchant's scrip) and became a kind of fiat (promise to pay) money. Since it was issued only in large denominations the legislature found it necessary to exchange large for small scrip, adding interest so there would be no loss to the holder.

Although various counties made an effort to call it in or to redeem it, much of this was outstanding when Oregon became a territory and much of it was never redeemed. The Linn County Court Journal for 1856 contains this entry:

"Ordered that all Territorial Scrip, so called, owned by residents of this county, to be taxed at one third of its face, and that the owners or claimants pay tax on it accordingly."

A report of the February term of the Clackamas County Court in 1865 included the following transaction:

"S. W. Moss, by W. C. Johnson, his attorney, presented old territorial scrip to the amount of $60.50 which was allowed as such as S. W. Moss filed affidavit setting forth that he is the owner of said scrip and that he has no more in his possession and does not know of any other of the description of scrip herewith presented."

In the Probate Order book of the Clacka-
as County Court in 1861, in the matter of the estate of J. E. Taylor, it was said:

"There being some war scrip due the estate the value of which cannot be ascertained the said administrator is not able to make final settlement until the value of the war scrip can be ascertained."

Several embryo Oregon industries took advantage of the use of scrip as a boon to them as debtors and issued it to cover liabilities. This scrip was usually in the form of due bills and varied in denomination from fifty cents to ten dollars. They were given to employees, who in turn passed them on to other merchants. They were called "factory scrip" and were often in better local repute than United States greenbacks.

GREENBACKS

Although gold, some silver, and greenbacks sufficient to care for the ordinary necessities of trade, were in circulation when Oregon became a state in 1859, the settlers' financial problems were not solved. Treasury policy and practice were such that greenbacks became badly depreciated in value. They were legal tender, worth far less than their face value.

Debtors who had borrowed gold paid back greenbacks with impunity, knowing there was no law, except a moral one, to the contrary. Typical of the time is the letter in the possession of the Oregon Historical Society, written by John Cullough to Governor A. C. Gibbs.

Cullough berates Matthew Deady, early settler, who insisted on paying his debt in greenbacks and concludes in praise of the other debtor: "Judge Williams is not a man that would ask his fellow man to take depreciated currency at its face because he happened to have the law on his side."

The following notice, printed in the States Rights Democrat, at Albany, December 3, 1866, shows that not all citizens confined their indignation to the iracity of a letter.

"Whereas, one Wm. Newhouse, formerly known in States as Wm. Morgan, now a resident of Albany, Oregon, and a prominent member of the M. E. Church, did this day pay me in greenbacks without the requisite discount on the same, in payment of a rightful and just debt for work performed by me, therefore I take this method of warning all persons from crediting him under any consideration whatever, as they are liable to be swindled out of their just dues in the same manner that I was. Believing that the public good demands that such rapacity should be exposed, I herewith make this statement of facts. Isaiah Mercer."

Soldiers who enlisted either in the Union cause or to fight in the Indian wars during this period of depreciated currency, had an equal grievance. A letter from J. A. Waymire to Governor A. C. Gibbs from Camp Dahlgreen declared:

"Some have lost one or more horses, and most of those who have not lost their animals, have had them almost worn out on duty. For the lost animals, the losers will probably receive their original valuation some years hence; if it should be in legal tender notes at present rates it will fall very short of remunerating them. On account of the unfortunate depreciation of our national currency, in which they have been almost entirely paid, very few of them have been able to save anything from their small salaries."

County governments, in full faith in the federal government's promise to redeem greenbacks, accepted them as taxes and other dues, and in turn, passed them on, only to find them unacceptable. To protect themselves, county courts established all sorts of orders, most of them ineffective. The trouble with the currency was far more widespread than local. In 1863 Benton County ordered its treasurer to pay out on county orders any United States legal tender notes in his possession, being governed by their current value as given in the daily quotations from the Ladd and Tilton Bank of Portland.

In order to protect their credit Clackamas County Commissioners order that:

"Inasmuch as there has found its way into the treasury a large amount of legal tender notes (Greenbacks) which has become, (a well established fact) depreciated in value to a ruinous extent, that the county treasurer be and is hereby authorized and required to pay on all county warrants of the size of five dollars and upward an
equal proportion of said legal tender notes (or Greenbacks) and gold and silver in proportion to the amounts of each. A year later Benton County ordered the treasurer to sell all legal tender notes in his possession at current value and to pay all county debts in gold coin unless greenbacks were specifically requested. The sheriff was directed to give a fifty per cent premium to all persons paying their taxes in gold coin. Many other counties joined in the frantic rush to control the disastrous trend of legal tender notes. The State Legislature completed the ruin by declaring in a protective law passed October 21, 1864, that all state demands be paid in gold coin. Several years passed before national currency was stabilized. Dozens of legal cases testify to the unhappy situation in Oregon, the judgment given Henry Varnum against Jane Armstrong April 11, 1870 being typical. Varnum obtained judgment for $144.72 in "United States gold coin" and the additional sum of $1187.30 "in lawful money of the United States."

The simplicity of pioneer society which made it possible for Mrs. Newsam of Corvallis to write a check on an old candy sack and have it honored has passed away. Today, citizens emulate the advice given Judge William Waldo by Quinaby, an Indian formerly well known at Salem. Quinaby considered Judge Waldo a good friend. When he was without funds, he often went to the Judge and asked for chikamin (money). When the Ladd and Bush bank opened for business in Salem, Quinaby called it the Chikamin House. On one occasion, when Judge Waldo refused the Indian money, turning his pockets inside out to prove he had none, Quinaby smiled brightly and said, "Go to the Chikamin House and get some."

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BEAVER COIN