

Beaver Money

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Over fifty-eight thousand dollars in gold coin was minted in Oregon City by the Oregon Exchange Company in 1849 and is known as Beaver money.¹ The coins earned their name from the image of a beaver which was impressed on the obverse side of each coin. The production of these five and ten dollar pieces had the approval of both Oregon's provisional legislature and George Abernethy the provisional governor.² Unfortunately, the minting of this specie was problematic even from the outset.

Beaver money finds its origin in the aftermath of the California Gold Rush when hundreds of miners returned to Oregon bearing gold dust. Estimates put the value of the gold in Oregon at over two million dollars.³ The gold was not fungible, which is to say that it was hard to accurately weigh loose dust on scales that were not uniform - the gold needed to be minted in a solid recognizable form of consistent weight. Store owners were accused of rigging their scales to give them more than an ounce, and customers were sometimes guilty of mixing yellow sand in with gold to trick proprietors.⁴ Uncertainty about the purity of transaction gold placed the dust's value at anywhere from ten to sixteen dollars an ounce depending upon the store owner's decision.⁵

Joseph Lanes arrival as the first governor of the recently established Oregon Territory threw a wrench into the legislature's plan. Lane informed the provisional leaders (whose authority was now technically defunct) that their imprimatur on the production of coins was unconstitutional.⁶ Further complicating matters, Lane was informed of how Peruvian money, which was a common currency in early Oregon, was only worth fifty cents on the dollar at the Hudson's Bay Company stores.⁷ Oregonians wanted money which inspired trust and would standardize the value of transactions. Additional mediums of exchange included wheat, beaver pelts, drafts and orders, and Mexican coins.⁸ Regardless of constitutional strictures, Lane was willing to turn a blind eye toward the minting of coins by a private company. The proof of this, is that he allowed the mint in Oregon City to operate until late in 1849; this was over six months after the governor's arrival.

Under these circumstances, a group of men (already known to the legislature) organized the aforementioned Oregon Exchange Company, constructed out of scrap iron the necessary machinery, and began production. The leaders in the project were George Abernethy, J. G. Campbell, W. K. Kilbourne, Theophilus Magruder, William H. Rector, Noyes Smith, James Taylor, and W. H. Willson.⁹ Taylor, who was from the Clatsop Plains, was made the director of the mint. Rector, who held a donation land claim southeast of Salem, made the rolling machine and press and was employed as a coiner along with W. H. Willson. Willson also oversaw the melting of the gold.^{10,11} The stamps and dies for the five dollar coins were made by a jeweler in Salem, the ten dollar stamps and dies were made by Victor Monroe Wallace of Oregon City.¹² Additional employees of the mint included Truman L. Powers, treasurer, and George L. Curry, assayer. A milling machine was made by Wallace; the machine gave the coins an indented edge and prevented clipping, which is to say, snipping gold from the border of a coin.¹³

The provisional legislature set the value of an ounce of gold at \$ 16.50.¹⁴ The Exchange melted down about \$ 30,000 of gold dust into molten strips, filled the die, and six thousand coins were pressed with a five dollar image. This was followed by the production of \$ 25,000 in bullion pressed with a ten dollar image (2,850 coins).¹⁵ There was no alloy added and, thus, the Oregon coins had about eight per cent more gold than corresponding denominations produced by the U.S. Mint in Philadelphia.¹⁶

The five dollar coins were pressed with the first letter of the last names of the company's founders: "K.M.T.A.W.R.G.S". There is a mistake in the initials, the G should actually be a C for J.G. Campbell.¹⁷ The ten dollar coins, for reasons unknown, are missing the initials of Willson and Abernethy. The five dollar

coins have the image of the beaver on the obverse along with the initials "T.O." (Territory of Oregon), and the year 1849. The coin should read (as the ten dollar coin does) "O.T." (Oregon Territory). On the reverse of both coins is the name "Oregon Exchange Company". On the five dollar coin you also read "130 G - Native Gold- 5 D." 130 G refers to 130 Grains which is the smallest unit in the system of weights used in the United States. The reverse of the ten dollar coins says "10 D - O.C. - Native Gold - Ten D." Or, "10 pwts., 20 grains, 10 D".¹⁸ The O.C. refers to Oregon City.

As the Beaver money was worth more than their fellow U.S. government minted coins sitting in the till, people began hoarding the coins. In truth, the private Exchange Company, was functioning, essentially, as a civil service project. The company was not making money, it was only minting money. They were operating at a loss.¹⁹ One of the few people who prospered by this enterprise was the chief coiner, W.H. Rector. He records in his memoirs that "I was well paid for this work and continued to work at it until about September 1, 1849 when I determined to go the mines again. They did not coin any more gold after I left."²⁰ This ended the life of the Oregon Exchange Company.

In 1854 a new U.S. Mint opened in San Francisco and the government called in the coins which had been produced on the West Coast by private enterprise. The illegal coins were melted down for use. The mint wooed people to turn in Beaver money by offering a fifty cent premium on the five dollars coins and a \$1.00 premium on the ten dollar coins.²¹ Regardless, collectors and speculators kept some of the coins.

Today, the holder of a good quality Beaver coin is a person of considerable wealth. Jeff Garrett, the valuations editor of *The Official Red Book: A Guide of United States Coins 2010*, lists the following retail value for four different grades of the five and ten dollar Beaver coins:

\$	Fine	Very Fine	Extremely Fine	Almost Uncirculated
5 dollar	\$ 27,000	\$ 40,000	\$ 60,000	\$ 100,000
10 dollar	\$ 63,000	\$125,000	\$ 230,000	\$ 300,000

^{22, 23}

In 2006, a man from La Grande paid \$125,000 for a five dollar coin that he purchased from a collector in Rogue River.²⁴ The total number of five and ten dollar Beaver coins does not likely exceed much more than fifty coins.²⁵

The dies used to make the coins are in the possession of the Oregon Historical Society.²⁶ Unfortunately, the crucible used to melt the gold and the milling machine, which had both been in the possession of Victor Monroe Wallace, were swept away in a flood on the Cowlitz River in 1867.²⁷ The whereabouts of the other machinery used at the Oregon City mint is unknown.

Today's Salem residents can be reminded of the era of the Beaver money by looking up at the top of the second story stone work on the old Capital National Bank Building on Commercial Street. There you will find a keystone which has carved into its face the obverse image of a ten dollar Beaver coin.

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KATU.com "Rare minted-in-Oregon 'beaver coin sells for \$125,000." <http://www.katu.com/news/3646081.html>, 2006.

Endnotes

¹ Howard McKinley Corning, ed. *Dictionary of Oregon History* (Portland: Binford & Mort Publishers, 1956).

² Charles Henry Carey, *History of Oregon*, Vol 1 (Chicago-Portland: The Pioneer Historical Publishing Company, 1922), 407

³ Carey, *History of Oregon*, 407.

⁴ Fred Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*. Chicago: The S.J. Clarke Publishing Company, 1928). 645. F.G. Young, "Finances of the Provisional Government". (Portland: Oregon Historical Society Quarterly Vol. VII, 1906), 374.

⁵ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

⁶ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

⁷ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

⁸ Leslie M. Scott, "Pioneer Gold Money, 1849" (Salem, *Oregon Historical Quarterly*, Vol 33, 1932), 25.

⁹ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

¹⁰ Carey, *History of Oregon*, 407. Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

¹¹ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

¹² Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 646. Historian Charles Carey says that the dies were made by Hamilton Campbell, but Leander Wallace, whose father was directly involved in this project, says that this is possible as Campbell was not a machinist or mechanic, he "did not understand the use of tools and could not have made them."

¹³ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 645.

¹⁴ Carey, *History of Oregon*, 407.

¹⁵ H.W. Scott "The Provisional Government" (Portland: *Oregon Historical Society Quarterly*, vol II, 1901), 115. Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 646.

¹⁶ Carey, *History of Oregon*, 407.

¹⁷ Carey, *History of Oregon*, 407. KATU.com "Rare minted-in-Oregon 'beaver coin sells for \$125,000." <http://www.katu.com/news/3646081.html>, 2006.

¹⁸ Carey, *History of Oregon*, 407.

¹⁹ Leslie M. Scott, "Pioneer Gold Money, 1849" (Salem, *Oregon Historical Quarterly*, Vol 33, 1932), 29.

²⁰ Leslie M. Scott, "Pioneer Gold Money, 1849" (Salem, *Oregon Historical Quarterly*, Vol 33, 1932), 26.

²¹ Leslie M. Scott, "Pioneer Gold Money, 1849", 26.

²² R.S. Yeoman, ed. *The Official Red Book: A Guide Book of United States Coins 2010*. Kenneth Bressett, 63rd ed. (Atlanta: Whitman Publishing Company, 2009), 375.

²³ R.S. Yeoman, ed. *The Official Blue Book: A Guide Book of United States Coins 2010*. Kenneth Bressett, 63rd ed. (Atlanta: Whitman Publishing Company, 2009), 248.

²⁴ KATU.com "Rare minted-in-Oregon 'beaver coin sells for \$125,000." <http://www.katu.com/news/3646081.html>, 2006.

²⁵ KATU.com "Rare minted-in-Oregon 'beaver coin sells for \$125,000." <http://www.katu.com/news/3646081.html>, 2006.

²⁶ H.W. Scott "The Provisional Government" (Portland: *Oregon Historical Society Quarterly*, vol II, 1901), 115. The article by Scott says the dies were in the possession of The Oregon Secretary of State, however, these artifacts are now in the possession of the Oregon Historical Society.

²⁷ Lockley, *History of the Columbia River Valley: From The Dalles to the Sea*, 646.