

Peninsula Diary Mayo Hayes O'Donnell

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Early Currency

In the days when California's gold was most plentiful, its money was most scarce. The cause of this scarcity were simple and natural and the effects were quite surprising, according to an interesting article when we recently discovered in the California History Nugget published in December 1938.

There had never been much money in California. Little was needed, the Spanish inhabitants had little to do with the outside world. Spanish ships brought out from Mexico such necessities as they did not produce.

But, we find, in the opening decades of the next century, trading began with the Russians from the north coast, with whalers from the Pacific, and with the American trappers from Oregon and the land beyond the deserts.

In the 1830s and 1840s a lively trade grew up with American merchants. Yankee traders brought to California in the "Boston Ships" and increasing variety of goods for the cattle-ranches, the missions, and the pueblos.

From an old book published in Boston in the middle 1800s we find that the masters of these trading ships were more than willing to take their pay in cargo from the goods produced in California. There was rich profit in it. The tallow sold readily in South America. The hides, unloaded in Boston, became the basis of the great New England boot and shoe industry. The furs, especially those of the sea otter, brought high prices. For these rich products, Californians received, not coin, but supplies and Yankee "notions," which consisted of small useful household articles for which New England traders were famous.

This, we find, was the situation when in the late forties, California came under American control. Two years later the great gold discovery was made, and many thousands of gold seekers came, pell mell, into the almost moneyless land of simple, pastoral, California.

The horde of newcomers brought little cash. There were no banks. So overwhelming was the migration that officials were unable to prepare for it. A great supply of some article to be used for exchange in place of money was needed for every kind of business.

Merchants hoarded coin to pay duty on goods brought to California ports from the United States, since the government accepted only United States currency or foreign coin at a value fixed by Congress.

Other sources tell us that the sources of United States currency were very far away. California therefore, got most of its money from Mexico, South America and even the West Indies.

To the Americans this was foreign money, though many of the coins had been, and still were, used in California. All metal money regardless of value in its own country, was sought by the coin-hungry merchants and traders of seething California.

The Spanish and Mexican silver pesos, or "ounces" worth about a dollar, and the "dollars" of Peru, Ecuador, and Bolivia, nearly all of high value, were the larger pieces of imported coins. With these came many five-franc pieces worth 93 cents but passing for a dollar. For change, all kinds of small silver coins were bought, including a flood of Spanish pesetas. French francs, Austrian swanigers. None of these was worth 20 cents, but nothing could be purchased for less than "two bits" or 25 cents, all silver coins the size of the American quarter passed for that amount.

Even the large amount of foreign money in used did not meet California's steadily increasing needs, according to Theodore S. Solomons who wrote the article for the History Nugget. Miners, merchants and travelers needed money. They needed it for food and clothes and tools, and for transporting these to the mines by horses and wagons, pack mules and burros, boats and barges. They needed money for stagecoach fares and for ferrying across the many bridgeless rivers. They needed money for meals, refreshments, entertainment, "lodging for men and beasts: on the way to the mushroom towns and "camps.""gulches" and "flats" of the "diggin's." Everywhere money was required. Yet there was little to meet the insistent multiplying need except "dust—raw gold. (To Be Continued)