Territorial Gold Coins
The Colorado Gold Rush and Clark, Gruber and Company
1858 - 1862

By Ken Kucera

Contents

Figure 1 (above): Enlarged images of the front and back faces of an early example of gold coinage from the Colorado or Pikes Peak Gold Rush period, the 1860 Clark, Gruber & Company’s $20.00 coin. This is known as their "Mountain Twenty" or double eagle. This double eagle was slightly larger and heavier than the standard $20 U.S. gold coin of the era. The company wanted the front face (obverse) of their $20 coins to have an image of Pikes Peak, with the back face (reverse) designed to resemble regular U.S. coinage. The coin shows a highly stylized, though not particularly accurate view of Pikes Peak. There are fewer than twenty genuine “Mountain Twenty” coin specimens known but counterfeits abound. Credit: rfrajola/MayerGold.com

The Mines Museum of Earth Science proudly displays a loan of the stunning Frederick R. Mayer Collection of Colorado Territorial Gold Coins. These beautiful gold coins are probably the most important surviving artifacts having a direct link to the Colorado Gold Rush of the late 1850’s and early 1860’s. They represent the only metallurgical remnants with a legitimate provenance tied to the frontier mines of Colorado (Raines 2023).

Early gold coin minting operations in Colorado, such as those of Clark, Gruber and Company, turned Colorado raw gold from miners and brokers into a variety of coin denominations. An important consequence of these gold coining operations is there are no known gold specimens with a documented provenance tied to the actual Colorado Gold Rush. Nor are there any known “discovery pieces” from any of the famous early Colorado gold placers and mines (Raines 2023).

To better meet the needs of miners and communities, and to stimulate commercial transactions and ensure profits, Colorado Gold Rush businesses soon realized they needed a way to convert

the flood of gold dust and nuggets into a dependable, regulated form of actual money. Clark, Gruber, and Company played an instrumental role in fulfilling this need. Their coinage became a mainstay of the local Gold Rush economy. Money and sound financial policies are indispensable keys to supporting society, culture, and the way of life of a particular area. This included the Colorado Gold Rush.

Figure 2 (left): Enlarged images of a beautiful early example of gold coinage from the Colorado or Pikes Peak Gold Rush period, the 1860 Clark, Gruber & Company's $5.00 coin or "half-eagle". Clark and Gruber coins actually contained a little more gold than their United States government counterparts. This feature made the new coins very popular in the Gold Rush region where there was a shortage of coins but an abundance of gold dust and nuggets. Credit: rfrajola/MayerGold.com

SCOPE OF THIS ARTICLE

This article provides an overview of significant Colorado gold discoveries in the front range area and the resulting flood of gold-seekers starting in 1858 and culminating in 1861 with the establishment of the Territory of Colorado. The rush was known as the "Pike's Peak Gold Rush" and later the "Colorado Gold Rush". The success of this gold rush established a sustained interest in developing the mineral resources of the Colorado Rocky Mountains. It helped provide momentum for the huge silver mining ventures in Aspen, Leadville, and the San Juan Mountains, as well as the historic Cripple Creek gold rush starting in 1890. This is a narrative that all too often is passed over by many historical accounts.

The article does a "deep dive" into the importance of Colorado's private gold coiners and bankers to the gold rush, particularly Clark, Gruber & Company. This banker and coiner produced many of the fine gold coins in the Frederick R. Meyer collection on loan for display at the Museum. They helped provide the miners and nascent commercial establishments with dependable, regulated forms of money and coinage through exchanging raw gold for minted gold coins. Which in turn, would be used as a medium of exchange for the goods and services needed to keep the rush alive. This regulated form of monetary exchange replaced a barter system based on "pinches" of gold dust used as a medium of exchange.

INTRODUCTION

The "Pike's Peak Gold Rush" or "Colorado Gold Rush" was Colorado's first boom in gold production starting in summer 1858. The rush occurred in what at the time was known as the Pike's Peak Country of the western Kansas Territory and southwestern Nebraska Territory of the United States. See Figure 3. The rush peaked in 1859, but lasted until roughly the creation of the Colorado Territory on February 28, 1861. An estimated 100,000 gold seekers took part initially, making it one of the largest gold rushes in North American history (Raines 2017).

These early discoveries of placer gold deposits, followed by deposits of lode gold, began creating a mining-driven economy in Colorado lasting for several generations. Simply put, there was no other economic force during the first fifty years of Colorado history comparable to the importance of mining. Almost every economic activity was tied to the mining industry in one way or another.

The participants in this first gold rush were known as "Fifty-Niners" after 1859, and often used the motto “Pike's Peak or Bust!” As a point of fact, the location of the Pike's Peak Gold Rush was actually centered about 85 miles (137 km) north of Pike's Peak. The name Pike's Peak Gold Rush was used early on mainly because of how well known and important Pike's Peak was at the time (Brown 1985).

Figure 3 (left): In the mid-1800’s, “Pikes Peak” or Colorado Gold Rush country was located in western Kansas Territory and extreme southwestern Nebraska Territory. The area is shown as “Colo” on this territorial map of the United States. Source unknown.

The discovery of gold near present-day Denver in 1858 – 1859, drew tens of thousands of people to present-day Colorado, engendering the political organization of a US territory, then later the state of Colorado in 1876. Many current cities and towns, including Denver, Boulder, Golden, Black Hawk, Idaho Springs, Breckenridge, and Central City, were founded during the Colorado Gold Rush. The associated activities of the rush produced monumental social, economic, and environmental changes.

There was no other economic force during the first fifty years of Colorado history comparable to the importance of mining. The mining industry created principal markets for agriculture and timber products. The need for transportation networks resulted in the development of road and railroad networks in the central mountains and foothills. Complex raw ore needed to be smelted to produce a variety of valuable metals. Communities such as Pueblo, Black Hawk, and Durango, developed alongside busy smelters. In its role as an anchor industry in Colorado, mining engendered major impacts well beyond the local and regional levels (Twitty 2014).

The “Pikes Peak” or Colorado Gold Rush

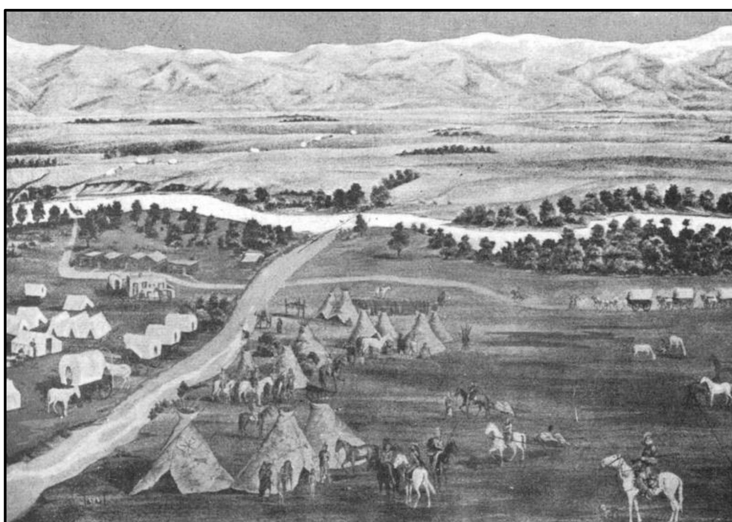


Figure 4 (left): A confluence of cultures. An unknown artist's depiction of early Denver, circa 1859. The drawing shows the confluence of Cherry Creek (foreground) with the South Platte River, with early cabins, tents, and wagons on the Creek's left bank and Indian tipis on the right. Credit: History Colorado and Colorado Encyclopedia.

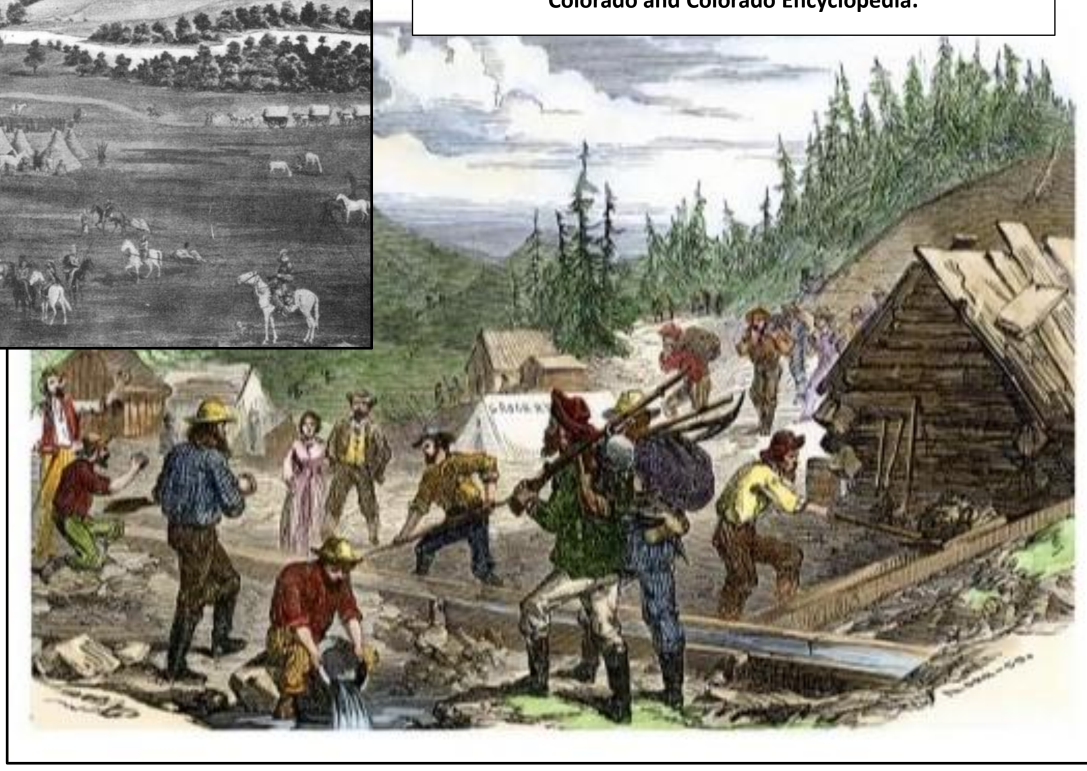


Figure 5 (right): Colorized depiction at the start of the Colorado/Pike’s Peak Gold Rush, Gregory Gulch, near Central City, in what would later become known as Gilpin County, May 1859. Engraving from Albert D. Richardson’s “Beyond the Mississippi”.

Rumors of Precious Metals in the Colorado Rockies as Early as the Sixteenth Century

The Spanish colony of New Mexico was founded in 1598. Until 1821, what was to become the State of Colorado was part of the extensive Spanish territories under colony rule. These territories extended far north of the New Mexico colony. In the sixteenth century and later, Spaniards reportedly roamed portions of eastern and western Colorado exploring and looking for natural resources, particularly mineable silver deposits, to support the Spanish crown (History Colorado 2023).

Arguably, the Colorado Gold Rush did not begin in 1858-59, but earlier during the period of the California Gold Rush in 1850.

In 1807, explorer Zebulon M. Pike learned that trapper James Purcell had found gold in the area eventually known as the Pikes Peak region of Colorado. The frequency and numbers of gold reports increased in years following the Pike expedition, leading up to the discovery of gold on Ralston Creek, near its confluence with Clear Creek, in what is now Jefferson County. On June 22, 1850, John L. Brown, a member of a group of California-bound prospectors, wrote in his diary that Lewis Ralston found gold along a creek, which the group named in his honor (Ralston Creek). Many in this group were Cherokee Indians who had been living in what was then known as the Indian Territory (now Oklahoma). They had gold mining experience in their former homelands of northern Georgia. The group traveled and prospected along a portion of the Colorado front range where they followed Fountain Creek, Cherry Creek, the South Platte River, and Cache la Poudre, then went west through southern Wyoming. This route was later known as the Cherokee Trail (Hall 1889; Hafen 1941; Spencer 1966).

In the late 1850's, the Pikes Peak Gold Rush started with more rumors. Rumors of gold nuggets and gold-bearing quartz. Trappers seeing "color" in Rocky Mountain streams. In May 1857, it was reported that someone named George Simpson noted gold dust in Cherry Creek, near its confluence with the South Platte River. At approximately the same time, gold nuggets found near the future site of Denver and stored in an old handkerchief by Fall Leaf, a Delaware Indian employed as a US Army scout, generated a lot of interest among the media in the Midwestern and Eastern United States. In early 1858, several parties of gold seekers from back east started out for Colorado's Front Range to try and find out about the gold for themselves (Hall 1889; Hafen 1941; History Colorado 2023; Raines 1997).

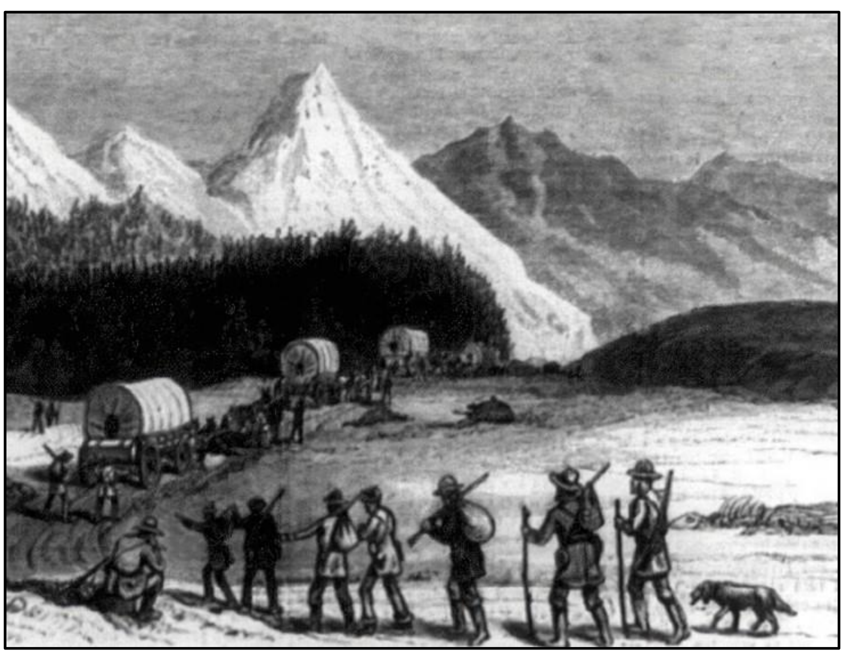
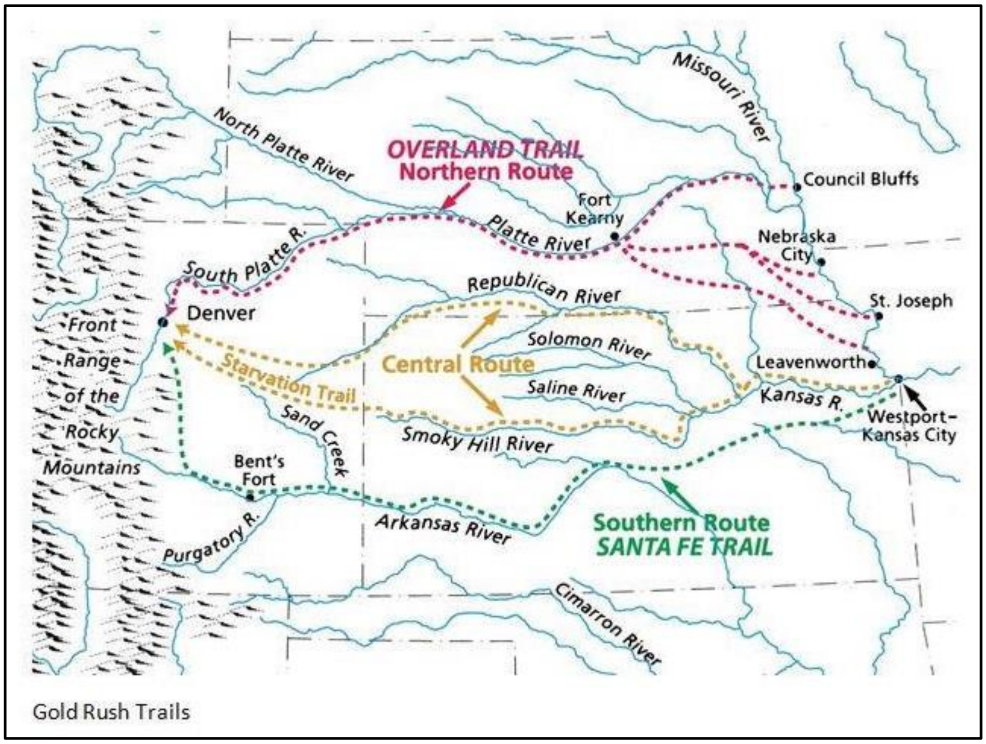


Figure 6 (left): Painting depicting gold seekers and pioneers in wagons loaded with supplies headed to the gold rush in the Rockies. Unknown source.

During the period 1857 - 1858, the United States was mired in an economic depression, known as the "Panic of 1857". Over 5,000 businesses failed within the first year of the Panic, and high unemployment was accompanied by protests in urban areas (Wikipedia - US Depressions, 2023). In 1858, with grueling economic conditions and wildly optimistic rumors and reports about prospects of finding gold in western Kansas and Nebraska Territories (now Colorado's front range), gold fever exploded. The economic downturn bankrupted many eastern families, giving them the incentive to head west and start over. Before the year ended, an increasing number of gold seekers would gather at the confluence of Cherry Creek and the South Platte River. The small settlement was initially named Auraria, with a subsequent name change to Denver. The modest gold discoveries in 1858 were just the harbinger of things to come.

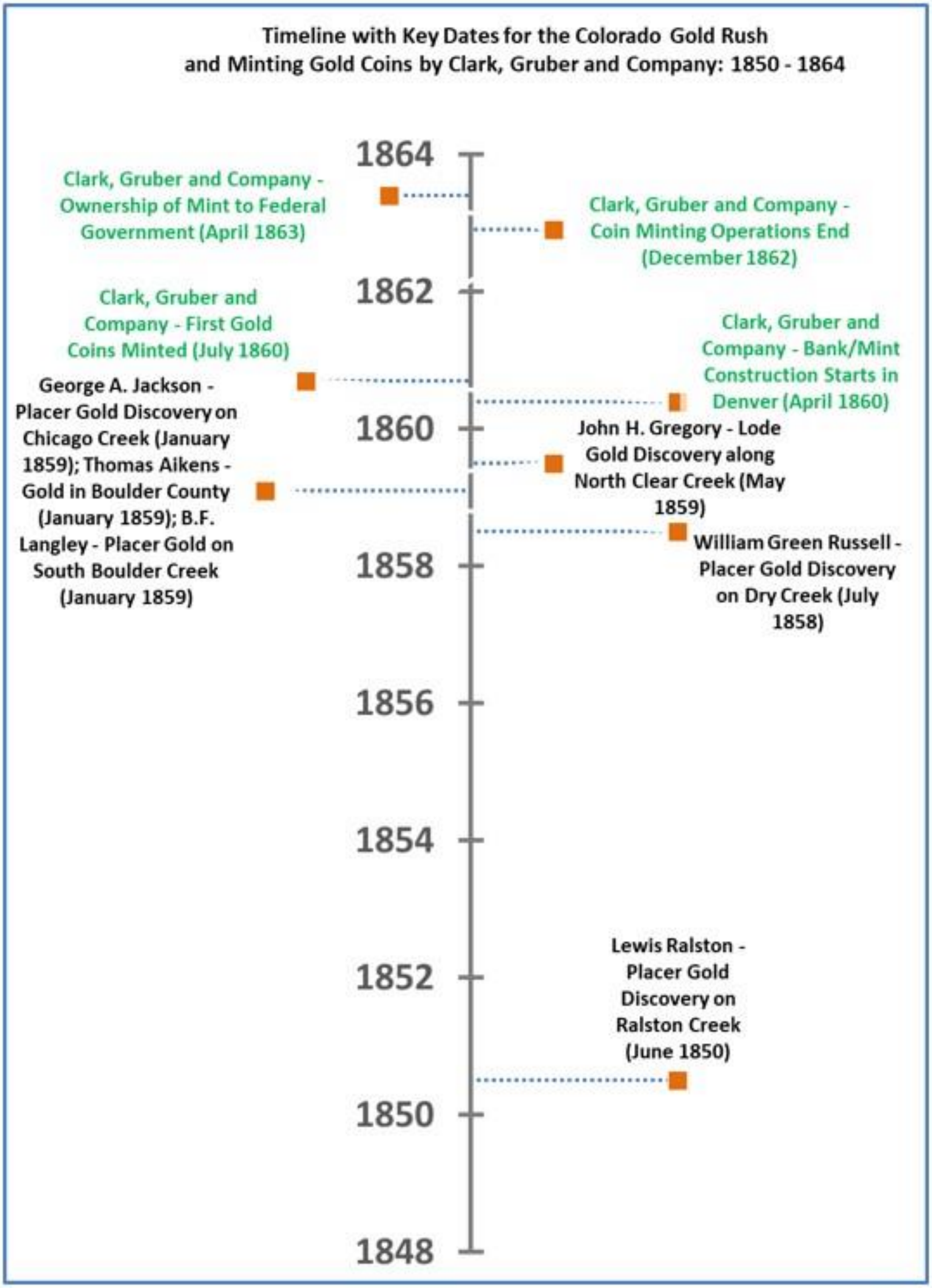
Figure 7 (right): Major gold rush trails – Santa Fe, Overland, Starvation - used by gold-seekers and pioneers coming west. Credit: Raines – Pettem Collection.



Early Cries of Gold Rush "Humbug" and "Fraud" Were Quickly Silenced

In the summer of 1858, the Russell brothers—William Green, Levi, Oliver and John, along with promoter John Beck and a party of Cherokee prospectors from Georgia, reached Ralston Creek in present day Jefferson County, where they found placer gold. They then headed south along the South Platte River, past Cherry Creek and on to Little Dry Creek in present-day Englewood, where they found paying deposits of placer gold. Later in 1858, hundreds of other gold-seekers followed, leading to the establishment of several settlements including Auraria, Denver City, and Golden. People were starting to believe there were golden riches to be found (History Colorado 2023).

Figure 8 (above): This might be the earliest known photograph of Denver City (probably showing the Larimer Square area) circa 1860. Credit: Denver Public Library Western History Collection.



Graphic with Timeline of Selected Key Dates for Discoveries in the Colorado Gold Rush and Coin Minting Operations of Clark, Gruber and Company.

William "Green" Russell and Brothers - The Colorado Gold Rush Was On!

William Green Russell (1818 – 1877) was born in South Carolina but spent his childhood in the Cherokee country around Dahlonega, Georgia, site of one of the few significant gold rushes east of the Mississippi. Gold in California sent him across the continent in 1849, panning a little gold along the way in the Sweetwater River, in present day southwest Wyoming. Born under the proverbial "wandering star", he was home again in Georgia by 1852.

In early 1858, there were several parties of prospectors being organized back east to travel west to the rumored gold fields in the Pike's Pike region. Through their connections with Cherokees of California Forty-Niner fame, Russell and promoter John Beck learned of the 1850 gold discovery at Ralston Creek, in present day Jefferson County.

- In mid-February 1858, Russell's party was travelling to the Rocky Mountains via the Santa Fe Trail (see Figure 7) along the Arkansas River to the Cherokee Trail. The so-called Russell Party left from Georgia under the leadership of Russell and included his brothers – Levi, Oliver and John. The party would join up with other would-be prospectors, including Kansas farmer and future Pikes Peak gold-rush author Luke Tierney.

- Promoter John Beck also left with a group of Cherokees familiar with the work of the prospectors who made the 1850 discovery on Ralston Creek. The Beck party included George Hicks, a lawyer and former war chief, who was credited with once having saved the life of Andrew Jackson.

- At about the same time, John Easter, a butcher from Lawrence, Territory of Kansas, had organized a third prospecting party that would also travel on the Santa Fe Trail up the Arkansas River. Easter's motivation was reportedly from a Delaware Indian named Fall Leaf who had been released from duty as a scout with the U.S. First Cavalry in the fall of 1857. Fall Leaf reportedly carried with him a small handkerchief filled with gold nuggets, which he had found on a summer expedition not far from Pikes Peak.

Russell's party would find a paying placer gold deposit at the mouth of Dry Creek yielding about 20 troy ounces (600 grams) of gold – the first reported significant gold discovery in the Rocky Mountain region.

The Russell, Beck, and Easter parties would meet during their travels along the Arkansas River and combine forces. Russel and Beck, upon reaching Bent's Fort near Lamar, traveled northwest arriving at the confluence of Cherry Creek and the South Platte on May 23, 1858. The site of their initial gold prospecting is in present-day Confluence Park in Denver. After locating a few paying deposits of gold, word of this success spread to the Easter party prospecting near Pikes Peak. The Easter group subsequently joined the camp of Beck and Russell. This group, reportedly known as the Cherokee-Russell party was made up of more than 100 men from various points of origin (Abbott et al 1994; Hall 1889; Hafen 1941; Raines 1997; Spencer 1966).

Figure 9 (right): William Green Russell 1818-1877. This rare photograph was reportedly taken by Reed & McKenney photographers in Central City, Territory of Colorado. Date unknown.

By June 1858, the weather was reportedly very hot and additional prospecting by the Cherokee-Russell party had found no gold. Many in the party expected to find gold nuggets scattered “like hail stones all over the surface” of the ground (Tierney 1859). By July 6, 1858, most of the party headed back east to their homes and civilization, becoming known as the “go-backers”. The thirteen party members who reportedly stayed were led by William Green Russell, and included several of his family members, as well as future gold-rush author Luke Tierney. During the second week of July, the party was prospecting further up the South Platte River and found a paying gold placer deposit at the mouth of Dry Creek yielding about 20 troy ounces (600 grams) of gold, or about $10 per miner per day of work. This was the first significant reported gold discovery in the Rocky Mountain region. Two more placer gold discoveries in the area soon followed. By the time they moved on in mid-August, several hundred dollars-worth of gold had been extracted. By late August 1858, rumors of gold in the Pikes Peak region had turned into bona fide discoveries (Hall 1889; Hafen 1941; Raines 1997; Spencer 1966).

A few prospectors would soon realize the key to securing wealth was not to pan for gold where creeks came out of the mountains, but to find the source of gold in the mountain sides.

During late July 1858, while these placer deposits were still being worked, the Russell party was visited by a trader and former mountain man from Fort Laramie, Wyoming Territory, named John Cantrell. When he left the camp after a stay of nearly a week and headed back East, Cantrell took some gold and a sack of gold-bearing sands with him. At a public display in Westport, Kansas Territory, Cantrell reportedly panned out his sack of sand in a horse watering trough located across the street from the newspaper *Kansas City Journal of Commerce*. The sand yielded “color” and he recovered around 25 cents worth of gold to the pan - this would equal roughly $4 to $5 at today's gold prices. Cantrell claimed that men from his party made $1,000 each in 10 days of panning (Robins, 2012). No surprise, the claims were wildly exaggerated. The August 26, 1858, issue of the *Kansas City Journal of Commerce* was the first to publish the story of the gold discoveries by the Russell party. Reports of western gold riches would spread eastward from the Pikes Peak region through reprints in the big city newspapers and by word of mouth. Frontier newspapers back in the Missouri River Valley picked up stories, embellished and fabricated content, making the modest finds of placer gold into true bonanzas (Hall, 1889; Hafen,1941; Raines,1997; Spencer,1966). The Colorado gold rush was on!

In November 1858, at the confluence of Cherry Creek and the South Platte River, Green Russell and his party of Georgians established the new settlement of Auraria. (Named after their home turf of Auraria, Georgia.) Early small mining camps like Montana City, “the old Mexican Diggings” and Placer Camp had already existed and disappeared along the South Platte near the present-day Overland Golf Course. The Russell brothers and partner John Smith built a cabin at what is now 11th and Wewatta (near present-day Ball Arena in downtown Denver), “a rough affair, of good size and with a shed roof covered with canvas,” according to author J. C. Smiley. An estimated 300 people lived in the area by December 1858 (Smiley 1901).

As 1858 was ending, a flood of gold-seekers was expected for the spring of 1859. Placer gold had been discovered at several locations and settlements had been laid out. The Santa Fe, Platte River and Cherokee Trails had been mapped and described by guidebook writers Billy Parsons and William Hartley.

In May/June 1859, Green Russell was drawn to the nearby Front Range mountains by the discovery of gold in Gregory Gulch between Central City and Black Hawk. He discovered placer gold deposits in May/June 1859, in another valley a short distance to the southwest of Gregory Gulch – a gulch of rich placer gold that was soon named Russell Gulch in his honor.

These early gold prospectors had no thoughts of building a town in Russell Gulch. Their aim was just to quickly earn money and go back to their homes. They pitched tents or erected crude shanties. But by the end of September, even with the crude abodes, it was starting to resemble a town (McDonald 2019).

Before winter 1859 ended, Russell reportedly had accumulated gold valued at $21,000 and gold production was averaging $35,000 per week (Brown 1994; Morgan 1941).

Some sources say placer gold mining in Russell Gulch was relatively short lived - five or six years, possibly less (Brown 1994; Osterburg 1991). This is not surprising since surface gold is generally sparse and more limited in volume than lodes with subsurface gold. Even though Osterburg (1991) states that a portion of Russell Gulch may have been worked every summer until 1875, and in 1876, four different companies planned to continue placer mining operations, most of the area's gold placers were exhausted as early as 1863.

Figure 10 (above): Colorized image of hydraulic placer gold mining at Russell Gulch near Central City circa early 1860's. Credit: Western Mining History Association.

What happened to William Green Russell after his discovery of gold in Russell Gulch?

After serving in the Confederate armed forces during the Civil War, Russell returned to Colorado but was not as successful at mining as he was previously. After the death of his son John, in a mining accident in 1874, he sought to purchase land in the Indian Territory (much of which is present-day Oklahoma). He settled in Indian Territory but was contemplating a return to Georgia when he became ill and died in 1877 (Wikipedia 2023).

The Gold Rush Moves into Colorado's Front Range Mountains

Throughout much of 1858, the gold prospecting efforts were still being conducted on the plains. It wasn't until January 1859, that gold discoveries were made in the mountains. The three reported January discoveries - near present-day Idaho Springs, west of Boulder near the present-day mountain community of Gold Hill, and in South Boulder Creek - were still finds of placer gold from stream gravels. On May 6, 1859, John Hamilton Gregory from Georgia changed it all. He identified and staked claims on the source vein of the gold he found in the sands along a small stream running along the bottom of the gulch that now bears his name, in what later would become known as Gilpin County.

During the first six months of 1859, four prospectors have been credited with important early discoveries of gold in Colorado's front range mountains (Fossett 1880; Hall 1889; Hollister 1867; Raines 1997; Tailings 1986).

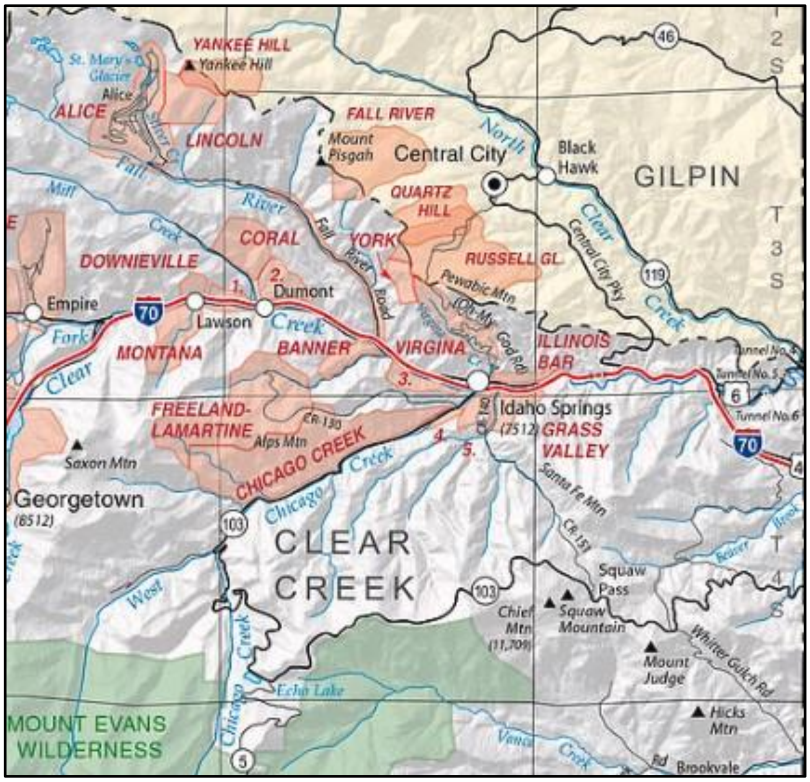
- With shovel and pan, George A. Jackson made the first discovery of placer gold along Chicago Creek on January 7, 1859, near Idaho Springs. Prospectors first congregated near the mouth of Chicago Creek, then followed Clear Creek west of Idaho Springs and worked gravel at places they named Payne's and Spanish Bars. By May 1859, a reported 300 miners were recovering placer gold in the area primarily with methods more efficient than pans, namely rockers and short sluices.
- Discoveries in Boulder County were prominent in the early history of the gold rush. Thomas Aikens led a group of prospectors in Boulder County and reportedly made the second front range gold find on January 15, 1859. In late January,1859, B.F. Langley reportedly discovered and produced gold in placer and bar-diggings in South Boulder Creek in the foothills of Boulder County. The creek's worksite was full of fallen timber and became known as the "Deadwood Diggings".
- John H. Gregory would soon follow with the first lode gold discovery in the Rocky Mountains. This would be made in Gilpin County, between present-day Central City and Black Hawk, in what would be named Gregory Gulch.

George A. Jackson and Chicago Creek

The citizens of Auraria and nearby settlements began to scatter out in search of gold. Many decided that Clear Creek, or the Vasquez Fork of the South Platte as it was known then, was probably the most promising area. On Ralston Creek, a small tributary of Clear Creek, payable gold deposits were worked. The creek's bars were masses of variable-sized boulders, and soon it was observed by prospectors that the gold often occurred in scales, similar to flattened shot. They began to speculate the gold and boulders were transported by water from sources in the nearby mountains (Hollister 1867).

Twenty-four-year-old George Andrew Jackson (1836 – 1897) discovered placer gold near the present-day site of Idaho Springs on January 7, 1859. Jackson was reportedly the cousin of the famous fur trapper, wilderness guide, and U.S. Army officer, Christopher "Kit" Carson. After unsuccessful stints looking for gold in California, Cherry Creek, and the Cache la Poudre River, Jackson moved up the Vasquez Fork of the South Platte (now known as Clear Creek) in late 1858. Near the present City of Golden, he set up a temporary winter camp with Tom Golden - the present-day city of Golden being his namesake. Jackson and his party soon headed west into the mountains prospecting the headwaters of Clear Creek (Jackson 1858; Hall 1889; Raines 1997).

Figure 11 (above): Photograph of George A. Jackson. He was born in Glasgow, Howard County, Missouri, July 25, 1836, and would play an important role in the history of the Colorado Gold Rush. Unknown photo source and date.



Jackson understood that the gold found in streams on the plains came from sources up in the mountains – something that seemed to elude many other prospectors. Farther upstream, reaching the mouth of what is now known as Chicago Creek near Idaho Springs, he set up a new winter camp. In early January 1859, according to popular legend he dug out some frozen sand, panning it with his drinking cup. Jackson had to expend considerable effort to uncover the deep gold-bearing layers of sand and gravel, but eventually found gold. He panned out almost one-half ounce of gold, including a small nugget. Satisfied that Chicago Creek showed promise, Jackson filled in his diggings, burned a large fire over the diggings to help hide them, and headed back down to the plains. He made plans to return to the area in the spring (Jackson 1858; Hall 1889; Raines 1997).

Figure 12 (above): Map showing the locations of Chicago Creek (central portion of map), North Clear Creek (upper right), relative to present-day Idaho Springs, Central City, and Black Hawk. Credit: Colorado Geological Survey, Mining District Map of Clear Creek and southwestern Gilpin counties.

On April 17, 1859, George Jackson and some new recruits set out for his discovery site with several wagonloads of supplies. They had to build an access road to the site as they went along. An arduous trip to say the least. The wagons had to be unloaded and partially disassembled several times to navigate around obstacles. On May 1, Jackson reached the site and named it Chicago Creek (Jackson 1858; Hall 1889; Raines 1997).

It wasn't long before placer gold operations were found all along Clear Creek and its tributaries.

Figure 13 (left): A placer gold miner pans at the mouth of Chicago Creek near present-day Idaho Springs, where George Jackson first found placer deposits in 1859. Jackson's discovery began the gold rush to the Clear Creek drainage. Although the miner and his camp are typical of prospecting during the 1860s, the photo dates to the 1890s. Credit: Denver Public Library Western History Collection.

Lumber from their disassembled wagons was used to make sluice boxes to recover gold. Within a week, Jackson et al had reportedly recovered $1,900 worth of gold (about 92 troy ounces). The discovery site was called the "Jackson Diggings". Jackson's party had the valley to themselves for several weeks, until Jackson went down to Auraria to purchase supplies. He had to pay for the supplies with newly found gold. Information about a guy with a lot of gold soon spread and large numbers of prospectors were quick to start exploring the Chicago Creek area looking for their own riches. It wasn't long before gold placer operations were found all along Clear Creek and its tributaries. The gold rush was moving into the front range mountains (Jackson 1858; Hall 1889; Brown 1985).

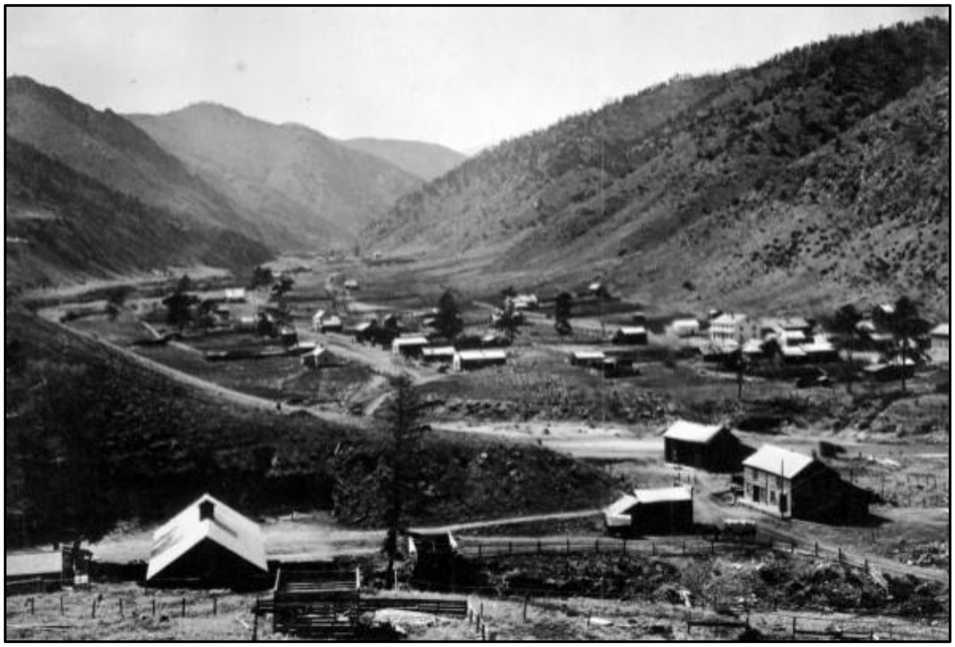


Figure 14 (left): Old photograph of Idaho Springs, originally known as "Idahoe". The town became the most important settlement in the eastern Clear Creek drainage during the 1860s. When this view looking west was taken in the mid-1860's, the area was in transition from placer gold to hardrock mining. Since industry was not ready to support major growth at the time, the town remained small. Credit: Denver Public Library Western Historical Collection.

What happened to George Jackson after Chicago Creek?

After mining at the Jackson Diggings for months, he sold his claim to the Chicago Company and went down to the plains to the new town of Golden. In spring 1860, Jackson went to California Gulch (near present Leadville), where he remained until the spring of 1861, when he returned to his home in Missouri.

He reportedly enlisted in the Confederate army, fought under Generals Jackson, Shelby and Bankhead, and rose to the rank of Lieutenant Colonel. After the war, he returned to Colorado and again engaged in mining. In 1888, he settled in Ouray County and became owner of several mines. Jackson died on March 13, 1897, reportedly from an accidental discharge of a gun (Colorado Magazine 1935).

Mining Is a Tough Endeavor – "Boom and Bust"!

Because of difficult working conditions, it was reported that many miners soon opted to work less productive gold deposits found along valley sides and stream tributaries, staying away from the fast-moving streams. Mountain placers could require difficult labor in fast-moving, frigid water to get to the lower gravel levels where gold accumulated. Usually, placer deposits were comprised of variable-sized gold particles that weathering dislodged from veins in rock. Over long periods of time, this material would be washed into the nearest drainage course, where it accumulated in the lower layers of gravel and sand along the underlying bedrock. Placer deposits in main valley floors like Clear Creek, required digging down as much as twenty to thirty feet more in depth than in tributary drainages to reach the gold riches. Because of this, miners had to manually remove large quantities of non-gold bearing overlying gravel and sand, then move the underlying auriferous material to cradles and sluices to separate the gold, all while working in very cold stream water.

By March 1859, thousands of gold seekers, encouraged by reports of golden riches to the west, and experiencing bad crops and pressure of financial debts at home, were gathering in towns along the Missouri River in areas of present-day eastern Kansas and western Missouri for the trip west. It was reported that for $600 - half a year's pay for a store clerk - they could buy three yoke of oxen, wagons, tools, tents, flour, bacon, and coffee for four people at "Pikes Peak Outfitters". In April 1859, newspaper editors in major Missouri River towns reported the passage of forty, seventy-five, or even up to 100 wagon teams per day heading to the Pike's Peak region (History Colorado 2023).

During the spring of 1859, newspaper editors back east were starting to observe and write that no shipments of gold had yet materialized from seekers who had wintered on the South Platte River. The first newspaper articles about the so-called "go-backers" were being published. These were stories of the many unsuccessful and disillusioned prospectors who had reached the South Platte settlements, looked for gold, gave up and went back east.

Figure 15 (above): Image portraying the difficult life of mining. Printing by Quirot & Company, San Francisco, CA, circa 1850.

It's estimated that eventually, as many as 100,000 would-be gold seekers began the trip westward during the Colorado Gold Rush, many believing it would take only days to become wealthy. An estimated 50,000 reached the gold diggings on the South Platte – the rest turned back. Of those reaching the South Platte, another 25,000 soon joined the ranks of the "go-backers". The 25,000 gold-seekers who stayed would build what would become the State of Colorado (Hollister 1867; Hall 1889).

By May 1859, Denver and the surrounding gold region had reportedly lost a large portion of its population. The gold rush area was already enduring a cycle of resource "boom and bust". While tens of thousands of gold seekers gave up and traveled back east across the plains, other seekers fixed their sights on new gulches and gold sources along and in the Front Range.

It was some timely publicity and a gold discovery located between Central City and Black Hawk in present-day Gilpin County, that helped recharge the Colorado Gold Rush. Lode gold, or gold extracted from veins in rock, would start to take center stage. On May 13, 1859, residents and gold-seekers in the South Platte region were amazed by a display of eighty dollars' worth of gold found about a week earlier along the North Fork of Clear Creek. A Georgian named John H. Gregory had discovered gold from veins in rock. The discovery area became known as the "Gregory Diggings" in Gregory Gulch. By early summer, gold fever was again ramping up!

John H. Gregory and the First Discovery of Lode Gold in the Rocky Mountains

Gold, and gold alone, drew the attention of miners in the Clear Creek drainage during the rush. While most prospectors focused on placer deposits, a small proportion of miners would start the search for the sources of placer gold – the hardrock veins in the mountains.

On May 6, 1859, just as the Colorado Gold Rush was being declared dead, John Gregory staked a gold discovery claim near the North Fork of Clear Creek between what is now Black Hawk and Central City. The news reached Denver and by early June, the wooded slopes of the gulch named after Gregory, reportedly sheltered a population of 4,000 or 5,000 gold-seekers that slept in crude tents or lean-to shelters of pine boughs. For a short time, five hundred newcomers were arriving daily in Gregory Gulch. They dug test holes, cut down tall conifers, and generally left a barren landscape in search of paying gold deposits. This boom in the population of Gregory Gulch quickly plummeted when it was discovered that much of the gold was contained in quartz, making it difficult to extract and refine. Despite the extraction and refining problems, prospectors in Gregory Gulch reportedly mined more than $1.5 million in gold in 1859 (History Colorado 2023).

"A ravine two or three miles in length – and in it and on its bordering hills, have struck the heart of as rich and extensive gold, silver, and copper mines as are known in the world, is indeed marvelous."

Quoting O. J. Hollister, 1867. Author of "The Mines of Colorado" describing the Gregory Gulch area.

Of John H. Gregory, not a lot is known. He was from Gordon County, Georgia, and left home in 1857 for the Frazier River in the Pacific northwest. He was an experienced gold miner in Georgia and was waiting out the winter of 1858-59 at Fort Laramie. He heard news of the gold discoveries along the tributaries of the South Platte and decided to head south to Pikes Peak country in early February 1859. Along the way, Gregory panned each creek flowing out of the mountains but found nothing "warranting a prolonged stay" (Villard 1860; Hall 1889; Hollister 1867; Raines 1997).

Figure 16 (right): Picture of placer mining operation in Gregory Gulch circa early 1860's. Credit: Western Mining History Association.

Until he reached Clear Creek, then known as the Vasquez Fork of the South Platte River, Gregory planned to thoroughly prospect wherever the creek forked and to follow the most promising tributary upstream. He implemented classic prospecting methods. He panned his way for about 14 miles upstream along Clear Creek Canyon to where the creek diverges into the south and north tributaries several miles east of Idaho Springs. He opted to prospect the North fork (now known as North Clear Creek) (Hollister 1867; Hall 1889).

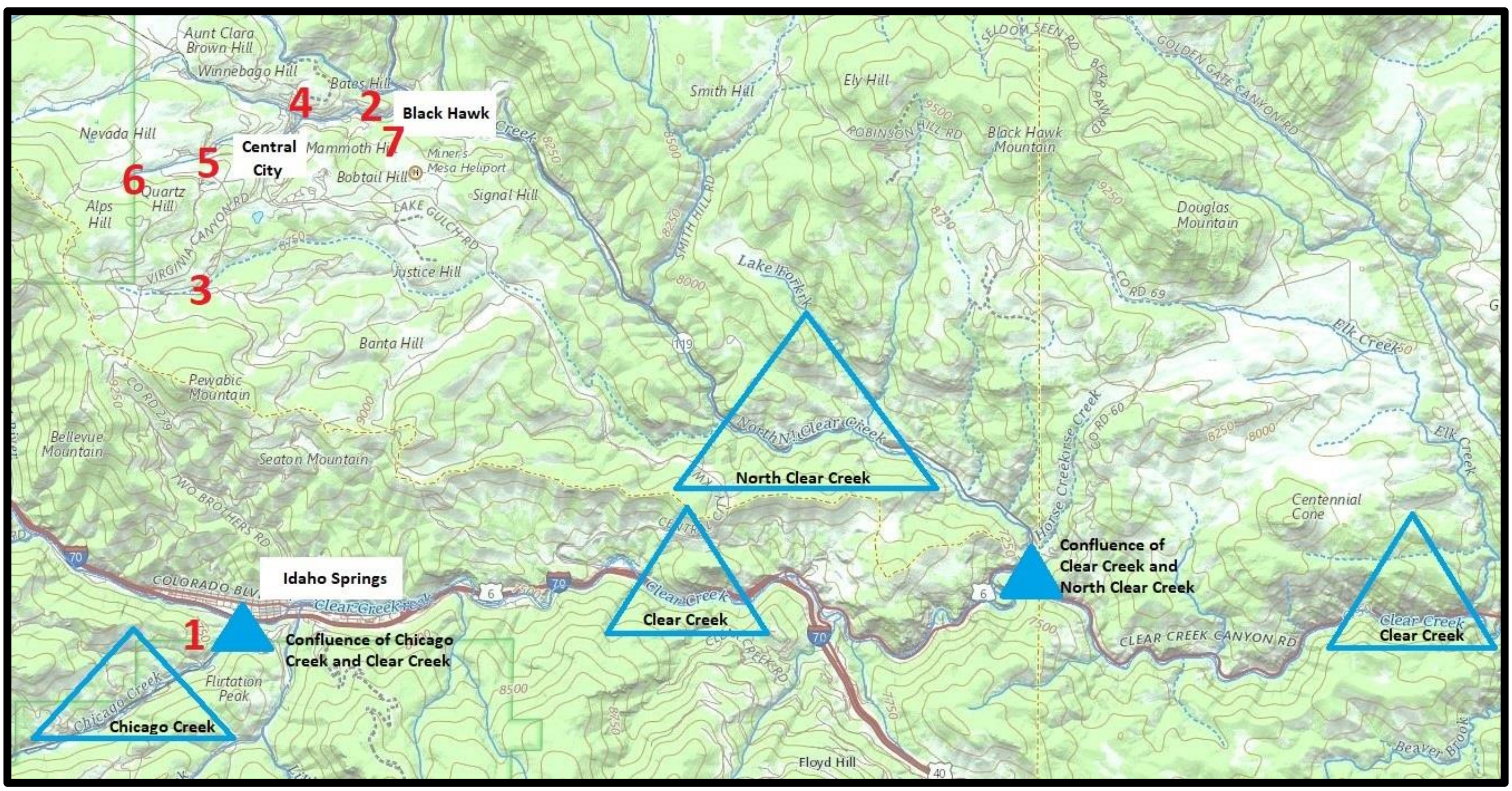


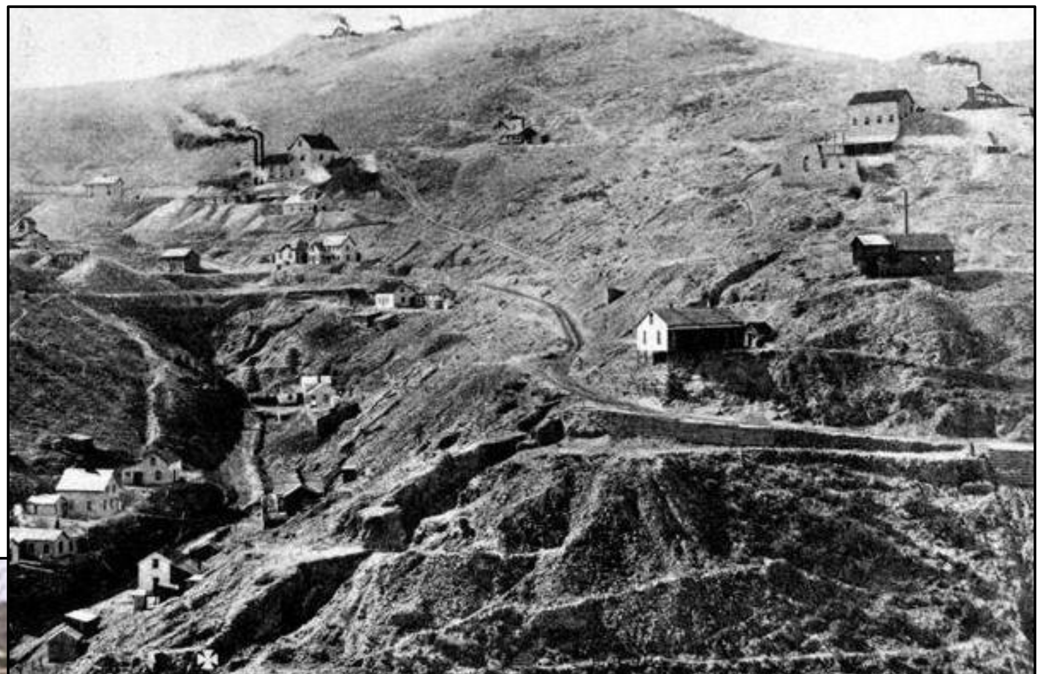
Figure 17 (above): Map of northeastern Clear Creek County and southwestern Gilpin County showing important placer and lode gold mining areas during the Colorado Gold Rush around what would become Central City – Black Hawk and Idaho Springs. These areas include: 1 – Chicago Creek, 2 – Gregory Gulch – first lode discovered in May 1859, 3 – Russell Gulch, 4 – the Bates lode, 5 – Gunnell lode, 6 – Kansas-Burroughs lodes, and 7 – Bobtail lode. Blue triangles designate major water courses. Modified by author from U.S. topographic maps of Gilpin and Clear Creek counties, Colorado.

At this point in the prospecting, Gregory had to temporarily abandon his efforts because of heavy spring snow. He returned to the small settlement of Arapaho (east of South and North Table Mountains along Clear Creek) to stock up on provisions, without pinpointing the source of gold.

Reprovisioned, he soon returned with several men to the site of his recent prospecting. He quickly identified the vein or lode that was the source of gold – his first pan reportedly yielded one-fifth ounce of gold. On May 6, 1859, he staked the discovery claim, which would become known as claim number five on the Gregory lode, between the present sites of Black Hawk and Central City. See Figure 17. Gregory soon staked claim number six above his discovery, and a prospector- companion – Wilkes DeFrees, of South Bend, Indiana – staked claim number four, immediately downhill from the discovery. Other members of his party staked claims on nearby veins/lodes. Mining started in earnest with sluices returning about four to five ounces of gold per day. Several hundred miners made their way into the gulch within weeks (Hollister 1867; Hall 1889).

Other valuable veins of gold were being found in the North Clear Creek area. On May 15, 1859, the Bates was discovered, and on May 25, the Gunnell, Kansas, and Burroughs veins were found. The Bobtail was discovered in June (Sims et al 1963). See Figure 17.

Figure 18 (right): Picture showing the Gregory lode and part of Central City circa mid-1860s. The vein was mined from the surface creating the open cut running diagonally from the lower left up the hill. Several shaft houses are situated along the vein, and the small cross near the bottom-left of the photograph marks the location of Gregory's discovery. (Raines-Pettem collection)



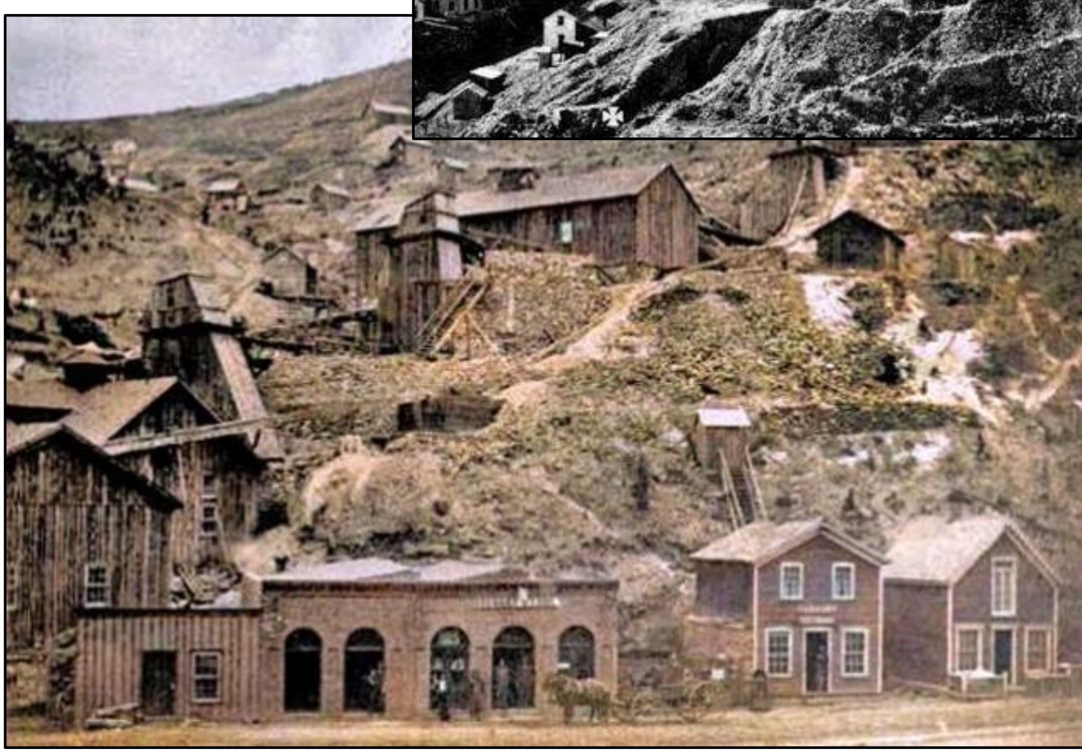


Figure 19 (left): Colorized, later (circa 1879) image originally taken by W.H. Reed looking toward businesses and mine buildings on a hillside in Gregory Gulch in Central City (Gilpin County), Colorado. Note people in the arched doorway of the Gregory Store beside a horse-drawn wagon for scale at bottom of image. Credit: Original image at Denver Public Library Archives and Collection.

Numerous reports in newspapers about these new gold discoveries quickly reignited the flames of the rush. William Green Russell wrote home to the editors of the Dahlonega, Georgia, *Mountain Signal* to describe events in the nascent mining districts of Colorado (Spencer 1966). William N. Byers, editor of the *Rocky Mountain News*, was impressed by two large gold masses shown to him by John Gregory himself, recovered through the metallurgical process of early placer-mining operations (Byers 1859). Henry Villard, of the *Cincinnati Daily Commercial*, interviewed Gregory and a glowing report was issued on June 6 (Villard 1860). Horace Greeley of the *New York Tribune* and A. D. Richardson of the *Boston Journal* arrived in Denver City in early June. Greeley and Richardson toured the Gregory diggings, with each journalist reporting individually on the rush. They also filed what came to be known as "Greeley's Report" – a joint statement confirming gold in the area, listing names of various claim holders, and providing some production figures. This report was soon carried by many newspapers in the country and likely had a lot to do with discrediting the often-heard cries of "humbug" and "fraud", still associated by some with the Pikes Peak gold rush (Greeley 1860; Hollister 1867).

In late summer 1859, Gregory reportedly sold his two claims to E. W. Henderson and A. Gridley for $21,000. The payment from Henderson and Gridley was made in a simple way. Initially, the gold veins found were exposed and the resultant weathering made the quartz fill friable and easy to run through sluices. For payment, oxidized vein material was dug out by miners and crushed, then carried down to the nearby creek, and run through a sluice box. This method commonly enabled four or five miners working together to produce four to ten ounces of gold per day for weeks from many of these newly discovered veins (Henderson 1926). Before the autumn of 1859, Gregory received his payment for the claims. Gregory departed from Colorado with this $21,000 payment and some gold he had acquired through other prospecting and mining operations.

What happened to John H. Gregory after he left Colorado?

Information sources about the Colorado Gold Rush typically state that Gregory left Colorado and disappeared from history. Recently uncovered information indicates that Gregory returned to his home state of Georgia and when the Civil War started in 1861, joined the Confederate armed forces (66th Infantry, GA). He was captured by Union forces and died on January 22, 1865, of dysentery in a prison camp (Camp Morton) in Indiana (Crown Hill 2012; Raines 2023).

Confederate Soldiers and Sailors Buried at Crown Hill Cemetery, Lot 32. Rev IV, 12/2012

GREEN, Isaac S. L, 58th Inf. Feb. 13, 1865 NC
GREEN, John E. H, 25th Inf. Dec. 19, 1863 AR
GREEN, O. G. B, 26th Inf. Mar. 21, 1862 MS
GREEN, R. S. C, Cooper's Inf. Jan. 18, 1864 TN
GREEN, William R. H, 25th Inf. Feb. 9, 1864 AR
GREGG, J. P. I, 60th Inf. Jun. 23,1863 TN
GREGORY, H. C. D, 21st Cav. Jan. 1, 1864 TX
GREGORY, John. H, 66th Inf. Jan. 22, 1865 GA
GRIFFIN, Ebenezer. H, 4th Inf. Oct. 13, 1863 GA
GRIFFIN, Ira W. I, 4th Inf. Jul. 6, 1862 MS

Figure 20 (above): Partial list of Confederate soldiers and sailors buried at Crown Hill Cemetery, Indianapolis, Indiana, (from the Union prison camp - Camp Morton, Indiana) showing the name of John H. Gregory (66th Infantry, GA), who died on January 22, 1865.

Developing Towns as Commercial Centers to Support the Gold Rush

As prospectors streamed into Gregory Gulch in search of gold, small crude mining camps were established up and down the valley. The camp nearest to the Gregory find was originally called "Gregory's Diggings", but later was named Mountain City. At the upper end of the valley about two miles to the southwest, what would become the famous gold discoveries of Quartz Hill (e.g., Patch "Glory Hole" Mine), led to the start of nearby Nevada City, later known as Nevadaville. See Figure 17. By the fall of 1859, the new settlement of Central City was being established between Nevadaville and Mountain City. Soon Central City began assuming the role as the regional commercial and communication center and would become the county seat when Gilpin County was formed in 1861. Central City would later arguably become the most important town in the Territory of Colorado (History Colorado 2023; Twitty 2014).

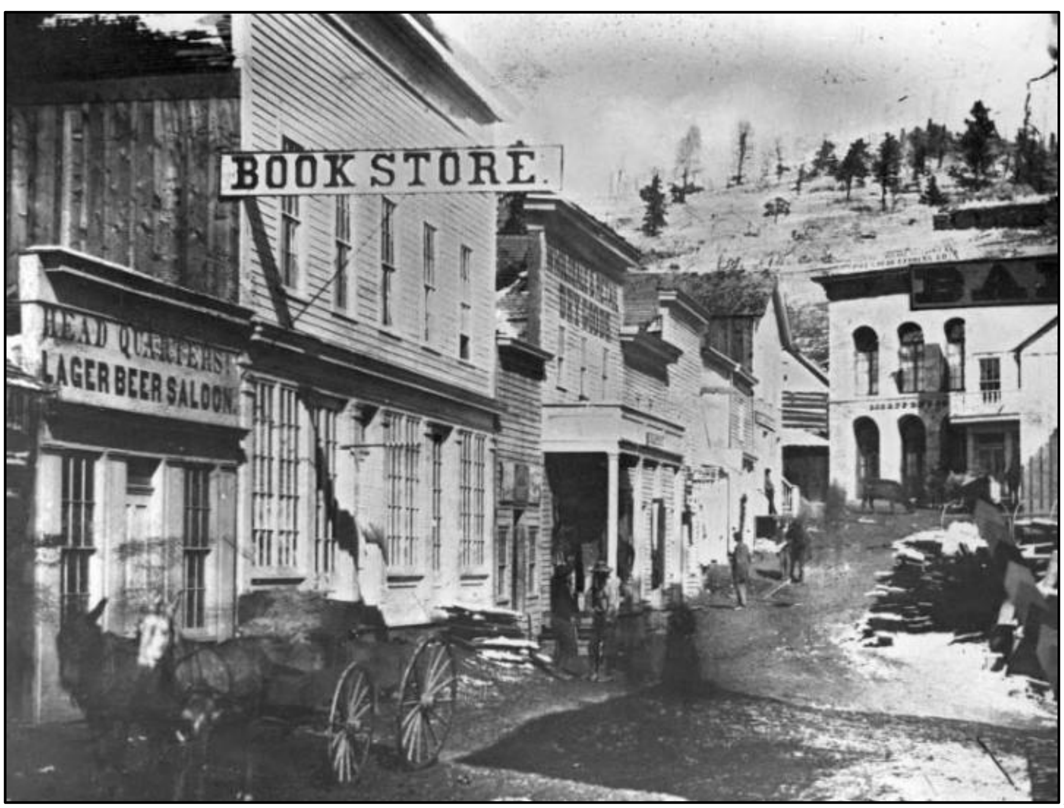
To better meet the needs of miners and communities, and to stimulate commercial transactions and ensure profits, businesses soon realized they needed a way to convert the flood of gold dust and nuggets into a dependable, regulated form of actual money. Money and sound financial policies are indispensable keys to supporting society, culture, and the way of life of a particular area. This included the Colorado Gold Rush.

With its relatively flat land and downstream location from many gold deposits on North Clear Creek, the settlement of Black Hawk would quickly develop into the hub for processing and transporting ores from the area's mines. In the spring of 1860, migrants from Illinois built a facility that crushed ore to extract gold and other metals – called a stamp mill - where Gregory Gulch met the North Fork of Clear Creek. The mill was established by the Black Hawk Quartz Mill Company. The location was soon called Black Hawk Point and later became known as simply Black Hawk (History Colorado 2023; Twitty 2014).

In 1860, other crude prospectors' settlements began evolving into roles as local commercial and communications centers, including: Nevadaville, Idahoe (Idaho Springs), Downieville, and Valley City (Empire). Residents formalized the largest settlements as townsites with grids and blocks, and entrepreneurs started to establish needed businesses to fill the needs of local miners and communities (Twitty 2014).

Central City and Black Hawk would boom for about five years after 1859. The area and its mineral resources would become known as the "richest square mile on earth."

Figure 21 (right): Main Street in Central City 1862. Central City began assuming the role as the regional business and communication center and would become the county seat when Gilpin County was formed in 1861. Credit: Western Mining History Association.



Commerce in Colorado’s Gold Rush

The Frederick R. Mayer collection of gold coinage, of which some of the best examples are on display at the Mines Museum of Earth Science, is the finest and most comprehensive group of Colorado gold coins in existence that was minted during the so-called territorial period.

During the early 1860’s, what would become the Territory of Colorado, was the last gold mining region in the United States where it was still legal to mint pioneer gold coins (Frajola 2023). In the United States prior to the Civil War, most privately minted gold coins were issued in association with discoveries of large gold deposits. Beginning with discoveries of gold in Cabarrus County, North Carolina (1799) and Dahlonega, Georgia (1829), millions of dollars-worth of gold coins in denominations ranging from a quarter dollar through $50 gold slugs were produced by private minters. In some regions of the United States, privately issued gold coins were more readily accepted than federal currency (Frajola 2023).

Early Sellers of Goods and Services to Miners Got to Do the “Pinching” of Gold

The rich Colorado Gold Rush discoveries in the spring of 1859 brought about a new medium of exchange – gold dust. Following the gold discovery in Gregory Gulch, the valleys of the Central City-Blackhawk area were overflowing with throngs of prospectors who claimed everything but the proverbial kitchen sink. But those bereft Fifty-Niners who found gold in Colorado still didn’t have any money or legal tender with which to buy food, supplies, shelter, or possibly go and have an adult beverage or two or three in a saloon. By necessity, a barter system based on pinches of gold dust soon became the medium of commercial exchange.

Using a couple of fingers on one’s hand as the instrument of measure, a large pinch of gold dust from a miner’s poke equaled around 1/20 of a troy ounce. With the statutory price of gold set at $20.67 per ounce, a pinch generally equaled about one dollar. Smaller pinches of gold were used to make change - the “standard” small pinch would be worth about 25 cents. Everything from selling bacon, sacks of beans, to shots of booze, was conducted with pinches of gold. The sellers of the goods and services, not the miners, got to do the pinching of gold. Well, it didn’t take long before it became obvious that a less than honest nature, or just a big fat thumb could make a lot of business deals a seller's market (Raines 2017). The merchants often gave themselves the advantage in transactions of this kind, but in all fairness, the miner could have a fair percentage of foreign metal, such as brass filings, mixed with the gold dust (Mumey 1950).

Early Money Exchanges

The increasing number of new gold discoveries and the amount of gold cascading into the market created a need for a better way of handling the raw gold used in business transactions. Even though individual commercial transactions were usually implemented with pinches and ounces of gold, businesses were soon having to manage gold in the amounts of ounces and pounds. Businesses soon realized they needed a way to convert the gold dust into a dependable, regulated form of actual money or coinage. They first turned to banks located in towns on the established trails to the gold fields, such as Leavenworth, Kansas; St Joseph, Missouri; and Santa Fe, New Mexico. But these banks found themselves being asked to exchange actual money for forms of gold that were not even "pure gold" (Raines 2017).

Assaying the value of gold dust was necessary to determine an equivalent value of gold and silver coins in return for the dust. This led to the establishment of banking businesses in Denver. The early businesses that transacted these exchanges with the miners were more in the nature of brokers (Mumey 1950).

Among the first brokers in Denver to buy gold dust from the miners were Samuel and George W. Brown, who arrived in 1860. They opened an office in a log building on the north side of Larimer Street between what is now Fourteenth and Fifteenth Streets (Mumey 1950).

A PRIVATELY OWNED BANK AND COIN MINTING ENTERPRISE STARTED IN 1860, IN WHAT WAS TO BECOME THE TERRITORY OF COLORADO – CLARK, GRUBER AND COMPANY - WAS THE PREDECESSOR OF THE UNITED STATES MINT IN DENVER.

TWO OTHER TERRITORIAL COINERS OPERATED BRIEFLY DURING THE SUMMER OF 1861 - J.J. CONWAY IN GEORGIA GULCH IN SUMMIT COUNTY AND JOHN PARSON AT TARRYALL.

The company of Turner and Hobbs, acting as both brokers and bankers, also opened an office in 1860. Turner and Hobbs may be considered the first actual banking business in Denver (Rocky Mountain News, June 1860). The company was short-lived, closing in the summer of 1861.

By this time, several banking firms were already operating in Denver, including: Sahler & Company, Baldwin & Dodge, and Officer & Pusey. All these firms purchased gold dust from miners, much of which was sent off for coining, but importantly, none of these firms were equipped to mint coins (Robins 2012).

Figure 22 (left): Settlement of Tarryall, circa early 1860's, in what would become Park County. Temporary home of Gold Rush coiner John Parson. Credit: Archives of Park County, Colorado.

Banks did not want to overpay for the raw gold they would send to the U.S. Mint for coining. Based on the amounts of impurities in raw gold, a troy ounce of placer gold from the Pikes Peak region might vary in value from about $15 to maybe $19 per ounce. The $4 range in the difference between the statutory price of gold at $20.67/ounce and its actual value accounting for impurity content, could make the difference between profit and loss for banks. An assay process was needed to determine the value of the gold dust. Since the banks couldn't perform assays, an exchange of gold dust for actual, regulated money was financially risky (Raines 2017).

Into this breach would step what would become the private bank and mint of Clark, Gruber, and Company, a firm composed of brothers Austin M. and Milton E. Clark, and Emanuel Henry Gruber. The company would become the most successful and well-known private minter of coins from gold in the Pikes Peak region. It would play an important role in fulfilling the need for a dependable, regulated form of money during the Colorado Gold Rush. The firm would also establish a high reputation for honesty and fair dealings. Gold coins from Clark, Gruber and Company, would make their appearance in the territory in the summer of 1860 (Stone 1918).

The Clark and Gruber Mint produced gold coins from the raw metal in the early 1860s. This was an era when mining was the cornerstone of the regional economy and gold was coming to Denver from the many mines around the area. Consequently, Clark, Gruber and Company, was one of the few banks in U.S. history that simultaneously conducted commercial banking and gold coining operations. Their coinage became a mainstay of the Colorado Gold Rush economy.

Two Grocers from Leavenworth and a St. Louis Cashier: Clark, Gruber and Company

It was teamwork. Brothers Austin and Milton Clark settled in Leavenworth, Territory of Kansas, from Ripley, Ohio. Milton began work as a grocer in 1855. In 1857, Emanuel Gruber, originally from Hagerstown, Maryland, arrived in Leavenworth from St. Louis where he held a cashiering position with McLelland, Scruggs and Company. The Clarks were in the grocery business in Leavenworth. The town became a major jumping-off point for gold-seekers heading west, because of its advantageous location to the trails heading to the western gold fields. These gold-seekers purchased many of their last-minute provisions from the Clark Brothers' store. A business benefit of chatty prospectors coming through was that it was easy for the Clark brothers to keep up to date on the growth of major mining towns out west. With the discovery of the Jackson, Gregory, Russell, and other gold diggings in 1859, the number of people traveling through Leavenworth soared (Robins 2012). The Clarks saw a lucrative business opportunity because Leavenworth was one of the first places returning miners could exchange their gold dust for actual coin.

Figure 23 (above): Rare image of Austin M. Clark (1824 – 1877). Credit: Mumey 1950.

During the Colorado Gold Rush, when gold from Colorado's many grubstakes began flooding into Denver and other places, it was a costly and risky problem to ship gold dust.

On March 8, 1859, the new banking firm of Clark, Gruber and Company was publicly announced in the Leavenworth Daily Times (Coloradan 1893). The company soon began receiving gold from the Pikes Peak region. The dust was shipped from Leavenworth to the U.S. Mint at Philadelphia to be coined (Robins 2012). Gold shipments increased along with costs and risks, so they conceived a plan to establish a bank and mint in Denver. This would decrease costs of transportation across the plains. They saw more business opportunities as both a bank and mint enhanced by being close to the gold fields (Mumey 1950).

Figure 24 (above): Rare image of Emanuel H. Gruber (1833 – unknown). Credit: Mumey, 1950.

In the words of an elderly Emanuel Gruber in an interview with *The Denver Times* in 1904…. *"My firm was one of the heaviest purchasers of gold dust in the early days. And when we bought a large quantity of dust we had to ship it to the states to have it coined into money. This was a rather expensive proceeding, as there were only stage coaches in those days and pony express reaching this city in those days, and we had to pay 5 percent of the value of the dust as an insurance against loss in transit and another 5 percent expressage. Our dust was out of our hands anywhere from three weeks to three months, and oftentimes the cash we would have in transit would total nearly $300,000. This was considerable money to have and yet not be able to use for months at a time, so one day [late 1859] the idea struck me that the firm Clark, Gruber and Company, bankers, should also become coiners [private mint]"* (Denver Times 1904).

Gruber researched the legal topic, and after consulting with attorneys, it was decided the private minting of gold coins would be legal. In December 1859, Milton Clark traveled to New York and Philadelphia to purchase machinery, coin dies and other minting equipment (Robins 2012).

On January 18, 1860, Clark, Gruber and Company purchased three parcels of land in Denver City for $600. In April, the firm started constructing their branch bank and private mint at the corner of "G" and "McGaa" Streets (16th and Market) in Denver. The firm's Leavenworth bank would continue to operate while Gruber, Austin and Milton Clark, and L.L. Todd (construction supervisor and ex-superintendent of the Chicago Atchison Bridge Company) were in Colorado overseeing the start-up operations (Robins 2012).

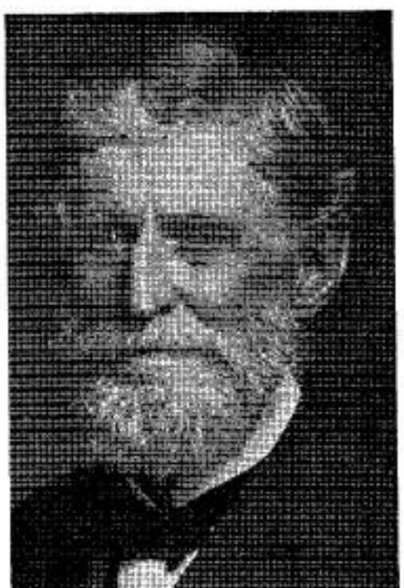


Figure 25 (above): Grainy image of Milton E. Clark (1827 – 1904). Credit: Mumey, 1950.

Gold dust and nuggets were soon flowing out of Colorado's Jackson, Gregory, and other diggings. When gold in the Gregory diggings was discovered in May 1859, a prospector reportedly could pan about 1⁄16 ounce, or $1 worth of gold from a single pan. Some miners were returning from the mountains with hundreds of dollars in gold dust and with them, the demand for more convenient and regulated coinage (Robins 2012).

Production of Gold Coins

Between late June and early July 1860, Clark, Gruber and Company struck its first trial coins in copper. See Figure 27. It's evident from the significant amount of wear on some of the surviving specimens that they were shown and passed around extensively (Frajola 2023).

July 1860 hailed the start of banking and minting operations for Clark, Gruber and Company. The coin minting operations would last about two and a half years, from about July 16, 1860, until the end of 1862. The banking portion of the firm's operation opened for business in Denver on July 10, 1860, making it one of the earliest banking houses in the Territory of Colorado (Clark and Gruber 1862).

The raw gold received from miners and brokers was coined in its native purity. In 1860, most gold from Colorado's Front Range mining areas contained only a small percentage of silver. Accordingly, very little refining equipment was needed for the company's minting process and little time and expense was required to create a precise gold alloy for coining (Robins 2012).

Figure 26 (above): Picture of the Clark, Gruber and Company bank and mint, Denver, Colorado, circa 1861. The building was a luxury for pioneer Denver. It was only two-stories tall but was built from high-quality masonry and boasted glass windows. Credit: History Colorado Library and Archives.

On Wednesday, July 20, 1860, newspaper editors and VIPs gathered and were given their first showing of the coin minting process. The building had been completed and all the equipment was in place. The private-issue gold coins were the first to be officially made of gold from the Pikes Peak region. One hundred planchets - round gold metal disks ready to be struck as coins - for $10 coins had been prepared. Their weight and fineness had been assessed to ensure the metal content corresponded with the coin's face value. Once all was ready and the equipment set in motion, the planchets were fed into the coin press. At a rate of 15 to 20 coins per minute, Clark, Gruber and Company $10 gold coins dropped out of the press machine and into a tin bucket for collection (Rocky Mountain News - July 1860).

Clark, Gruber and Company gold coins were actually worth more than their face value. After an assay of a $10 gold coin, the Rocky Mountain News wrote the gold in the coin itself was worth about $10, and the value of the silver alloyed with the gold brought the total worth to over ten dollars. Although federal law required U.S. gold coins be .900 fine, everyone overlooked this "fault" in company's coinage (Robins 2012).

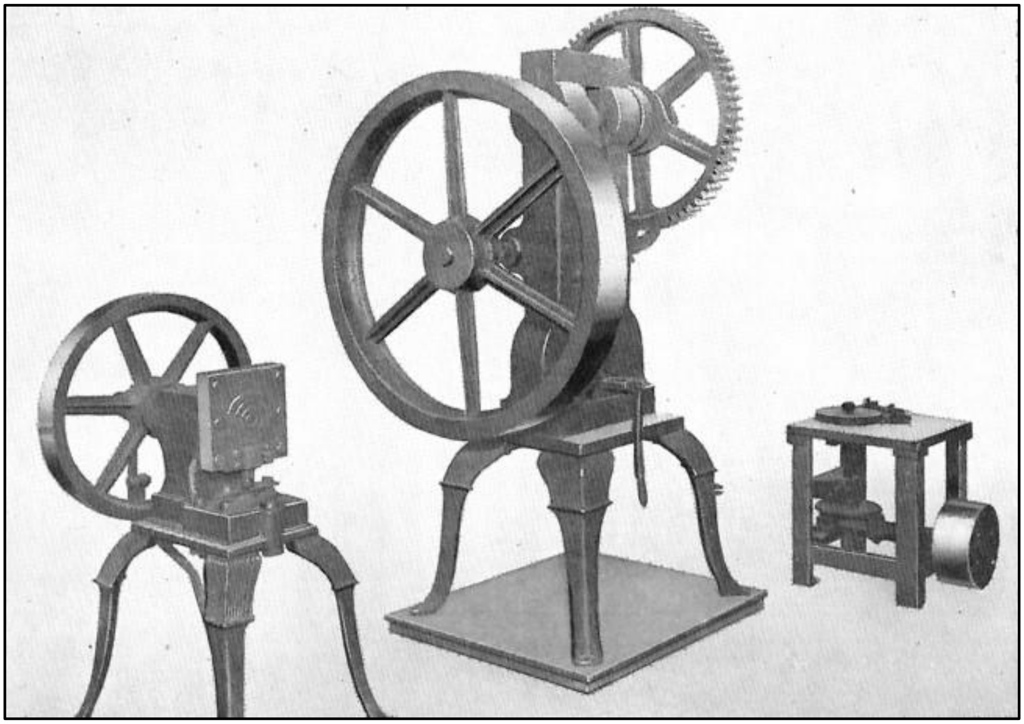
Figure 27 (above): Clark, Gruber, and Company, initially wanted their $10 and $20 gold coins to have an image of Pikes Peak. A few die trials exist that picture a very triangular mountain, including the twenty-dollar trial copper coin example shown here. Frajola, 2023.

Figure 28 (above): Enlarged images of the faces of a Clark, Gruber and Company 1860 $10.00 gold coin. The most famous of all Clark and Gruber coins is the so-called "Mountain ten" of 1860 showing a highly stylized view of Pikes Peak The mountain was triangular in shape, but more like a volcano than other coin designs. Credit: Frajola, 2023.

Figure 29 (above): Enlarged images of the faces of a Clark, Gruber and Company 1861 $10.00 gold coin. The image of Pikes Peak has been eliminated. Like other private minters, Clark and Gruber measured their coinage against the standard of the federal mint, trying to make their product look as close as possible within legal constraints. Credit: Frajola, 2023.

By October 1860, the gold coins issued by Clark, Gruber and Company, were a dominant money source for the region (Rocky Mountain News - October 1860).

Figure 30 (right): Coining and minting machinery used by Clark, Gruber and Company. In December 1859, Milton Clark traveled to Philadelphia and New York City to obtain dies and machinery. The equipment was shipped by rail to Leavenworth, Kansas Territory, then was carried in oxen-drawn wagon to Denver. Credit: History Colorado Collection and Archives.



The company would eventually produce large numbers of glimmering $2.50, $5.00 and $10.00 coins, but fewer $20.00 pieces (so-called “double eagles”). There was less demand for the double eagle. Miners coming off the front range mountains with gold dust usually exchanged it for smaller-denomination coins, because a place to sleep, some hot food, or a stiff drink, might cost only a dollar or two.

By October 1860, approximately $120,000 in Clark, Gruber and Company coins were in circulation, reportedly about six pieces for every person living in Denver at the time (Robins 2012).

By October 1860, gold coins issued by Clark, Gruber and Company, had become a dominant or mainstay money source for the region (Rocky Mountain News - October 1860). The company was coining gold dust for brokers and miners at a commission charge of five percent. October was a key month for securing raw gold for their minting. Miners would be coming down from the mountains before the onset of winter, their pokes filled with dust, many eager to turn it into coins (Robins 2012).

Although Clark, Gruber and Company purchased gold dust primarily with gold coins, it also used paper currency – checks, certificates of deposit and paper scrip. Since this paper currency was backed by gold, as well as the company’s stellar reputation, much of it circulated at par or face value. (The first federal “greenbacks” were not issued until after the passage of the Legal Tender Act on February 26, 1862.) The bank’s paper notes were reportedly of high quality. Various engravings on notes depicted western scenes, such as bison hunts. Portraits of Robert W. Steele, governor of Jefferson Territory (later named the Colorado

Territory), and William Gilpin, first governor of the Colorado Territory, were included on paper notes (Robins 2012; Heritage 2008).

Figure 31 (above): Picture of a Clark, Gruber and Company $5.00 denomination bank paper note. This denomination was reportedly the only type issued. Very few of these notes have survived, likely because they were payable at par or for face value in Clark and Gruber gold coins. When the notes were first issued, the important event was written up in *The Rocky Mountain News* of August 3, 1861. The portrait to the right is that of William Gilpin (1815 – 1894), the first governor of the Colorado Territory (Heritage 2008).

In late 1860, Clark, Gruber and Company opened a branch bank in Central City, Colorado. The Central City branch was an aggressive attempt at expansion, but when winter arrived and there was very little gold dust available from miners, the branch closed.

From July 16, 1860, to January 1, 1861, the mint's coinage value was $131,220.50. The value of gold dust purchased over the same time period was $187,604.51 on a total of 11,725.28 ounces (over 730 lbs) of gold. See Figure 33 (Weekly Commonwealth 1863).

As winter faded into spring in 1861, miners returned to the gold diggings. Gold dust again became readily available for purchase. The company also began adding more silver to the metal alloy used in their minting. The previous year's coinage was showing significant wear. The addition of silver helped compensate for the worn-off gold.

A major business adjustment was soon made by Clark, Gruber and Company in their gold coin production. In the words of an elderly Emanuel Gruber for an interview with *The Denver Times* in 1904…

"In 1860, we coined only $10 and $20 gold pieces. We made them of virgin dust, without any alloy, and they were really worth more than those of the government, which were alloyed….The next year (1861) we coined $2.50, $5, $10, and $20 gold pieces, but having found our pieces of the preceding year a little soft, as they made of pure gold, we did not make the coins of 1861 as pure as those of 1860, still they were purer than the government coin. In 1862 we did not coin very much money, as the conditions were changed and the government greenbacks did not fluctuate as they did in the first

During the American Civil War, plans were made by the Confederacy to raid minting establishments such as Clark, Gruber and Company. The gold captured in these raids would have aided the Confederacy and help finance their war effort.

year of the (Civil) war. Instead of putting the dust into coins this year (1862) we molded it into small bars, which we stamped with our firm stamp, giving the value in ounces and its cash value. These ingots were accepted all over the world at their stamped value, some of them finding their way to Europe and even to Australia."

In 1862, the company made a seismic shift from mostly coining to casting gold bullion into ingots or bars that would be sold over the counter. A variety of explanations have been offered for this change. One theory advanced was that when the Civil War began in April 1861, it drew many of the miners from the Colorado gold fields to their home states. Many of those who stayed behind were likely proprietors and mill workers, employees of larger mining companies, and hard-core prospectors. The remaining miners came in with small amounts of dust, as opposed to companies like quartz-crushing mills and mining companies bringing in larger amounts of raw gold. It became more economical and efficient to mold ingots tailored to the larger amounts of gold brought in for exchange (Robins 2012).

Clark, Gruber and Company minted a huge number of ingots. Their gold ingots were traded locally but also around the world, usually at par or face value. It has been reported that hundreds of thousands of dollars' worth of bars were produced, rivaling the total face value of their coinage minted (nearly $600,000). Unfortunately, no ingots are known to have survived (Robins 2012).

During the period of operation, a large quantity of gold coins was minted and circulated. The total face value of the coinage minted in almost three years, between July 1860 and the end of 1862, was reportedly $594,305. See Table 33 (Weekly Commonwealth 1863).

Epilogue

The Territory of Colorado was an organized, incorporated territory of the United States created on February 28, 1861. The designation as a territory lasted until August 1, 1876, when it was admitted to Union as the State of Colorado. The Colorado Territory was formed in response to the national secession crisis and the massive influx of immigrants seeking their fortunes during the Colorado Gold Rush.

…questions were quickly raised about the propriety, if not the legality, of privately minted gold coins within the jurisdiction of the new Colorado territorial government.

The administration of the Territory of Colorado started its work in 1861, and questions were quickly raised about the propriety, if not the legality, of privately minted gold coins within the jurisdiction of the new territorial government. Although the people in the rapidly growing Denver area were happy to get regulated coinage, what many wanted to see was a U.S. branch mint. A resolution was drafted at the first Colorado Territorial Convention on July 2, 1861, declaring the necessity for a United States government mint in Denver. The directors of Clark, Gruber, and Company were reportedly aware of new political and economic issues in continuing their minting operation. They agreed and pushed for the resolution's passage. It was reportedly a "win-win" situation Clark, Gruber and Company. They could sell their facilities to the government for a significant profit, and coins could be produced on a larger scale by a federal mint (Mumey 1950).

The purchase of the Clark and Gruber mint by the federal government moved quickly, while the actual coinage of money by the government's new mint in Denver did not. The bill to establish a government-owned mint in Denver was introduced in Congress on December 19, 1861. It passed both the House and Senate and became effective on April 21, 1862 (U.S. Statutes at Large 1863). On November 25, 1862, a formal offer was made by the Secretary of the Treasury to Clark, Gruber and Company to purchase their mint, including all its machinery, for $25,000. A joint resolution of Congress was passed to clear the title of the property on March 3, 1863. The final transfer of ownership to the federal government was made in April 1863. The company vacated the building in May 1863. It was the purpose of these congressional acts to mint federal coinage in Denver. Ironically, the new federal mint in Denver did not begin coinage operations in Denver until February 1906 (Director of the Mint 1906).

Figure 32 (left): Image of the federal Mint in Denver, date unknown. On April 21, 1862, Congress established a branch Mint in Denver exclusively for gold coinage. In 1863, the Denver facility opened as an assay office. Colorado miners sold their gold to the Mint for melting, refining, assaying, and casting into bars. The facility did not initially produce gold coins, as originally intended by Congress. On February 20, 1895, Congress converted the assay office back into a branch Mint and authorized the production of gold and silver coins. However, coin production did not start until 1906. Credit: US Mint website.

Legacy

An important legacy of Clark, Gruber and Company was its rise to prominence as the first commercial establishment to mint coins in pioneer Denver. Their coinage became a mainstay of the regional and local Colorado Gold Rush economy. The company fulfilled the essential commercial need of converting the flood of gold dust and nuggets into a dependable, regulated form of actual money. The ease of miners and other customers entering the bank with gold dust and leaving with trustworthy coins or notes cemented the company's place as a business pioneer in supporting and advancing the Gold Rush economy. They left limited room for commercial competition during the early rush.

After Clark, Gruber and Company sold its property to the U.S. government, it set up a new branch bank on "F" Street (present day 15th Street) in Denver, where it continued to buy and exchange gold dust, receive deposits, etc. It opened another branch office in Salt Lake City Utah and re-established its Central City branch. The company was dissolved on March 10, 1864, when Emmanuel Gruber retired. The firm continued to operate under the name Clark and Company and, on May 9, 1865, sold its Denver bank to First National Bank of Denver and its Central City bank to George T. Clark & Company (no relation) (Robins 2012; Mumey 1950).

Annual Report On Value of Coinage and Purchase of Gold Dust, 1860 - 1862

Time Period	Value US $	Column1	Column2
All US Dollar Values for Year Shown			
Value of Coinage	**Value US $**		
July 16, 1860 to January 1, 1861	**$ 131,220.50**		
Year 1861 Ending January 1, 1862	**$ 240,165.00**		
Year 1862 Ending January 1, 1863	**$ 222,919.50**		
Total Value	**$ 594,305.00**		
Value of Gold Dust Purchase	**Ounces Purchased**		**Value US $**
July 16, 1860 to January 1, 1861	**11,725.28**		**$ 187,604.51**
Year 1861 Ending January 1, 1862	**20,473.03**		**$ 299,745.45**
Year 1862 Ending January 1, 1863	**61,426.80**		**$ 975,277.79**
Total	**93,629.11**		**$ 1,462,627.75**

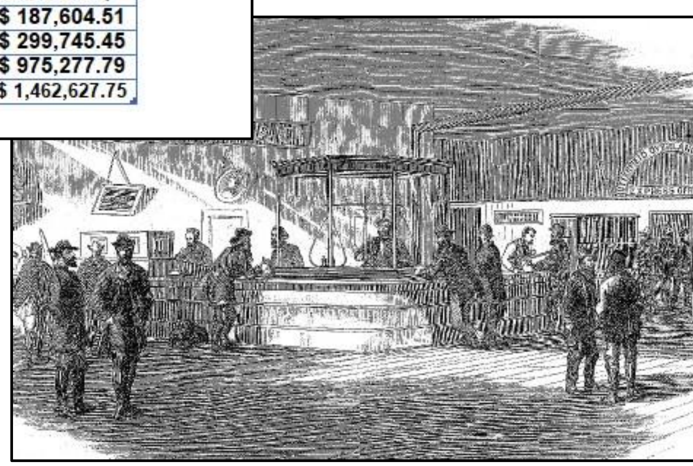


Figure 33 (above): At the end of 1862, Clark, Gruber and Company of Denver submitted a financial report to their home office in Leavenworth, Kansas Territory. The report provided data (shown above) on the total value of coinage, as well as the amount and value of gold dust purchased from July 16, 1860, to January 1, 1863. The total face value of coinage minted in almost three years of operation was reportedly $594,305 (Weekly Commonwealth, 1863).

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