A Brief History of Tenino
By Art Dwelley

The first settler on the site of Tenino was Stephen Hodgden, a native of Maine who had come west in 1849 with the California gold rush. Failing to strike it rich, he came north in 1851 and took up a donation land claim on the banks of Scatter Creek. His land was located directly on the old Oregon Trail at the point where it turned north to Tumwater and the Hudson’s Bay Company trail continued eastward to Yelm Prairie and to Fort Nisqually.

It wasn’t long before the Hodgden Farm was referred to as “Hodgden’s Station” and became a regular stop on the stage coach road from the Columbia to Olympia. Soon Samuel Davenport took up an adjoining land claim to the west, and B.F. Henness settled on the east side of the present town site.

Stephen Hodgden became the area’s first postmaster, taking office 1860. The surrounding area at that time was called “coal Bank” after a ledge of coal on Blumauer Hill, and the post office bore that name until 1973.

In 1872 the railroad from the Columbia reached Hodgden’s farm and a station was built and named “Tenino”. It was the beginning of a settlement that later grew into the Town of Tenino. There is much speculation about the origin of the name, with stories that it was named after a railroad locomotive with number 1090 or a survey stake with that designation marked on it. According to the railroad archives, neither of these tales is true. There is considerable evidence that the name preceded the railroad and is of Indian origin, meaning “a branch in the trail” or “meeting place”.

With the railroad came the first retail business, a store operated by Fred Brown. Brown had moved along with the railroad construction crews in a tent store until reaching Tenino and apparently decided this was a good place to settle down. Joining the depot and the store to form the nucleus of a town was a hotel owned and operated by William Huston. “Uncle Billy” became well known far and wide for his hospitality and for the fact that he kept a barrel of whiskey on hand for thirsty travelers. Billy sold two brands at the bar at 15 cents and 25 cents per shot, but both came from the same barrel!

The little settlement was pretty quiet for its first few years, with the majority of its commerce coming from farmers around the area and the fact that it was Olympia’s closest connection with the railroad. Two trains a day between Olympia and Tenino made connections with trains going to Tacoma or Portland.

Being cut off from the railroad did not set too well with the Olympians and they began to promote a narrow gauge line from the territory’s capital to Tenino. After much trouble and delays the branch line was finally completed in July of 1878. Originally built by the Thurston County Railroad Construction Company, the line was renamed the Olympia and Chehalis Valley Railroad in 1881 and ten years later became the Port Townsend and Southern Railroad Company.

The additional railroad line gave Tenino another boost, but it was 1888 before the community really began to grow with the founding of the first sandstone quarry. S.W. Fenton and George VanTine located a good grade of building stone on the hill south of Tenino and began an industry that changed Tenino from a sleepy little whistle stop to a bustling town.
VanTine and Fenton’s Tenino Stone Co. was located on the site of the present city park and pool, and began shipping stone out in 1889. A second quarry soon followed east of town on the Military Road, and was called Eureka Sandstone Co. A third quarry was located on Lemon Hill west of Tenino in the early 1900’s by H.P. Scheel and William McArthur under the name of the Hercules Stone Co.

Stone quarrying became Tenino’s major industry until the market began to die out about 1915-20, with concrete replacing stone as a major building material. Some of Tenino’s quarries operated as late as the 1930’s, but only on a limited basis.

As the stone quarries prospered, so did Tenino, and by 1890 the populations up to 390. By the early 1900’s there were more than a thousand people and Tenino was termed “a real boomtown” by old-timers. Adding to the commerce of the area were a number of logging companies and mills. In Tenino itself, was the Mentzer Brothers Mill and the Jonis Spar Co., and just south of town was the Skookumchuck Mill.

By 1905 Tenino had four grocery stores, two meat markets, a half dozen saloons, three hotels, two dry goods stores, two livery stables, two doctors, a laundry, a newspaper, a drug store, and a variety of other stores, including jewelers, cigar stores, confectioners, and even a stationer.

The quarrying business in Tenino got a shot in the arm for a time when the Hercules Company began supplying stone for breakwater projects at Grays Harbor. Rock was supplied from the “Hercules No. 2” plant on the Military Road and from a quarry on the Skookumchuck River about three miles above the present dam. Unfortunately, the project was cancelled with the outbreak of World War I.

Following World War I the area’s boom began to slow down, and Tenino’s population dropped as quarries and several mills closed. Logging and farming became the major economic factors in the area and Tenino settled down to being a trading center for the south central part of the county.

In the 1920’s there were a number of attempts to drill for oil around Tenino and there was much speculation in the oil stocks. As one after another of the wells failed to produce oil, the enthusiasm cooled and finally died out completely. Sporadic drilling has been done since that time, but none successfully.

The “Great Depression” hit Tenino as hard as most other areas of the country, but did manage to make the town famous at the same time. As the “home of Wooden money”, Tenino hit the front pages of newspapers all over the world, was mentioned in the Congressional Record, and drew reams of other publicity. “The wooden money” scheme grew out of a Tenino Chamber of Commerce plan to issue emergency scrip to relieve the money shortage caused by the failure of The Citizens Bank of Tenino. The original scrip was on paper and was given to bank depositors in exchange for assignment to the Chamber of up to 25% of the depositor’s bank account balance. Shortly afterward, the scrip was printed on “slice wood” of spruce and cedar, and immediately became famous as the original wooden money. Eight issues were printed between 1932 and 1933 with a total of $10,308 of the wooden currency put into circulation. It became a collector’s item and only $40 was ever redeemed by the Chamber.

Through the 1940’s and 1950’s Tenino’s main claim to fame or infamy was certain notoriety for being a “speed trap” on the old Pacific Highway. Regardless of whether the reputation was deserved or not, the traffic problems on Tenino’s main street were considerable in the post-World War II years. Until the
opening of the new freeway in 1954, more than a few of Tenino’s businesses were oriented to serving the traveler and a number of them closed after the freeway opened.

The 1960’s saw Tenino begin to take part in the growth that had begun to be felt in the Puget Sound country. No definite upsurge was noticeable but once more the town was growing in population. In 1967 announcement was made of the proposed building of a thermal-electric generating plant in the Hanaford Valley south of Tenino and the re-opening of the once active Tono Coal fields. The plant went into operation in the fall of 1971.

Tenino’s growth continued through the 1970’s with the southern part of Thurston County becoming one of the state’s fastest growing areas. The building recession of the early 1980’s slowed that considerably, but Tenino is again growing and looks forward to the future with well over a hundred years of history already behind it and confidence in the years to come.

Tenino’s Famous Wooden Money

The Nation, and Tenino, was gripped by the Great Depression in 1931, and money was scarce. The Independent in November of that year advocated editorially that scrip be used to meet the currency shortage. Then on December 5, 1931, the matter of emergency struck home with the failure of the Citizens Bank of Tenino. Joel Gould, now of Olympia, came over from Buckley to act as liquidator. This tied-up the accounts of the depositors while the affairs of the defunct bank were being adjusted. Thus the shortage of money became acute.

The Tenino Chamber of Commerce met to meet the emergency and agreed to issue scrip to permit the depositors to assign 25% of their bank accounts to the Chamber. The printing press at the Independent office was soon running out of assignment forms and depositors signed for definite amounts of money within the 25% limitations. The printing of $1.00, $5.00 and $10 denomination scrip was done on engraved pieces the size of paper money then in use. The 25 cent denomination was the yellow bond paper without any fancy border. Trustees of the Chamber of Commerce Committee, F.W. Wichman, D.M. Major and A.H. Meyers, signed each piece. They agreed to redeem the certificates “During the Process of Liquidation of the Citizens Bank of Tenino.” This scrip printed in December, 1931 totaled $3,255, of which $1,279 was circulated. Eventually the Chamber redeemed $1,079.75 of this scrip.

Some samples of “slice wood”, a new printing material, had been received from Albert Balch of Seattle, who was promoting it for Christmas cards and other items. This was made in a special machine at Aberdeen by a man named Eckersley. Sitka Spruce and Port Orford and red cedar were used. The first pieces were flimsy sheets of 1/80th of an inch thick. The 25 on hand were sufficient to put Tenino in the wooden money business. Later the slices were sandwiched with a paper in between. One issue of a thousand even carried a “watermark” reading “Confidence makes good; Money made of wood”, which could be seen by holding it up to the light. This was supposed to guard against counterfeiting.

The publicity of Tenino Wooden Money began to snowball in February, 1932, the old Seattle Star carrying the story early that month, followed by the Tacoma News-Tribune, Oregonian, Seattle P-I and others. The Halls of Congress heard of the unique method of meeting the money shortage and in March it was featured in the Congressional Record. Thousands of stories and comments appeared over the world in newspapers and magazines. Orders from collectors and souvenir hunters came in increasing demand and eight issues were printed through 1933, mostly in 25 cent denominations, but also in 50
cent and $1.00. In all $10,308 worth of wooden money was issued of which about $40 was redeemed by the Chamber of Commerce. In April, 1935, business people used small wooden fifth cent tax tokens due to a state shortage of tokens. Like the original wooden money, they are now quite valuable.