

IDAHO STATE HISTORICAL SOCIETY

REFERENCE SERIES

LATE NINETEENTH CENTURY MINING INVESTMENT

Number 664

1981

Late nineteenth century mining in Idaho, as in many other western mineral areas, gained a well-deserved reputation for risk and for reckless financial operation. Lode properties which could be developed only with large capital investment and advanced technology often were promoted with excessive sales pressure substituted for sound management. Following well-established precedents in Cornwall and other important mining areas where promoters sometimes did better by erecting mills without bothering to find mines at all, managers were tempted to neglect or dispense with development essential to sound operation. Even if they followed appropriate procedure, lode miners still faced considerable risk in extracting a processing ore. Veins often declined in value at depth, and miners too frequently continued to operate long after they should have quit.

(A great bonanza Comstock lode discovery at surprising depth--a circumstance not typical of many western mining districts--deceived many investors into seeking similar wealth in places where that kind of riches was not to be found.) Other properties had ores which could not be processed for many years until technological problems could be solved. Price fluctuation for lead, silver, and other metal products interfered with efficient operations. Miners as well as investors were affected adversely by such unmanageable risks. Operations started and then shut down erratically, so that miners often were left unemployed at very awkward times. Along with investors they had to absorb severe losses resulting from unemployment and from moving costs to other camps in which similar risks were encountered. As a mining territory, Idaho (like nearby California and Nevada) attracted a frontier population accustomed to taking risks but eager to gain wealth on a scale that ordinary occupations normally failed to provide.

Oregon, in contrast, had been settled by pioneers who wanted as stable a farming economy as could be developed. That kind of low risk situation did not always materialize either. Markets often were unavailable for crops that could be harvested in abundance. Some farming areas had dependable moisture where crop failures occurred rarely. When southern Idaho finally had sufficient large irrigation projects, that kind of fortunate arrangement reduced hazard in agriculture. But aside from Mormon cooperatives, which were not utilized in Idaho mining, large

canal company projects entailed more risk and failure than mining. State and federal government participation (another development and management device not resorted to for mining) eventually enabled farmers to overcome construction risks for reclamation enterprises. Aside from small farm suppliers to mining camps (in which operating risks often were as low as in placer mining, a relatively safe endeavor) nineteenth century farmers trying to irrigate large tracts of land had to deal with risks at least as serious as those confronting lode miners. Erratic price and marketing problems confronted farmers and miners alike, providing additional hazards to those fortunate enough to have been productive. Other major nineteenth century enterprises fared no better. Stockraisers enjoyed an era of dramatic success, but terrible weather and overgrazing proved ruinous to many large operations after 1888. Commercial logging only was beginning during that time, but even after improved transportation and marketing conditions supported a large forest products industry, Idaho lumbermen had to overcome substantial risks. These arose partly from fire hazard, partly from transportation difficulties, and also from marketing problems. Failures and losses were at least comparable to those of lode mining companies. Relatively speaking, mining risks in Idaho were not out of line in an economy in which hazard abounded.