Montana Gold Mining And The Camp Of Pony

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MONTANA GOLD MINING AND THE CAMP OF PONY

Submitted in Partial Fulfillment of the Requirements for Graduation with Honors to the Department of History at Carroll College, Helena, Montana

by

Janet Ore

March 31, 1980
This thesis for honors recognition has been approved for the Department of History.

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All photos courtesy of Montana State University Special Collections
INTRODUCTION

Montana became a state in 1889. A mere thirty years before, this area had been thinly populated with trappers, Indians and a few settlers. How, in such a relatively short span of time, was this vast area to gain the population and stability necessary for statehood? The first series of events to draw attention and large numbers of people to Montana was the discovery of gold in southwestern Montana. Without the discovery of such wealth, permanence and statehood would have been much longer in coming to Montana. Mining of precious minerals was one of the leading factors in the creation of the state of Montana.

I. Montana Mining

As the placer camps of California, Nevada and Colorado were declining in the 1850s and 60s, restless miners spread out through northwestern United States in search of the evasive mother lode. Gold was discovered in Idaho in the early 1860s. Very soon after that, the first gold strike occurred in southwestern Montana. In the summer of 1862, a group of miners heading for the Idaho mines camped on Grasshopper Creek, a tributary of the Beaverhead River. The colors and their sizable quantity that John White's pan revealed precipitated
a gold rush to the area. By fall, about five hundred miners had congregated there\(^1\) and the town of Bannack City quickly arose, named for the Indian tribe of the same name. Soon the best claims were taken as men poured into the area and the miners moved throughout southwestern Montana. Within a year the huge placer deposits were found at Alder Gulch. Bannack emptied out and for several years only a little mining was done there. However, around 1870, with the advent of ditches and the hydraulic technique, placer mining again thrived. The first electric gold dredge began working the ponds on Grasshopper Creek in 1895.\(^2\) By the turn of the century, four gold dredges mined the creeks around Bannack.\(^3\) Quartz mining also was done in the Bannack area where the first quartz mine in the territory was located in 1862. The first steam-powered


\(^3\)A dredge was a mining technique designed to recover minute amounts of placer gold from previously worked out creeks. It was a huge barge-like structure with a large boom around which a bucket line rotated that dug into the earth. The structure moved in a self-perpetuating pond, the bucket line bringing in gravel which then moved through the body. Power vibrators called vanners and mercury plates removed the gold from the gravel, the waste spewing out the back. For more specific information on gold dredges, see Otis E. Young, Jr., Western Mining: An Informal Account of Precious-Metals Prospecting, Placering, Lode Mining, and Milling on the American Frontier from Spanish Times to 1893 (Norman: University of Oklahoma Press, 1970), pp. 132-6.
stamp mill was completed in 1864 and by 1870 three more were erected. In 1914, a cyanide mill ran for a short time. After that early period in Bannack, there were no more booms for this town.

The biggest placer rush in the history of Montana took place at Alder Gulch. On their way back from Yellowstone Valley to Bannack in 1863, Bill Fairweather and Henry Edgar panned significant quantities of gold in a draw they name Alder Gulch. Realizing what they had had found, they attempted to keep their discovery a secret. But word leaked out and within a year and a half, over 10,000 miners swarmed up and down Alder Gulch. The first year alone yielded ten million dollars in gold dust. It is estimated that the total amount of gold taken out in the first five years was valued at thirty to forty million dollars. Virginia City and Nevada City grew up rapidly, and in 1864 Virginia City was incorporated. Within a year Virginia City had supplanted Bannack as territorial capital. However, by 1870, with the new strikes in Last Chance and Confederate Gulch, the population of Virginia City dropped to 2,555, by the turn of the century to 600, and by 1940 to 380. Soon after 1864, quartz mining began in the area. In 1864, the first water-powered stamp mill was built and a year later Alder Gulch

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5 Malone and Roeder, Montana: A History of Two Centuries, p. 52.
saw its first steam-driven mill. Many quartz mines around 1903 kept gold flowing and prospects high. It is calculated that by 1900 eighty-five million dollars worth of gold had been taken from Alder Gulch. Dredges worked the Alder Gulch from about 1910 to 1920 to sift whatever placer gold had remained after the big rush in 1863. Today some gold is still being taken from the hills surrounding Virginia City, but the town itself is merely a restored ghost town.

By 1864, the search for new strikes intensified, bringing with it more men. That year several important discoveries were made and the third great Montana gold rush took place. Gold in Emigrant Gulch, near present-day Helena, was found in 1864 and $180,000 worth was taken out. That same year, bonanza diggings were uncovered at Confederate Gulch in the Big Belt Mountains. Its city, Diamond City, held a maximum population of 10,000. This gold rush was short-lived, however, as by 1878 almost all inhabitants had left. The total yield, taken out mostly by placering, was ten to thirty million dollars. But the most important strike of 1864 was in Last Chance Gulch. John Cowan, Robert Stanley and Cabe Johnston, on the return leg of an unsuccessful gold mining trip to the Kootenai, uncovered appreciable placer deposits. The creek they found it in they considered their final hope, hence the name Last Chance Gulch. As soon as the news traveled, miners from other camps,

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7 Malone and Roeder, Montana: A History of Two Centuries p. 52.
such as Alder Gulch, poured in. The city that grew up was
named Helena and by 1867 four thousand people inhabited it.
The total yield from Last Chance Gulch was thirty million
dollars. At first earnings were mostly taken from placer gold,
but by 1870 most of the placer claims were played out. The
first quartz mine was located in 1864 and because of the
dwindling of placer gold, quartz ore became the chief producer
of gold.\(^8\)

Of these three major gold rush centers in Montana, only
one was to survive. Virginia City, for all its wealth and
size, dwindled drastically by 1870, and Bannack's prominence
lasted about two years. What elements were involved in
establishing permanence to a gold camp? The main factor which
both Virginia City and Bannack lacked was a strategic location.
Helena lay in the central part of the state along important
transportation routes that soon escalated the city into a
commercial center. Also, Helena was well provided for
agriculturally from the rich Prickly Pear Valley. This city
became the territorial capital and later the state capital,
which also helped insure its survival.

Even though the majority of Montana's first gold camps
diminished in size by 1870, they had two important functions:
they focused attention on the previously little-known area of
Montana, and they attracted the more stable supportive industries

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\(^8\)For a detailed history of Montana's gold frontier, see
Cushman, *Montana--The Gold Frontier*.  

to gold mining. After the usually short-lived rush to an area had ended, it was the presence or absence of these secondary industries that determined if the settlement would continue.

The usual Rocky Mountain gold camp went through a general growth pattern. First the gold was discovered in an area and a rush followed. In this stage, the camp that grew was loosely organized, transitory and totally dependent on the mining. The population fluctuated wildly. Gradually, government and social order became organized, a business district would grow and the temporary camp would gain signs of maturing. The wild days of the boom became quieter and cultural influence showed in the camp's activities. The mature gold camp which evolved was quite different from the early rush camp. The initial excitement of the discovery of gold was gone, the areas were well-known and well-mapped and, as a result, there were few surprises. Most of the wealth was controlled by big corporations. Gone were the individual mine owners and workers. The mature camp might not even rely on mining as its primary industry, as the growth and importance of agriculture increased. This pattern was common to almost all Rocky Mountain gold camps.  

However, the mere discovery of gold in an area did not guarantee a rush to the area. The existence of gold in Montana

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9For a detailed discussion of the growth pattern of Rocky Mountain gold camps, see Duane A. Smith, Rocky Mountain Mining Camps: The Urban Frontier (Bloomington: Indiana University Press, 1967).
had been known as early as 1852 but the rushes did not begin until the 1860s. The discovery had to be assisted by two important factors working together. First, gold rushes almost always occurred at times of national instability when men motivated by widespread turbulence or upheaval moved out in search of quick fortune. Secondly, a gold rush did not occur unless a man or group of men publicized and promoted the rush. A look at the three major gold rushes in Montana reveals that all three fit both this general growth pattern and that these two factors were present to precipitate the rush.

The purpose of this thesis is to make a study of one gold camp in Montana and to fit it into the framework of the major strikes and current events in Montana at that time. I will examine the mining at Pony, Montana and determine if this camp fits the common growth pattern, and if the two factors discussed previously are present. In conclusion, I will consider the impact of mining on early Montana through the case study of Pony.

II. Early Development of Pony

Location of Pony

The small town of Pony lies at the easterly base of the Tobacco Root Mountains in southwestern Montana. These mountains

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are said to be named after the arrowleaf balsamroot, which covers the slopes with yellow blossoms and whose roots were supposedly dried and smoked by the Indians. Pony is nestled in the Tobacco Root's foothills literally at the end of the road. It is within the Mineral Hill mining district in Madison County and about fifty miles west of Bozeman, Montana and fifty miles southwest of Butte, Montana. The elevation at Pony is about 5,600 feet above sea level, but the mining district itself, to the west, rises to 9,000 feet in four miles. Named for its dish-face and year-round snow cover, the tallest mountain in the range, Hollowtop, rises to almost 11,000 feet. The town is situated between the north fork of Willow Creek and Pony Creek. To the east, it is surrounded by excellent farming and ranch land. Today, primarily agriculture supports a permanent population of about 100 people.

Geology of Pony Area

The ore deposits in the Pony district are basically of two kinds: vein deposits, and ores produced by replacement. Both these types are found in gneiss or in igneous rock, but gneiss is more common. Gneiss is a coarse-grained, granite-like rock formed of layers of feldspar, quartz and mica. It is very prevalent to the area and is known to geologists to

12 Contrary to some local legends, Hollowtop is definitely not an extinct volcanic crater.

be a very old type of gneiss, some of the oldest in southwestern Montana. It has been given the name the Pony Series. Ores in vein deposits tend to be of high mineral percentage and are easier to mill, whereas replacement ores can be smelted easily in furnaces. Replacement ores are usually in chloride deposits in limestone or calcite because the mineral has been transferred from an originally acidic rock to the limestone. Also a third type of ore exists as low grade sulphide mineralization widely disseminated in granite. Therefore, the Pony miner had to either smelt or mill his ore. An advantage to mining the Pony area is that the rock is very hard and solid and allowed for tunnels to be built safely and with little timbering.

Discovery of Gold and the Initial Placer Period

Stories of how gold was initially found in the Pony area are essentially the same, although they bear some discrepancies. When the miners coming to the Alder Gulch rush overflowed into adjoining areas, a restless miner, nicknamed "Pony" Smith for his small size, wandered over to the Norwegian placer strike (to the southwest of Pony). Still searching, he moved northward

14 Young, Western Mining, p. 16.

15 For a general discussion of western United States geology see Young, Western Mining, pp. 3-32. For specific details on Pony district geology see Winchell, Mining Districts of the Dillon Quadrangle, Montana and Adjacent Areas, pp. 118-126 and Willis M. Johns, Geology and Ore Deposits of the Southern Tidal Wave Mining District Madison County, Montana (Butte, Montana: Montana School of Mines, 1961).
to what is now Pony Creek, a tributary of North Willow Creek. There he struck gold around 1867. "Pony's" true name is disputed, but all stories agree that he was commonly called "Pony." He staked a claim just above where the town of Pony now stands. He did not remain there, but returned in 1868 with a partner and started placer mining his claim. News of "Pony's" discovery spread and soon other miners came to the area. The camp was called "Pony's" Gulch and later was shortened to just Pony, as the camp grew into a town. One story has it that the camp was named by tossing two chips into the air, on one written "Pony" and on the other "Tecumseh," the alleged real name of "Pony" Smith. The "Pony" chip fell face up and so it became the name of the camp. "Pony" Smith built the first cabin on his claim in the gulch about a mile above the present-day town of Pony. In 1869, George D. Hazor, J. G. Hawkins and Frank Cranston began building a four-mile-long ditch, which was finished in 1870, to the top of the old Elephant claim. With this they commenced ground sluicing.

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16 "Pony's" real name was either Tecumseh Smith, Smith Tecumseh, McCumpsey Smith or Smith McCumpsey. Accounts vary; however, the earliest source mentioning "Pony" calls him McCumpsey. See Northwest Magazine, August 1895.

17 Belgrade Journal, 8 May 1952. It is my belief, however, that the name of the town originated from a shortening of "Pony's Gulch."

18 Ground sluicing is the simplest form of sluicing, where a shallow trench is dug and the bottom riffled with holes, gravel riffle bars and stones. Water is then directed through the trench and ore-rich gravel added. The heavier ore is separated from the rest and collects in the riffle bars. See Young, Western Mining, p. 116.
Unfortunately, they never made wages, but did find an occasional three- or four-dollar nugget encouraging them and others to come to the area. It seems "Pony" Smith moved on to other camps, as nothing more was ever heard concerning him.

The placer period of Pony lasted until 1875 when quartz ore was discovered. It must not have engendered very much excitement as a placer camp because little information is available concerning the years between 1870 and 1875. The emphasis of the mining in the Pony district was not on placering but on quartz ore mining. It was not until the discovery and development of the quartz that Pony gained significance as a gold rush camp.

While the little camp of Pony was just beginning its placering, the major strikes within the state were already playing out. By 1870, the heyday of Montana placer mining was over and metals output was declining. Montana's population was estimated at 28,000 in 1866 but diminished to 20,595 in 1870. The upsurge in Colorado mining which drew miners from the Montana area was a factor in this decrease in population. What gold could be placered out easily was taken and doldrums set in on the gold mining until machinery and transportation could be obtained to extract the gold profitably from quartz. Gold output declined until 1883 when mining once more revived due to the discovery and increased need for other metals, such as silver and copper.


20 Ibid., p. 55.
Although placer mining reached its peak in 1866 and then declined, it left an enormous impact on the Montana area. Transportation networks were rapidly formed to supply the growing camps, and businessmen and entrepreneurs were attracted to the area. At the time that the camp of Pony was barely being founded, the town of Helena was a firmly established urban and commercial center. Culture began to arrive at the young cities. In addition, farmers and ranchers came in order to provide for the towns' inhabitants. In 1864, the Montana Territory was created from the Idaho Territory, principally because of the sudden influx of miners. By that time, Montana was on the road to statehood.

Pony had the advantage and disadvantage of beginning its placering in a time when placer mining in Montana was less active. Its discovery was due to disillusioned miners moving out of the areas depleted of placer gold. It was beneficial for it to arise when the government and transportation systems were beginning to stabilize and when those mining had practical knowledge from elsewhere. But the timing in the discovery of gold at Pony was to put it behind the other gold camps in all its later developments.
CHAPTER ONE

THE FIRST BOOM--QUARTZ MINING AT PONY 1875-1889

Pony's placer period was relatively insignificant. The "booms" cannot be said to have hit the area until quartz mining began. With quartz mining came the people, business interests and money that would cause Pony to grow from a mere mining camp into a mature, though small, town.

I. Initial Development of Quartz

In the fall of 1875, George Moreland plunged a shovel into a patch of strawberries on a ridge two miles west of Pony Creek and discovered the first rich lode of gold quartz. Moreland sunk a 14-foot hole and uncovered a 10-foot wide lead. This lead ran an average of $20 to the ton of free gold with streaks in it that went as high as $1,000 a ton.¹ He extended a shaft to 70 feet and built a 12-stamp steam mill at the foot of the hill. But as it was only $6 ore he took from the Strawberry claim, as he called it, Moreland failed to make expenses. In 1881 the mill was not running. Below the Strawberry, Moreland discovered the Crevice mine, a 2-foot vein intersecting the Strawberry at an acute angle. From this, he was reported

¹Fairview News, 23 September 1937.
to have taken a considerable amount of $100 ore, clearing $10,000. Moreland spent much of his money in developing and improving his claims, but it does not seem he received the return he expected. Briefly, a camp of 400 people with a store and post office made up the transient town of Strawberry, located near the Moreland mine. Although George Moreland is generally considered the discoverer of the Strawberry claim, the Pony Sentinel published an article in which D. F. Brand claimed that his partner, William Robson or Robinson, was the real locator of the Strawberry. The paper said Robson took George Moreland in as a partner, but when a disagreement took place between them, they divided their interests. Robson took the western extension of the Strawberry, Moreland the Strawberry itself.

At the same time of Moreland's finding of the Strawberry, other quartz mines were being worked, but to little avail. However, Moreland's strike precipitated new interest in the area and very soon afterward a more intense search revealed new quartz claims. The placer claims were abandoned as quartz

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2 Holiday Miner, August 1881.


4 Pony Sentinel, 24 January 1902.
mining began. Below the Strawberry, the partners of Walters and Reynolds staked a claim on a hillside covered with float quartz containing free gold which could be pounded out with a mortar and pestle. The ore was found to be equal to that of the Strawberry. Another mine a short distance from the Strawberry, the Crystal, was opened by the miners McCoy and Edmundon to reveal a 2-foot crevice of rich ore. To the northwest a half mile, Kendall and Bowles opened the Ned and Willow Creek lode. Albert Mason sank a shaft 40 feet deep, from which Kendall and Bowles tunneled westerly on a 4-foot crevice which yielded much good ore. Thomas Carmin and John Cooke contracted to stope and sink the Ned as long as the quartz remained good. Numerous other lodes in the district were claimed and began to be worked at that time. All these claims were located on both sides of a hill above Pony Creek. Due to its abundance of ore, it became known as the Mineral Hill district.

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5Float quartz is gold quartz which has eroded away from a main lode. A prospector would search the hills for float quartz and then attempt to trace it back to its origins. Finding float quartz on a hillside signified that gold was in the area and its physical appearance, and could lead to the mother lode. See Young, Western Mining, pp. 20-22.

6A stope is a big pocket of ore emerging from a lode. "Stoping out" is the term used for mining and extracting the ore from this pocket. In the Pony mines, because of the hardness of the rock, pillars of rock were left in the stopes for support. As the mine was worked out, these pillars were sometimes blasted in order to obtain their mineral content, leaving a glory hole on the surface. See Young, Western Mining, p. 157.

7Pony Sentinel, 28 December 1900.
The first mill in Pony was established in 1877. William Meador, G. M. Barnes, and two brothers, James and A. H. Mallory, built the mill and then moved the stamps over from the nearby camp of Sterling. The mill was a five-stamp, water-powered mill, later used as a cyanide mill by W. W. Morris and his partner, Fielding. An additional five stamps were brought from the Rising Sun mill in Norwegian Gulch. This mill worked the first ore taken from the Strawberry, Crevic, Keystone and others. At that time, the Crevic was yielding $50 to $60 per ton, even before concentrators, when much gold went down the Creek with the tailings. In a few months, this mill cleared $10,000 from the Crevic mine. During the building of the mill in the winter of 1876, James Mallory slipped on the ice while carrying timbers and died before the mill was completed. His brother, A. H. Mallory, after completing the mill, went to Marysville, Montana (near present-day Helena) where he accumulated a modest fortune. The Mallorys also built the first dwelling house in Pony, later occupied by W. W. Morris. Today the Morris house is still inhabited by descendants of W. W. Morris.

In the beginning years of quartz mining, W. W. Morris appeared at Pony and bought the Keystone from its discoverer, William Robson, for $10,000. Around that time, about 1875,

8 Ibid.
9 Ibid., 8 August 1902.
Robson discovered the Boss Tweed claim and placed Albert Mason, Thomas Carmin and Jim Dimmock in charge of working it. Later, when "Doc" Getchel procured an interest in the claim, a 10-stamp mill was built on the claim in 1876. This was known as the Carmin mill. That same year "Doc" Metcalfe, Jess Barker and Billy Ryan discovered the original Clipper mine. This mine, with the Belle and Boss Tweed, became known collectively as the Boss Tweed group. Later these claims were sold to W. W. Morris and Henry Elling and were to become the biggest gold-producing mines in the area. Soon after these discoveries, other less significant claims were made and worked.

The discoveries of rich quartz in the Mineral Hill area initiated the first big quartz rush to Pony. Soon after 1875, it was reported that there were close to 1,000 people at Pony, which in 1876 was established as a townsite, and a post office opened. The first building of consequence was also built in Pony in 1876 by A. W. Paul. It was not long, however, before the rush subsided and the hopes of the optimistic small-time miners died. By 1878, the population of Pony dropped to a mere 100. At that time Pony consisted of a school house, two hotels, a blacksmith shop, two stores, a saloon, a public hall, and forty dwellings. But the mines were continuously worked and, for those involved, yielded profitable returns.

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11 *Pony Sentinel*, 28 December 1900.
12 *Northwest Magazine*, August 1895.
13 *Pony Sentinel*, 8 August 1902.
By 1881, some of the mines were still producing free milling gold quartz, but others had changed to good grade base ore, which required smelters to work it. Usually this ore was sent to the East Helena smelter for processing. The Boss Tweed at that time had a known crevice of 25 feet in width. The ore brought from a 200-foot tunnel was base and sampled at $30 a ton. Initially the surface ore was freemilling and was run through the Getchel mill, located below Pony and built especially for the Boss Tweed mine. When the Boss Tweed began producing base ore, the Getchel mill ran primarily on White Pine quartz. The Willow Creek mine, by 1881, had reached a depth of 110 feet with a crevice 4 feet to 12 feet wide. It also produced base ore which was crushed at the Mallory mill. Half the year of 1881 yielded 1,000 tons of $300 quartz. About $100,000 in ore had been taken from this mine by 1881. The Ned mine produced less, only about 250 tons of $45 ore, but it was all freemilling quartz and showed much promise. Its monetary yield to that time was $75,000. The White Pine was also freemilling ore whose quartz was valued at $30 a ton from underground and $90 per tone from the surface. By 1881, $30,000 in gold had been taken from the White Pine. Other mines were producing base ore and indicated that more gold was to be found; however, their yields were less than those previously mentioned.14

14Holiday Miner, August 1881.
In 1883, Henry Elling, in conjunction with W. W. Morris, built a 20-stamp mill which made use, for the first time in this area, of Frue vanners. The innovation of the vanners was an important move, for it curtailed the loss of gold that heretofore had been washed down the creek. It then made it profitable to mill ore which was very low grade.

II. The Morris-Elling Partnership

The partnership of these two men is perhaps the most pervasive feature of Pony's mining history. The two men owned the most significant group of mines, the Boss Tweed-Clipper group, which produced more gold than any other mine in the area. It is estimated that $5 million worth of gold came out of these mines. Though the claims were sold twice, Morris and Elling both times regained control over the property.

The partnership began in 1883 when Morris purchased a half interest in Elling's 20-stamp mill. W. W. Morris had come to Pony in 1882 from Virginia City where he had owned and operated a drug business while also involved in the mining

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15 A vanner was originally a broad canvas belt, tipped slightly on its side, and gentle jets of water streamed across the belt. Finely crushed ore fell down the belt and the water forced the fine gravel over the lower edge of the belt leaving behind the particles of gold. William B. Frue improved this simple vanner by placing rubber belts on a table, rearranging the slant and angle of the water stream and adding a shaking device. Frue vanners were used extensively throughout the West. See Young, Western Mining, p. 139.

16 Pony Sentinel, 28 December 1900.
there. It was from the rafters of his emerging business that the vigilantes in Virginia City hanged members of the notorious Henry Plummer gang in 1864. Morris was born in Liberty, Missouri, and remained there until 1858. After short stays in Kansas City, Sante Fe, and St. Louis, he arrived in Montana in 1864. In 1867 he married Ada Chew who bore him three children that lived to maturity.\(^\text{17}\) Morris was active politically and financially as well. He served as treasurer of Madison County for seven years, spent three terms in the state legislature, and was a school trustee and presidential elector in 1900. In 1902 he opened the Morris State Bank in Pony, a structure which still stands today.\(^\text{18}\)

Henry Elling also arrived in Virginia City in 1864. Born December 9, 1842, in Prussia, he was to make Montana his home until his death in 1900. Several years after arriving in Virginia City, he established the Banking House of Henry Elling which two years later became the Elling State Bank. He held stock in many other financial enterprises and was president of the Union Bank and Trust Company of Helena and of banks in Bozeman, Miles City and Red Lodge. Elling was involved in several social orders and was made a major in the first Montana National Guard.\(^\text{19}\)

\(^{17}\text{Ibid., 8 August 1902.}\)

\(^{18}\text{Isobelle Manley, "Pony—The Peaceful Mining Camp" Unpublished Manuscript, Montana State University, 1965), p. 7.}\)

\(^{19}\text{Pony Sentinel, 16 November 1900.}\)
These two men, alone and together, are intimately associated with the growth and financing of southwestern Montana as well as the specific Pony area. It was their constant faith in the gold mines of Pony which kept the mines open and running through difficult times. Morris and Elling, more than any other two men, deserve the credit for not allowing Pony to die as so many other similar gold rush towns of the era did.

Until 1889, the current of mining at Pony flowed smoothly though quietly. The mines produced comfortable yields without notable major strikes. The ore was mostly low grade, yet there was an abundance of it and the area brought forth consistent returns. By 1889, Morris and Elling controlled the most significant and productive group of mines, the Boss Tweed-Clipper group. This group consisted of 18 mine locations of 245.36 acres in all, plus 7 mill sites averaging 35 acres, and was the only group ever to be developed to any extent. Consequently, when discussing mining developments of Pony from about 1890 on, the Boss Tweed-Clipper group is the primary subject.

III. Conclusion

The significance of the first boom to Pony mining was that it focused attention on the area and brought in the first large numbers of people. Being the first real "boom," the town Pony was a direct result of this initial discovery

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20 Northwest Magazine, August 1895.
of considerable amounts of quartz ore. Although the short-lived placer period also brought miners, they were merely merely looking for what gold they could take out easily. A transient breed, they moved on when greener pastures appeared elsewhere. They themselves did not add enough stability to establish the town. The discovery of quartz drew a different type of miner, whose prospects were much more long-term. So Pony took on a divergent character from the placer mining gold rush towns. In this initial stage, the members of Pony's mining community were men quite apart from the impermanent placer miner. Thus, Pony's outset varied from the pattern set by the three major strikes in Montana.

Another important element of Pony's first boom was the partnership between W. W. Morris and Henry Elling. This partnership was formed almost at the same time as the conception of the town of Pony and was to last throughout her mining development. The consistency of ownership of the major group of mines was an influential factor in the direction of the town's growth. Both men were prominent citizens with reputations for fair dealings. This, and the length of time they were to manage the mines, was significant in the perpetuation of Pony and its mining.

The year 1875 marked the emergence of the first notable gold mining in Pony. Just two years previous to that the Panic of 1873 had greatly diminished metals mining. Thus, a time of national turbulence marked the opening of Pony gold mines and the first big rush to the area. The decreasing
mining in the territory scattered many miners searching for easy gold, and places of lesser importance, such as Pony, were opened up. Those moving into the new camp publicized their finds and that, in turn, drew more people who staked claims. Both factors necessary for a gold rush were fulfilled in Pony's case—a period of instability and individuals to promote a rush to the specific area.21

By the time that Pony was beginning to establish itself as a gold mining town, gold mining throughout much of Montana had diminished considerably. It was losing its importance as Montana's first industry, as the originally supportive industries to mining began taking precedence. With the removal of the buffalo and the Indian, large amounts of Montana grasslands were opened up to the rancher. Whereas in the 1860s the ranches grew near the gold fields, dependent on their market, by the 1870s they were moving north and eastward. The gold mining towns were losing their significance as main population centers as the gold mining declined.

One of mining's major problems in the 1870s was Montana's isolation. Quartz lodes were known to exist, but no economic ways had been found to bring in the heavy equipment needed for milling or take out the large amounts of ore for smelting. This factor added to the gold mining slump in the 1870s.

However, in the early 1880s, the railroads arrived in western Montana and a boom in its economy immediately followed. The coming of the railroads spurred on the cattle boom because then eastern markets were open to the rancher. Railroads brought more people into Montana. But most significantly, Montana's mining boomed again although in diverse form from the previous booms. The advent of transportation made it possible economically to mine, mill or smelt quartz gold and silver. For a decade between the early 1880s and 1890s, Montana experienced a silver boom. That boom had an immense impact on the region. Along with the growing cattle industry, it brought huge amounts of money to the territorial treasury and large numbers of people moved into the area. Between the years 1880 and 1890, Montana's population almost tripled, from 38,159 in 1880 to 132,159 in 1890.22 Finally, in 1889, despite a previously unsuccessful attempt, Montana was made a state. This was a direct consequence of the railroads opening up Montana's agriculture and mining riches.23

22 Malone and Roeder, Montana: A History of Two Centuries, p. 147.

CHAPTER TWO

THE SECOND BOOM—QUARTZ MINING 1889-1900

The mining around Pony in the 1880s was steady and productive. However, by 1889, the time was ripe for another boom to the area. Technology, transportation and economic and political conditions were such that big business dominated the mining field. Big business was necessary to develop the mines because only large corporations were able to supply the cash needed as initial investment to extract gold from quartz. That was the time of the Gilded Age.

I. Pony Gold Mining Company

The characteristics of the Gilded Age were reflected in Pony's second boom. This period in Pony's history was very significant because of the new interest in the area by outside corporations. This set it apart from the previous boom. The attention of the entrepreneurs enhanced the Pony mines and their patronage brought in the railroad. Although the actual boom years were brief, they left an influential legacy to the town.

The people of Pony had long hoped for investors to bring capital to their mines. Finally, in 1889, this happened. Big investors moved in, bought the principal claims and commenced
to invest large amounts of cash in developing the area. A company formed by the ex-governor, Samuel T. Hauser, purchased a controlling interest from the partnership of Morris and Elling, whose property at that time consisted of about 30 claims. For this and a mill, the newly-formed Pony Gold Mining Company, as it was called, paid $250,000 with $50,000 down. The company included many influential men in mining circles, notably Anton M. Holter of Helena.¹

With this purchase, a second quartz boom hit Pony. The company started off on a grand scale which brought a much-heightened interest back to the area. With the influence of Hauser, the Northern Pacific Railroad built a branch from Sappington to Pony, a distance of 16 miles, and also one from Harrison to Norris to service the blossoming Red Bluff mines. The line was completed into Pony in 1890.²

The mines also were improved. A ditch was run from North Willow Creek to furnish power for machinery on the Boss Tweed claims. Equipment was shipped in by the car load and a foundation was laid for a 500-ton concentrator. To reach a deep lead in the Strawberry mine, an expensive steam air compressor and Burleigh drills were installed. Unfortunately, this boom was very short-lived. The Pony Gold Mining Company invested too much of its money in above-ground work instead of developing and working the mines themselves. Perhaps their most debilitating mistake was to put the business into the hands of

¹Pony Sentinel, 28 December 1900.
²Ibid.
inexperienced and inept management. The company took out a considerable amount of gold, however, which was easily accessible. The mines then reverted back to Morris and Elling. They sold the impractical concentrating equipment and moved the air compressor to the lower tunnel of the Clipper.\(^3\)

From 1890 to around 1900, Morris and Elling consistently brought rich gold from their mines with large profits, yet no booms marked this decade. The average miner working for the Pony Gold Mining Company in 1889 and 1890 earned $3.25 a day. A laborer or carman earned $3.00, and a shift boss or blacksmith $4.00 per day.\(^4\) The decade was fraught with hopes of yet another boom in Pony and the people were optimistic that soon investors with large amounts of capital would realize the potential of Pony.

In 1895, the population of Pony stood at close to 500 with a school enrollment of 108 students. The town and its dwellings had grown to contain a school house, a church used by the Presbyterians and Episcopalians, a public hall in which the Ancient Order of United Workmen held meetings, two blacksmiths, and two practicing physicians. A stage ran six times per week to Virginia City, about 45 miles to the south, and a telegraph line ran to Sappington.\(^5\)

\(^3\)Ibid.

\(^4\)Payroll ledgers, Pony Gold Mining Co., 1889-1890, Pony Gold Mining Co. Papers, Montana State University Special Collections.

\(^5\)Northwest Magazine, August 1895.
At that time, 1895, the Boss Tweed-Clipper group consisted of 18 locations. The average value of the ore in sight and in all parts of the mines was $11.03 per ton and 2 and 2/10 ounces in silver per ton. It was estimated that 126,562 tons of ore were in sight totaling a gross of $1,395,978.86 worth of gold. As the mining went deeper into the Boss Tweed, the ore became more base, requiring concentration. The Boss Tweed did not show its true riches until after 1900.

The Clipper mine was the most extensively worked mine in 1895. Three adit tunnels⁷ worked a strong, well-defined vein, which ran parallel to the Boss Tweed and varied in width from 18 inches to 30 feet. The ore in sight in 1895 was estimated at 20,682 tons running on an average of $8 per ton, giving a gross value of $165,456 worth of gold in sight.⁸ By 1900, it was estimated that Morris and Elling had taken more than $2 million worth of $10 milling ore from the Clipper vein—and this using early milling operations which caused considerable losses of gold and could not retrieve ore when contained with sulphides.⁹

The Ned and Willow Creek vein had been continuously worked since 1876. But as the work had been done mostly by leasers,

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⁶Ibid.
⁷Adit tunnels are level, horizontal tunnels driven from the surface of the ground into a mine. These horizontal drifts would often join the vertical shaft. See MacKnight, The Mines of Montana, p. 136.
⁸Northwest Magazine, August 1895.
it had been a careless production. However, by 1895, five tunnels opened the vein and considerable high grade ore was being shipped. The 2-foot wide vein in the Ned gave gold with an assay of $160 per ton in 1895. Other lesser mines were showing good assays at that time, such as the Emmett which had assays valued at $75-200 per ton.¹⁰

II. The Garnet Gold Mining Company

In the early days of Pony's quartz discoveries, the partners McKitrick and Wood located the Galena vein on the south slope of Mineral Hill from the Boss Tweed. In 1888 they sold it to a St. Louis company for $30,000, which renamed the claim the Garnet and formed the Garnet Gold Mining Company. In 1889, the company put up a mill on the property filled with new, "improved" machinery. After several years and thousands of dollars, it became very evident that the mill was a failure. The "improved" machinery was moved out and stamps and vanners brought in. The result was one of the best 20-stamp mills in the district.¹¹ This mill had the capacity to work 80 to 100 tons of ore per day. It was powered by a 65-horsepower Pelton water wheel, constructed in such a manner that additional power could be obtained with little difficulty. From 1889 to 1904 approximately 10,000 to 12,000 tons of ore went through the mill. Ore could supposedly be treated in this mill as cheaply as 50¢ per ton.¹²

¹⁰Northwest Magazine, August 1895.
¹¹Pony Sentinel, 28 December 1900.
¹²Ibid., 11 November 1904.
The Garnet Gold Mining Company was a firm out of St. Louis, although some stock was held in Chicago and in Pony. The president was F. C. Wood, a well-known president of the Kellogg Publishing Company; but C. H. Wood was the resident manager in Pony since the beginning of the organization. The company had a very good reputation in the community for honesty, for paying its debts, and for hiring American labor.

In 1895, the company held a group of 17 claims with veins of concentrating ore running about 15 feet in width and assaying up to $200 per ton. The veins lay on Willow Creek within 2 miles of the town of Pony. One shipment of 16 carloads in 1888 netted $8,000. At that time, there was a half mile of shafts and tunnels in the Garnet and about 10,000 tons of ore stood in the dump with 150,000 tons in sight. Plans for a concentrator with a 50-ton per day capacity were made in 1904.

One of the most significant years for the Garnet Gold Mining Company was 1904. After 14 years of small but consistent mining, a big strike was made. At the time the property of the company included 13 patented claims and 12 or 13 unpatented, unworked claims, in all covering about 520 acres. It was estimated that over $200,000 had been expended on improving the property and about $100,000 worth of ore had been extracted. Smelting ore had been found in the parallel veins of the

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13 I believe that C. H. was F. C. Wood's brother.
14 *Northwest Magazine*, August 1895.
Galena lode in about foot-wide widths and it was of excellent milling quality. The big strike occurred in 1904 when a tunnel was driven across the vein to the footwall of the lode at the 600-foot level. Here the miners ran into a 12-inch to 14-inch wide streak of high grade ore. At the 600-foot level, the Galena vein was found to be 75 feet wide, 35 feet wider than at the 300-foot level. Throughout the vein were streaks of high grade ore. The assay on an average value of 16 feet of the milling or second class ore was $40 per ton. Assays on the higher grade samples had not been returned at the time the Pony Sentinel reported the strike. 15

III. Conclusion

The event of entrepreneur interest was important to the development of Pony. Because of big business influence, a railroad spur was built into Pony. Its significance should not be underestimated. Pony finally gained an economical way of bringing in the modern heavy equipment needed in the mines. Also, ore could be shipped to a smelter at a much lower rate, making it profitable to smelt low grade ore. Its existence enhanced the mining prospects, presenting to investors a brighter picture of opportunity there. To the townspeople, it opened up a link to the outside world. The arrival of the railroad insured that Pony would survive, at least longer than a mere placer camp. The camp began to mature. Business men were attracted to the area and the railroad also drew the farmer.

15Pony Sentinel, 11 November 1904.
Maturation was evident in the increasing number of cultural and social organizations, such as the churches and fraternal organizations. These elements in the community provided stability for the initial camp and helped maintain its potential.

Samuel T. Hauser's presence in Pony is interesting. It showed that the potential of the mining could attract large investors. Why the Pony Gold Mining Company failed, then, is a question. Mismanagement is certainly the key factor, but possibly the potential showing in the mines did not fully represent the long-range prospects. Although the 1889 boom fizzled out because of the company's withdrawal, it was beneficial to Pony. The attention and the railroad assured the continuation of the camp.

As the small gold camp of Pony was growing up, the newly formed state was struggling with the War of the Copper Kings. Butte began as a gold camp in the 1860s, boomed shortly, then died only to boom again as a silver camp in the 1870s. It did not reach its true pre-eminence until copper was discovered in massive quantities at the same time that technology began demanding copper. First William A. Clark and later Marcus Daly arrived early on the Butte copper scene. These two men were to amass huge fortunes from the copper industry and assert a turbulent hold over early state politics. The decade of the 1890s is primarily remembered in Montana for the Daly-Clark feud. Between 1880 and 1890 the Populists' movement gained momentum in Montana. Their program of raising the value of silver attracted the silver miners who were experiencing a
decline in the 1890s. The Panic of 1893, which seriously impaired the silver industry, gave an added boost to Populism. In the election of 1896, Montana carried the Populist-backed Democratic candidate, William Jennings Bryan, four to one.16 Although Populism was ultimately to die out, it left an important legacy to Montana mining; reforms such as improved mine safety and the eight-hour workday were initiated.

In 1893, President Grover Cleveland ended the mandatory government purchases of silver. This move had disastrous effects on western silver mining. The booming silver mines of Montana abruptly closed down and silver was never again to acquire its former status. By 1900, the prominent metal taken from Montana was copper.17

The happenings in the state at that time were reflected at Pony. The unrivaled dominance of the copper industry pushed the mining of gold and silver into second place. Gold mining towns therefore dwindled in importance. Pony could never have grown to be a city in this period unless the amount of gold discovered could compete with copper. However, Pony also felt the impact of copper in another way. With the pre-eminence of copper gaining, the production of both gold and silver as by-products was also raised. Thus, gold mining at Pony received a boost from copper mining in Butte.

16 Malone and Roeder, Montana: A History of Two Centuries, p. 163.

The community of Pony also reflected, in a small version, state politics. With the rising agriculture and the mining, the Populist party gained a support base in the area. When the Populists joined the Democrats in backing William Jennings Bryan as candidate for president, a majority of the Pony townspeople also supported him. This can be readily seen in the editorials in the Pony Sentinel.

The second boom in Pony quartz mining was characterized by the arrival of large corporations. Unfortunately, their interest in the area was brief. But Pony's boom days were not yet over when Hauser's company pulled out. The gold mines still had the ability to entice businessmen with the necessary capital.
CHAPTER THREE
THE THIRD BOOM--QUARTZ MINING 1900-1904

The first two quartz booms in the Pony area were of lesser importance than the third mining boom. This period marked the peak of gold mining activity in the area as later developments never again matched this period's productivity. It was this time which can be considered the mining heyday of Pony.

I. The Camp of Pony in 1900

Optimism ran very high around the turn of the century. The previous involvement in Pony's mining affairs by an outside entrepreneur raised the hope that yet more investors would be attracted by the Pony mines. That was a time of prosperity for everyone connected to the industry. They expected the town to grow and stabilize, possibly to become a city. As the town and mining enlarged, so, too, did the agriculture in the outlying valleys. Farmers and ranchers were dependent on mining only as far as it offered a market. When the mining diminished, it was only logical that agriculture should take over as the leading industry.
The decade between 1890 and 1900 was characterized by steady gold production from the mines. Development commenced quietly, undisturbed by any important strikes. Little outside interest was attracted to the district. However, by the turn of the century activity began to increase and hopes were again raised that investors might unearth the great wealth that the citizens felt sure was there. They saw the future of Pony marked with huge concentrators and smelters, rivalling those of Butte. The Pony Sentinel, Pony's first newspaper, incorporated in 1899 under the editorship of Alfred Noyes, ran continuously an advertisement aimed at inducing speculators to Pony. "The Greatest Mineral Zone in the World," it exclaimed, "Immediately surrounds Pony, Montana. Mineral Hill Mining District Affords Greater Inducements to Investors than any other Mining Section in the World." The increased interest and activity brought about the third quartz boom to Pony.

In 1900, the population of Pony was reported to be 600 to 700 people, an increase of 100 to 200 from 1895. It was also in this year that Henry Elling died, ending his nearly 20-year partnership with W. W. Morris. His considerable holdings passed to some 15 heirs who continued the business relationship with Morris. In 1901, Pony became an incorporated town with a mayor and six elected councilmen. With the greatly increased mining speculation of 1902, the town also grew. A local power plant furnished electricity and there was talk of

1Pony Sentinel, 15 October 1899.
bringing in power from the Madison County Power and Light Company. The Pony Sentinel reported the population of the town and its suburbs at 1,000 and on the increase. Fifty to sixty new businesses had been established and real estate prices rose fifty percent.² In 1899, a lot in Pony sold for $15; by 1902 lots were selling for $1,000.³ In that year also, W. W. Morris opened the Morris State Bank with initial capital of $50,000. A lot was purchased from C. H. Wood for $1,600 on Broadway Street and a two-story building with a pressed brick front erected. Morris was an incorporator, director and the president of the bank. Most of the stock was held by Pony and Virginia City businessmen, although Mrs. Elling also was a large stockholder.⁴ By 1903, the town had a $12,000 school house, a newspaper, a bank, three churches, a $20,000 electric light plant providing power and lights, and a Pony Commercial Club with 50 members. The permanent population was 500 people. A proposal for a $20,000 water bond to establish a permanent water system was presented to the city.⁵

²Ibid., 8 August 1902.
³Ibid., 3 January 1902.
⁴Ibid., 24 January 1902.
⁵"Facts and Figures Concerning Pony, MT," 1903. I am unsure as to the ultimate outcome of Pony's water bond issue of 1903, but by 1910 Pony had a permanent water system.
The increase in the size and business of Pony between 1900 and 1904 was a direct reflection of the expansion and activity in the mines. The consistent ore-producing qualities of the mines were noticed by speculators and the mines became the object of much interest. Because of the heightened attention, more work and capital were pumped into the mines and as a result new strikes appeared throughout the district. The Old Joe, which had uncovered a large body of ore running $10 to $30 per ton in 1899, was leased to a Salt Lake firm, the Salt Lake Mining and Development Company. A concentrator of 100-ton daily capacity was proposed. However, having had the mine for less than a year, the Salt Lake firm pulled out after paying $2,500. The mine then reverted to the original owners. Thomas Carmin's White Pine was producing $30 per ton ore and this mine reputedly yielded $200,000 by 1901. A rich strike was also uncovered in the Fourth-of-July group of mines in 1901. This was a group of 10 claims on Mineral Hill owned by Frank Walters and W. J. Boyer. The gold, which was assayed from $41 to $770.40, was taken from a streak of ore varying from 6 inches to 30 inches in width. Later that year, the mines were sold for $50,000 spot cash to the Speculator mine people of Omaha and Butte. In 1903, Charles Weidman, the leaser of the Oregon mine, put in a 5-stamp mill with all "modern" appliances. Soon after that, a strike was made in the Oregon. A shaft had been sunk to the 50-foot level where ore expected to assay at $200 a ton was found. Besides installing a 5-stamp mill with a 25 horsepower gasoline engine,

6Pony Sentinel, 9 August 1901.
Weidman treated the tailings with cyanide to extract all the gold possible. It was estimated in 1903 that $50,000 worth of ore was in sight in the Oregon.\(^7\)

It was during the turn of the century that the cyanide process began to be used extensively in the area. From 1899 to 1901, the discarded tailings of the Carmin Mill and the old stone mill at Pony were treated with cyanide by Fred M. Field. The cyanide process, briefly, was a technique to extract gold from low grade ores. The ores were ground first, to a texture that depended upon the content of the ore. Some required a fine milling while others could be treated in a coarse condition according to their mineral and physical content. Then a cyanide solution was applied which dissolved minute quantities of gold from the ground ore. The gold was then precipitated out of the cyanide solution. This method had enormous impact on the gold industry. Gold in tailings or very low grade ore could be profitably extracted. Old camps were revived all over the state, the first large plant being erected to work the tailings at Marysville. The first mines in the Mineral Hill district to use the cyanide process on a large scale were the Bozeman group.\(^8\)

In 1900, the Clipper mine struck a rich deposit of ore. The Clipper, the deepest mine at the time in the area, had six tunnels. At the 1300-foot level in the number 5 tunnel a

\(^7\)Ibid., 6 November 1903.

\(^8\)Pony Dispatch and Express, 5 May 1910.
crosscut was driven to the number 6. Here a lead of ore was uncovered measuring 90 feet in width which assayed across the width from $5 to $175 per ton. The milling ore taken out was stored for the mill and was assayed from $15 to $20, while the high grade ore was shipped. Yet another lead of concentrating ore was discovered in the number 6 tunnel that was 53 feet wide and was assayed from $7 to $15 per ton. This discovery, valued at half a million dollars, was by far the most important strike of 1900 and it had an effect on later developments. For during this time negotiations were being undertaken to sell the Boss Tweed-Clipper group of mines. The asking price by Morris and Elling was $1 million.

II. The Purchase of the Boss Tweed-Clipper Group 1901

Rumors of the intended sale of the Boss Tweed-Clipper circulated long before the sale was announced. In August, 1900, the facts concerning the sale were released, but it was not until a year later, in August, 1901, that the deal officially went through. The sale of the Boss Tweed-Clipper for the proposed price of $1 million did more to stimulate the boom in Pony than any other single event.

The partners Morris and Elling sold their claims, the Clipper, Boss Tweed, Summitt, and half the Iron and Gem; and W. C. McKaskell sold the Belle, Charity and Eclipse. Included in the sale were the Eclipse, Belle and Mountain

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9Pony Sentinel, 26 January 1900.
Cliff millsites, the electric plant and water rights. The purchaser of this property was the Amalgamated Copper Mining Company of Butte. At that time the Boss Tweed vein was 90 feet to 151 feet wide and was assaying at better than $12 per ton. Although low grade, there was an immense amount of ore.

The Jeanette Mining and Milling Company, owned by Amalgamated, immediately began to improve the claims. A hundred-stamp mill with the most modern available accessories, including a big cyanide plant, was erected on the Mountain Cliff millsite. It was located on North Willow Creek above the town and near the electric plant. The railroad was then extended to reach the mill. Across the creek on Broadway Street, a two-story brick office building was erected. A three and a half mile electric tramway was surveyed and fully equipped at a cost of $30,000. The Jeanette Mining and Milling Company, however, was only to have the property for a short time. It then passed into the hands of the Indian Mining Company of Boston, apparently owned by A. C. Burrage, for $600,000. This company, along with the Mountain Milling Company, was one of the two firms which initiated the improvements. The Indian Mining Company, in turn, was only to have the mines until 1903.

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10 *Pony Sentinel*, 31 August 1900.

When the Boss Tweed-Clipper had been sold and the third boom was upon Pony, a man named Jack Reed attempted to establish a new townsite four miles above Pony at the foot of Mineral Hill. This new settlement was, appropriately, to be called Jeanette, after the company that first bought the Boss Tweed-Clipper. Jeanette was supposed to lie among five of the biggest gold mines: the Clipper, Ned, White Pine, and Fourth-of-July to the west; the Old Joe to the south; and the Strawberry group to the east.\(^{12}\) Apparently Reed thought this the ideal location for a town, being close to the mines. However, the townsite never amounted to anything and plans for the intended town of Jeanette simply disappeared.\(^{13}\)

The Indian Mining Company began the first extensive workings of the Boss Tweed mine. Previously, the Clipper mine had been developed most completely. During the years that the Indian Mining Company worked the Boss Tweed, $220,000 was said to have been obtained from 4,400 tons of ore.

The great expectations of the owners of the mines and the people of Pony were never to be realized. The tramline was equipped and built, but never once used. The hundred-stamp mill, which so many Pony residents had looked to as a source of many jobs, never once turned a stamp. When completed,

\(^{12}\)\textit{Pony Sentinel}, 1 November 1901.

\(^{13}\)Apparently, the town of Jeanette ended up being nothing more than a bar. The mine owners objected to liquor being sold so near the mines and the bar was obliged to close.
it was found to contain all the wrong machinery and the work was stopped on it. The railroad track leading to it soon fell into disrepair. The Indian Mining Company was to stay in Pony only two years, during which time $250,000 worth of ore was shipped to Butte and elsewhere. At the time of the completion of the mill, Burrage became associated with the Anaconda Mining Company and was transferred to South America. He had the mill dismantled, sold the milling and mining machinery, and stored the tram equipment. He then put his son in charge of the property. 14

In 1903, W. W. Morris secured the lease on the property and soon a dozen men were put to work under him. After being disillusioned by the failure of the Indian Mining Company, the citizens of Pony heaved a sigh of relief as the management of Morris took over. In 1904, the Mountain Milling Company's hundred-stamp mill was sold to a Denver company for $35-40,000. The railroad track was improved enough to allow them to dismantle the building and remove the machinery. 15 This event killed any lingering hope of the Pony residents that some day the mill would bring another boom to Pony. It was also in 1904 that W. W. Morris died while inspecting a mine in Reveille, Nevada. The community lost its leading member, without whom mining would decline for many years.

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15 Pony Sentinel, 30 September 1904.
III. Conclusion

In these four years the residents of Pony saw their hopes raised to a very high degree and then abruptly quelled. Pony had been given the chance to become a large industrial site, but in the final run, the mining of Pony did not meet the expectations of its townspeople. After being given two opportunities for expansion by large outside capital, the mining was never again to revive to the standards of that time.

The period of 1900-01 saw Pony becoming a mature mining camp. A good indication of this is the establishment of its own bank. Banks were an essential aspect of the quartz mining community. Mining of this sort took not only an initial investment but financial support throughout the mining operations. Bankers were needed to handle the numerous dealings with outside financial institutions and other supportive industry. Also, the concern for a permanent water system, and the incorporation of the town with elected officials, showed that the town was gaining the stability needed for permanency. Although diminishing with the failure of the mines to hold outside interest, these factors helped insure that the town would not die because of the failure. Another sign of a mature camp, the presence of farming and ranching, indicated that mining was losing its role as the primary industry of the area. Agriculture, much more than mining, would guarantee that the town would not vanish entirely.
Across the state, also, agriculture was becoming more and more important. The huge open-range cattle ranches were becoming smaller and enclosed. The establishment of farms was on the rise. The severe winter of 1886-7 had stifled the open-range cattle ranching and new techniques were introduced. Hay was raised to feed the cattle as winter forage and the vast prairies were gradually fenced. The advancement of the railroad throughout Montana, the machinery brought by the Industrial Age, the availability of Montana's lands and the promotional campaign to encourage homesteaders were all significant factors in the rise of farming in the early 1900s. Agriculture replaced gold mining as the booming industry in Montana.

During the time of Pony's last gold boom, the Butte copper mines were undergoing a tumultuous period. In 1899, the Amalgamated Copper Company, a holding company of Standard Oil, bought the Anaconda Company. Soon after that purchase and subsequent extraction of copper, Amalgamated ran into trouble with F. Augustus Heinze. Heinze was virtually stealing Amalgamated's ore from beneath its land and then kept its lawsuits tied up in a corrupt courtroom, the judge being bribed by Heinze. The final upshot was that in 1903 Amalgamated completely shut down all its enterprises in Montana except its newspapers. Twenty thousand workmen lost their jobs and four-fifths of the state wage earners were affected. Montana was thrown into turmoil. Finally, enough pressure was put on the Montana government by the unemployed men that a special session of the Montana legislature was called in late 1903. A Fair-Trials
bill was passed and Amalgamated put its men back to work. This maneuver of Amalgamated's had a lasting influence on Montana's politics. It set the pattern for legislative subservience to large copper industries, such as Amalgamated and the Anaconda Copper Company.16

Amalgamated's shutdown was to influence Pony's development as well. The year of the shutdown was also the year the company closed down its operations in Pony. The two events are probably connected. One wonders if the abandoning of its Pony claims was due to a poor showing on the mines' part or to the politics in Butte at the same time.

The year 1904 marked the end of vigorous mining in the Pony area. The town also declined, but mining never stopped altogether. In the years to come, small amounts of gold still were being extracted from the Mineral Hill District and it was enough to attract some investors. However, Pony has yet to experience booms such as the first three.

16 For more information on Amalgamated Copper Company's Shutdown, see Toole, Twentieth Century Montana: A State of Extremes, pp. 99-122.
EPILOGUE AND CONCLUSION

I. Quartz Mining After 1904

When a gold camp reaches maturity, the mining which created it often falls into a subservient position to other rising industries. Pony, by the early 1900s, had all the signs of reaching maturation. Not only was agriculture beginning to predominate in the community, but mining itself showed the symptoms of decline. During that time, no noteworthy strikes occurred in the district. The mining continued consistently but undramatically. By then, the routes of the veins of ore were known and understood, most even mapped. When an area is familiar, surprising strikes are unlikely. There was interest in the area, but no more investors entered with spectacular plans of improvement. Thus, after 1904, Pony gold mining continued but became secondary in importance.

The newspaper of 1908-13, the Pony Dispatch and Express, obviously showed the switch in emphasis. Major front-page news involved agricultural events and the ad pages were dominated by farm and ranch advertisements while mining was given coverage now and then. Possibly, this was because of the lack of exciting strikes, but mostly it was because of its decline as the primary industry.
By 1910, the town of Pony itself indicated a gold camp's maturity. At that time, it was the second largest voting precinct in Madison County. A large two-story brick school-house had been erected within which five teachers were employed. Several denominations built churches in the town and fraternal lodges, such as the Masons, the Odd Fellows and the Eastern Star met in a two-story brick building known as Fraternity Hall. Today, this building is still used for social functions. The Miners Union of Pony was active and financially solvent. Pony, at that time, had a fire department, electric lights, a water system and a public library of over 1,000 volumes. It was a well-established town with $150,000 deposited in its bank. These features could only belong to a town that believed it would survive in the future. Clearly, it was no longer a temporary and transient placer camp.

In 1913, the Garnet Gold Mining Company reorganized under a new name, the Pony Mining and Milling Company. At that time it was employing twelve men and hoped to increase the number to keep the mill running in three shifts. At the Boss Tweed, after a rather long quiescent period, a large amount of milling ore was discovered at the 600-foot level. On the average, it was running $10 per ton. The lessee, Ed Smith, was working twenty men at the time. The Mountain Meadow Mine was under lease to C. Powers and he had five men on the payroll. They were producing high grade ore of about $100 to the ton. The

1Pony Dispatch and Express, 30 December 1909.
Old Joe seems to have been the only other mine producing ore in appreciable amounts. Its ore was averaging $40 per ton, enough to make operating the mill profitable. The partners, Reinoehl and Morrow, were responsible for developing the Old Joe.² The activity in the mines was moderate. They were still producing, but with no noteworthy strikes.

When, in 1904, the third boom at Pony was over, Morris' sons quietly continued to mine the Boss Tweed-Clipper until about 1908 when Smith, Wilke and Poland took the lease from Burrage. They built a 10-stamp mill and took out some $1,050,000 in gross value of ore until 1920 when they pulled out. For eight years all mining ceased in the Boss Tweed-Clipper. For a year, from 1927 to 1928, the W. A. Clark interests of Butte leased the mines and did extensive examinations, but of which nothing resulted. The Mineral Hill Leasing Company did some mining there in 1930-31, and later in 1931 the Boss Tweed-Clipper Gold Mines, Incorporated, took over. This was the first company in 27 years to do any major work in the mines, but it was forced to pull out in 1932 due to lack of capital. In 1933, the Pacific Gold Mining Company, a Japanese firm from Washington, bought the mines. When this firm pulled out, they left the mines in poor shape and heavily in debt.³ However, the mining at Pony did not cease completely. Gold has been

²Ibid., 1 August 1913.

steadily extracted from the district, although never on a large scale. Interest in the gold mines has continued until the present, as several companies have come to Pony to sample the ore, and small mines are kept open by individuals.

While Pony after 1904 reached full maturity as a gold camp and gradually slipped into the role of a farming community, elsewhere in the state homesteading was also becoming the current boom. The problem of obtaining enough semi-arid Montana-Dakota plains land to make it profitable to farm was apparently solved in 1909 by the Enlarged Homestead Act. Settlers could then obtain government lands free in 320-acre amounts. A later supplement also reduced the waiting time necessary to receive title to the land from five years to three years. Private speculators also provided land to homesteaders. The method of dry land farming, developed by Hardy Webster Campbell, promised to make arid lands fertile by conserving water. These factors, plus the massive propagandistic campaigns and the railroads, brought thousands of settlers pouring into the state. In 1900, Montana's population was 243,329 and in just ten years it rose to 376,053. By then, agriculture had already passed mining as Montana's major source of income. However, by 1920, the great homestead boom was over. Years of a devastating drought, accompanied by locust swarms, destroyed crop yields. It was not until the 1940s that the wet cycle returned and during the intervening years

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the wind blew the parched topsoil away. The drought forced
thousands to declare bankruptcy, and in turn the over-extended
banks collapsed. With the end of World War I, the price of
wheat fell, adding to the depression hitting Montana. Although
given federal and state aid, it was not nearly enough to cover
the amount of damage inflicted by the drought. Sixty thousand
people left Montana in the 1920s and one out of every two
farmers lost their land.5

Montana's mining also felt the depression. The end of
the war shut down the demand for raw materials and, as a
result, miners and lumbermen were laid off throughout the
state. The mining at Pony reflects this as after 1920 work
at the Boss Tweed-Clipper closed down.

The end of the homestead boom effectively concluded
Montana's frontier period. The boom cycles that had hit
Montana previously in mining and later in agriculture were,
for the most part, over. The years after 1920 were unspectacular,
Montanans being more concerned with their day-to-day existence.6
After that time Pony, also, was never to experience a boom as
in the frontier days.

Labor activity throughout Montana was fairly quiet before
1900. Almost all employers hired only union men. Elsewhere
in the west, however, labor was fighting a bloody battle
with capital, but Montana itself was not involved until after

5Ibid., p. 218.

6For more information, see Malone and Roeder, Montana:
A History of Two Centuries and K. Ross Toole, Twentieth Century
Montana: A State of Extremes.
Amalgamated Copper Company took over the Anaconda Copper Company. Amalgamated infiltrated and caused a split in the Butte Miners Union. Trouble began between the conservative element in the Union, which was controlled by Amalgamated, and the progressives, influenced by the more radical Industrial Workers of the World. In 1914, on Miners Union Day, the strife reached the peak of open violence and rioting took place throughout Butte. The trouble did not stop after this, but continued through the year until martial law (and the National Guard) was enforced upon the city of Butte. Between 1914 and 1917, no miners union existed in Butte. In 1917, the International Union of Mine, Mill and Smelter Workers attempted to establish itself in Butte but no union was recognized by the Anaconda Copper Company until 1934.7

The union at Pony never reflected this upheaval. From all indications, the Miners Union of Pony quietly functioned without controversy or conflict.

As the state after the 1920s ended its boom and bust frontier cycle, so, too, did Pony. At times optimism has run high, but no booms ever resulted. The town of Pony survived, although as a small community. Like the state itself, it owes its origins to the discovery of gold, but depends upon agriculture for its continuation.

7Toole, Twentieth Century Montana: A State of Extremes, p. 138.
Pony's mining frontier, from 1868 to roughly the 1920s, saw four general divisions. A short placer period existed from 1864 until 1875. Its only real significance is that it first brought attention and people to the Pony area. As soon as what little free gold that was available was taken from the streams, the placer claims were abandoned. Pony cannot be considered a placer gold rush camp because of this.

The quartz strike of mill-quality ore in 1875 escalated the first real gold rush to the Pony area. This boom was characterized by local ownership of the mines by men with enough capital to develop quartz mines. The community members of the emerging gold camp of Pony differed from the previous temporary placer miners and formed a firm basis for the town. It was to the advantage of these Pony mine owners to promote their investments in hopes of a profitable sale. Also, in 1873, a nationwide panic hit, creating a time of national upheaval. Thus, the two factors necessary to initiate a gold rush were present at Pony's inception. Outside elements, also, were helpful in promoting the development of gold there. The 1870s mining slump caused a widespread search for gold and the intensification of mining lower grade ore. At that time, techniques and facilities had become available to extract gold from ore profitably.

Entrepreneur interest and the arrival of the railroad delineated Pony's second boom of 1889. The railroad, especially, was very important to the growth of mining and of the community. Its presence was a result of entrepreneur patronage.
For the first time, a company outside of the region had control of the mines. Corporations were an aspect of the Gilded Age which directly affected the local area. Unfortunately, their domination did not last long. Mismanagement by the administration helped to end the boom, even though their presence had potential. The actual cause to their withdrawal may have been aided by a poor showing in the mines, unsuspected at the time of purchase.

The gold camp during Pony's second boom was in the process of growing up. The rush stage occurred in the first ore strike of 1875, but by 1889, the community was in transition. It showed the signs of settling down with its growing business and cultural activity. Its survival was further enhanced by the railroad, which helped firmly establish the camp.

Pony's third and last boom occurred in 1900. The period represented the peak of optimism and speculation concerning the mines. The amount of money spent in developing them indicated that really large scale operations would begin for the first time. However, this was never to be the case. Amalgamated's withdrawal shows how closely the growth of Pony was tied to the rest of the state. The Shutdown of 1903 in Butte stopped the hectic activity in Pony. The mining and the community never again saw capital and energy spent on their mines as in 1900.

By that time, Pony had reached the status of a fully mature gold camp. Despite the "bust" periods in mining, its survival was insured by the growing agricultural industries
and the railroad spur. Where as similar quartz gold camps, such as Marysville and Maiden, Montana, died into ghost towns, Pony today is still an active, though small, community. The agriculture in the surrounding area is the primary source of jobs and income for the townspeople.8

Pony did not grow into a city for several reasons. Principally, its location was not strategic. Although it did have a railroad, it was merely a spur line and on no important transportation route. Also, the mining, even though steady, did not produce huge amounts of money compared to other camps like Helena. Pony never gained in other supportive industries, other than agriculture, that would draw capital and population. It was never an important political center. That it still exists today is due to the surrounding farming and ranching.

Did the gold camp of Pony, then, fit the pattern of a Rocky Mountain gold camp? Pony went from an initial rush camp to the position of a mature town. This same pattern was followed by nearly all western gold camps. Pony fluctuated between the common boom-bust cycles, from times of immense activity to periods of stagnation. In this respect, it was similar to other gold towns. The two factors needed to spark a rush also were present at the commencement of quartz mining. The Panic of 1873 created a time of national upheaval and the

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8 Many retired people or individuals on fixed incomes also reside in Pony. However, for those drawing wages, agriculture, directly or indirectly, supports most of the community.
local owners of the mines promoted the wealth of the district in order to attract investors. Thus, Pony did not vary much from the common model of a gold camp.

However, this camp did diverge from the ordinary rush town in certain respects. Unlike many mining regions in the West and in Montana, placer mining was unimportant. The booms in Pony did not arrive until after the placer period and quartz mining became all-important. No appreciable amounts of gold or money were taken from placering. Because Pony's booms were quartz booms, they also differed greatly from the placer rushes of other areas. While in placering any man who could pan could find gold; capital, time, facilities and more cooperative efforts were needed to extract and process ore. These things limited those who could profit from the discoveries. Moreover, a different sort of man, usually a company man, had to possess the capital resources in quartz mining. So Pony's booms were orderly, containing none of the notoriety of the placer rushes. When quartz mining was in full swing in Pony, there never was a labor-management conflict, such as often occurred in other quartz camps. The mining at Pony was characterized by its rather calm and consistent returns. This may be due to the almost continual ownership of the principal group of mines by a local partnership. The proprietors, Morris and Elling, provided stability to Pony's mining situation. It was their steady faith in the productivity of their mines that pulled the community through the slow times.
The mines of the Pony district must have had potential that could attract such entrepreneurs as Hauser, and such business interests as Amalgamated Copper Company. But in both cases, the booms that their buying of the Boss Tweed-Clipper group could have caused fizzled out. These booms collapsed mainly because of problems from within the company itself. The mines may have proved to be less productive than first speculated, too, but internal troubles plagued both investors during their ownership of the mines.

Gold was brought from the mines steadily. This feature of consistency also caused Pony's history to vary from the pattern set by Virginia City, Bannack and Helena. Substantial Pony mining began quite a bit later than these previous Montana rushes and consequently Pony's development always lagged behind theirs. Bannack today is a ghost town, preserved for the public as the first territorial capital. Very little activity takes place there and few people live in the surrounding area. Virginia City is the Madison County seat which helps keep the small town alive in the winter. In the summer, it is a tourist town, restored to look like it was originally. Pony has survived better than these two with year-round residents and an agricultural economic base. Its rush may never have been as large or spectacular as Bannack and Virginia City, but it was more steady and remained longer.

The pattern of Pony's mining frontier fits easily into the model for most Montana and Rocky Mountain gold camps. In a few ways, its development differs, yet it cannot be counted
a phenomenon separate from the West as a whole. It can be distinguished from Montana's first three rushes; however, it is also an offshoot of these developments and must be viewed against their larger background. The history of the mining at Pony can be used to illustrate the growth of a common gold camp of the West. It has been shown that the study of a regional community can reflect statewide happenings.

The mining of Montana established the first population base needed to reach statehood. The community of Pony is an example of how the industry of mining created a populated area. The survival of the camp helped build the state of Montana.
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