CHAPTER ONE

SILVER BOOM, SILVER BUST: ASPEN IN THE EARLY DAYS

Explorer, surveyor, and army Colonel Ferdinand Hayden conducted several surveys of the Rocky Mountains, including in 1872, the first government survey of the area that became Yellowstone Park. The next year, his team explored to the south in the Colorado Territory.

Leadville, at the headwaters of the Arkansas River in central Colorado, was already booming with gold mining. What lay to the west over difficult, fourteen-thousand-foot mountains and twelve-thousand-foot passes of the Continental Divide and down into the valley of the Roaring Fork River was mostly unknown except to fur traders and nomadic Ute Indians.

Hayden went there. In a journal entry that changed Colorado's history, he noted that the terrain, rocks, and perhaps the geology looked like that of Leadville. Hayden's 1873 survey planted the seeds of Aspen, though his journal was not published until five years later.

Hayden also noted and photographed a high peak with a horizontal ledge bisected by a central couloir. They were snow-filled and formed a cross shape. He dubbed the peak "Mount of the Holy Cross," and the 14,011-foot peak is still named that. The local electric company in the Roaring Fork Valley is "Holy Cross Energy," a name that rankles some people as inappropriate for a public utility company.

For all of Hayden's naming of the features of the western landscape, not much was named for Hayden in return. One thing that does bear his name is 13,561-foot Hayden Peak near today's Aspen, so named by Hayden's men.

Early ski pioneers two generations later seriously considered building their new ski facilities on Hayden Peak rather than on Aspen Mountain. The result would have been a much different Aspen. The ski runs of Aspen Mountain terminate practically in downtown Aspen, while Hayden Peak is half a dozen miles up Castle Creek outside of town.

If Hayden's men had been prescient enough to foresee the ensuing mining, skiing, and frolicking in store for Aspen, they might have assigned his name to what is now Aspen Mountain. If they had, he would be famous today.

But perhaps not in a way he would have liked. For all his accomplishments as a surgeon in the Civil War, a tough and intrepid explorer in midlife, an officer in the army, and then a geology professor afterward who helped establish Yellowstone as the nation's first national park, he was a modest and scholarly man. Not much honors him apart from lesser mountains and the town of Hayden, Colorado, which has a population of 2,452. Native Americans have called for Hayden Valley in Yellowstone to be renamed on the grounds that Hayden "advocated for the extermination of tribal people who refused to comply with federal dictates." Little in the historical record supports this allegation, but do not be surprised if geographers soon cave to the mob's demand that Colonel Hayden be canceled.

Western commercial interests and politicians put Hayden's exploration to practical use. They had learned something in the California gold rush of 1849 and then again in the Colorado gold rush of 1859, which centered on Leadville and other mountainous areas east of the Continental Divide. They learned that mining booms are good for business. In the 1870s, they engineered another.

Silver dollars had long been coined in the United States. United States mints were required to coin silver brought to them by private parties, a practice that was called "free silver." People who wanted a looser money supply liked the free silver policy because the amount of money in circulation was continually increased simply by the act of mining silver. People literally minted money for themselves by bringing their mined silver to the mint to be coined. It was the nineteenth-century equivalent of the modern Federal Reserve's quantitative easing. From a private perspective, it was even slicker than that because, apart from the mechanical operation of the mint, it could be accomplished outside the government. And it was perhaps more economically sound than quantitative easing because, unlike the Federal Reserve's supply of paper money, the only limit to which is the speed of their printing presses, the supply of silver ore is finite.

But in 1834, Congress messed with the money supply. They effectively devalued the new silver currency by increasing the amount of silver required to produce a given denomination of the coin. It suddenly took more than a dollar's worth of silver to make a silver dollar. Unsurprisingly, silver bullion owners largely stopped making their silver into dollars.

In 1873, Congress demonetized silver to officially end the coinage of silver as US currency. Gold coinage was in circulation all this time, and the Treasury held substantial gold reserves. The Treasury strove to increase those gold reserves to shore up the paper dollar during and after the Civil War. The net result of all this was plummeting world silver prices.

Various interests campaigned for a return to free silver policies, including farmers—and there were a lot of farmers in those days—seeking an expanded money supply in the economy to buy their crops and a few western senators who held stakes in silver mines. They pushed legislation through Congress in 1878 requiring the Department of Treasury to purchase large quantities of silver to make coinage to use in combination with the long-standing gold coinage. Leadville's silver deposits became more profitable, and Leadville boomed for the second time.

In that same year of 1878, probably not coincidentally, Hayden's 1873 survey of western Colorado was finally published, describing the geology over the high peaks west of Leadville and down into the Roaring Fork Valley. Hayden's descriptions enticed miners over the Continental Divide in epic three-week treks on foot, horseback, and wagons to assay the ore on the other side.

Today's geologists are not surprised that these intrepid miners discovered huge silver deposits in the geologically complex Roaring Fork Valley. Numerous mining towns popped up, such as Independence at about 11,400 feet with 1,500 residents at its height, Ashcroft, Ruby, and one called Ute City. All that remains of these towns are a few rotten timbers, except Ute City. That one was renamed a year later "Aspen."

Aspen, too, nearly went bust. It was so remote that it was difficult economically to bring in supplies and to bring out silver ore. The construction of a rail line in the late 1880s saved the town. An old railbed is now a paved bicycle path extending all the way to Glenwood Springs, forty miles down the valley at the junction of the Roaring Fork and Colorado Rivers.

Blessed with some of the biggest silver deposits on earth and equipped with a rail line to ship it out, Aspen thrived. In its heyday, it supplied one-sixth of the country's silver and one-sixteenth of the world's. The Smuggler Mine unearthed the world's largest silver nugget, a one-ton behemoth the size of a modern shopping cart.

Hydroelectric power was generated for the mines, electric street lights were installed, a water system was constructed, and a trolley line was built down Main Street. A tramway was constructed partway up Aspen Mountain to the mines near the path of the present gondola. The town had six newspapers, and they did not all have the same conventional and correct political viewpoints.

The population topped twelve thousand, compared with today's seven thousand. It would have been higher if 1,500 Ute Indians had not been relocated to Utah.

Some of Aspen's early success was due to good fortune, some of it was due to bad acts, and some of it was just ugly. The presence of silver in and around Aspen was, of course, pure luck. The demand for silver, engineered by Congress's mandating silver purchases and coinage by the Department of Treasury, was bad crony capitalism. The deportation of the Utes was ugly. But the rest of Aspen's early success was the product of raw, unbridled, risk-taking entrepreneurialism.

Aspen was not planned. It started as a high-altitude and high-attitude tent town of miners, who undertook outrageously difficult and hazardous jobs underground on the dim chance that they might strike it rich but usually did not, and their suppliers, who usually did become prosperous but also not rich.

None of them thought the world owed them a living. They had little patience for claim jumpers, outlaws, drunks, or whores. Wyatt Earp and Doc Holliday were acquainted with the place—Earp arrested a murderer in Aspen, and Holliday died of tuberculosis down valley in Glenwood Springs, where he is buried in an unmarked grave in an obscure hillside cemetery—but Aspen was never a shoot-'em-up town until Spider Sabich and Claudine Longet arrived a century later.

There were no taxpayer-subsidized houses, no class struggles, no chicks with dicks, no Hollywood types, no Black Ski Week, no billionaires, no Gay Ski Week, no global warming fretting, no global celebrity feting, no private jets, no equity, no virtue-signaling lawn signs, no Music Festival, no Ideas Festival, no Food and Wine Festival, no Jazz Festival, no Beer Festival, and no Arts Festival.

No, these early Aspenites had little time for the festivities of festivals. They worked for a living. Thomas Hobbes might have been describing an Aspen silver miner whose life was indeed "solitary, poor, nasty, brutish, and short." And he lived that life mainly in the dark amid poisonous fumes.

A notable exception was Jerome Wheeler, a wealthy eastern businessman who was president of Macy's. In a transplantation typical in the history of Colorado, Wheeler visited the state, fell in love with it, and moved there. He went to Aspen early in the silver boom and invested in the mines. It was a good investment for a while. He built the Wheeler Opera House, still standing, and the Hotel Jerome, which is still among Aspen's finest after half a dozen remodels. He liked to name things after himself.

Congress's tinkering in the monetary system was just getting started. In 1890, they passed the Sherman Silver Purchase Act, expanding the government's purchase of silver for coinage by another 50 percent. But the result was a decline in the Treasury's gold reserves, which sparked a financial panic. Congress swiftly repealed the act in 1893.

The repealing legislation came at the worst possible time for the silver market because the artificial demand produced by the legislation had generated a western mining boom from Colorado to California. They were mining far more silver than the industry could absorb without the prop of Treasury Department purchases.

The price of silver crashed by one-third in what came to be called the "Panic of 1893" (though it was called "the Great Depression" until the 1930s). Mines in Aspen, Leadville, and throughout the West closed. Over half the employable men in most mining towns were abruptly out of a job.

It was government interference with markets—specifically the government propping up the silver market—that birthed Aspen. Perhaps fittingly, it was additional government interference—the government's untimely undoing of its propping up of the silver market—that nearly killed it.

To ordinary miners, all this commodity market manipulation by an arrogant, corrupt, and stupid government two thousand miles away was no more understandable than it was to the local deer or to the Ute Indians who had been carted off to Utah. All they knew was that it became a lot harder to scratch out a living.

Jerome Wheeler declared bankruptcy. He did not get a bail-out. For the second time, Aspen nearly became a ghost town, and by the early part of the twentieth century, the population was down to five hundred.