

lating medium with which to transact business. Portland grew steadily for several years. In 1852 the mines of Southern Oregon were opened up, and in 1855-6 the extensive Indian wars served to keep business brisk. In 1858-9 the Fraser River excitement raged, and Portland sold thousands of dollars worth of goods to the miners hastening to the gold fields of British Columbia. It was then that many of Portland's millionaires laid the foundation of their wealth. The next event was the most important in the city's career. In 1861 gold was discovered on Salmon River, a tributary of the Snake in Idaho, and there was a great stampede of miners from every portion of the Coast the following year to the new gold fields. Gold was found in the Boise country and other sections of Idaho, and in the Burnt, Powder and John Day river regions of Eastern Oregon. Those sections filled up rapidly, and had to rely almost exclusively upon Portland for supplies. The only practicable route of travel and transportation across the Cascade Mountains was by way of the Columbia River, hence Portland was so situated as to command the trade. It was in supplying and transporting goods, chiefly by this route, that the greater portion of the wealth of Portland was accumulated. Trade was extended still further east in 1863-4-5 by the opening of the Montana mines, which drew their supplies from this side until cheaper routes were opened up from the East.

The first serious set-back the city received was in 1868, when the trade of Southern Idaho and much of Eastern Oregon was lost by the opening of new routes from points on the Central Pacific. In 1871-2, however, work having been begun in earnest on the Northern Pacific, Portland began to forge ahead again. About this time, also, shipments of grain and flour from east of the Cascades began to be of considerable importance, and the trade of that region, which was rapidly being settled by immigration, expanded yearly. The Oregon & California Railroad was built south through the Willamette Valley, destined to ultimately connect with the Oregon branch of the Central Pacific. The financial crash of 1873, beginning with the failure of Jay Cooke & Co., the indefinite suspension of work on the Northern Pacific, and the "hard times" of 1874-5, affected Portland much less than would naturally have been expected. The tributary country was developing rapidly, and though the city advanced but little in population, its volume of business steadily increased. The revival came in 1879, and the next four years were the brightest in Portland's history. It was a period of active railroad construction. Millions of dollars were spent by the various companies in the city and surrounding country. The Northern Pacific was pushed to completion as rapidly as money and men could do it, the Oregon Railway & Navigation Company was organized, and constructed a line up the Columbia and into the great grain fields of the interior, and the Oregon & California began extending its line southward to connect with the Central Pacific at the California boundary line. Henry Villard was president of all these companies, also of the Oregon & Transconti-

ental Company, a financial auxiliary created for the purpose of raising means for constructing the lines and branches undertaken by the other companies. All of these companies were organized to work together so as to give this region a complete and harmonious transportation system. Extensive terminal works were projected in Portland, including a large union depot, a bridge across the river, and an immense hotel to cost \$500,000, the last of which was partially completed. Those were "boom" times for Portland. The city's population and trade increased wonderfully. Business blocks and residences were erected in great numbers. There was work for every one, and wages were higher than in any other city in the Union, brick masons receiving for a time as much as \$7 per day. Real estate was held at high figures and a great many transfers were recorded. Numerous additions were made to the city, a number of suburban towns were laid out, and thousands of these outlying lots were sold, many of them being bought for residence purposes and others for speculation. Many new business and manufacturing enterprises were founded in the city, and thousands of acres of land were taken up by settlers in the tributary country.

To one who looked below the surface it was evident that everything was pitched in too high a key; yet, on the other hand, it was equally apparent that this seeming prosperity was not all a sham. It had a solid foundation to rest upon—the steady and permanent development of the country. The trouble was that future events and conditions were too strongly anticipated. People were expecting to achieve in one or two years what must be the work of ten. The future was too heavily discounted. This was apparent soon after the Northern Pacific was completed amid great rejoicings in September, 1883. There was a crash in the Villard schemes, and that great financier was compelled to resign his offices. The roads over which he had presided were again operated and managed independently, while their stocks shrank largely in value. Especially was the Oregon & Transcontinental, which had been but a financial bubble, made to suffer, and those who had invested in the stock lost heavily. Some of the greatest losses were sustained by a number of the wealthy men of Portland, while others not so well able to bear the strain were sufferers in smaller amounts. Work on the O. & C. was suspended at Ashland and the proposed connection with San Francisco indefinitely postponed. The terminal plans were held in abeyance and work on the great hotel was stopped. A feeling seemed to prevail among the less thoughtful that the "bottom had fallen out."

Wiser people, however, knew better. They had not been carried off their feet by the excitement of the "boom," and were consequently not overthrown by the relapse. Their faith in the city had been well founded, and they could see nothing in the new situation to shake it. The causes which had been at work to build up here a large commercial city still existed, and they could see no reason for despondence because the miracles hoped for by enthusiasts had not come to pass. A period of