

# Dazed



# Duped by Diamonds

BY SHARON ELAINE THOMPSON

Photo © Dome Rock Archives

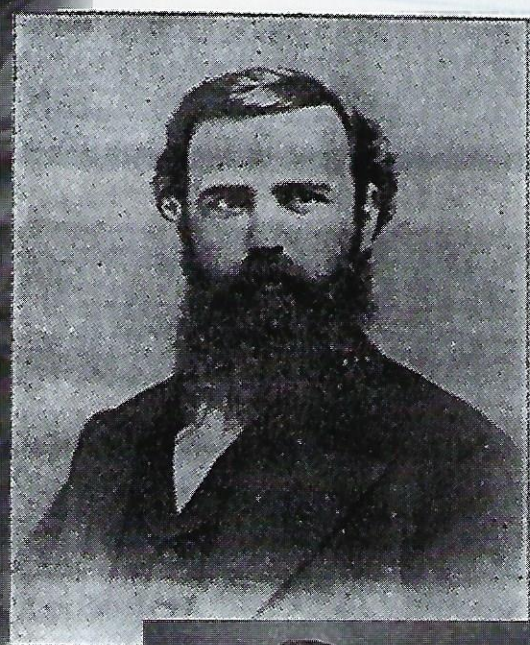
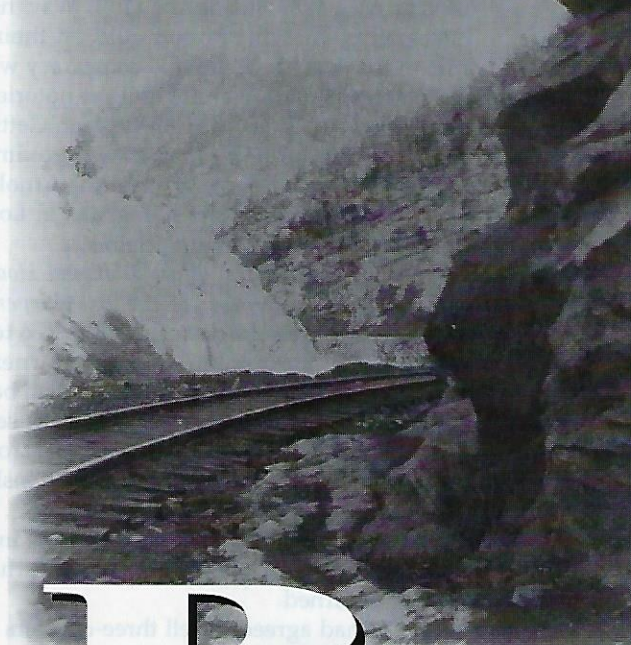


Photo from *The Great Diamond Hoax and Other Striking Incidents in the Life of Asbury Harpending*, James H. Wilkins, ed., courtesy of the University of Oklahoma Press.

# P

erhaps it was because San Francisco was a city where tales of gold-running streams had come true. Perhaps that is why a group of shrewd businessmen was taken in by a tale of diamonds found in the American desert. But then, perhaps it was only greed.

In February of 1872, two scruffy prospectors named Philip Arnold and John Slack arrived in San Francisco with a pouch full of hundreds of uncut diamonds, rubies, sapphires, and emeralds. They soon had the close attention of the richest and most powerful men in the city. One of these was William C. Ralston, president of the Bank of California, where legend has it the two men had gone to make their deposit.

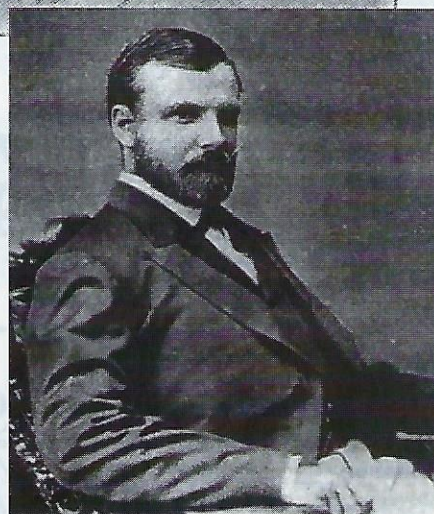


Photo: Library of Congress, 1869

Geologist Clarence King (above) followed a tortuous trail that included a 36-hour train ride; a two-day, blindfolded ride on horseback; and a 7,000-foot-high mesa with pine timber nearby as he worked to untangle a yarn in which Asbury Harpending (top) figured prominently.





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*Dazed . . .*

Another was Ralston's close friend, former army general George D. Roberts, for whom Arnold, it turned out, had once worked. One story says Roberts tracked Arnold and Slack down, another that the prospectors went to him first. But all stories agree that Arnold and Slack seemed happy to have found men they could trust in that slippery city of sin. They told Ralston and Roberts about a fabulous gem mine, a mountain of wealth so rich that stones could be kicked out casually with boot heels. They revealed everything — except where the mine was located. They let Roberts and Ralston think it was in Arizona.

Ralston was already dreaming of turning San Francisco into the gem-cutting center of the world. He finally persuaded the "two simple-minded fellows" to take him and a few select others on as partners. One of these men was Asbury Harpending.

ASBURY HARPENDING was a friend of Ralston's with a checkered past. He had arrived in California from Kentucky, an unrepentant rebel, a firm believer in the Ku Klux Klan, and a prisoner of Alcatraz. During the Civil War, he had plotted to hijack ships carrying Union gold on their way from California to the East Coast, but the conspiracy was exposed. Nevertheless, when Harpending left the notorious island in San Francisco Bay, he landed on his feet. Getting to know the right people, he had amassed approximately \$250,000 in various mining ventures. By the time Arnold and Slack arrived in San Francisco, Harpending was in London, busy discrediting a competitor's mining claims.

According to his memoir, *The Great Diamond Hoax and Other Stirring Incidents in the Life of Asbury Harpending*, Ralston implored him to come back to San Francisco to help establish the new diamond-mining venture. Harpending knew both Arnold and Slack. "Arnold generally had borne a good reputation among the mining fraternity. Slack seemed to be a stray bird who had blown in by chance, probably picked up by Arnold because of a marriage relationship. It seemed that they had told a straight enough story. . . . Still, I had a general, indefinable doubt which I expressed in plain words to Ralston." Cables flew back and forth, and Harpending finally returned.

Slack and Arnold had agreed to sell three-quarters of the claim to Ralston and his partners, but before any money changed hands, the new partners wanted to be sure the mine really existed. The miners agreed to take two men to examine the claim, but they had to travel blindfolded.

The party rode for four days along a winding path. They finally stopped at a small mesa with an elevation of about 7,000 feet. Their trip was worthwhile. General David Colton, representing the Ralston group, found a 108-carat diamond, later valued by a San Francisco jeweler at \$96,000. They returned to San Francisco jubilant.

The partners must have still had doubts about the worth of the claim, or perhaps they simply wanted more gemstones for collateral before they paid the miners. Arnold and Slack ended up going back to the fields, digging out more stones, and returning them to the partners as proof of good faith. Harpending — alone — met the men, collected the diamonds, and took them to the backers, dramatically pouring them out onto a sheet-covered billiard table in a "many-colored cataract of light."

The backers now insisted on an unimpeachable valuation of the stones. Arnold and Slack willingly agreed to go to New York with the stones and an ever-growing number of



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3mm	15.00	45.00	3.50 (25.00/1000)	6.00	5.50/100 (45.50/1000)	---
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5mm	59.25	92.00	8.50	19.00	13.50	22.50
6mm	94.50	120.00	11.50	22.00	23.50	31.50
7mm	127.75	191.00	16.00	29.50	35.00	35.50
8mm	192.50	269.00	22.25	36.00	48.25	51.00
9mm	361.50	340.00	37.75	40.75	77.00	63.00
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4mm	42.75	53.75	13.25	22.25	19.50	26.50
5mm	72.75	95.50	17.00	27.00	25.75	31.75
6mm	101.00	140.00	21.50	31.00	34.50	39.25
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## Diamond Daze Redux

You may not be dazed by diamonds at the Diamond Daze Gem and Mineral Show, but you'll find that just about everything else is covered. The combined national show and convention of the California Federation of Mineralogical Societies (CFMS) and American Federation of Mineralogical Societies (AFMS) — held at the Riverside (California) Convention Center on August 9, 10, and 11 — will have events to intrigue every kind of lapidary fan.

Members of the Faceter's Guild of Southern California, one of the show sponsors, will be out in force speaking and giving demonstrations. Well-known cutters Art Grant, Dennis Anderson, Norm Steele, Ed Romack, Glenn Vargas, Jerry Carroll, and Tom Schneider, as well as special guests Si Frazier (LJ Foreign Correspondent) and noted author, expert, and faceter John Sinkankas are scheduled to speak on a variety of topics sure to offer all cutters a new perspective on their work.

The Gem Carvers Guild of America is sponsoring adept carvers Harriette Breitman, Sylvia Cliffe, Ruth Forrest, Vince Jarrell, Virgil Keltz, Virginia Pace, William Piowski, Dewayne Sharp, and international participants Fred Day of New Zealand and Lance Tanner of British Columbia, who will provide a wealth of tips and techniques for carvers.

Collector W. Walton Wright will tell you all you ever wanted to know — and probably more that you ever thought to ask — about petrified wood. An opal symposium is also in the works.

There's even going to be a treasure hunt for devotees of metal detecting. Be sure to register before August 1, 1996, if you want to participate. (Contact West End Prospectors Club, Inc., "Finders Keepers," P.O. Box 834, Fontana, CA 92335.)

The joint AFMS/CFMS show is hosted by the Autonetics Gem and Mineral Club; the Capistrano Valley Rock and Mineral Club; the Faceters Guild of Southern California; the North Orange County Gem and Mineral Society; and the Orange Coast Mineral and Lapidary Society. It will be held at the Riverside Convention Center, 3443 Orange Street, Riverside, California. The show will be open to the public from 10 a.m. to 6 p.m. on August 9 and 10; and from 10 a.m. to 5 p.m. on August 11. Admission is \$5.50 for adults; \$4.50 for seniors and students; and free for children under 12. Parking is free.

If you plan to attend the show in your RV, you'll find facilities at Rancho Jurupa Park, just five miles from the convention center (for reservations, call 1-800-234-PARK). The headquarters hotel for the show is the Holiday Inn, just a block away (for reservations, call 1-800-HOLIDAY [465-4329] and ask for special show rates). For more information on the show, contact Isabella Burns, 1038 Bradshaw Avenue, Monterey Park, CA 91754; 818-288-2896.

So, if you won't be dazzled by diamonds, why did the show committee choose the theme "Diamond Daze"? No, it wasn't in commemoration of San Francisco's Great Diamond Hoax. The California Federation of Mineralogical Societies was founded 60 years ago, making 1996 the organization's diamond anniversary. No need to bring gifts — just come and have a great time! —SET



**Dazed . . .**

partners. Charles Tiffany himself examined the stones and pronounced that they were "beyond question precious stones of enormous value." The value he placed on the gems — only a tenth of the stones being held in San Francisco — was about \$150,000. Ralston deliriously estimated the total value of the gems on hand must then be worth at least \$1,500,000.

To finalize things, the consortium now asked Henry Janin, the most well-known mining engineer in the United States, to examine the claim. Janin had a reputation as a man impossible to fool. He had never made a mistake in estimating the value of a mine, and he was reported to have examined more than 600 mines. Janin agreed to look the site over — for a \$2,500 fee and the option to purchase 1,000 shares in the new company.

Even knowing Janin's reputation, Arnold and Slack remained enthusiastic. However, Arnold did ask the new company to guarantee him \$100,000 in cash. He was talked into leaving it in escrow pending Janin's report.

This time the blindfolded group trekking to the mine included Harpending, Arnold, Slack, Janin, and Harpending's friend from the gold hi-

jacking scheme, Alfred Rubrey. When they reached the site, Janin quickly and enthusiastically confirmed the validity and value of the mine. He set out to explore the area and mark the claim. Although stones were found only in one spot, Janin was confident that it would be worth the investment.

When the men returned to San Francisco, Harpending wrote, Slack and Rubrey were left to guard the site. Later, they left, for reasons not given. Rubrey returned to San Francisco. Slack, the "stray bird," was never seen again. He never received any money for his share of the "mine."

In San Francisco, Ralston had organized the San Francisco and New York Mining and Commercial Company. The company had 25 investors who had committed \$80,000 each. The company bought out Arnold's and Slack's remaining interest in the mine for \$600,000. Arnold had Slack's power of attorney and received his portion. The company was poised to make a killing. Everyone wanted diamonds. No one talked of anything else. They were waiting hungrily for the stock to go public when along came a conscientious young geologist who blew the fraud apart.

**AT 25, CLARENCE KING** had led a six-year survey meant to detail the resources of the territory crossed by the transcontinental Union Pacific Railroad. The 35-man expedition studied rock formations, mountains, and valleys; examined mines and mineral deposits; made topographical maps; studied weather patterns; and gathered specimens of plant and animal life in an area 100 miles wide and 800 miles long along the 40th parallel. (King later became the first head of the U.S. Geological Survey.)

When King and his colleagues heard stories of the diamond field, they realized the most likely spot for the alleged diamond deposit was within the area of King's expedition, but they had found no evidence whatsoever of gem deposits — certainly not one so unusual that it would contain rubies, emeralds, sapphires, garnets, and diamonds. It was vital to King's career and the credibility of his survey that he determine whether or not the mine was a fraud.

King and a colleague contrived to meet Janin at his favorite restaurant, expecting him to be cagey about the gem find. But Janin excitedly told them about the 36-hour train ride, the

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two-day, blindfolded ride on horseback, the 7,000-foot-high mesa, and the pine timber nearby. King asked about the weather. Janin had said that it had been almost too hot the whole trip, riding with the sun in their faces.

The geologists determined that a 36-hour train ride would have taken the party into Rawlins Springs, Wyoming, not Arizona. A two-day ride with the sun in their faces would have taken the party south into northern Utah. And on top of that, King and another member of the party remembered a mountain just like the one Janin had described. They knew just where the fabulous mountain had to be. On October 21, 1872, under the guise of doing more survey work, they set out to find the mountain.

On November 3, after 150 miles traveling over windy, cold ground through spitting snow, they found the area. Within 15 minutes, King had found a sign claiming water rights posted by Henry Janin; within an hour they had found the mine. One geologist almost immediately found a ruby. That night they were all believers.

The next day, they became cool professionals. At first, the mine seemed to bear out its promise: in one screening

**The geologists determined that a 36-hour train ride would have taken the party into Rawlins Springs, Wyoming. . . . A two-day ride with the sun in their faces would have taken the party south into northern Utah.**

of sand, King found 42 rubies. But then he found a stone sitting alone, perched on a piece of rock. "The diamond," wrote a party member, "lay directly on top, in a position from which one heavy wind or the storm of a winter must inevitably have dislodged it."

In his own account of the episode, Harpending wrote disparagingly that a German laborer had actually uncovered the fraud when he picked up a stone that was partially cut — perhaps the most famous "fact" about the hoax. Although the mine certainly was salted, according to King biographer Thurman Wilkins, the story about it being salted with *faceted* stones is as fraudulent as the mine.

In any case, the geologists discovered that anthills had been drilled with sticks or rods, and stones sprinkled into the hole. They dug pits to the bedrock, knowing that diamond's high specific gravity should have caused the stones to sink, over time, through the sand. They found nothing.

King rushed back to San Francisco to try to stop the sale of stock and avert a panic. He went first to Janin, who was badly shaken by what King had to say. Ralston and his partners were no calmer the next day when King and Janin went to see them. They didn't want to believe King, but his knowledge of the terrain and his minute description of his findings left no doubt that the "mine" had been salted. Later, after examining the mine again with King and Janin, Colton (who had made the first trip to the mine) wrote that "it would have been as impossible for nature to have deposited [the stones], as for a person standing in San Francisco to toss a marble in the air and have it fall on Bunker Hill Monument."

Arnold and Slack, it turned out, had made two trips to Amsterdam and London. There the two "hon-

*Continued on page 108*

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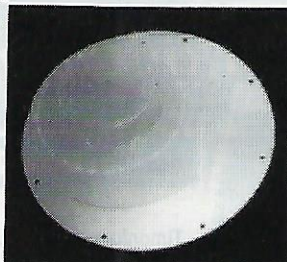
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 (continued from page 66)

est miners" had apparently done their "prospecting" by visiting the European cutting houses and buying all the poor-quality rough they could. They spent somewhere between \$25,000 and \$50,000, money that supposedly came from the sale of a couple of gold mines.

**BUT ONE WONDERS.** In his introduction to Harpending's *The Great Diamond Hoax*, bookseller and history buff Glen Dawson writes that upon Harpending's death, his papers came by a circuitous route into the possession of the California Historical Society. Among them was an agreement between Philip Arnold and Asbury Harpending, dated October 31, 1871 — three months before the miners hit San Francisco — "which outlines the ownership of certain diamonds." Was it the wealthy Harpending who really supplied Arnold and Slack with the cash for their buying trips? Just how much did Harpending know about the swindle?

Since Slack had disappeared, Arnold retired with all \$600,000 to Kentucky and opened a bank. When the victims of the fraud came after him, the state of Kentucky refused to extradite him to California. Arnold eventually turned over \$150,000 in exchange for immunity from prosecution. The deal protected him from a possible jail sentence, but it still didn't save him: he was shot and killed about a year later by a competing bank owner.

Harpending claimed to be disillusioned with business and sold his vast real estate holdings in San Francisco for a loss. He then retired comfortably to Kentucky.

Ralston was pretty much left holding the bag. He paid everyone back. Three years later, the Bank of California became insolvent. Shortly thereafter, Ralston was found floating in the San Francisco Bay. It was alleged that he'd committed suicide, but he probably died of a stroke.

During the late 1800s, the fabulous was commonplace in the United States. Gold, silver, and copper were making a few men unbelievably wealthy. There was untold wealth in cattle and crops. It was a time when a man with a little drive and a lot of chutzpah could parlay nothing into a private rail car, a huge estate, and a many-roomed mansion — a time when nothing but a distant vision could become a dream come true. ♦

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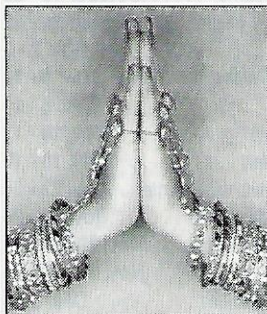
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