

## FIRST DRAFT

# Diamonds in the rough country created frenzy during the 1870s

In 1872, financial centers in San Francisco, New York and London were agog with the news of a great diamond discovery on an isolated mountain in Colorado.

There was speculation that diamond mines in South Africa and exchanges in Europe would be eclipsed by the great U.S. discovery.

U.S. government surveyor Clarence King was astonished by the diamonds he saw when he visited the mountain that autumn. But he and his Rocky Mountain survey team made a disturbing discovery: Some of the diamonds were already cut.

The diamond field was a hoax. The mountain had been "salted" with low-grade diamonds — some of which had been cut by professional gem cutters.

Salting with gold nuggets was a well-established technique for fooling potential mine investors. But this was new. And the fact that the diamond discovery was in an isolated part of the country added to the allure.

The site — now known as Diamond Peak — was in Brown's Park in the far northwest corner of Colorado territory.

The hoax itself was born more than 1,000 miles away, however.

In late 1870, two scruffy-looking prospectors, Philip Arnold and his cousin, John Slack, visited financier George Roberts in San Francisco, saying the items they had in a rough leather bag needed to be kept safe.

Roberts persuaded Arnold to show him the contents of the bag — uncut diamonds and other gems. But Arnold and Slack were coy about where they found the gems, and they didn't seem interested in financial partners.

Nonetheless, Roberts contacted his friend William Ralston, head of the Bank of California. The two recognized a potentially lucrative investment, but they wanted proof.

Faced with constant pressure from the financiers, Arnold and Slack agreed to allow their diamonds to be appraised, and a preliminary estimate of \$125,000 was given. The two men then disappeared for several months, returning with more diamonds.

The bankers paid them a \$100,000 down payment for their claim. It was the first of more than \$550,000 that would eventually be paid to the two men.

The two also agreed to take some of their diamonds to Charles Lewis Tiffany in New York to be appraised, then guide a small group to examine the diamond mountain itself.

Joining both efforts was a friend of Ralston named Ashbury Harpending, who'd made a fortune mining in the West and Mexico.

Harpending, Arnold and Slack met Tiffany in New York, and he valued the sample of diamonds he was given at \$150,000. From that, Harpending concluded the leather bag full of gems owned by Arnold and Slack was worth \$1.5 million.

In New York, the group attracted former Civil War Gen. George B. McClellan and Congressman Benjamin Butler to their cause.

In London, financier Baron Rothschild was eager to invest. But first, on-site verification was demanded. So, in the spring of 1872, Harpending, Arnold and Slack traveled to Brown's Park, accompanied by Henry Janin, a pre-eminent mining expert.

Four days of difficult riding from the railroad at Rawlins, Wyoming, took them to the diamond mountain.

"Everywhere we found



Clarence King, left, and members of his survey party near Salt Lake City in 1868.



BOB SILBERNAGEL



U.S. government geologist and surveyor Clarence King, who exposed the diamond hoax.



Ashbury Harpending, one of the wealthy San Francisco men duped by the diamond hoax.



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This 1872 photo of Brown's Park, Colorado, was taken during Clarence King's survey of the region. Diamond Peak, where the diamonds in the hoax were planted, is in Brown's Park.

precious stones — principally diamonds," Harpending wrote. "It was quite wonderful how generally the gems were scattered over a territory about a quarter mile square."

After two days, Janin determined "the absolute genuineness of the diamond fields," Harpending said.

The group staked out a 3,000-acre claim to ensure they got the entire diamond field, then headed home.

Ralston, Roberts, Harpending and others formed the San Francisco and New York Mining and Commercial Co., with 25 founding shareholders putting up \$80,000 apiece.

They paid Arnold and Slack the remainder of their money, and the two hustlers were out of the diamond business.

News of the diamond find spread rapidly, prompting stories of similar discoveries. Diamond fields were reported in Arizona, New Mexico, Utah and Colorado's San Juan Mountains.

Meanwhile, the San Francisco mining company was preparing for a public stock sale of some \$10 million in November of 1872 when Clarence King dropped his bombshell.

gems. It's estimated they spent \$20,000 for stones that netted them more than half a million dollars.

They used steel rods to push the gems deep into anthills and other spots on the diamond mountain. They also left gems on the surface, in places like rock crevices.

That seemed suspicious to King and his men. So was the fact that diamonds were found so close to rubies, sapphires and other gems, which doesn't occur anywhere else.

But eager investors ignored these facts as they envisioned a diamond bonanza.

Charles Tiffany was reportedly taken in because he was shown uncut stones, while his expertise as a jeweler was based on professionally cut ones.

Mining expert Janin said he believed the reality of the diamond field had been established before he visited.

His only mission was to establish the boundaries of the field and estimate its value, he claimed.

The fallout from the hoax affected the principals differently:

Harpending lost his initial investment but recovered financially and moved to Kentucky. He was accused of participating in the fraud, but it wasn't proved. He wrote his version of the diamond-hoax story in 1913.

Ralston paid off all the investors, much of it with his own money.

His Bank of California failed in 1875 and Ralston drowned in San Francisco Bay soon thereafter. Many people believe he committed suicide.

Philip Arnold was sued by several investors for \$350,000. He denied he had swindled anyone, but agreed to pay \$150,000.

He opened a bank in Kentucky and died a few years later after being shot by a business rival.

John Slack disappeared after the hoax, having received little of the diamond money. He died in 1896 in New Mexico.

Clarence King, the hero of the diamond hoax, became a national celebrity and the first head of the U.S. Geologic Survey. But later mining investments destroyed his finances. He died poor in Phoenix in 1901.

Sources: "The Great Diamond Hoax and Other Stirring Incidents in the Life of Ashbury Harpending," Ashbury Harpending; "The Great Diamond Hoax of 1872," Robert Wilson, *Smithsonian Magazine*, June 2004; "The Great Diamond Hoax," Russell Quinn, *Gold!* magazine, 1970; *Utah County Regional History Center*, Vernal, Utah.

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## REGION SENTINEL WIRE SERVICES

### Meth overdoses surpass heroin deaths

PUEBLO — The number of people who died because of methamphetamine is up in southern Colorado, mirroring a statewide trend. In 2018, 16 people in Pueblo County died from meth overdoses, up from 14 in 2017 and eight in 2016. Last year was the first time in recent years that there were more deaths attributed to meth than to heroin or other opioids in the county.

State data shows there were 318 meth overdose deaths in Colorado last year, up from 299 in 2017 and 196 in 2016.

Kirk Bol of the Colorado Department of Public Health and Environment says a national survey of drug use indicates an increase in meth use nationally, with some larger increases in western states.

### Flags lowered for Virginia shooting victims

DENVER — The flags on public buildings in Colorado have been lowered to honor the victims of the shooting in Virginia Beach.

Gov. Jared Polis ordered that flags be kept at half-staff through sunset on Tuesday in keeping with a proclamation issued by President Donald Trump in response to Friday's shooting that killed 12 people.

### Body of man found in Arkansas River

PUEBLO — A man's body was recovered from the Arkansas River in southern Colorado.

The Pueblo Police Department said an angler discovered the body about 8 a.m. Saturday.

A preliminary examination revealed no obvious signs of trauma, and authorities believe the body had been in the water for at least two days.

The victim was not immediately identified.

The Pueblo County Coroner's Office will perform an autopsy to determine the cause of death.

### Body recovered after waterfalls jump

ST. GEORGE, Utah — A Logan man's body was recovered at a southern Utah state park where he jumped from the top of waterfalls.

Utah Division of Parks and Recreation officials said the body of 36-year-old Brandon Gary Johnson was found Saturday, a day after he was last seen jumping into water at Gunlock State Park near St. George. Parks officials said in a statement that Johnson apparently died from impact but that the investigation remains under investigation. Officials said Johnson had been jumping with friends before one time when he failed to resurface from the water.

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## LOOK FOR Special Olympics Colorado



June 7, June 8, and June 9

### Special Olympics Summer Games Commemorative Program

### Summer Games is the biggest Special Olympics Colorado competition of the year!

This two-day event brings together athletes from across the state to compete in five sports: Athletics, Aquatics, Gymnastics, Powerlifting and Soccer.

The Daily Sentinel will be producing a commemorative program for Special Olympics Colorado. Designed to highlight the athletes and events, this special program wraps the A section of the paper on Friday, June 7, giving the athletes prominent recognition.

**Publishing: Friday, June 7**

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