

The Rocky-Bar Mining Company

*An Episode of
Early Western Promotion and Finance*

BY CARL I. WHEAT



With a Facsimile of the Original Prospectus of 1850

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THE ROCKY-BAR MINING COMPANY

AN EPISODE IN EARLY WESTERN PROMOTION AND FINANCE

IT has frequently been stated that the earliest quartz mining in California was undertaken at Grass Valley in the year 1851. Bean, in his memorable *History and Directory of Nevada County*, published in 1867, fixes the date of the first quartz discovery in that neighborhood as sometime in June, 1850, and the place as Gold Hill near Grass Valley. "But," says he, "owing to a general ignorance of quartz veins, the discovery created little or no excitement among the miners, who were satisfied with their yields from the placer mines." In October, one McKnight discovered the rich Gold Hill Ledge, and soon many claims were taken up, each originally thirty by forty feet in size. The first mill was erected during the spring of 1851.

Near by was another elevated area known as Massachusetts Hill where another quartz vein was soon discovered, and on January 13, 1851, a miners' resolution was adopted governing the marking and recordation of locations at this point. Delano & Co. (need one mention *Life on the Plains and among the Diggings* and *Old Block?*) became extensively interested in this development, and Bean remarks that that organization "sold out in 1851 to Dr. J. C. Delavan, an agent of a New York company, known as the Rocky Bar."

Little interest would now attach to this transfer of a few Grass Valley quartz claims to "a New York company" were it not for the fact that that company had already had an interesting history, and were it not for the further fact that during the summer and fall of 1850 this same Delavan and others had been actively promoting the sale of the company's stock in New York for quartz-mining purposes on the American River. Whether or not quartz had actually there been discovered at that time, it remains that this was apparently *the first organized project for mining quartz in the new Eldorado*, antedating by several months the first actual quartz-mining operations at Grass Valley, and approximating in time the several scattered and unorganized quartz operations which were being carried on in a desultory fashion farther to the south.¹

The story of the "Rocky-Bar Mining Company" is therefore an important one. Recently there came to the writer's notice a small pamphlet of twelve printed pages, with a dark blue cover on which was printed in gold letters, "Rocky-Bar Mining Company, California. Circular, Articles of Association, Resolutions, Etc. 1850." This "Circular" is dated at New-York, November 4, 1850, and is signed by Philo D. Mickles, as President, and by Jas. Delavan, as Secretary. The

1. See Sir Henry Vere Huntly's report on quartz operations in the southern mines, reprinted in the Appendix to this article. Bancroft (*History of California*, Vol. VI, pp. 414-17) states that the first quartz vein was discovered in Mariposa in 1849 and that the first mill was planted at Grass Valley in 1850. With respect to the Grass Valley matter, Bean is probably more accurate and must be accepted as authority. That there were numerous quartz discoveries in the southern mining region during 1850 seems certain. In a note (p. 415) Bancroft cites numerous newspaper and other accounts of such discoveries and of projects to recover quartz gold, but it is evident that he had not seen the Rocky Bar Mining Company "Circular." Carl Meyer, in his *Nach dem Sacramento*, printed at Aarau, Germany, 1855, speaks of quartz discoveries in the southern mines during the very early period. Eldredge (*History of California*, Vol. III, p. 352) says, "Experiments at quartz mining were begun as early as 1850, though without much success. The earliest were made at or near Grass Valley." He cites no actual instances.

unique character of this little pamphlet, not only as tangible evidence of what appears to have been the first organized California quartz-mining project, but also as the earliest specimen known to the writer of California mine promotion of any character in "The States," renders it worthy of note. There were earlier "stock companies" formed in the eastern states, in Hawaii and in Europe for the digging of California gold, but no earlier instance has been discovered of such a company emerging from the Pacific Coast and attempting to market its stock in the East on the basis of actual mining property held in California.

The "Rocky Bar" here in question was a small placer in the gorge of the Middle Fork of the American River, high in the Sierra east of Georgetown. It was near two other early placers known as Oxbow and Big Bars, and appears on the Trask Map of California of 1853, but is not shown on the Trask Map of the Mineral Regions which was published later in the same year. Nor does it appear on later maps of the region. A perusal of the company's "Circular" would lead one to believe that this small "bar" was in 1850 the center and perhaps the most important of the California gold discoveries, but as the sequel disclosed, these promoters were sadly mistaken, for Rocky Bar soon went the way of all mining camps. Were it not for this little pamphlet and the name of the company itself, this short-lived placer would long since have been erased from human memory.

Sometime early in 1850 (we have at hand no means of ascertaining the exact date) this same Dr. Delavan had published anonymously one of the most entertaining books which had yet appeared on the subject of the California gold diggings.² Whether the author thought up his mining company after he wrote his book, or whether the book was in fact but a part of a carefully executed program of advertising cannot now be determined. In any event his remarks anent "Big" and "Rocky" Bars are of much interest, and were well calculated to rouse the expectations and cupidity of prospective "investors" in this mining venture. The Doctor works up to his main point with admirable circumspection, interspersing his remarks with many a well-told anecdote. On his first trip to the diggings he climbed high into the rugged region above Coloma. Let him speak for himself (pp. 62-63):

We had gained the "Big Bar," and were now in a state of security from wild beasts, quadruped and biped. The horses were cast loose to shift for themselves, without apprehensions that they would get astray, being enclosed by a wall two miles high. And while I was getting my things in order for the next day's operations, my friend went out among the diggers, to make inquiry as to the probable success of his commercial adventure. He returned in high spirits, having, by peeping into the washers of the miners, discovered large lumps and heaps of the glittering metal, which gave assurance of the richness of the deposits.

I spent the rest of the day, after arranging my affairs, in making inquiries about the bar, questioning those who were conversible, and peeping into the rockers and pans of the surly and unsociable. My experience enabled me to judge by the eye with some degree of accuracy, the profits of their labor, and I found the yield truly astonishing. Some would have several ounces of pure bright lumps, the product of half a day's work; and there were none who were not doing, in the mercantile phrase, "a fair business."

After a description of the miners, and especially of certain "Oregonians" whom he found most reticent respecting the success of their efforts, he continues (p. 66):

2. *Notes on California and the Placers: How to get there and what to do afterwards. By one who has been there.* New York, H. Long & Brother, 43 Ann Street, 1850, pp. 128, 2 plates, 8vo. copyrighted by James Delavan, "proprietor."

The right of positive possession, as we have before stated, is held sacred; and so far has the justice or good sense of the miners extended the pandects of Judge Lynch, that *equitable* possession is equally respected. Thus, if certain numbers combine their labors to effect turning the course of the river, and consequently draining a portion of the Bar, they select a proper spot for the purpose, not previously occupied, and when their intentions are made known, and the improvement staked out, no person intrudes upon the ground located, during the process of draining, or after it is perfected. The adventurers, therefore, hold their rights as securely as if they were protected by a *charter* from the Government.

Many have been these combinations, and all have reaped rich rewards for their enterprise and industry, in whatever location they have been undertaken; and in no part of the world would a joint-stock company be surer of greater profits upon their investments than upon the gold streams of California.

The Doctor was warming rapidly to his subject!

He left the region for a time, but returned in due season to report the many changes which had taken place upon the Bar. Says he (pp. 86-87):

Much improvement had been made in every respect in the process of obtaining gold, during my absence from the Bar. A company of twenty had been formed, who had constructed a bracket-dam at the head of the Bar, by which a small part had been drained; and this had been worked to enormous profit, yielding three or four ounces a day to each of pure gold in coarse grains. Such was the success of an association of limited means, and operating against many disadvantages.

The good fortune of this company induced other adventurers to imitate them, and forty of them organized themselves, choosing an old Californian miner as president, with a treasurer, and secretary of experience, and four directors. This company had begun their work systematically, and a splendid race cut through the Rocky Bar opposite the Big Bar, had been partly completed, fourteen feet wide, of sufficient depth to carry off the water, and which would be about two hundred and thirty yards long. The whole structure would be a creditable specimen of workmanship in any country. A dam of adequate length, compact and tight, diverts the water from the bed of the river, leaving it free to the operations of the miners. The descent of the race is about eleven feet, furnishing an excellent water power, which some ingenious Yankee will contrive to use to advantage in mining operations.

Immense rocks required to be removed by main force, and much blasting had been done, the tools for which were forged on the spot. A hand bellows had been employed to keep in flame a quantity of bark, the succedaneum for coal; and the head of an old axe driven into a stump was used as an anvil. By this important movement, a small portion of the bar, and the bed of the river adjacent to it, had been uncovered, and the labor of several years could hardly suffice to exhaust the metal it contained. The expense of this undertaking will probably exceed fifty thousand dollars; but as with only a third of the company employed, they were collecting about fifty pounds a week, the investment could not fail to produce a splendid fortune to each of the stockholders.

The amount already realized, and that in prospect, from the enterprise of these individuals laboring under so many difficulties, affords the most convincing proof that a joint stock association, properly organized and judiciously managed, would make heavy dividends of profits to those who might engage in it.

The worthy Doctor was evidently whetting his readers' curiosity and rousing their desire to the utmost. They were now ready for the final touch—the joint stock company itself—and Doctor Delavan was an able promoter. Indeed, as an example of the stock-jobber's art the Rocky Bar Mining Company's "Circular" is superb. It is the direct precursor of modern "promotion literature," and with but few changes would quite appropriately serve some enterprising present-day super-salesman's campaign. In many respects the book is closely followed. Thus, at the very outset, it is stated that the company was organized in July, 1849, "as a *Labor Association*," by forty miners who had worked during 1848 and 1849 on Big Bar, "near the geographical center of the gold region in California"; that the original program was a dam and race-way to divert the river from its beds, and that "public" notices were duly posted, and "all the requisitions of the *Lynch Code*, or miners' law, were complied with" (whatever this might signify). The

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quartz in the company's possession was declared to be "not only rich, but literally inexhaustible," with the result that the operations "cannot but be permanent, or at least continue so long as gold be of sufficient value to render the pursuit of it anything of an object"! Of the locale of operations it was remarked that "the Rocky and the Big Bars are considered by the old miners as the richest, or to say the least, among the very richest portions of the gold region in California."

Though fuel was admittedly scarce, the water-power at the mine was estimated to be worth in itself more than the \$1,000,000 represented by the capital stock which was to be issued. And as for GOLD:

. . . In no part of the globe has nature been so prolific in her supply of the precious metal. The innumerable and enormous masses of the pure gold, as well as those of gold and quartz combined, which, it may be said, have been and are *daily* being found in this region, establish the fact conclusively, that there is more gold in this foot-range of the Sierra Nevadas, than in all the world beside. When these extensive veins of quartz from which all the gold yet obtained was originally derived, shall be penetrated, who can tell what may not be discovered?

Certain persons, it seems, had come to entertain ideas about the company's prospects which were "chimerical and visionary," and which the Directors "would not even *desire* to be realized." These over-enthusiastic people said ("and *believe*") that one hundred tons of quartz could be crushed each day, "and that it will yield \$4.00 per pound," with a resultant clear annual profit of "*two hundred and forty millions of dollars*, a sum sufficient to revolutionize the commercial relations of the world."

These "estimates" were a bit too much even for the Doctor and his companions. They therefore put forward a "moderate calculation" which he felt might "with confidence be relied upon," as follows:

Quartz crushed per day, 40 tons, is.....	80,000 lbs.
Product of gold per lb., 20 cts.,.....	20
<hr/>	
Yield per day,	\$16,000
Multiplied by the days in the year.....	300
<hr/>	
	\$4,800,000

On this basis, and allowing \$800,000 "for all manner of expenses, including taxes or duties to the government," there was indicated "a net profit to shareholders of 400 per cent. per annum, or about 33 per cent. per month."

The Directors' remarks anent the company's title to this tremendous source of wealth are worthy of note. Said they:

It remains to add a remark as to the title. This is as perfect as it can be under the present state of things, or until the government shall confirm it. It is possessory only, but cannot be disturbed or disputed, except by the government. In a word it is perfect, as regards all other parties. The general government desires improvements to be made, and the resources of the mines to be developed; and when it shall take any action in the premises, this company will have to comply with the terms which may be imposed, and their title will be absolute.

This great prospect was not to be allowed to get into the hands of a few selfish souls. Not by any means! The company's stock must be distributed in all directions, to which end the following rules were provided:

- 1st. No individual allowed to purchase more than 100 shares.
- 2d. The price to be \$100 per share, invariably.
- 3d. Payments to be made in money bankable in the City of New-York.
- 4th. And as far as it will be possible to control the matter, the stock will be fairly distributed among citizens of the *east* and *west*, the *north* and *south*.

As the stock will rapidly advance above par, so soon as that which is authorized by the Secretary to be sold, shall be taken, and it being no object of the Company to encourage speculation therein, it is recommended to persons remote from the city who may incline to purchase, that they send in their orders at an early day, through their correspondents in the city. Planters and others at the south, who are at a distance from commercial towns, are advised to authorize their factors on the sea-board to order such limited number of shares as they may desire, in the manner above stated.

One can hardly resist the picture of throngs of anxious "planters" rushing cash to "their factors on the seaboard" in the faint hope of being assigned some of the precious shares.

In conclusion, [said the doughty promoters] we have only to say, that there is even less hazard in purchasing the new than there was in taking the old stock [of the original group on the spot], and that the foregoing remarks are published with no intention or desire of raising expectations, which may not be even more than realized.

The importance of this "Circular" is such that we reproduce it in full as it originally appeared. Chimerical though their dreams may have been, the scheme thus outlined was pushed with considerable energy by its promoters, and some stock appears to have been sold. Seven months after the publication of the "Circular" the Board of Directors issued a "Report" dating it at the office of the company, 20 Merchants' Exchange, Hanover Street, New York City, June 4, 1851. A copy of this report is to be found in the Huntington Library. In it the "Circular" is extensively quoted, and the directors state that "it affords us much satisfaction, to add that all the accounts received since that time tend, in the fullest manner, to corroborate the views therein expressed."

It appears that on February 5, 1851, at the stockholders' annual meeting, the Directors had issued a report recounting the great yields of certain mines in Mexico and other localities, and stating that "every recent discovery, both in the Southern and Northern mines [of California], more than sustains us [in the estimate of a yield of twenty cents to the pound of quartz], and it is with increased confidence that we anticipate that result." The Directors added:

An inspection of the machinery now completed, by competent judges, confirms the opinion that we shall be enabled to crush at least forty tons per day. The conclusion seems therefore almost irresistible, that our anticipations will be fully realized,—viz:— forty tons would be 80,000 pounds, at twenty cents, produces \$16,000 per day, or \$4,800,000 per annum; allowing \$800,000 for costs and charges, and we have 400 per cent. to divide among the stock-holders. Yet, should our estimate be reduced even to one-quarter of that amount, (a result which we by no means suppose probable) the profits would far exceed any other enterprise in which capital could be invested with an equal degree of security.

On December 5, 1850, a cash dividend of 100 per cent. had been paid to the holders of the original scrip (*i. e.* on \$40,000 and not on the new stated capital of \$1,000,000), and this although, as the Report states, "the same was produced from the operations of a short season of mining, without the aid of machinery, on which the reliance of the Company for large profits is based."

The "large and improved Chilian Mill and Stampers, together with wheelbarrows and various tools" were shipped around the Horn on March 10, 1851, on "the new clipper ship" *Ino*, Doctor Delavan proceeding to California via Chagres in June to supervise its erection. The Directors remarked:

The possessions of this Company were obtained at an early period in the history of mining in California, and although not the first to erect machinery for crushing the quartz, they may justly be regarded as among the first who have perfected their organization for that purpose.

The convenience of access to the mine, its abundance of quartz, and its extensive water power, taken together, place the success of the Company beyond a question. Energy and vigor in the prosecution, and judgment and skill in the management of their business, are alone necessary to secure an immense income.

Sales of stock, however, had not prospered to the extent hoped for, said the reporting officials. The company as yet possessed no corporate charter, and prospective investors therefore feared (with some reason) that the members might be held individually liable for company debts. There was, moreover, considerable apprehension on the part of investors that the money obtained from stock sales might not be used for the advertised purposes. To remedy these matters, said the Directors, an application to the New York Legislature for an Act incorporating the company was about to be made, and the Board had, by formal resolution, appropriated all of "the avails of the sale of these 2300 shares" to the erection of machinery and bringing in of water power at the mine. The superintendent at Rocky Bar, one John H. Hancock, reported that he had ground some quartz by hand in a mortar and could wash "from three to eight dollars a day" out of any of the rock he had thus tried. He did not state the amount of quartz necessary to produce this sum, nor does an assay appear to have been made of any of the material.

This second pamphlet is of peculiar interest because in it is reprinted the report of Sir Henry Vere Huntly, Superintendent of the "Anglo-California Gold Mining and Dredging Company" to the directors of that organization in England. Sir Henry's report deals with an inspection of quartz-bearing ledges "from the heads of the Stanislaus to those of the Tuolome, Mercedes, and Mariposa." It is dated at London, November 24, 1850, and is of importance as another very early exposition of quartz-mining proposals in California. It is reprinted in full in the Appendix.

The Rocky Bar Company's Report for 1851 closes with the remark that "it is contemplated that the machinery will be in operation by November, at the farthest, and perhaps much sooner, and it is presumed that this event will add many hundred per cent. to the value of the stock. At any rate, none will after that time be sold by the Company."

It is probable that none was so sold, for these promoters were on the wrong track for fair. How completely their high hopes were disappointed was disclosed by the 1852 report, which, together with that for 1853, is contained in a fifteen-page pamphlet headed "Rocky-Bar Mining Company, Report of Directors, 1853," also in the possession of the Huntington Library. It seems that on his arrival in California, Doctor Delavan proceeded at once to Rocky Bar to ascertain the feasibility of transporting the machinery to the mine and its erection thereat. Here his difficulties began. It has been noted that the 1851 Report remarked on "the convenience of access to the mine," but the Doctor soon discovered the error of this representation. Indeed, it was now reported that:

... Finding at that early period that considerable obstacles existed in carrying out the intentions of the Board in reference to immediately undertaking the works at Rocky Bar, in consequence of the difficulty of access and the cost of transporting heavy machinery through a new country, a portion of it without any wagon roads, he thought it best for the interests of the Company to examine some other portions of the mineral region where good leads of quartz were known to exist, and which would be more easy of access.

Thus it was that Doctor Delavan ventured to the Grass Valley section, and thus it was that the "Rocky Bar Mining Company" found its scene of operations transported from its original "discovery claims" on the American River to Massachusetts Hill, where, as has already been mentioned, Doctor Delavan purchased a number of claims. Then and there he proceeded to set up the machinery which had by this time arrived from New York, together with a steam engine which he bought at a high price in San Francisco to take the place of the water power which had been thought so valuable at the American River site. The boiler was found to be too small; however, and when the "Chili Mill" was in operation the stamps had to remain quiet, and vice versa, while the worthy Doctor's tunnel proved to be a complete failure when it encountered harder rock than had been anticipated. Difficulty followed difficulty, and in December, 1852, Mr. William Whitney arrived to replace the Doctor. He seems to have found a golden lining to the clouds that hung over the enterprise, for the Report for that year concludes with the optimistic remark that, while many delays had occurred, "The mines still retain their original and almost entire richness, instead of having been drawn upon to pay large expenses."

Alas for the hopes of those who in 1850 and 1851 had painted so bright a picture! On February 15, 1853, S. B. Woolworth, Secretary of the Company, published a notice that an assessment of five per cent. upon the Capital Stock had been levied, payable on or before March 15 to the treasurer, George S. Fitch, Esq., at the company's New York office. Non-payment, it was declared, would result in forfeiture of stock and all previous payments thereon. A reorganization of the company was undertaken during this year, and the report for 1853 is noticeably less optimistic than were those of former years. The nature and vicissitudes of mining in California had now become much more clearly recognized. Said the Directors:

"Our experience as a Company enables us to speak practically on mining for gold in California. As original miners in the bed of the American River in 1849, we suffered the hardships (many of our members dying from sickness,) and reaped the rewards (dividing 100 per cent. on our then capital of \$40,000) of that avocation. Being the owners of a most valuable quartz lead, we changed our original organization, and formed a Joint Stock Company, with a stock capital based upon the immense value which we, in common with all the miners of California in the immediate vicinity of the leads, conceived to exist in the gold-bearing veins. It might be from want of scientific and practical knowledge on their part, being mostly adventurers without any previous experience in mining operations below the surface, but, stimulated by having discovered the source or matrix of all the gold in the country, they certainly conceived the idea that they had at last found the goose with the golden eggs.

. . . We have presented you before with statements based upon our hopes and expectations and such facts as we then believed to exist. We have now to present to you how far they have been realized.

The passage of three long years with no material recompense in the way of golden eggs had indeed had a sobering effect, for the Directors continued:

We will not deceive our stockholders and the public by making statements we cannot substantiate.

That the average product of quartz rock in Grass Valley will yield \$100, \$70, \$50, or even \$30 per ton, taking all the leads together, we do not believe. [Quite different from the earlier estimate of 20 cents per pound, or \$400 per ton at Rocky Bar!]

. . . Mining is essentially an adventure, and for that very reason presents attractions to some parties as an investment not felt in good 6 or even 7 per cent. solid securities. We may strike a pocket or a very rich lead on our vein, but we are content to adopt the view of the

Our machinery has not had a fair trial as yet, . . . but we have no expectation that we can crush 40 tons, as estimated by parties in New York who constructed it. [The Board now estimated 12 tons per day as its capacity.]

A profit had been obtained, however, from the irregular operation which had been possible, and this was conceived as fully justifying a continuance of the project "to what we hope and believe will be a most successful issue." The Board added that its concern was "no ephemeral affair, a mere stock speculation," and in conclusion it was stated that the company felt

entitled to the protection of the law as regards our property, and to the cheering word of encouragement from those who feel desirous to promote, what must eventually become the great interest of California, and on which her prosperity as a state, and so much of that prosperity now existing in the older portions of our Union, so materially depends.

Of the sequel little remains to be said. Mr. Whitney, later declared by Bean to have been "totally inexperienced in milling and mining matters," was succeeded by a Mr. Leyton, under whom considerable gold was taken out, but whose extravagance (personal and otherwise) precluded any return to the stockholders. In 1856 one Michael Brennan came out from New York to be Superintendent, and the name of the concern was changed to the Mount Hope Company. Alas for these hopes! Brennan it was who contributed the most celebrated tragedy to the history of Grass Valley, when, on February 21, 1858, despairing of success, he murdered his wife and three children and killed himself. But that is another story! He had mortgaged the mine to the well-known French capitalist, Andre Chavanne, to secure large borrowings, and two months before his death the creditors had taken possession. A suit was brought against Chavanne by our old friends of the New York Company for possession of the mine and mill, but in June, 1863, after long and bitter litigation, Chavanne prevailed. Nine months later the lessees of the mine struck rich ore but a few feet from the spot where, as Bean puts it, "Brennan had hopelessly abandoned work." At the time of the publication of Bean's Directory in 1867, A. B. Brady was Superintendent of the mine, which was then owned by the Chavanne Brothers of Paris, and by Hentch and Berton, Abel Guy, John B. Felton and certain other persons of San Francisco. These owners had worked the mine until 1866 when the ground was considered worked out. A few years later it appears to have been reopened, and in 1880 it was reported that:

the ledge varied in size, pitch and quality of quartz, yielding enormously at times, and again not paying the expenses of extracting the ore. The ledge was worked to a perpendicular depth of 275 feet, and over two miles of tunnels were run. During the last three years, on an average, one thousand tons were taken out monthly, and the daily expenses were one thousand dollars. The gross yield of the mine was over \$3,000,000." (Thompson & West, *History of Nevada County*, p. 193.)

Thus endeth the tale of the Rocky Bar quartz mining scheme. The story is that of most mining promotions and in itself possesses no particular interest. Its import lies in the fact that this organization was among the first (perhaps the very first) after the gold discoveries to attempt direct stock sales in the eastern states in connection with California mining properties and in the further fact that this company's "Circular" is an extremely early (again perhaps the very first) published exposition in "the States" of the possibilities of quartz mining in the

California gold region. For its picture of social conditions and of corporate and financial operations during the cradle period of California mining this "Circular" appears worthy of rescue from the ephemeral pages on which it has been preserved these many years.

CARL I. WHEAT.

APPENDIX

REPORT OF SIR HENRY VERE HUNTLY

DATED NOVEMBER 24, 1850

TO THE DIRECTORS OF THE ANGLO-CALIFORNIAN GOLD MINING AND DREDGING COMPANY.
Gentlemen:—

It is, I apprehend, needless to repeat anything that I have stated, for the information of the Board, in my several despatches. I have, in these despatches, reported upon all matters up to the 3d of September last; and I now proceed to state the results of the tour, which, after that day, I made to the quartz-bearing localities of the first range of the Sierra Nevada, from the heads of the Stanislaus to those of the Tuolumne, Merced, and Mariposa.

Throughout this journey I digressed from the main track whenever, from appearances, it seemed that any beneficial information relating to the quartz could be thereby obtained; for, it must be observed, the veins of this rock are extremely frequent and easily detected, being found "cropping out" of the mountains, following the inclination of them, crossing the ravine or valley, (which is, in general, very narrow,) and then running up the opposite mountain to various elevations.

From the information I have obtained, there is, I believe, scarcely one of these veins of quartz in this district that does not produce gold, more or less. This statement stands to a great extent, confirmed by the fact of my having, in many instances, taken small portions of the rock away, and afterwards pounded them up myself with a pestle and mortar, when I obtained (with few exceptions) gold varying in value from a dollar to a dollar and a quarter to every four pounds of rock, although the rock thus reduced to powder could not be considered at all a fair specimen of its real average value, having been obtained from that part of the vein which lay but a short distance from the surface, and having undergone considerable decomposition from the action of the dampness of the earth upon the iron contained in the quartz. In such cases the stone is always found in a honey-combed state, the minute particles of gold having apparently escaped from these recesses, owing to the corrosion of the metallic substances originally retaining them; hence, probably, the formation of the rich "placers" below, where both the gold so detached, and the surface soil, are together deposited by the heavy rains of the winter; an operation that probably has been in progress for centuries.

I think it of importance to state, that in some of these digressions I found Mexicans in the mountains actually beating up the quartz with a common metal pestle and mortar, who stated that it was a method that well repaid their labor; this practice is, however, quite new amongst the Mexicans, and has probably arisen out of the hostile conduct of the Americans towards them in the "diggings." I mention this fact, as it furnishes an additional corroboration of my statement relative to gold being so generally found in the quartz veins "cropping" from the mountains.

While upon this part of my Report, I may observe that in Virginia, (United States.) a mine is worked if it will return eighteen cents, or ninepence to the *one hundred pounds* of rock but in California the rock must return four cents, or twopence to the *one pound* of rock, before it can be worked with a remunerative result; it will be seen by referring to the previous part of this Report, that the quartz of this region can be most advantageously worked, since, as before stated, by the simple process applied to it by myself, it yielded to the four pounds of rock never less than one dollar, and more than a dollar and a quarter in several instances.

Having thus briefly shown the general character of the quartz of this district, I shall, before I pass on to the mines actually opened upon the Mariposa, and its vicinity, repeat that the frequency of the quartz veins are most remarkable, and wherever they abound, the accompanying "arroyas", or narrow valleys, are almost uniformly found to yield a good remuneration to the "digger." Competent judges of the subject assure me, that a man, capable of bearing the immense labor of the "diggings," would, one day with another, be certain to

obtain from five to eight dollars, in the worst of the ground; a fact which, combined with the previous statements, sufficiently proves the vast prevalence of gold in the quartz rock from the earliest periods; and, when this is connected with the certainty of no gold being present in any part of the vast plains spread out between the several mountain ranges, it conclusively points to the quartz rock as the source from which vast riches may be obtained.

With these preliminary observations I shall proceed to state, that continuing my journey, I arrived at the mine of the Mariposa Company, on the Mariposa River, and the following statement shows the extent to which it has been opened:

I may observe, that the exact position of this mine is about 400 yards north of the Mariposa river, and from the town of that name. The vein runs nearly parallel with the river, or a few points to the east of north.

It has been opened downwards, to the depth of twenty-five feet, for a distance of 215 feet, and upwards, and the vein tested that entire distance. Its average thickness is from six to nine feet, though in many places over twelve feet; and it is a very moderate calculation to say that upwards of 45,000 feet (cubic) are in sight. From experiments made with a Chilian mill, by horse-power, the first 1000 lbs. of average ore yielded 210 dollars; 500 lbs. of another lot, 125 dollars. From many other trials it has been from twenty-five to twenty-eight cents per pound, though much of the ore will yield double or treble that amount. Some assays, accurately made by assayers at San Francisco, have yielded from eighty to 120 cents per pound. Three or four bushels of rich ore, taken out the last few days before I left the mine, would yield from 1200 dollars to 5000 dollars the 100 lbs.; this, however, was exceedingly rich, and from a pocket in one of the lobes of the vein. The superintendents have every expectation of meeting many such in going downwards in the vein.

The steam engine, and stamping and amalgamating mills, with twelve sets of stamps, are up, and started in operation on the 16th of September. Other machinery is on the spot, and will be erected as soon as possible, so as to expedite the operations. The present expense of working the mine is, as I have stated elsewhere, about 200 dollars per day; but as soon as the Company is ready to work day and night, the expenses will be increased to 250 dollars for twenty four hours' work.

It is supposed that about twenty tons of ore will be reduced in twenty-four hours, or 400 miner's bushels, which, at the rate of the poorest ore, will make a very large sum per week.

The approach to the mine from the seaboard is very good, by vessels and steamers to Stockton; thence ninety miles over a good wagon road, or four days travel with loaded teams.

The company are projecting works for large future operations, by driving an adit from a ravine distance 160 feet to cut the vein 100 feet below the surface, also, a shaft, both of which would be through in four weeks from the time I left the country. This will give the company the command of a large supply of ore for a length of time, and by means of a railway track (350 yards) from the mouth of the adit to the mills the ore will be supplied at a comparative small outlay.

The mills are very eligibly situate on account of wood and water, and an abundant supply of fuel being within 200 or 300 yards of the mills.

I arrived at the Mariposa Mine early in September. At that time the superintendents had got in position the machinery for stamping the quartz, and were then placing the steam engine for putting the whole in action; the machinery was extremely well finished, and comprised the stampers, the troughs, and bowls for conducting and receiving the stamped quartz; together with a washing table, in which the gold was taken from the stamped quartz by amalgamating it with quicksilver; a pump also supplied both the stampers and tables with water, the whole machinery being moved by the steam-engine. Upon the 16th of September this engine commenced a trial operation upon some refuse quartz of the mine in which there was no visible appearance of gold; from this 120 dollars worth of gold to the ton of rock was produced. This would, of itself, make a highly remunerative return, but it is not at all equal to the amount which will be produced from the same rock, when that of the first quality is crushed. The character of the mine is of an extremely rich description, the quartz rock being for a large space of the exposed face thickly covered with small particles of gold, which may be traced in the interior of the stone when split into pieces; the remainder of the exposed portion of the mine, is of a very promising appearance, and will, there is little doubt, produce about 200 dollars (£40) to the 100 pounds of stone. I shall not give my opinion respecting the produce of the richest rock of this mine, *but leave it to be told by the attested statements of its value, which are to be sent me by the next steamer from Chagres.* Although these statements may tend to create much surprise (if they at all agree with my own opinion) yet I think that surprise will subside, when the specimens of the quartz have been seen. These specimens, the proprietors of the mine made me a present of, and the box containing them I brought with me as far as Panama, where I left it, being unable to bring it on, owing to the rapid manner in which I was obliged to cross the Isthmus, in order to catch the English steamer; it will, however arrive in the steamer now on her passage from Chagres.

Of the richness of this mine there can be no question whatever, nor can there be any doubt of large remuneration attending the outlay proposed by the Mariposa Company for the privilege of obtaining a certain interest in its mine. At the present moment the expenses of working the mine do not exceed 200 dollars (£40) a day; and the steam machinery is stamping up from ten to twelve tons of rock every day, producing certainly as much as previously stated. The fuel for working the steam engine is supplied by the neighboring oak trees, which are felled for the purpose, and which, until many steam-engines are erected here, will afford an ample supply.

While at this mine (where I received from Messrs. Jackson and Walker, the superintendents, the most unlimited kindness, which I very gratefully acknowledge.) I saw the rock blasted in several places, and each time the same rich appearances were exposed to view. I was frequently requested by these gentlemen to take such specimens as I might think proper to select—a privilege of which I did not avail myself, in consideration of the present (the specimens before referred to) which I had already accepted from the company. I, however, have one specimen which I picked up after a blast, and which is curious, as exhibiting the immense richness of this quartz.

During this visit I was invited to see the mine of Messrs. Stockton and Aspinwall, on the other side of the mountain in which that of the Mariposa Company is situated. It was not in so forward a state of operation as the Mariposa mine; but a steam engine and stampers were then on their way up from Stockton, and probably by this time the machinery is at work. The quartz of this mine did not present so rich an appearance in any part (so far as it had been worked) as I have described, to distinguish one part of the Mariposa Mine; but what is, I believe, always considered a valuable indication in a gold mine, the metal seemed much more generally diffused in the quartz, and it amply maintains the character of the quartz of this region.

From this mine I rode to another, which had been opened by a party of five young Englishmen and one American. This mine is situated about seven miles from that of the Mariposa; it is called the "Agua Fria Mine" from the circumstance of a stream of water gushing from a mountain side, which is so placed and sheltered as never to feel the heat of the sun, consequently the water is unusually cold as it springs from the rock. This mine was not opened in length above fifteen feet, and in depth about four; it bears every indication of very great richness. The proprietors had arrived at stone sprinkled with gold very generally disseminated over it, and both the oxide and sulphate of iron were very prominent throughout—two indications considered very favorable by the miner. The stone from this mine (showing no gold upon it) produced, when pounded up, as rich a return as the others to which I have alluded, viz. something more than one dollar to the four pounds of stone. It is, I believe, generally considered, that gold mines fail by being worked as they become deeper, and that the chief of the gold lies upon the surface. The mines of California have not, it is true, been opened to any considerable depth; but as yet they have certainly increased in richness as the works have descended.

The Agua Fria Mine was opened on the summit of a small mount, perhaps not more than 150 feet in elevation above the small plain below; the hills surrounding which displayed more or less of quartz, and the plain itself, comprising perhaps 100 acres had been successfully dug nearly throughout by the people of every nation.

Having visited this mine, I proceeded, in company with Mr. Professor Sheppard, a geologist of the United States, to examine some quartz veins upon property claimed—and I believe most legally claimed—by Colonel Fremont, having permission from Mr. Buckler, (one of the agents of Colonel Fremont,) to select any portion not exceeding 300 feet square, that I might think proper, and of which Mr. Buckler engaged I should have the lease, provided it was not already selected or reserved by Colonel Fremont. After occupying myself in this part for three days, I decided upon a vein about half a mile from the Stockton and Aspinwall mine. Of the character of the quartz upon the spot selected by me, Professor Sheppard thought highly. I was more especially induced to examine this mine, because if its indications were favorable (as they indisputably are,) and a lease of the ground should be obtained, the stampers might be put in motion by means of a spring of water, which does not fail in the summer, and is sufficiently powerful, with a trifling arrangement, to form a continual water-power. Upon the advantage of such a power it is needless for me to dwell.

Mr. Buckler, with whom I could only communicate upon the subject on my return to San Francisco, thought that, as Colonel Fremont was daily expected, it would be better to wait for the completion of a lease until his arrival; but he promised that he would then lose no time in giving me every information respecting the locality. Mr. Buckler, however, distinctly agreed to allow me the choice of any disengaged portion of the ground claimed by Colonel Fremont, should that particular spot be occupied.

It may now perhaps be desirable that I should mention the terms upon which these several mines or portions of them may be obtained.

The Mariposa mine is undoubtedly the first to be mentioned. The privileges of sharing

in this mine would involve an outlay at once from £25,000 to £100,000, according to the quantity of interest purchased in the mine. In considering the question of this purchase, it must be remembered that the machinery is already in operation; that there are already most satisfactory PROOFS of a remunerative produce; and that there are the strongest indications of a very rich return in future.

The "Agua Fria Mine" from its indications, would fully justify the purchase of it; but it must be borne in mind, that it would be necessary to purchase and erect all the machinery required for working it. This nevertheless could be done at an expense far below that attending the purchase of an interest in the Mariposa Mine, especially if, instead of steam, the stampers were put in motion by mule power, a practice which prevails to this hour in many of the Mexican mines. With reference to the mines proposed to be leased under Colonel Fremont, that would be the least expensive method of proceeding, provided the character of the particular vein was known to be good; otherwise an expenditure of a considerable sum would be necessary for the purpose of searching for a good vein. It would, however, not be difficult to find such a one. In this case of course all the machinery would have to be sent out, and put up, which in fact would be the source of the expense.

With reference to the monetary affairs of the Company in San Francisco, I have only to observe that the money with which you have supplied me has met every claim against you there; and a surplus has been left by me in the hands of the gentleman, Mr. Marriott, to whom I have during my absence confided the conduct of your affairs. As per account delivered, it will be found that all expenses have been fully defrayed, even including the wages (due at the time of my departure) to the miners sent out by you.

I may conclude this exposition of my opinions and observations, upon the quartz of this region of California, by saying that I feel perfectly satisfied of the certainty of repaying a very large remuneration by engaging in the work of mining here. I conceive the remuneration will be as early as it will be extensive. The return in either of the undertakings to which I have here referred, would be a question of a few months only; and I see no reason whatever to hesitate in vigorously commencing the enterprise. California is now admitted to the rank of a state by the Government of the United States, under the laws of which government both life and rights of property will be fully protected, and the right also of the foreigner to rent under the citizen is recognized; all which circumstances, connected with my opinion of the quartz, convince me that the enterprise of mining may at once be safely, and vastly remuneratively undertaken by your Company.

I have brought with me ample legal powers for enabling Messrs. Rothschild, on the part of the Mariposa Company, and myself, on behalf of this Company, to conclude the negotiation relative to the purchase of an interest in the Mariposa mine upon the terms before stated.

In order to remove, as much as may be, any impression as to the insecurity of life amongst the mountain population, I may observe, that I was travelling six weeks amongst the wildest part of California, I met incessantly the people of all nations, I never experienced any rudeness or unkindness. I found them always ready to give me any information they possessed, upon every occasion when I requested any. I frequently slept beneath a tree, or amongst loose hay, and neither I nor my companion ever carried about us a weapon of any description whatever, nor during my stay was there throughout this region, occupied, I may say, by thousands of very necessitous men of all nations, but one murder.

Prior to my departure from San Francisco, the second Expedition of miners had arrived; and I have the satisfaction of stating, that both expeditions are employed at the Mariposa mine, all parties being well pleased with the arrangement made for them until my return to California.

I am, Gentlemen,

Yours most obediently,

H. V. HUNTLY,

CHIEF SUPERINTENDENT.¹

London, 24th November, 1850.

1. In 1856 a two volume work was published anonymously in London, entitled "California: Its Gold and Its Inhabitants, By the Author of 'Seven Years on the Slave Coast of Africa', 'Peregrine Scramble', &c.'" It is said to be from the pen of Sir Henry Vere Huntley (sic), and is a rambling affair, taken from his journal and scrap-book of 1852, when he was at work for an English company at "Dicksburgh," near Hansonville, above Marysville. The generally "uncivilized" ways of the Americans with whom he came in contact greatly impressed Sir Henry, who missed no opportunity to comment on the actions of these "republicans".

ROCKY-BAR MINING COMPANY.

CIRCULAR.

THE ROCKY-BAR MINING COMPANY was organized in July, 1849, as a *Labor Association*, and was primarily composed of only forty miners, who had been engaged in 1848 and 1849, in digging gold on the Big-Bar, contiguous to the Rocky-Bar, near the geographical centre of the gold region in California, and on the middle fork of the American River, about seventy miles from Sacramento city.

It was at first contemplated merely to excavate a race-way, and erect a slight dam to divert the water from the channel of the river, for the purpose of collecting gold from its original bed.

Public notices were duly posted, and all the requisitions of the *Lynch Code*, or miner's law, were complied with;—meetings were held—a committee appointed to examine and report, but finally, so formidable did the undertaking appear, that *forty* only, out of some hundreds of miners, although the report was favorable, had courage to embark in the enterprise.

These forty resolute and enterprising spirits, with willing hands, commenced the work in July, and continued upon it until November, suffering everything but death itself; from hard and scanty fare, from privation and disease, and from sickness and other causes, their numbers were reduced before the water was turned, to an average of twenty-five men; these in three weeks, at this late season, procured from the bed of the river one hundred and seven pounds, nearly all of which was *scale* gold, clearly indicating the rich character of the quartz from whence it came.

The rainy season setting in earlier than usual, and some weeks sooner than expected, the work was suspended, and having in the meantime ascertained that they were in possession of large veins of quartz supposed to be quite rich, and that their raceway with additional improvements would furnish a superior water power, capable at all seasons of the year of propelling a large amount of machinery, the company resolved to despatch their President and Secretary to New-York, to dispose of a portion of their stock (160 shares in all) to emigrants bound to California the shares sold, to be worked by the purchasers during the ensuing year; the real object being to increase their numbers and strength, with a view of earning from the washings the means of paying for and erecting machinery on a somewhat extended scale, for crushing this quartz and separating the gold therefrom.

In March and April of the present year, as many of these shares were sold as it was thought advisable to dispose of, a few having been taken by California emigrants, but the most of them by persons on this side, who trusted (as the result proves wisely) to a change in the Company's plans of operation.

Conclusive and insuperable objections having been presented to the system of *joint-labor-association*, a set of regular joint stock articles were prepared in New-York with much care, and taken by the Secretary to California, and presented to the Company there, by whom they were unanimously adopted, and by whom also measures were promptly taken for providing the capital necessary for erecting the machinery as contemplated, as well as for paying a respectable dividend to stockholders, by employing labor on *wages*.

These articles of association, a copy of which is hereto annexed, and the several resolutions which follow, show the present position and general views of the Company.

In accordance with one of these resolutions, the President left San Francisco on the first day of August, with *dust* sufficient, as is supposed, to defray all the expenses attendant upon the purchase and shipment of the machinery, on the liberal scale contemplated, and he is now actively engaged in the premises, expecting to have it shipped in season to reach Sacramento City prior to the first of April next.

It is confidently believed, by good judges who are familiar with and have well examined the subject, that the quartz in the possession of the

Company is not only rich, but literally *inexhaustible*—that it costs little or nothing to produce it, and that the operations of this Company in working the same, cannot but be permanent, or at least continue so long as gold shall be of sufficient value to render the pursuit of it anything of an object.

The Rocky and the Big Bars are considered by the old miners as the richest, or to say the least, among the very richest portions of the gold region in California.

Fuel is not abundant in this locality, and could not be procured for supplying a steam-engine except by importation, and hence it is no exaggeration to say that the value placed upon the stock of this Company (\$1,000,000) is merely nominal, and no more, under the circumstances, than the actual value of the water power alone, to say nothing of the quartz veins and rich *diggings* in their possession.

Its position is, in many respects, favorable for conducting a large business, being accessible by wagons within two and a half miles, while a road can be cut out of the rock down the mountain the remaining distance, an improvement which will doubtless soon be effected.

The price of labor the present season is \$5.00 per day, and board, but it is expected that in another year it will be reduced to \$3.00, and the expense of board from \$1.25 the present cost, to \$1.00 per day. It will gradually be reduced still more, as the present system of mining becomes as it must, less and less productive, and more precarious. In 1849, labor was one ounce per day.

As to the revenue anticipated from the operations of this company by the aid of *machinery*, it may not be out of place to say a few words; in fact, it seems necessary to do so, though the subject is approached with no little hesitation and delicacy.

We are not unaware that anything which may be advanced on this point, will be regarded with more or less *distrust*, and be received with more or less *incredulity*. The utmost caution will therefore be observed, neither to deceive the public, or encourage extravagant ideas in the minds of the stock-holders.

It is in the first place freely admitted, that all calculations heretofore made on this subject, are wholly *speculative*. It is however not impossible that the wildest estimates may be fully realized.

As respects the abundance of gold in the foot-range of the Sierra Nevada Mountains, it can no longer be doubted by the most skeptical.

In no part of the globe has nature been so prolific in her supply of the precious metal. The innumerable and enormous masses of the pure gold, as well as those of gold and quartz combined, which, it may be said, have been and are *daily* being found in this region, establish the fact conclusively, that there is more gold in this foot-range of the Sierra Nevadas, than in all the world beside. When these extensive veins of quartz from which all the gold yet obtained was originally derived, shall be penetrated, who can tell what may not be discovered? As yet the business of mining has been confined to washing the earth, and with *rocker and tin pan*, separating the metal from the dirt: the original source of the gold has scarcely been disturbed.

Some members of this company who have been in California since the first discovery of gold, as well as others who have been there during the present season—persons, too, of good judgment, and reputed to possess no inconsiderable share of science in mineralogy and geology, entertain ideas in regard to the revenue of this company, which can only be regarded as *chimerical* and *visionary*, and which we would not even *desire* to see realized. They say, and *believe*, that with the contemplated machinery, one hundred tons of the quartz will be crushed per day, and that it will yield \$4.00 per pound. This would show an annual product, allowing three hundred days to the year, of *two hundred and forty millions of dollars*, a sum sufficient to revolutionize the commercial relations of the world.

Various other and more moderate estimates have been made, each of which produces a startling result, and none of which can here be seriously entertained.

The following, however, is a moderate calculation, and may with confidence be relied upon, viz.:

Quartz crushed per day, 40 tons, is	80,000 lbs.
Product of gold per lb., 20 cts.,	20
	<hr/>
Yield per day,	\$16,000,00
Multiplied by the days in the year,	300
	<hr/>
Annual product.	\$4,800,000
Allowing \$800,000 for all manner of expenses, including taxes or	

duties to the government, and there will remain a net profit to shareholders of 400 per cent. per annum, or about 33 per cent. per month.

When it is considered that by *steam-power* in Virginia and Georgia, from forty to sixty tons per day of quartz, less friable and much less easily pulverized, are crushed, and that no assay of the quartz of the Rocky-Bar has ever exhibited so small a product of gold; and when, too, it is considered that in the course of operations, veins may be discovered which will produce \$100 to the pound, numerous large specimens of which have already been found, the latter calculation, flattering as it may appear, cannot be regarded as in the least degree extravagant.

The attention of miners hitherto, has mostly been directed to the primitive mode of washing gold from the earth, and not to the use of machinery, and hence few are as yet aware of the importance of this company's possessions. By degrees, however, the tin pan and rocker will fall into disuse—and the mining will mostly be conducted by joint-stock companies with machinery, and then the monthly receipts of gold in the Atlantic states, will be greatly increased, and at the same time locations like this will be duly appreciated.

Unlike manufacturing and most other pursuits of industry, this is a business which, if profitable, pays its way from day to day, producing at once what is by other means only acquired indirectly, that is to say, the money itself, an advantage of no trifling consideration, and which will enable the company to make monthly dividends.

It remains to add a remark as to the title. This is as perfect as it can be under the present state of things, or until the government shall confirm it. It is possessory only, but cannot be disturbed or disputed, except by the government. In a word it is perfect, as regards all other parties. The general government desires improvements to be made, and the resources of the mines to be developed; and when it shall take any action in the premises, this company will have to comply with the terms which may be imposed, and their title will be absolute.

When this event shall occur, there will be no estimating the value of the stock of this company.

In pursuance of instructions, the Secretary has again returned to

New York, with a view of establishing a permanent office in that city, and of disposing of a limited number of shares in accordance with one of the resolutions hereto appended.

He also brings with him the means and authority for paying a dividend of 100 per cent. or \$250 per share, from the operations of the present season; besides which, ample provision has been made for all the expenses of getting up the machinery, in consequence whereof, all purchasers of stock are *assured* that no calls or assessments will be made upon them.

As it may be some weeks before a suitable office can be procured, it has been decided to name the first day of December for the payment of the dividends, and when the office shall be obtained, which will be as soon as possible, and of which due notice by newspaper advertisements will be given to the public, the Secretary will proceed to issue new stock to applicants, on the following conditions, viz.:

- 1st. No individual allowed to purchase more than 100 shares.
- 2d. The price to be \$100 per share, invariably.
- 3d. Payments to be made in money bankable in the City of New-York.
- 4th. And as far as it will be possible to control the matter, the stock will be fairly distributed among citizens of the *east* and *west*, the *north* and *south*.

As the stock will rapidly advance above par, so soon as that which is authorized by the Secretary to be sold, shall be taken, and it being no object of the Company to encourage speculation therein, it is recommended to persons remote from the city who may incline to purchase, that they send in their orders at an early day, through their correspondents in the city. Planters and others at the south, who are at a distance from commercial towns, are advised to authorize their factors on the sea-board to order such limited number of shares as they may desire, in the manner above stated.

The amount of stock to be sold is not large, and it is desirable to carry out the spirit of the resolutions by diffusing it as much as possible, the object being to add by the sale thereof to the character, the influence, and the stability of the Company.

In conclusion, we have only to say, that there is even less hazard in

purchasing the new than there was in taking the old stock, and that the foregoing remarks are published with no intention or desire of raising expectations, which may not be even more than realized.

PHILO D. MICKLES, *President*.

JAS. DELAVAN, *Secretary*.

NEW-YORK, NOVEMBER 4, 1850.

ARTICLES OF ASSOCIATION.

WE, the subscribers, do declare by this instrument that we have associated ourselves together and adopted a Constitution as follows:

I. This Association shall be called the "ROCKY-BAR MINING COMPANY."

II. All persons who shall become owners of the Capital Stock of said association shall be members of said association; and said association shall continue until it shall be dissolved by a vote of two-thirds of its members.

III. The object of this association is to mine, and otherwise procure gold and other precious metals, gems, and precious stones, out of and from the locality known as the *Rocky-Bar*, being upon the Middle Fork of the American River, and such other localities as said Company may select in California, and to prepare the same for sale in the market, or for distribution among the members of the association.

IV. The Capital Stock of said association shall be one million of dollars, divided into ten thousand shares, of one hundred dollars each.

V. The said association shall not directly or indirectly deal or trade in buying or selling any goods, wares, merchandise, or commodities whatsoever, except for the purpose of carrying out the objects of this association as defined in the third article.

VI. No officer, or stockholder, or member of said association, can create a debt against the Company; nor shall the Company be liable for any trespasses or damages committed or suffered by any of its stockholders, officers, or agents of such officers.

VII. The stock, property, affairs, and concerns of the said association, shall be conducted by nine Directors, being stockholders of said association, and native or naturalized citizens of the United States, but no person shall be a Director, who shall not at the time of his election, hold, on his own account, and not in trust in any manner whatever for any other person, at least fifty shares of the stock of said association.

VIII. The first election to be held under these articles of associa-

tion, for the purpose of choosing the nine Directors in the next preceding article mentioned, shall be held on the Rocky-Bar upon the Middle Fork of the American River in California, in the month of July, on such day and at such hour as the Secretary may designate, and the Secretary and Treasurer are hereby appointed inspectors of such election. A notice of the time and place of holding said election shall be posted in three conspicuous places upon and about said bar, and such notice shall also be served upon each shareholder personally, who shall be within three miles of said Rocky-Bar at the time when said notice is required to be given.

IX. The Directors for Eighteen hundred and fifty-one, and every subsequent year, shall be elected on the first Wednesday of February of every year, at such time of the day, at the office in the city of New-York, as a majority of the Directors shall, immediately after their election, by resolution appoint; and such resolution shall be entered on the minutes by the Secretary; and said Directors, except the first chosen, shall hold their offices one year and until others are elected in their stead.

X. Public notice of every election, except the first, shall be given by the Directors not less than fourteen days previous to the time of holding such election, by an advertisement to be inserted daily, in two newspapers in the city of New-York.

XI. Each stockholder, at the time of any election, shall be entitled to one vote on each share of stock which he holds at the time of such voting, and such vote or votes may be cast by proxy.

XII. All elections for Directors shall be by ballot; and the nine persons who shall have the greatest number of votes shall be Directors; and in case two or more persons shall have an equal number of votes, the Directors duly elected shall, by ballot, determine which of the said persons so having an equal number of votes, shall be Director or Directors, so as to complete the whole number.

XIII. If any Director shall cease to be a stockholder to the amount of fifty shares, his office shall be vacant; and whenever any vacancy shall happen among the Directors, such vacancy shall be filled, for the remainder of the year in which it shall happen, by such person as a majority of remaining Directors shall appoint.

XIV. The Directors elected, as soon as may be after their election, shall proceed in like manner, by a majority, to elect one of their number by ballot, to be their President; they shall also by a majority, elect a Treasurer and Secretary, by balloting for each separately.

XV. The Directors of said association shall have power to appoint from time to time so many clerks and agents, or servants for carrying on the business of the association, and with such compensation as they shall deem proper, and also to fix the salaries of the officers of the association.

XVI. The Directors shall also have power to make and prescribe such by-laws, rules, and regulations, as shall be needful, touching

1st. The government of said association, and the management and disposition of its stock, business, property, estate, and effects.

2d. The duties and conduct of the officers, agents, and servants, employed by said association.

3d. And all such matters as may pertain to the concerns of the association.

XVII. The Directors for the time being shall have power to levy assessments *pro rata* upon each share, in such sums as shall be necessary effectually to carry out the objects of the association; and in case of non-payment within some reasonable time which shall be appointed, the shares upon which payment is required, together with all previous payments thereon, shall be forfeited to said association. Notice of such assessment shall be published daily for one week, in a newspaper in the city of New-York, and when practicable, served personally, or through the post-office, upon each stockholder.

XVIII. It shall be the duty of the Directors of the said association to make dividends of the nett productions in specie, if practicable; if not practicable, then in an equivalent of money, once every month, or as often as in the opinion of said Directors, it may be for the interest of the stockholders.

XIX. No transfer of any stock in the said association shall be valid, until such transfer shall have been registered in a book to be kept for that purpose by said Directors; and the Secretary shall be entitled to a fee of fifty cents for making each transfer, and all books containing a record or statement of the affairs of said association, shall always be open to the inspection of any stockholder.

XX. Each share of the original stock of one hundred and sixty shares, shall be entitled to script or certificates for sixty-two and a half shares of the new stock of ten thousand shares.

XXI. It shall be the duty of the President, on the written request of three of the Directors, to call a meeting of the Directors.

XXII. At any meeting of the Directors, five shall be necessary to form a quorum.

XXIII. This association may sue or be sued in the name of the President for the time being.

XXIV. The office of the association shall be in the city of New-York, and the financial business of the association shall be done in that city.

RESOLUTIONS.

BIG-BAR, JULY 22, 1850.

At a meeting of a majority of the members of the "ROCKY-BAR MINING COMPANY," the report of the President and Secretary was read, and on motion, accepted. The following resolutions were then adopted:

Resolved, That owing to the comparative cheapness of labor, caused by the large immigration to this country, it is inexpedient to continue our labors under the present form of association.

Resolved, That from and after this date, we adopt the joint stock articles of association here presented, and that we now proceed to the election of a President and nine Directors, agreeable to said articles of association.

P. D. Mickles being put in nomination for the office of President for the remainder of the year, received the unanimous vote of the Company, and was declared duly elected.

John H. Hancock and James H. Ray, being nominated for the office of Directors, residing in California, and receiving a majority of the votes cast, were declared duly elected; and the following persons residing in New-York, were also nominated and elected Directors, to wit: Harvey R. Caldwell, H. P. Roberts, George S. Fitch, Henry Bange, John Conklin, Solomon Johnson, and John Young.

John H. Hancock was nominated and elected for Superintendent of the Works of the Company in California.

Resolved, That the Superintendent be paid one ounce a day for his services, and that he be required to make a statement and transmit the same once in two weeks, of his receipts and disbursements, to the Treasurer at Sacramento City, and also, once a month to forward to the President in the city of New-York, a like statement, and also to remit monthly to the Treasurer at Sacramento City, all surplus gold on hand, and take his receipt therefor.

Adjourned, to meet at the store of G. P. Post & Co., in Sacramento City, on the 29th inst., at 9 o'clock, A. M.

(Signed)

JAS. DELAVAN, *Secretary*.

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SACRAMENTO CITY, JULY 29, 1850.

Pursuant to adjournment, the *Rocky-Bar Mining Company* met at the store of G. P. Post & Co., in Sacramento City.

On motion of Capt. John T. Hughes, the following preamble and resolutions were presented and adopted.

Whereas, the Rocky-Bar Mining Company have obtained possession

according to the customs of the mining population of California, of rights and privileges of almost inestimable value, and whereas, it is of the greatest importance to all interested, to secure for the Company, influence and character, in order to advance its prosperity, therefore

Resolved, That measures be taken to dispose of the stock of said Company among respectable and influential citizens in the various cities and towns in the States.

Resolved, That the President of the Company be and is hereby authorized to sell as many shares at the minimum price of one hundred dollars a share, as those shares would make which the original Company authorized their President, Mr. P. D. Mickles, to sell in New-York, and which were not sold, the same to be disposed of to persons of a good character and standing in the Atlantic States, and the proceeds thereof to be paid to the original stockholders, *pro rata*, according to their respective interests, or to their heirs or assigns.

Resolved, That all persons holding in their own right more than one hundred of the present shares, be solicited and urgently requested, the more effectually to secure the objects hereby sought, to furnish the Secretary of the Company full power of attorney to dispose of shares or stock at the prices and in the form above set forth, and for the purpose of adding strength and stability to the Company; the receipts arising from such sales of stock to be by said Secretary accounted for to those whose stock may be thus sold.

Resolved, That for the purpose of bringing the great importance of the Company into public notice, whereby its rights and privileges may be the more secure, the Secretary of the Company is hereby authorized to advertise said stock for sale in Washington, Charleston, New-Orleans, Baltimore, Philadelphia, New-York, Boston, and such other places as to him may appear advisable, and for this purpose the Treasurer of the Company is hereby authorized to pay out of any of the funds of this Company any liabilities so contracted, in amount not to exceed six hundred dollars, and this amount is hereby appropriated for this object.

Resolved, That the President be authorized to appoint agents to sell stock at any point or place in the United States or elsewhere, on such terms as he may think proper.

Resolved, That the President of this Company be requested to proceed to the United States by the steamer of the first of August, and visit the mines of Virginia and Georgia, to examine the machinery used for grinding or crushing the quartz rock, and to purchase such as he may think best calculated for these mines, and ship the same to Sacramento City, so as to be ready to be put up by the first of April, 1851.

Resolved, That the President is fully authorized to make such other purchases as he may consider for the interest of the Company, and pay therefor out of any money belonging to the Company.

Resolved, That the President is authorized, and hereby fully empowered to employ a person of experience in gold mining, to act as Superintendent, in aiding by his council and advice in the selection of suitable machinery, and in its erection in the mines.

On motion, the Company then adjourned *sine die*.

(Signed)

JAS. DELAVAN, *Secretary*.