

Silver Mountain and the Oro Grande Mining Company

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In late 1880 the gold and silver mines on Silver Mountain, situated about 5 miles northeast of the present location of Oro Grande, San Bernardino County became a focus of public interest following the significant investment by three partners, Pasadena “neighbors,” Orville H. Congar, and Henry H. Markham and Markham’s partner from Milwaukee, Wisconsin, E. G. Hallock.

Oroville H. Congar, was born in New York in 1828. He moved to Wisconsin in 1843. After this he graduated from the Chicago Medical College and practiced medicine for several years. In 1850 he and a small party of gold seekers headed to California. In January 1851 he shows up in the census in Greenwood, El Dorado County.

In 1872 Dr. Congar testified as an expert witness in Salt Lake City, on behalf of The Cincinnati and Illinois Tunnel Company of Utah during the infamous Emma Mine case. In his testimony he stated, that he had “been engaged in mining more or less since 1850, in California, Montana, Nevada, and since 1864, in Utah; has been an assayer of ores; has practical experience in mines, directing and working in them; has scientific knowledge of mines, mineral formations and their surroundings.”

In 1874 Congar and family moved to Pasadena California where he became an accomplished horticulturist.

Henry Harrison Markham was born in Wilmington, New York, November 16, 1840. In 1861 he moved with his parents to Wisconsin and on November 1, 1863, he enlisted in the Union Army. During Sherman’s march to the sea, his hip was struck by a shell, an injury from which he never fully recovered. After the war he moved to Milwaukee, studied law, was admitted to the bar, and successfully practiced law.

In response to a newspaper ad, Markham purchased a 23 acre ranch in Pasadena and in 1879 he, his wife and daughter moved to Pasadena, California. Shortly after the move to California he played a significant role in the management of the Oro Grande Mining Company. Also among his accomplishments he became president of the Los Angeles Furniture Company, a director in the Los Angeles National Bank, San Gabriel Valley Bank of Pasadena and the Southern

California Oil Supply Company. He also was among the founding Trustees of the California Institute of Technology

In 1884 he was elected to Congress (49th Congress, March 4 1885 – March 4, 1887). He served one term representing virtually all of southern California, but declined to run again. In 1890 he ran as the Republican candidate for governor and was elected by more than 10,000 votes, despite the fact that the Democratic Party held most of the elected offices in the State.

During Markham's campaigns for Congress and governor his opponents filled the newspapers with letters and statements lambasting him for hiring Chinese laborers in favor of Irish workers to develop the Oro Grande Mine. The "smoking gun" which was used against him, was a letter known as the "Old Pard" letter, penned in August 1881 to E. G. Hallock (see below). This was at the height (or perhaps just the beginning) of the anti-Chinese fever that had infected the populous of California. This letter and numerous "letters to the editor" which were published to defame Markham's character also provide insight into the development of the Oro Grande Mine.



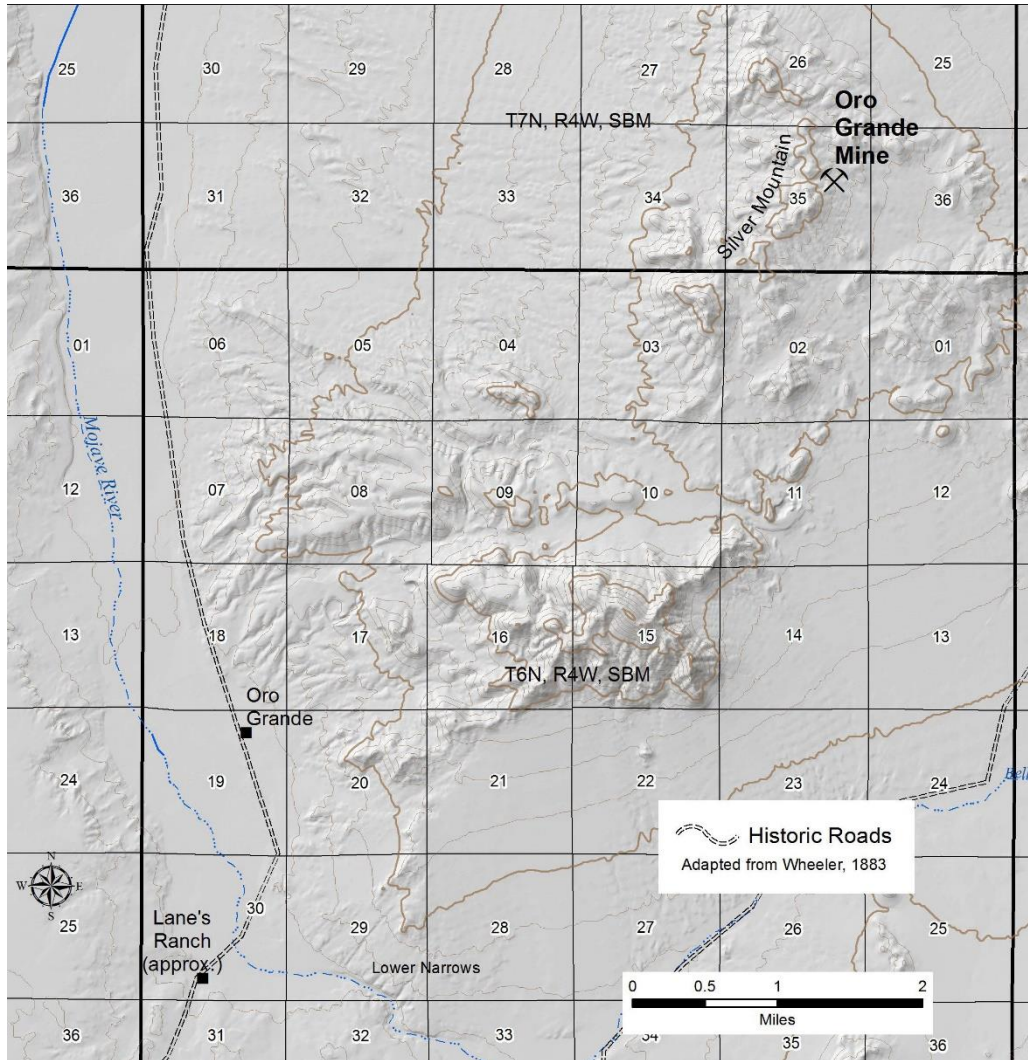
Henry Markham, 1890

Silver Mountain Mining

In January 1873, rich gold and silver ore was discovered by A. G. Lane five miles northeast of his ranch, which was situated west of the Mojave River roughly across from the present location of Oro Grande. Lane dubbed the hill where he made his discovery Silver Mountain, and soon the Silver Mountain Mining District was established.

Prospecting and modest mining operations continued throughout the 1870s. During meetings on February 16, and March 27, 1880 the mining district was reorganized and the boundaries modified. During these meetings Hamilton Pearl was elected president and A. J. Spencer, recorder.

Los Angeles *Mirror* in May 1880 reported that "Mr. A. J. Spencer brought to our office Monday, a piece of ore... It assays over \$2,000 in silver to the ton, and copper enough to pay for working. There is a four foot lode with one foot of pay rock. There was also a gold lode discovered in the same district, which assays \$18,000 gold to the ton."



Another brief article from May 1880 stated “Mr. Sam Rogers who keeps a station on the Mojave is in town [San Bernardino] today with a bonanza in both pockets. He says it goes \$1,000 and was found within five miles of his house.”

The “mining bug” which had lain dormant in Orville Congar since his move to Pasadena was apparently reawakened by news of these discoveries. The San Bernardino *Daily Times* reported on 20 Oct 1880 that A. J. Spencer and his partner James Waldrip sold their claims to Dr. Congar [and Markham and Hallock] for \$8,000, with a \$1,000 down payment.

Two other claimants, John Goldsworthy and his partner William Clancy, in lieu of selling their claims each acquired one-fifth ownership in the Oro Grande Mining Company. The face value of the stock each of them were paid was \$30,000.

In a letter to the Los Angeles *Herald* Congar stated that he was the founder of the Oro Grande Mining Company. He certainly had the mining experience. Markham had the money and connections . . . or perhaps not! In a letter to the Los Angeles *Herald*, published 20 Sep 1884, Congar stated, “Markham represented himself as possessing, and faithfully promised [\$75,000]

before the company was organized.” However only a small portion of this capital ever materialized. As for connections, E. G. Hallock, who also invested \$30,000 in this venture, was an acquaintance from Milwaukee. Other Milwaukee investors later proved invaluable in bailing out the company.

Nov 3rd 1880 Markham and Congar left for San Francisco to purchase a stamp mill for the Company. Grading a site for the mill commenced immediately but was brought to an abrupt halt “. . . on account of the defective title to the millsite.” On December 12 it was reported the millsite was moved, “a stone’s throw from the original location.”

E. Turner and A. O. Bristol were contracted to construct a water ditch along the Mojave River to power the planned Oro Grande Mining Company stamp mill, but it was Congar, Markham and E. G. Hallock who assembled a workforce of Chinese laborers in October 1880 to construct the water ditch. The overseer of the Chinese laborers, Sui Sing, distributed pay to the workers at the rate of \$35 per month. Additional Chinese laborers were transported Oro Grande in December. By the middle of December the ditch was reported as being nearly completed.

The length of the ditch was 14,250 feet and a flume 900 feet long. The ditch/flume was constructed to carry 4,000 miners inches (100 cubic feet per second). Also, a dam was built across the Mojave River. During the spring of 1881 Markham supervised its construction. After the ditch and dam were completed the Chinese workers graded roads to the various mines, and at times worked the Oro Grande Mine.

In a May 7, 1881 letter to the Los Angeles *Herald* a correspondent stated, “I am writing you from Oro Grande, the supposed future Virginia City of California del Sur.” After describing other operations in the district he reports that the Oro Grande Company was working the Oro Grande, Oro Fino, Garfield, Buena Vista claims and one or two others. All of the claims are “. . .being worked to a depth of from 20 to 250 feet, and the ore hauled to the river, a distance of six miles, where it is being crushed by their ten stamp mill at the rate of one ton per hour.”

On June 1, 1881 E. P. Johnson was hired as Superintendent. Sometime later Johnson and Conger hired “a Mr. Chapman said to be an expert in working Chinamen in the mines” as foreman.

The Chinese workers replaced the white workers whom went to work at the Oro Fino Mine. John Taylor, foreman of the mines, who could not, or would supervise the Chinese workers, resigned.

In a letter to the Los Angeles *Herald* (20 Sep 1884) Samuel James, a still disgruntled former miner, stated that the company thought that they “could force [the white miners] to work for less pay by threatening to replace them by hiring Chinese...” The company thought that “they would be glad to take the pitiful sum of \$2.50 per day and board themselves... The miners refused to work.... and were forced to seek elsewhere for employment.”

On February 28, 1881, the Oro Grande Mining Company was incorporated with the following directors: William Clancy, O. H. Congar, John Goldsworthy, E. G. Hallock, and H. H. Markham. Each subscribed for 300 shares at \$100 each share. Conger was elected president and superintendent, Goldsworthy and Markham treasurer. Conger served as president for two years.

Things did not go as planned, and soon the company found itself \$20,000 in debt. In July, 1881, Markham went to Milwaukee and sold 600 shares of stock for \$31,000, or \$51.67 per share. One of the principal investors from Milwaukee, Dr. G. B. Miner, returned with Markham in October to examine the mine he had just purchased stock in. At this time the Chinese workers were still at work under the foreman, Chapman. However shortly after this time the Chinese workers quit, due to “threats from the white miners, a difficulty with the mine foreman and other circumstances.”

In 1882, after the acquisition of stock by new Milwaukee investors, the officers of the company were C. T. Bradley, of Milwaukee, president; H. H. Markham, of Pasadena, vice president; G. B. Miner, of Milwaukee, treasurer; and J. D. Gilchrist, of Los Angeles, Secretary.

The Silver Mountain mines turned out to be a bust for the Oro Grande Mining Company, since the mill couldn't recover the gold and silver from the ore. The story of the construction of an expensive mill to support a more-or-less worthless mine is a familiar one across the West. But the Oro Grande Mining Company found itself at just the right place at the right time. The closing of the Silver Mountain mining chapter proved to be just the end of the beginning. At the same time Silver Mountain was being developed, some 30 miles down the Mojave River the Waterman Mine was discovered and on April 6, 1881 the King Mine was discovered at Calico. On March 1, 1882 the Oro Grande mill began operating on ore hauled some 40 miles from the King Mine, and on June 1, 1882, the *Mining and Scientific Press* reported that the King mine was sold to the Oro Grande Company for \$300,000 with a \$100,000 cash down payment. The seemingly odd connection of Calico with Milwaukee investors can be traced through Henry Markham.

Markham's Financial Dealings

On November 1, 1890 three days before the general election in which Markham ran for governor, A. J. Spencer offered these details regarding and his financial dealings with the Markham between 1880 and 1883.

“I was the original discoverer of the Oro Grande mine. I sold it to Colonel Markham and others. At the time I sold it, James Waldrip had an interest with me. So had John Goldsworthy, and Judge Wm. Clancy. They retained their interest and Waldrip and I sold to Markhan, Conger and Hallock. Waldrip and I sold for \$500 cash each, and we were each to get \$3,500 more. A long time passes and we never got any of this money. In 1883, I think, Charles Lawrence came to me and told me Markham was burst, did not have a dollar; that what little property he had saved he had put in his wife's name and that I had better settle my claim for anything I could get. He told me to go down to Los Angeles and see Markham. I came down and went to the office of Colonel Markham. He acknowledged that he had sent Charlie Lawrence to me, and said he was broke. He said those mines are not worth a d----. But I want to do as well by you as I can. If you bring a suit on that claim I will have to raise a little money to defend it, and I would rather give you that than to give it to the lawyers. I will give you and Waldrip \$1,000 each. We thought he was telling us the truth and took the money. A few days after a

man named Cleghorn came to me and told me not to settle my claim against Markham; that he had been making inquiries and that Markham was worth \$50,000. I told him I had already settled with Markham, and that it was too late.”

In 1887 suit was brought against Markham by his former partners, E. G Hallock, O. H. Congar, John Goldsworthy and William Clancy who accused Markham of misrepresenting the value of the stock that was sold to Milwaukee parties between September 1881 and February 1882 in an effort to raise capital. The defendants turned over about 600 shares to Markham for sale, then another 130 shares were turned over to him which he sold to C. M. Sanger. And later the balance of the stock, about 440 shares transferred to him as a sale. The defendants accused Markham of pocketing \$14,000. He stated the stock was sold for a value less than it actually was.

A decision was rendered by Judge O’Melveny in August 1888 against Markham. He was ordered to pay just Hallock \$1,100 and his court costs.

These details as well as an exact copy of his “Old Pard” letter appeared in a two page supplement to the October 24, 1890 edition of the Los Angeles *Herald* as well as in the *Daily Alta California* of October 15, 1890.

In spite the campaign against Markham, he won governorship by a comfortable margin. A biography of the remainder of his life must be reserved for another place and time.

Acknowledgements

I wish to thank Dennis Casebier and Jackie Ridge with the Mojave Desert Heritage and Cultural Association for making available, and assistance using records of the Germaine Moon collection at the Goffs library. In going through her notes on Silver Mountain, I stumbled on material pertaining to Henry Markham which, with further research, I have presented in this paper.

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San Bernardino County Deeds

23-213, 23-218: 10/6/1880

William Clancy – in Silver Mountain Mining District. 2 deeds

24-190: 2/21/1881

John Goldsorthy to William Clancy. \$1.00 ½ interest General Garfield so called the Oro Grande and ½ interest Buena Vista, 1/5 interest Sidewinder. Witness A. C. Holmes

24-213: 2/5/1881

John Goldsorthy to William Clancy. 1/2 interest in Silver Mountain Mining District.

24-406: 3/8/1881

William Clancy and Jane (wife of John) H. Goldsowthy of LA to William Sippy and M. L. Micks of LA \$300.00 mining claim in Silver Mtn. Mining District. Eureka Joe [located?] 9/29/80 & 10/4/80. Witness A. C. Holmes, notary LA County

24-473: 12/4/1880

Edson G. Lewis to H. H. Markham (both of Los Angeles) \$25.00. Enterprise #2 com. At the western extremity of Oro Grande, Silver Mountain Mining District.

24-492: 3/25/1881

O. H. Conger, E. G. Hallock, John H. and Jane H Goldsworthy, William Clancy & H. H. Markham all of Los Angeles to the Oro Grande Mining Company for 300 shares at \$100 each all their interest in mining claims: Garfield, Rio Grande, Sidewinder, Buena Vista, Oro Fino, Pequito, Hancock, Hermoso, Silver Mtn, Apex, Basalt, Goldsworthy, Sobrieneto (?) Seguendo, Liningstone,

24-538 2/17/1880

Sidney Swarhout of San Bernardino to H. H. Markham of Los Angeles County. \$350.00 SESW Sec 8 6N 4W

Mining Claim and Water Right Locations

- Oro Grande Millsite at Oro Grande 10 miles E of old quartz mill. Mill erected s of 4/15/1881
- 4000 inches on the right bank to conduct water to 2 mill sites situated on the right bank of Sec 18 6N 4W about 2 ½ miles northerly from this point to be taken up and run 2 miles further to 2 other mill sites on the Mojave River for town, irrigation and domestic uses. Dated 10/15/1880 & 12/24/1880, E. G. Hallock, O. H. Conger, H. H. Markham, William Clancy, Jane H Goldsworthy.
- Water Right Location 1/10/1881 Sec 18 7N 4W A. G. Lane & A. J. Spencer. Ditch to be taken from the river at or near the SE corner T. J. Allison's farm.
- Millsite claim, 10 acres, NE corner of Sec 32 6N 4W, by A. G. Lane & A. J. Spencer

The Old Pard Letter

Daily Alta California, Volume 83, Number 107, 15 October 1890

Manitowoc. Wis. August 8th, 1881

My old Pard:

You have been more than kind to write me so often. George sent me a package of letters, three from you and three from my wife to-day. It does me a great deal of good to hear from you and to have you write me so fully about the business out there. I think when I get back, and you and lean have a full talk about the matter, we will take the bull by the horns ourselves and see what can be done. If we can only make that property pay a respectable dividend, we can sell every dollar of our stock in mill for a big figure, and the men I sold to are red hot to push the thing through. They say that we don't need to go to New York for money that there is money enough here if the mines will warrant it I got a letter from Pendegast congratulating me on my success, and I sent him the money, and says that they will look into the concentrators at once. Can you drop a letter to Ike James telling him that I will bring the money to pay him, and to get the amount, etc., also a release of the mortgage, or would you' try the plan of having some one buy the mortgage? As we once talked of, I feel that he has been so kind to us that we want to do by him what is right. Think it over and do as you think best. If I thought he would sell the mortgage for much off to some one else, we, of course, would be glad of the discount, and might as well have it as any one else. Should you think it best to try it, perhaps it would be better to wait till I get there. I would be ready to start next week were it not for father and mother. They are both very low, and it seems cruel to go and leave them just now; should they improve will start at once, and must go before long any way. I feel as though I ought to be there, and my mill men are anxious to have me go. They made me promise that I would give it my personal attention or they would not put their money in. I was very careful not to say one word against any of our partners; told them that all were doing our best.

I am afraid that you would cuss this country a little were you in my fix. Four weeks ago to-day I was taken with the rheumatism, and for the last three weeks I have not been able to put my left foot to the floor, and can't step a step without crutches. I asked J. D. what he thought of California now? and he says that Jarv Platt says that everybody has rheumatism in California, so that makes it so, I suppose.

I have seen Reed a good many times, and had good long visits with him. I will tell what he said when I see you. He gave me a pass till Dec 31. I have used it once. I suppose that you have heard of the collision on the west end of the Road, and that Hogan and another conductor came near having another smashup at the east end. Hogan is "laid off." I have not seen him since, but Kittell told me all about it, and says that Hogan will be put on again soon, he thinks. You must wait until I come for the particulars as to all the boys. **I do believe Hallock, that we shall make some money out of those damn mines after all. I am glad that Irish crowd are out and hope that the Chinamen will be all right.**

I think I saw that Chapman when I was there last. You must boss the thing the best you can, as you know what is best to be done better than I do. I thought that we would pay all the debts, and then you and I would look after our own stock, and let the rest do the same; this is confidential, of course. When I get there we will settle everything, and give each one the stock

that belongs to them; and after this let them look out for themselves. You and I have stood in the breach long enough I think, don't you? But say nothing until a full settlement is had.

You will not have time to write me more than once after getting this. I hope that I shall telegraph my wife when I start or you, whichever I think best. I want to see you about as bad as I do my wife.

Please give my regards to Mrs. Hallock and the Dock. Yours, etc., Henry.