Arkansas Diamonds: Dreams, Myths and Reality

By

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INTRODUCTION

In June 1985, mild curiosity prompted my first trip to Crater of Diamonds State Park, a modest tourist attraction and nature reserve just outside of Murfreesboro, Arkansas. As a historian with a special interest in geology, I had wondered about the Crater since noticing it on a map a year earlier, but could find very little information except that visitors could pay a small fee, search for diamonds, and keep whatever they found. I drove to Murfreesboro expecting nothing beyond a day or two of novel recreation.

The introduction to diamond hunting proved exciting enough. Scanning the surface of the plowed thirty-acre "mine"; scratching around with a hand trowel and stiffening every time a piece of glass, a shiny quartz crystal, or similar minerals turned up; learning from an industrious and successful group of "regular diggers"—although none of these put treasure in my pocket, all combined into a memorable experience.

As I watched the diggers, it became clear they succeeded primarily because they were working old buried drainage channels where rock, gravel, and heavy minerals had been deposited. Some of their holes were only a few feet deep; others ran well over six feet. As for surface hunting, everyone agreed there was one real hotspot: around "Beatty's Hill," at the upper northwest corner of the plowed slope. The area stood out because of its rocky, dark, humus-enriched soil.[1]

Taking a break from the field, I looked into the history of the Crater and found a sketchy outline readily available. According to this version, a simple farmer in southwest Arkansas wandered about his 160 acres one day in August 1906, stumbled upon two shiny little crystals, and thereby drew attention to a diamond-bearing volcanic "pipe," the first found in North America. Soon, eager mining interests moved in and began testing not only the main deposit, but also several smaller pipes located in the wooded hills nearby. Wealth and fame beckoned; success lay just around the corner. But misfortune—evidently the work of sinister forces as well as faulty equipment—constantly stymied commercial success.

The eventual outcome of that story seemed to clash with the idea that the big pipe ever had commercial-mining potential. After further testing in the 1940s, the owners turned the property into tourist attractions, most notably a highly publicized "Crater of Diamonds" run by Howard A. Millar. Then, after other mining attempts failed, the State of Arkansas acquired the entire pipe and about 800 surrounding acres for $750,000. The park opened in 1972.

On my last day, I put history aside and indulged in more diamond hunting and socializing. Then it was time to resume an ongoing project in Texas. No doubt Arkansas diamonds would have become a fading memory if something had not happened two months later.

On August 18, 1985, an article in the D*allas Morning News* suddenly announced grandiose plans to develop a world-class commercial diamond mine in Arkansas. Exuding confidence, promoters in Dallas declared they would "change the world map of diamonds" if allowed to operate at the park. "It's comparable to South African mines," they said. "You're talking about revenue from a multi-billion dollar deal—a massive, very viable project." The plan embraced more than the Crater. Near the park a broader "diamond province" beckoned, said the promoters, referring to the smaller volcanic formations up in the hills.

Now, the history of Arkansas diamonds proved irresistible. My field work and general research began that August and between 1987 and 1994 produced several reports, an article in the *Arkansas Gazette,* and a thick rough manuscript titled "Arkansas Diamonds: Dreams, Myths, and Reality."[2] After a private-State venture finished retesting the Crater in 1997, I updated the manuscript. This condensed edition for the internet, while less technical, provides a substantial treatment of the subject.

Studying the history of Arkansas diamonds meant not only gathering data, but also working through a thick screen of myths and folk tales that has accumulated since John Wesley Huddleston, the lucky farmer-prospector, found the first shiny little crystals in 1906. Such stories are woven throughout the historical record, providing much of its color and drama while often obscuring its basic truths. Some tales are harmless and entertaining, especially many of those about Huddleston and his discovery of the first diamonds. Others are less benign.

The latter category includes two of the major myths: the closely related ideas that the big pipe near Murfreesboro tested at or near commercial levels during the early decades, but was deliberately kept out of production. Samuel W. (Sam) Reyburn, the prominent Little Rock businessman heading the pioneering Arkansas Diamond Company, has often been depicted as a conspirator who helped an international diamond cartel suppress his mine. John T. Fuller, a young mining engineer from South Africa who worked for Reyburn's company and wrote numerous reports on the big pipe, has been cited constantly as an authority who documented commercial potential. Perhaps the following account will help correct these long-standing errors.

Although limited, the scientific terminology appearing in this edition needs brief clarification up-front. Well into the 20th Century, the main pipe near Murfreesboro was referred to technically as the "Prairie Creek Peridotite": Prairie Creek was a landmark running immediately north of the pipe; p*eridotite w*as the generic term American scientists usually applied to any formation resembling the famous diamond-bearing pipes of South Africa. The term k*imberlite w*as coined about 1890, but took several decades to catch on as a popular description of the diamond-bearing material. Then, adding a bit more confusion, the recent discovery of diamond-rich l*amproite i*n Australia has prompted some geologists to re-evaluate the Arkansas pipes and declare them more similar to lamproite than to the kimberlite of South Africa.

In understanding the Crater of Diamonds, these general classifications proved less important than more-specific terminology applied by the US Geological Survey after 1913, for the big pipe contains three distinct varieties of volcanic material, not one. As the entire historical record underscores, two of these variations, totaling about forty-five acres on the west side of the pipe, are so devoid of diamonds that none have been clearly documented in that area after almost a century of exploration.

The diamond-producing material dominates the east half of the pipe and lies within the approximately forty acres currently plowed for recreational diamond hunting. At the surface, it is easily recognized by its greenish-gray color. The USGS identified this as v*olcanic breccia.*

It helps to bear in mind that all three varieties are essentially the same material, basically peridotite from deep within the earth, but that each was deposited by a certain type of volcanic action. As the first section of this study indicates, a unique volcanic explosion apparently explains the presence of diamonds in the volcanic breccia.

As for the style of this internet publication, it seems to serve the purpose of documentary clarity as well as textual brevity. In a sense, it is a running commentary on sources—one author's guide to research. It has no bibliography or index: the computer "search" function should suffice, I trust. For full information about a source, scroll to the beginning of the piece and "search" should call up the basic entry, often with extended commentary. Consider this a work in progress; feel free to comment by e-mail.

The focus of this abbreviated edition falls where it seems most important, on the early commercial era, 1906-1932. The remainder draws from enough sources to clarify various topics, but makes no attempt to be as thorough as that basic period. For comment on additional available sources for either period, e-mail me.

Acknowledgments must be brief. Researching at the Crater and in Little Rock, I found the staff of the Department of Parks and Tourism very receptive and helpful. Similarly, I benefited from stimulating conversations with many professionals drawn to Arkansas over the years. Michael Waldman, Hugo Dummett, and Robert Allen, three of the most experienced and disciplined geologists, need specific recognition.

Equally important, my field work in the park benefited considerably from data provided by the regular diamond diggers and surface hunters, especially Grady Snearly (known in the 1980s as "the Diggers' Digger"), Raymond Schall (the elderly "Dean of Surface Hunters"), and the well-known James Archer, a Black-American from nearby Nashville, Arkansas. All are now deceased. Although I dug holes myself and walked the field often, all that other labor was indispensable to the task of understanding recreational diamond recovery and the ways it corroborated other historical records.

A brief note of appreciation also goes to the old-timers around Murfreesboro who helped clarify some basic topics over the years. There were many of these consultants, and they contributed much more than they might gather from reading this account. I am most deeply indebted to Alton Terrell and his late wife, Alice, a granddaughter of MM Mauney, who once owned a small six-acre tract at the northeast corner of the Crater.

Finally, I must acknowledge an underlying story scarcely evident in the following pages. Inquisitive outsiders sense it immediately while visiting Murfreesboro and other towns and cities around Arkansas, the "Natural State." A glance at the state flag and its diamond-shaped emblem leaves no doubt. For over a century, now, the people of Arkansas have invested immeasurable pride in their field of diamonds. Commercial production or no commercial production, they know they have a genuine treasure, a publicly owned diamond mine. I trust they also understand that its rich history—myths and all—is in some ways the most vital part of that unique asset.

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[1] Beatty's Hill, actually the base of the Crater's East Hill, got its name from an elderly gentleman who once hunted it regularly before the State purchased the property (interview of Sue McCarty, then office manager at the park; notes in author's possession).

[2] "Once Again, Mine Teases Developers," *Arkansas Gazette*, September 29, 1989, p. 11B (editorial pages); "Diamond Deposits in Arkansas: A Summary of Issues and Evidence, 1907-1993," unpublished report (1994), the final report produced for the Friends of the Crater Coalition, widely distributed.

John Huddleston's Crystals

By the turn of the century, Americans had learned that the mere presence of peridotite, or kimberlite, seldom indicated diamond content, much less commercial potential.[1] Diamonds still stirred the imagination, especially when news spread about other great finds abroad: the stunning Cullinan Diamond, taken from the new Premier Mine of South Africa in January 1905, weighed 3,106 carats, twice as much as the previous world record.[2] Yet, even that event stirred no evident fraud or excitements like those of recent decades. It was clear that a great deal of skepticism awaited any news of another discovery.

Then suddenly, on September 12, 1906, the N*ashville* (Arkansas) N*ews* announced, "John Huddleston has located a diamond mine on his land situated three miles south of Murfreesboro."[3] Actually, the tall rawboned farmer had only picked up two or three diamonds from the surface of his 243-acre farm, the largest 2⅝ carats.[4] The first reportedly was found over a month earlier, on August 1.[5] In any case, the volcanic matrix of the diamonds was verified within months, and leading American experts declared it the first original source discovered outside of South Africa.[6]

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[1] Statistics on kimberlite deposits vary; but of several thousand worldwide, perhaps 10% contain diamonds, and a very small percentage of those have proved commercial. One early reminder was George F. Kunz and Henry S. Washington, "Diamonds in Arkansas," *Transactions of the American Institute of Mining Engineers*, 39 (1909), 176: "Peridotites are not uncommon, but very few are diamond-bearing. Indeed, the great majority of those rocks found all over the world show no trace of diamonds."

[2] There is no evidence anyone reexamined the peridotite of Pike County in the wake of the Cullinan or other sensational finds abroad. John C. Branner left Arkansas years earlier.

[3] "Diamonds in Pike," *Nashville* [Arkansas] *News*, September 12, 1906, p. 1; Pike County, Deeds, Book L, p. 340, Warranty Deed, McBrayer and Ross to John W. and Mary Huddleston, July 15, 1905. According to the prevailing myth, the Huddlestons bought a 160-acre farm in 1906, paying $1,000 and trading in a mule for a $100 down payment (the price of the 243.56 acres was $2,000, with $300 cash down, the balance due in three annual payments of $425, and the first payment due December 15, 1906).

[4] Although the *News* mentioned only two diamonds, Huddleston picked up a third soon afterward, reportedly while Samuel Reyburn of Little Rock was at the property shortly before September 20th securing an option to purchase it ("Diamonds Genuine," *Nashville News,* August 10, 1907, p. 3). Charles S. Stifft, the Little Rock jeweler who evaluated the first two diamonds, also mentioned a third reportedly had been found after he received those (statement in "Diamonds Found in Pike County," *Arkansas Gazette*, September 21, 1906, p. 1; reported as "Pike Diamond Lands–Have Been Sold to a Little Rock Syndicate," *Nashville News* September 22, 1906, p. 1).

George F. Kunz of New York, the nation's leading gemologist, and Henry S. Washington, a New York-New Jersey geologist, provided a detailed account of the discovery after long visits to Huddleston's farm in late 1906 and early 1907, and stated the first two diamonds were found August 1 and the third September 8 (Kunz and Washington, "Occurrence of Diamonds in Arkansas," *Mineral Resources of the United States, 1906* [1907], 1247-1251; cf. "Diamonds Genuine," *Nashville News*, August 10, 1907, p. 3).

Kunz-Washington, "Diamonds Genuine," and a few other sources said diamonds were sent to St. Louis for evaluation, as well as to Little Rock and New York (Stifft took the first two to Kunz in New York). Horace Bemis, a prominent lumberman from nearby Prescott, reportedly sent, or took, one of the diamonds to St. Louis, but that is an open question (with other sources in this note, see "Diamonds," in David V. Thomas, ed., *Arkansas and Its People,* 2 [New York: American Historical Society, 1930], 386, which said Huddleston first showed his diamonds to Bemis and then a "little later" one or more went to Stifft). John T. Fuller, a mining engineer who worked at the diamond field from mid-1908 into 1912, mentioned two diamonds, saying the first went to Stifft, then to Arnstein & Bros., New York, and on to Mermod, Jaccard & King Co. and Boland & Sons of St. Louis (Fuller, Report to L. F. Loree, President, Delaware & Hudson Railroad Co., New York, June 25, 1908, in "Reports and Information Gathered by John T. Fuller From 1908 to 1931, Diamond Fields in Pike County, Arkansas" [c. 1940], 13-14 [see comment, end of this note]).

Charles S. Stifft, the Little Rock jeweler who first examined the two diamonds, specified their weights in his first public statement: 2 5/8 carats and 1 3/5 carats ("Diamonds Found in Pike County," *Arkansas Gazette*, September 21, 1906, p. 1; "Pike Diamond Lands," *Nashville News,* September 22, 1906, p. 1). Kunz and Washington, who had ample opportunities to talk with Huddleston in the field, reported 4½ carats and 3 carats, and one-half carat for the third find ("Occurrence of Diamonds in Arkansas," 1249). Later writers, including John Fuller, almost invariably mentioned large sizes, adding to an evolving maze of myths. Most likely, Huddleston showed Kunz-Washington and others some diamonds found after he contracted to continue diamond hunting for Reyburn's group, who had gotten an option on the farm (infra, "Sam Reyburn and the Arkansas Diamond Company"). Those diamonds belonged to Reyburn, the group Trustee, to be returned to the Huddleston's only if the group dropped the option; but undoubtedly John Huddleston was allowed to keep "demonstration" diamonds while in the field, perhaps in the Bull Durham tobacco sack mentioned in a later tale.

The *News* (September 12) reported Huddleston had sold the first two diamonds for $600 (one for $400; the other, $200). Some statements suggested he kept his first finds; one source said they "were sent to a Little Rock jeweler, and were later cut by Tiffany in New York, being pronounced perfect gems, equal in purity to those of South Africa" (Jim G. Ferguson, *Minerals in Arkansas* [Little Rock: Arkansas Bureau of Mines, Manufactures and Agriculture, 1922], 56).

For further examples of the way the tales of discovery began varying almost immediately after 1906, compare Kunz and Washington, "Occurrence," with "Diamonds Genuine," *Nashville News,* August 10, 1907, p. 3, and "Pike County Has Real Diamonds, He Says," *The World*, August 14, 1927, (clipping, unidentified newspaper, no page number, IV.E.5, Crater archive).

Bibliographic Note. Copies of the "Reports and Information," cited above, are available in the Arkansas Parks and Tourism files, the Crater of Diamonds State Park archive; and the Butler Research Center, Little Rock Central Library (with files this writer deposited recently). It is also available on microfilm in the Arkansas History Commission Research Room (AHC), near the state capitol, Little Rock: see the separate roll following the basic "Crater of Diamonds" microfilm series (the basic six rolls of film, completed April 11, 1984, included all items in the Crater archive at the time; then two rolls were added to cover some documents in the Department of Parks and Tourism's "Crater of Diamonds" vertical files, located down the hall from the

History Commission). The archive at Crater of Diamonds State Park, near Murfreesboro, has a copy of the basic six-roll series, but not the two extra rolls.

The main copy of Fuller's "Reports and Information" was donated to Parks and Tourism by Arthur Slocum, whose small private venture leased most of the Crater in the late 1950s (Letter of transmittal, A. G. Slocum, Mill Valley, California, to Richard Davies, Dept. of Parks and Tourism, Little Rock, June 13, 1986, Parks and Tourism, "Crater of Diamonds" files; first separate roll of microfilm).

Although the dates of a few items have been mistyped at points, the authenticity of the "Reports" is largely verifiable. For example, Samuel W. Reyburn and Stanley H. Zimmerman, "Diamonds in Arkansas," *EMJ*, 109, No. 17 (April 24, 1920), 986, quoted at length from reports Fuller had written earlier for Reyburn's group. Similarly, the Arkansas Diamond Company's prospectus in late 1908 reprinted the initial report of November 11, 1908, along with the earlier report of Henry S. Washington (Sam W. Reyburn, Trustee, "Diamonds in Arkansas," January 1, 1909, in the W. C. Rodgers Collection, Box 2, IV, File 18, AHC; also, separate roll of microfilm in the "Crater of Diamonds" series, AHC, and available on microfilm from the University of Arkansas, Lafayette ["AgProject" reel, microfilm 13.19, LC TN 993.B75 1908]).

However, it is clear that a few pages of Fuller's report, or reports, to the Arkansas Diamond Company were mixed up at some point (perhaps during the typing of copies), or perhaps Fuller updated some pages as he reissued the basic report after November 1908. The most obvious out-of-place statement appears on the first two pages of his report to the ADC dated January 1, 1909: "The present northern terminus of the Memphis, Paris & Gulf R.R. is at Murfreesboro. This railroad which was extended to Murfreesboro last June, connects with the main line of the Kansas Southern at Ashdown, Ark., some 40 miles south-west of Murfreesboro" ("Reports and Information," 21-22). The railroad was not extended to Murfreesboro until June *1909* (infra, "Mauney and the Beginning of Recreational Diamond Mining").

Similarly, there is a clear instance of misdating: "Public Statement by John T. Fuller on April 7, 1929," Reports, 33. Fuller spoke at the meeting in Little Rock on April 7, *1928* ("New Corporation to Acquire Mine," *Arkansas Gazette*, April 8, 1928, p. 11; infra, "Reyburn and Arkansas Diamond Company—Inactivity and Change of Leadership").

[5] Kunz and Washington were the first to secure the information, during long visits to the property in late 1906 and early 1907 (supra; also Kunz, "Diamond Mine in Pike County, Arkansas," *EMJ*, 87 [May 8, 1909], 963). In the early decades, August 1st was widely accepted as the date of discovery.

[6] George F. Kunz and Henry S. Washington, "Note on the Forms of Arkansas Diamonds," *American Journal of Science*, 4th Series, 24 (1907), 275: evidence "seems conclusive" that diamonds are coming from the peridotite, and "if so, this is evidently the first occurrence of diamonds in place on either the North or South American Continent." At the time, the only significant diamond-mining known outside Africa was in South America, and that, as all activity outside Africa, was assumed to be strictly alluvial ("placer") mining. The point is further clarified in Kunz and Washington, "Occurrence of Diamonds in Arkansas," *Mineral Resources of the United States, 1906* (1907), 1250: "As this is the only place outside of South Africa where diamonds have been found in peridotite, ..." John T. Fuller, "Diamond Mine in Pike County, Arkansas," *EMJ,* 87, No. 3 (January 16, 1909), 154: the Arkansas diamond field is the first "original matrix" discovered in the Western Hemisphere. Hugh D. Miser and Clarence S. Ross [U.S. Geological Survey], "Diamond-Bearing Peridotite in Pike County, Arkansas," *Annual Report of the Smithsonian Institute for 1923* (U.S. Government Printing Office, 1925), 261-262, stated the only diamond-bearing peridotites were in South Africa and Arkansas, while deposits in Brazil and elsewhere

were "placer." Also, for example, Robert S. Lanier, "Has Arkansas a Diamond Field," *American Review of Reviews*, 36 (September 1907), 301-303.

At first, editors of the *New York Times* adopted the cautious statement used often by non-professional publications: "The Pike County diamond field is the first to be discovered in the United States" ("The Diamonds of Arkansas," August 4, 1907, p. 6). Later, the newspaper followed Kunz's lead, referring to "what geologists believe to be the only native diamond bearing matrix in the United States and the only known geological counterpart of the South African diamond area" ("Diamond Mines are Busy in Arkansas," June 14, 1931, Sec. 8, p. 7).

Some doubt might have been raised in 1909 by John C. Branner, after he led a second field trip to South America (first in 1889, second in 1907; also in 1874 as a graduate student). In the "*Engineering and Mining Journal*, he challenged John Fuller's recent statement in that publication "to the effect that 'diamonds have never been found in South America in the true matrix.'" Not true, said Branner. "Certain washings near Diamantina in the state of Minas Geraes took their material entirely from itacolumite decomposed in place. This locality I have visited and I make this statement from personal observations. The late James E. Mills stated to me that he had seen a diamond in place in the itacolumite. Recently Prof. O. A. Derby, the director of the Geological Survey of Brazil, has seen a diamond from Bahia in the original quartzite" ("Some Facts and Corrections Regarding the Diamond Region of Arkansas," *EMJ,* 87 [February 13, 1909], 372; also reprinted as "Didn't Overlook Diamond Rock," *Arkansas Gazette*, February 27, 1909, 12).

Branner neglected to give dates of these events. In any case, the suspected sites evidently turned out to be unusual sedimentary deposits. For early background on Brazilian diamond mining: http://www.minelinks.com/alluvial/diamondGeology9.html.

SAM REYBURN AND THE ADC, 1906-1932

As the *News* suggested on September 12, some Little Rock businessmen had learned of Huddleston's crystals and wanted control of his land in case the discovery proved genuine. According to an early account, an excited John Huddleston had taken the first two diamonds to Murfreesboro and shown one to the cashier of the Pike County Bank, Jess Riley, who offended him by offering 50¢ for the strange little stone. "Eventually he showed it to Judge J. C Pinix of Murfreesboro, who on finding that it cut a watch crystal like a glass cutter, advised him to send it to Charles S. Stifft, a Little Rock jeweler recognized as an expert on diamonds throughout the Southwest. . . . The specimens were sent to Mr. Stifft . . .."[1] While wary of a possible hoax, Stifft tested and weighed the diamonds, and then quietly went to Murfreesboro to inspect Huddleston's property. His offer to take an option on the farm, at a purchase price of $36,000, proved unpersuasive.[2] A real-estate developer as well as a jeweler, Stifft was no stranger to such transactions.[3]

Identified by the *News,* Stifft returned to Little Rock and formed a partnership with two other leading businessmen and community leaders: his son-in-law Albert D. Cohn, a merchant with training as an engineer; and Samuel W. (Sam) Reyburn, a lawyer and founder-president of the Union Trust Company. The tall, thirty-five-year-old Reyburn, a native Arkansan with an affable, down-to-earth style, headed the venture as trustee.[4] Later, Reyburn's close relative John C. Peay joined as general manager of properties and field operations.[5]

Getting an advantage over potential competitors, Reyburn's group also included an agent in Murfreesboro who had considerable influence with Huddleston and other land owners—Joseph C. (J. C.) Pinnix, Pike County's leading lawyer.[6] In addition, Reyburn and his Union Trust Company were already involved in land transactions in Pike County.[7]

On September 19, before the required two witnesses, John and Sarah Huddleston put their Xs on a contract, accepting $360 cash for an extendible six-month option on the 243 acres at a purchase price of $36,000. After renegotiations and piecemeal payments, the couple signed a final contract on June 15, 1908, receiving $6,000 cash and a commitment for payment of the $22,000 balance by January 1, 1909.[8]

John Huddleston's diamond hunting did not end with the initial option. "We further agree, as may suit our convenience," the contract said, "to continue the prospecting of said land, agreeing to turn over to said Sam W. Reyburn, as Trustee, any and all minerals or stones of whatever nature we may find, to be held in trust to go to him in case he exercises the option or to be returned to us in case the said Sam W. Reyburn fails to exercise said option."[9] Huddleston's presence in the field would help generate beneficial publicity for all concerned.

Although no one knew at the time, that option handed the Little Rock investors virtual control of the big pipe. The Huddlestons' farm included over three-fourths of the volcanic formation and all of the diamond-producing area except six acres at the northeast corner, and soon the Little Rock venture had options on everything but the six acres.[10] The owner of that property, Millard M. (M.M.) Mauney, demanded a high price.[11]

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[1] "Genuine Diamonds Found to the Number of 140 in Pike County, Arkansas," *Arkansas Gazette*, Sunday**,** August 5, 1907**,** reprinted as "Diamonds Genuine," *Nashville News*, August 10, 1907, p. 3. The full-page spread, with illustrations, was one of the most substantial and competently written articles of the early era. The writer was exceptionally well informed about details, evidently drawing them from Stifft, Kunz and Washington, and others involved. The style is more scholarly than reportorial. An equally credible account by Kunz and Washington omitted Huddleston's encounters with Riley and Pinnix, but added considerable detail about the three finds and said, "The stones were sent by Mr. Huddleston to persons in Little Rock" ("Occurrence of Diamonds in Arkansas," 1248-1249). John T. Fuller, "Diamond Mine in Pike County, Arkansas," *EMJ,* 87, No. 3 (January 16, 1909), 152, also said Huddleston sent the diamonds to Stifft. For a third basic account, see "Pike County Has Real Diamonds, He Says," *The World,* August 14, 1927, no page number, clipping in "Misc." box, Crater archive (the recollection of John Huddleston's brother-in-law, Lee J. Wagner). Also, the brief comments in "Diamonds Found in Pike County," *Arkansas Gazette*, September 21, 1906, p. 1 (Stifft's initial statement), and the more detailed report, including Stifft's statement, in "Pike Diamond Lands," *Nashville News,* September 22, 1906, p. 1.

Compare the account in "*Genuine Diamonds"* (or *"Diamonds Genuine*") with Howard A. Millar's story much later: Millar, *It was Finders-Keepers at America's Only Diamond Mine* (New York: Carlton Press, 1976), 20ff.

[2] “Diamonds in Pike,” *Nashville News*, September 12, 1906, p. 1, implied Huddleston had been offered $36,000 for an outright purchase, but that clearly was not the case. At that point, Stifft and associates thought the property might have been “salted,” as had happened in the past (infra, “Caution to Overconfidence”).

[3] Sources relating to Stifft, infra.

[4] “Diamonds in Pike,” *Nashville News*, September 12, 1906, p. 1; “Genuine Diamonds”; Pike County, Deeds, Book L, 345, Option to Purchase, John and Sarah Huddleston to Reyburn, Trustee, September 19, 1906, and items below Reyburn, an Episcopalian, was an ideal leader for the group. At the time, Stifft and Cohn were cautious about getting out front publicly (see Stifft’s initial statement, *Gazette*, September 21, supra, which left the impression he had not been involved with Reyburn since inspecting Huddleston’s property earlier).

Reyburn organized the Union Trust Company in the 1890s, and headed it until leaving for New York City in 1914 (Union Trust was the forerunner of Union National Bank). Two extraordinarily long obituaries covered his early life and long career: “Samuel W. Reyburn, 90, Dies at Home in Florida,” *Arkansas Gazette*, June 8, 1962, p. B1; “Reyburn Dies in Sarasota,” *Arkansas Democrat*, June 7, 1962, pp. 1-2. Arkansas Gazette, *The Book of Arkansas* (Little Rock: The Arkansas Gazette, 1913), 45, included a sharp, but rather stern photograph (a captain-of-industry pose); the brief caption noted Reyburn was “one of the owners and promoters of the Arkansas Diamond Company in Pike County.” “Arkansans Have Amazed New York,” a long Chicago Tribune-New York Times Special to the *Arkansas Gazette*, November 22, 1927, p. 1, added perspective to that phase of Reyburn’s career, and offered insight into his personality. *Who Was Who*, IV (Chicago: Von Hoffman Press, 1968), 787, also reflected his prominence.

Stifft’s life, including real-estate development and his relation to Albert Cohen, was summarized in “Charles S. Stifft Called by Death,” *Arkansas Gazette*, August 27, 1926, p. 10 (the *Gazette* had carried a brief notice of the funeral on August 26, p. 14; Moorehead Wright, an old friend, was an honorary pallbearer). Lucy Marion Reaves, “Glimpses of Yesterday,” *Arkansas Gazette*, February 5, 1939, clipping, Butler Center, Little Rock Central Library, focused on Stifft’s family and personal life, including the relation to Cohn; Reaves ended with a long paragraph on the “Arkansas Diamond Mining Company.” A sharp photograph appeared in *The Book of Arkansas* , 25; the biographical caption listed “president, C. S. Stifft Realty Company” among his positions, along with “vice president, Arkansas Diamond Mining Company”. Carolyn G. LeMaster, *A Corner of the Tapestry: A History of the Jewish Experience in Arkansas, 1820s-1990s* (Feyetteville: The University of Arkansas Press, 1994), 65, 70, 78, 121, 133-134, 204, 388, adds a few details.

Some of Reyburn and Stifft’s activities in Little Rock also are mentloned in Sandra Taylor Smith and Anne Wagner Speed, *Little Rock’s Capitol View Neighborhood Historic District* (Little Rock: Arkansas Historic Preservation Program), 8-9, online at:

www.arkansaspreservation.org/pdf/publications/Capital_View.pdf.

Albert D. Cohn, Stifft’s son-in-law, was trained as a civil engineer, but had to help tend to the family business, the M. M. Cohn Company, when his older brother died. Although he seldom received publicity as a founding member of Reyburn’s group, or as secretary of the companies they organized after 1906, he clearly lent stability to the operation. Illness led to his death in 1926 at age fifty-two, three years after he succeeded his father as president of the company. He died in Baltimore; Sam Reyburn accompanied the body back to Little Rock for burial. At the time, Reyburn and associates were preparing to exit their mining venture in Pike County (infra, “Inactivity and Change of Leadership). “Albert D. Cohn is Dead in

Maryland," *Arkansas Gazette*, July 14, 1926, p. 1, is long and detailed (LeMaster, *Tapestry*, 115-116, included a few details from the obituary).

[5] John Creasy (Johnny) Peay, a year younger than Reyburn, appeared often in the records of the early decades, both the literature and several captioned photographs in the Crater archive (e.g., VIII., 23.14, a good group shot; 23.68, a close-up of "Johnie Peay" and Lee Wagner; and 23.75). As Reyburn, he evidently had an easy-going personality, and got along with others in the diamond field, including the Millars (e.g., citations infra, and the Millars' correspondence, passim, discussing visits with Peay at times). He was active in the diamond field into the early 1930s, and died October 15, 1935, at age sixty-two ("Obituary–John C. Peay," *Arkansas Gazette*, October 16, 1935, p. 10). He was buried in Mount Holly Cemetery, Little Rock. For some of the linkage between the Peays and the Reyburns, see Sybil F. Crawford and Mary Fletcher Worthen, compilers, *Mount Holly Cemetery Burial Index, 1843-1993* (Little Rock: August House, 1993), 181-183, 196-197.

[6] Some sources referred to Pinnix as a partner, but the deed records and other documents fail to reflect that. Although he had a stake in the venture, including stock taken in lieu of cash for some services, he was the group's local agent and lawyer, helping secure numerous properties and handling deeds and payments. For an early reference to partnership: Fuller, Report to Loree, in "Reports and Information," 14. Cf. Samuel W. Reyburn and Stanley H. Zimmerman, "Diamonds in Arkansas," 983: after evaluating Huddleston's property, Stifft "associated with himself A.D. Cohn, a merchant; Samuel W. Reyburn, a banker, . . . and J.C. Pinnix, a lawyer of Murfreesboro, Ark." Fuller, et al., "Historical Summary of Arkansas Diamond Corp.," in "Reports and Information," 1, merely said Stifft, Cohn, Reyburn "and J. C. Pinnix, of Murfreesboro, secured an option . . . and later organized the Arkansas Diamond Co." Similarly, Graham J. Mitchell, "Diamond Deposits in Arkansas," *Engineering and Mining Journal,* 116 (August 18, 1923), 285, implied a partnership: "An option was taken on the property by . . . [Reyburn, Stifft, Cohn] and J. C. Pinnix."

The *Legal Directory 1900 for Lawyers, Merchants and all Business Men* (Cincinnati, Ohio: J. A. Graft & Co., 1900), 253-257, listed only Pinnix under Pike County. The *Directory* is now online at: http//freepages.geneology.rootsweb.com/~censusresearch/JAGraft/Arkansas.htm.

[7] The deed records indicate Reyburn had been involved in land transactions before 1906, as trustee for the optioning of sixteen tracts of land (initial option,Book D, 591, May 2, 1901) and as an officer of Union Trust Company, Little Rock, for a bond issue and a Quit Claim (E, 316; H, 292).

[8] Book L, 345, Option to Purchase, John and Sarah Huddleston to Reyburn, Trustee, September 19, 1906; P, 326, Option, June 15, 1908. Under state law, property usually was deeded to husbands, but spouses gained a "right of dowry and homestead"—effectively, joint ownership, empowering them to approve or block future sales.

The tall, gangly farmer posed with Reyburn for a photograph, apparently when the initial option was filed in Murfreesboro ("Photographs," VIII, Folder 23.113 [originally part of the Lee J. Wagner Collection], Crater archive). Photos in *The Book of Arkansas,* 45, and in later articles in the *Arkansas Gazette* identified Rayburn (the first article: "Arkansans Have Amazed New York," November 22, 1927,

p. 1). The best two photos of the young Sam Reyburn, c. 1900: "Hendrix Speaker, S. W. Reyburn, Holds High Business Posts," *Arkansas Gazette*, October 25, 1936, II, p. 14.

The group's cautious maneuvering after September 1906 resulted in several other contracts with the Huddlestons: Book M, 99, December 31, 1906 (conditional option deed, with full payment by September 1907); N, 405, August 14, 1907 (a fee-simple deed, in effect an extension of the option and the final payment, with the Huddlestons receiving $7,000 cash and a schedule for interest payments on a balance of $29,000); P, 49, March 4, 1908 (a new deed for $1,000 cash, an extension of the balance at 8% interest, and the Trust's assumption of property taxes). The Trust paid from 6% to 8% annual interest. Perhaps reflecting the Huddlestons' plans to move to Arkadelphia, the contract of March 4, 1908, sent monthly interest payments directly to the Pike County Bank.

The prevailing myth: Huddleston sold a 160-acre farm–bought earlier in 1906–for $36,000 cash, and required payment in $10 or $20 bills.

<u>Bibliographic Note</u>. The extensive photographic record in the Crater archive, VIII, contains many shots of Huddleston and other leading actors of the early decades. Both Lee J. Wagner and Howard and Austin Millar accumulated photographs. For a convenient review of those in the archive by April 1984, see the microfilm, "Crater of Diamonds," rolls 5-6 of eight rolls, AHC; copy also in the Crater archive).

The semiweekly *Nashville News* reported the basic details of the initial contract correctly ("Pike Diamond Lands," September 22, 1906, p. 1). Although still a small town in Howard County, thirteen miles southwest of Murfreesboro, Nashville lay at a terminus of the Memphis, Paris and Gulf Railroad and served as the commercial hub of the area. The *News* was one of the main regional publications, with links to the Little Rock press and other news sources. As newspapers generally did in those days, it displayed a strong "booster" spirit, throwing its support behind economic ventures, often uncritically; yet, the basic reporting of events in the area was consistently substantial and reliable. It's coverage of the Pike County diamond fields was virtually continuous from the discovery until about 1909—during the most intense part of the speculative heyday—and then fell as activities declined. The Howard County Public Library, Nashville, has the basic microfilm of the paper.

Murfreesboro's weekly *Pike County Courier*, an impressive newspaper for an even smaller town, no doubt followed events closely after the discovery. But very few issues are available for 1906 to 1919, when the record becomes quite substantial (in contrast with the weak coverage of the *Nashville News* after the first years). The most complete microfilm of the *Courier*, including a few issues of the combined *Courier* and *Murfreesboro Messenger*, is in the Arkansas History Commission Research Room, Little Rock.

[9] Option to Purchase, September 19, 1906. Later, an option renewal allowed the Huddlestons more flexibility: "We hereby reserve the right to continue, as may suit our convenience, the prospecting of said land . . .." (Deed Book M, 99, Option, September 9, 1907).

The *Nashville News* kept a running tally of John Huddleston's finds in late 1906 and early 1907: "The Fourth Diamond," October 6, 1906, p. 1; "Diamonds Plentiful," January 9, 1907, p. 1 ("a total of fifteen to date, many of them being splendid stones"); "More Options Taken," January 16, 1907, p. 1 ("a total of seventeen diamonds to date"); "Four More Diamonds," March 9, 1907, p. 1 (without specifying Huddleston's total, reports "a total of thirty-three diamonds found since the first discovery, made by Mr. Huddleston on his farm").

[10] Between September 22, 1906, and August 27, 1907, Reyburn's group secured options on several properties around the formation. As with the Huddlestons, payments extended to January 1, 1909, for almost all contracts. The group eventually purchased about 900 acres. Properties included the farm of John Huddleston's brother-in-law, Lee J. Wagner, who joined Reyburn's operation as a trustworthy crew leader and property overseer. Wagner remained in the field until all operations shut down in late 1932, and then continued tending to the property until the 1940s (infra, *passim*).

[11] John Fuller's Report to Loree, June 1908, said of Mauney's six acres of pipe: "For this piece of ground an excessive price is demanded by Mr. Mauney and all thought of purchase has been abandoned for the present" (in "Reports and Information," 15). Cf. Pinnix's comment, "An Option Expired," *Nashville News*, November 9, 1907, p. 1: "Hess and Bowie [Rollo W. Hess and Henry T. Buie] . . . allowed their option to expire on Nov. 3. Mr. Pinnix stated that he, as representative of the Reyburn interests, at once offered to take the property at the price made Hess & Bowie, which was $8,500, but that the offer was declined by Mr. Mauney." See infra for Hess and Buie's activities.

A new group, those later involved in the Ozark Company, finally stepped in and took an option to purchase three-fourths of the forty-acre tract for $20,000 (infra, "Speculative Heyday" and "Northeast Slope)."

From Caution to Overconfidence

Reyburn's group set out in late 1906 to determine if the field had been "salted" or not, and then if diamonds could be extracted "in paying quantity."[1] In late September Reyburn and Stifft conferred with the nation's most distinguished geologist and diamond expert, George F. Kunz of Tiffany & Company, New York City, who recommended an experienced colleague, Henry S. Washington, as a consulting geologist.[2] Washington visited the property in October and joined the Huddlestons and others in a preliminary evaluation. "Pits were sunk in various places over the igneous area, the green and yellow earth was screened and panned, and a careful search was made for more diamonds on the surface, but none were discovered."[3] Although the lack of success raised some doubt about the discovery, Washington recommended further effort; and after he departed, Huddleston and the little crew began finding more diamonds on the surface. Both Washington and Kunz returned in January 1907 for more extensive field work.[4]

Encouraged after a long visit, the two experts left instructions for examining the peridotite matrix beneath the eroded surface—a test that would settle the "salting" issue. A civil engineer from Little Rock, Theodore Hartman, was brought in to manage the fledgling operation; John Peay supervised the field work. Clear proof of a genuine discovery finally came in March 1907 when a crew digging several feet deep exposed part of a white diamond still firmly embedded in original matrix.[5] Meanwhile, the continuing discovery of diamonds on the surface raised hopes of commercial success.[6]

While still cautious, Reyburn's group organized in late December 1907 as the Arkansas Diamond Mining Company (ADMC), with offices at the Union Trust Company, Little Rock. Incorporators included Stifft, Cohn, John C. Peay, C. P. Perrie, (Reyburn's secretary at Union Trust), Reyburn as an individual, and Reyburn "as Trustee." Acting as the board of directors, that group officially installed Reyburn as President; Stifft, Vice President; and Cohn, Secretary-Treasurer. Capitalization was

$100,000, divided into shares priced at $100. The five individual incorporators subscribed to one share each; “Sam W. Reyburn as Trustee” held 245. Instead of being transferred to the company, properties remained with Reyburn, Trustee.[7]

In early 1908, Reyburn hired an old mining engineer from South African, J. G. Woodford, to direct field operations, and on June 15 transferred the Huddleston farm to ADMC.[8] Under Woodford’s guidance, the company built a small “washing and reduction” plant in June, near the spot where Huddleston found the first diamond.[9] Then the remainder of the group’s property was signed over.[10]

As the ADMC prepared to continue the venture, its balance sheet was hardly encouraging: Paid up Capital & Assessment, $47,000; Expenditures, $43,000; Balance in Bank, $4,000; Money still due on property, $72,000. And almost all of that $72,000 fell due in six months, on January 1, 1909.[11]

The arrival of another mining engineer in the late spring of 1908 injected new energy and optimism into the venture, and spurred it into an uncharacteristic burst of overconfidence.   Coming from the South African diamond fields, twenty-eight year old John Torrey Fuller visited the ADMC’s property to evaluate it for interested investors in the New York area, and found the prospect “good enough to give up a lucrative position” abroad.[12] Late that year, Reyburn asked him for an evaluation and proposal for development, which Fuller provided November 11, 1908.[13] Then Fuller joined the group as mining engineer and general manager. Displaying self assurance, he reportedly “refused to accept a money consideration for his services, but insisted on being paid his salary in stock.”[14]

Fuller’s ambitious plans for full-scale testing helped inspire the formation of a more appropriate corporate entity in November 1908—the Arkansas Diamond Company (ADC), capitalized initially at $1,000,000. The filing of the Articles of Incorporation and the acquisition of all ADMC property occurred December 3, 1909.[15] Perhaps to avoid any appearance of impropriety, Reyburn’s group let some associates in Little Rock serve as organizers and officials of the ADC at the beginning. Then Reyburn became president; Charles Stifft, vice president; and Albert Cohen, secretary.[16] To demonstrate commitment and help set themselves apart from less reputable ventures of the time, officials of the ADC received no salary.[17]

Although sidelined, the ADMC was not dissolved. As its trustee, Sam Reyburn received $800,000 worth of ADC stock in exchange for the property, thus assuring that he, Stifft, and Cohn remained firmly in control of the new operation.[18]

The ADC offered investors the remaining $200,000 worth of stock “to raise money to pay balance due on land, and to equip and operate the mine in accordance with the plans of Mr. Fuller.”[19] The major objective was “to install a complete plant with all machinery and equipment for operation on a large scale and to provide working capital to cover the first six month’s operations.”[20] Invoking impressive average yields gotten recently from the surface of the field, the company’s prospectus radiated confidence that the property could be mined “at immense profit.”[21]

In the prospectus, an introductory statement signed by Reyburn, Stifft, and Cohn on January 1, 1909, went beyond Fuller’s basic estimate and declared the venture should net from about $130,000 to $600,000 in six months. “Mr. Fuller has been ultra-conservative in output and profit,” it said. “With our crude methods, imperfect machinery, and inexperienced labor, he gives us credit of recovering .21 carats per load [21 per 100 loads]. . . . Our manager, Mr. John C. Peay, recovered 14 carats from 20 loads, .70 carats per load, and has made other runs as good.”[22] The logical conclusion:

Our surface finds exceed anything that was discovered at the African mines at a corresponding period of their exploitation. We, therefore, feel that we can safely count on a production of at least .25 or .30 carats per load, the usual South African return, and a return that would pay handsomely.[23]

Eager to improve upon the ADC's "haphazard experimental tests," John Fuller began by erecting a new pilot plant in August 1909 and upgrading the company's equipment. The plant had the basic washing and sorting tools used in Africa, but was intended only to determine "the mechanical details and degree of concentration to be expected in a larger, permanent plant" then under consideration.[24] Clearly, John Fuller was impatient—and for good reason. The ADC indeed seemed on the verge of success.[25]

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[1] Huddleston found the first diamond at the base of the southeast slope and two others farther up; so exploration started at the base, with Huddleston acting under the option contract. For the location of the first find, see USGS map, Plate 10, "x1"; also photos, VIII, 23.80 and unnumbered folder (Millar collection), Crater archive. Fuller, "Diamond Mine in Pike County, Arkansas," *EMJ* (1909), 152, also has a photo captioned "Point at Which First Diamond was Found." Fortunately, the base of the slope was the site closest to the Little Missouri River—a reliable source of water for panning or screening the soil.

The suspicion of salting came naturally to those remembering the late 1800s. Henry Washington, consulting geologist, recalled the initial caution in a report to Reyburn in late 1907, "The hypothesis that the locality had been 'salted' was carefully investigated by you and by myself, and we both came to the conclusion . . . that such a theory is not tenable" (Washington, consulting geologist and chemist, Report to Sam W. Reyburn, Trustee, October 30, 1907, in "Reports and Information Gathered by John T. Fuller," 6). Also Stifft's cautious statement, *Arkansas Gazette*, September 21, 1906, p. 1 (in *Nashville News*, September 22, 1906, p. 1), and Kunz and Washington, "Occurrence of Diamonds in Arkansas," 1249.

Over a half century later, Reyburn still recalled the initial restraint. Before Stifft and Cohn first inspected Huddleston's farm, he told an interviewer, they "had been warned about a diamond 'salting' hoax pulled by a San Francisco banker years before, and so they carefully examined the property for hours." (Martin L. Gross, "The Incredible American Diamond Mine Mystery," *True* [September 1959], 55).

Although the group satisfied themselves within months, the general skepticism was much harder to overcome, as the *New York Times* suggested in an early editorial about the Arkansas field: "The story of its discovery was printed a year ago, but tales of diamond discoveries are taken warily, even by the credulous" ("Diamonds of Arkansas," August 4, 1907, p. 6). The editorial assured readers that highly regarded experts (Kunz and Washington) had spent two months at the field and "found the Arkansas diamonds real, and the field genuine." With other examples of the problem cited infra, see Howard A. Millar's final lament. When a reporter asked about disappointments, if any, in Millar's 50-plus years as "the Arkansas diamond man," he mentioned only one: "He has never quite understood, Millar commented, why so many people, including Arkansas people, refuse to believe that genuine diamonds in considerable quantity–and of excellent quality–are in the volcanic 'pipe' in Pike County. Just because this is the only place on the entire North American continent where diamonds are found . . . is no reason for skepticism, he said" (Ernie Deane, "Memories of Arkansas's Famous Crater of Diamonds," *Arkansas Gazette*, July 6, 1969, p. 4E).

[2] *National Cyclopedia of American Biography*, XIII (NY: James T. White & Co., 1906), 433, provided a thorough summary of Kunz's career. Washington was less prominent.

[3] Kunz and Washington, "Occurrence of Diamonds in Arkansas," 1249; also "Diamonds Genuine," *Nashville News,* August 10, 1907, p. 3.

[4] Kunz and Washington, "Occurrence," 1249; "Diamonds Genuine"; Fuller to Loree, 13-14. Referring to Washington's initial report to Reyburn after the visit in October, Fuller said, "Report not very favorable and more prospecting work recommended" (14). No written report is available. For Huddleston's diamond finds into January 1907, see supra. No doubt, rains aided the surface hunters after Washington left—exposing diamonds where vegetation had been disturbed in the field.

[5] Kunz and Washington, "Occurrence of Diamonds in Arkansas," 1250, provided a basic outline of activities; "Diamonds Genuine, *Nashville News,* generally paralleld that account, but added considerable detail (including comment about Peay); also Kunz and Washington, "Diamonds in Arkansas," 173. Although the pair worked closely with Reyburn's group, they seem to have gotten inexact information about the depth at which the embedded diamond was found: their statements range from three to five feet. The "15 ft." in ibid. must have been a typographical error, although the field crew did dig a few deep pits.

Photographs of John Peay are available: VIII, 23.68, Crater archive is a later close-up of Peay and Lee Wagner; 23.14 is a good group shot.

[6] Infra, "Surface Bonanza."

[7] While still undecided about commercial potential, the group completed the paperwork December 30th and filed the Articles of Agreement and Incorporation on December 31, 1907 (Arkansas Diamond Mining Company, Articles, Arkansas Secretary of State, File No. 455, Record 1-15-189). Publicly or privately, the ADMC was rarely mentioned by name before the group later transferred property to it (one of the first references: Fuller to Loree, June 25, 1908, 15). According to Fuller, the company also included J. C. Pinnix and August Zinsser (Jr.). Zinsser, a lawyer in the firm of Hansen, Zinsser & Power, New York City, had been "taken into partnership" in early 1907 (ibid., 14).

A later report in the *Nashville News* expressed the tentativeness of the venture as it continued in 1908. "While to date only somewhat crude and incomplete mining operations have been conducted on the company's properties, with a view rather of demonstrating its productiveness than of exploiting it, more than 500 diamonds have been recovered, mostly of color, quality and brilliancy rivaling those of South Africa" ("$1,000,000 Concern," December 5, 1908, p. 4).

[8] Pike County, P, 326, Warranty Deed, John and Sarah Huddleston to ADMC, June 15, 1908 ($6,000 cash and the balance of $22,000 by January 1, 1909). Fuller, in June 1908, gathered basic information on Woodford (Fuller to Loree, 14-18 passim). VIII, Crater archive has a few photographs of Woodford (23.79, an old postcard, is the clearest)

[9] The USGS map, Plate 10, marked the first diamond find (x1) and the plant location. For the first time, water was pumped to the field from the Little Missouri River, filling an elevated redwood water tank near the plant. With limited equipment, the small plant was used "for experimental tests of the Peridotite to obtain data on which to base calculations for a complete plant capable of handling a sufficient tonnage to definitely and conclusively prove the richness of the Peridotite in the most economical manner" (John

Fuller's wording, in Fuller, "Report on Property of The Arkansas Diamond Co.," to the Arkansas Diamond Company, January 1, 1909, in "Reports and Information Gathered by John T. Fuller," 26).

Fuller, on site in June 1908, found the plant "sufficient with a few possible additions and adjustments for all testing purposes." He described the equipment: tube mill; sizing screen (the typical cylindrical unit comprising a series of screens, with the meshes not reported in this case); settling tank and jig; small steam engine mounted on portable horizontal boiler; small gasoline engine pump erected on the bank of the Little Missouri River to pump water for washing operations; two steel trucks, twenty cubic feet each, and rails. Capacity of the plant "will be from 50 to 100 loads per day of nine hours" (15-16). The absence of a grease table in Fuller's list of equipment indicates the processed concentrates were spread on a table and examined visually for diamonds. Throughout the early decades, this method was used on the southeast slope much more often than grease tables (photographs, ibid.).

Before the pump and water line were installed, workers hauled large quantities of material about a quarter mile to the river for processing, or water was carried to the field when makeshift screens and various tubs were used for small runs. During rainy months, shallow pits in certain parts of the field collected enough water for limited processing; and, initially, some prospectors also tried to cope by drilling into shallow reservoirs in the peridotite and installing hand pumps. File VIII, "Photographs," passim, Crater archive, helps clarify the methods (on microfilm, rolls 5-6, AHC and Crater).

[10] S, 604, Quit Claim Deed, Reyburn, Trustee, and Lotta N. Reyburn, wife, to ADMC, July 1, 1908).

[11] Fuller secured this financial data while evaluating the property for potential investors (Report to Loree, in "Reports and Information," 15). As indicated previously, John and Sarah Huddleston alone were due $22,000 on January 1, 1909.

[12] "Arkansas Diamond Co.," leaflet for initial stock offering, undated [January 1909], in W. C. Rodgers Collection, Box 2, IV, File 18, AHC; copy in IV.C.8, Crater archive; also on microfilm, AHC, separate roll after basic six-roll series.

The promotional leaflet was issued in conjunction with the ADC's prospectus: Sam W. Reyburn, Trustee, *Diamonds in Arkansas*–A brief account of the discovery and investigation; official reports of Geologist and Mining Engineer on the occurrence of diamonds in Pike County (Little Rock: Arkansas Diamond Company, January 1909), in Box 2, IV, File 27, William C. Rodgers Collection, AHC; also on microfilm, "Crater of Diamonds," first separate roll, and available on microfilm from the University of Arkansas, Lafayette ("AgProject" reel, microfilm 13.19, LC TN 993.B75 1908). The ADC's stock "Subscription Blank" is in Rodgers, ibid., File 19. The prospectus has an introductory "Statement of Original Investors," dated January 1, 1909 and signed by Sam W. Reyburn, Chas. S. Stifft, and Albert D. Cohn as individuals (7-9).

William Champ Rodgers, one of the most prominent lawyers of southwest Arkansas, lived in Nashville, about thirteen miles southwest of Murfreesboro. While involved with the diamond field, he primarily served as the lawyer for M. M. Mauney and family, Murfreesboro.

Fuller initially reported to L. F. Loree, President, Delaware & Hudson Railroad Co., New York, June 25, 1908, in "Reports and Information," 11-20. In 1928 Fuller told a gathering of investors in Little Rock, "Shortly after arriving in this country I was sent down here by a group of men in New York, headed by Mr. Koonce [sic; George F. Kunz] of Tiffany, to make a report .

. ..” (“Public Statement by John T. Fuller on April 7, 1929 [April 7, 1928],” in “Reports and Information,” 33). Cf. Reyburn, *Diamonds in Arkansas*, 7, which says only that after Fuller returned to the United States from South Africa in the late spring of 1908, “Dr. Kunz called our attention to him.”

The “Qualifications of John T. Fuller,” in “Reports and Information,” 9-10, is a detailed resume up to 1931; his listing included six years with the DeBeers Company at several of its South African mines, including jobs as mine manager at three. Also see the obituary, “John Torrey Fuller,” *New York Times*, May 19, 1939, p. 21, which failed to mention his experience in Arkansas.

[13] Fuller, “Report on Property of the Arkansas Diamond Company,” to the ADC, November 11, 1908, in Reyburn, *Diamonds in Arkansas*, 9ff. (ADC’s prospectus).

[14] Quotation is from “Arkansas Diamond Co.,” leaflet (January 1909). Also, Fuller, “Report on Property of the Arkansas Diamond Co.,” to the ADC, January 1, 1909, in “Reports and Information,” 21-32. Reyburn’s group became familiar with Fuller’s views after he began working on the report to Loree earlier (for Fuller’s estimates of commercial potential, see infra, “Test for Truth Tellers,” final paragraphs).

In January 1909 the ADC referred to Fuller as both “Engineer” and “the present Manager” (“Arkansas Diamond Co.,” leaflet). Editorial footnotes with Fuller’s articles in the *Engineering and Mining Journal*, 1909-1914, help identify his job titles (cf. “Qualifications of John T. Fuller,” in “Reports and Information, 9-10).

[15] “Articles of Agreement and Incorporation,” December 3, 1908, Arkansas Secretary of State, File No. 478, Record 1-15-540; “Amendment Providing for Increase of the Capital Stock of the Company from $1,000,000 to $1,250,000,” May 24, 1910, No. 478, Record 4-14-199; Pike County, Deed Book S, 492, Warranty Deed, ADMC to ADC, December 3, 1908 (signed by Reyburn that date; notarized November 3, 1909; recorded March 12, 1910). Financial considerations were involved in the piecemeal filing of the deed: the ADC assumed responsibility for paying off the $72,000 still owed on properties, plus promised interest.

[16] At the ADC’s organizational meeting on November 12, 1908, Moorhead Wright, treasurer at Union Trust, was designated president, with W. B. Smith and John F. Boyle, Jr., also of Little Rock, acting as the other officers and directors. The company office remained in the Union Trust Company (Articles; also, “$1,000,000 Concern Formed of Pike County Diamond Holdings—Reyburn–Stifft Firm,” *Nashville News*, December 5, 1908, p. 4). After the Articles were filed, Wright shifted from president to treasurer. Smith and Boyle remained on the board of directors; August Zinsser, Jr., of New York and J. A. Van Etten of Little Rock joined the board (“Arkansas Diamond Company,” leaflet; the ADC’s stock subscription blank also identified Reyburn as president, along with the three other officials).

[17] Ibid. The ADC’s literature repetitiously assured investors their money would be used only for essential expenses. The Subscription Blank put it concisely: “The Company guarantees . . . that the amount realized from the sale of its Treasury stock, of which this is a part, less the expense of advertising and selling said stock, shall be used only in paying the balance of the purchase price of the lands, for necessary mining machinery and in working its mines.” Alluding to growing ranks of speculators in Pike County, the accompanying prospectus said, “We have

proceeded in the most careful, deliberate and businesslike manner, without the influence of any excitement or mining fever" (Reyburn, *Diamonds in Arkansas*, 9).

[18] Warranty Deed, ibid.; "$1,000,000 Concern," *Nashville News*, December 5, 1908, p. 4. The three incorporators of the ADC had subscribed to only ten shares each, at $100 per share (the typed Articles indicated one share each; correction was made in ink before the filing).

The Arkansas Diamond Mining Company remained obscure until its termination in 1930 ("Application for Dissolution," signed by John C. Peay as "Director," May 19, 1930, Secretary of State, File 455, Record 1-15-189). Peay certified that the ADMC ceased to do business on or about March 1, 1930, and that a resolution of dissolution could not be approved because the addresses of officers and stockholders were unknown (infra, "The ADC and the Arkansas Diamond Corporation," provides context).

[19] "Diamonds in Arkansas" (prospectus), 9.

[20] "Arkansas Diamond Company" (leaflet). Fuller's Report to the ADC, January 1, 1909, estimated that a new "direct double treatment plant" with a capacity of 600-1,000 loads per 10-hour day operated for 150 working days (a total of 90,000-150,000 loads) would cost $143,000 shipped and erected on site with power plant, water supply, etc. The basic "crushing, washing and concentrating plant" would take only about $40,000 of that amount; field operations and other expenses for six months would cost $65,000, for a grand total of $208,000. He estimated that thirty-five acres of decomposed peridotite extending an average twenty-five feet deep could produce "with a minimum use of explosives approximately 1,900,000 loads" (28-31). The standard tram load was about 1,600 pounds, or 16 cubic feet. As for potential diamond yield, Fuller said the few washing operations done at the mine were impressive, but still too unreliable to accept as a guideline. Yet, he was optimistic the venture could make "a large profit" at considerably less than the average yield gotten so far (27; infra, "Test for Truth Tellers," last four paragraphs).

Although the ADC's promotional leaflet implied Fuller's plan had top priority, final payments on ADC properties were due. Apparently, most of the first $100,000 of public stock sales, completed before the leaflet was written, satisfied that obligation (the leaflet stated the ADC was "offering $100,000.00, the balance of the original $200,000.00 treasury stock for subscription"). As a result, the stock available for subscription in January 1909 was inadequate for the full-scale test. Evidently, this basically explains the increased capitalization of the ADC in May 1910 ("Amendment Providing for Increase of the Capital Stock of the Company from $1,000,000 to $1,250,000," May 24, 1910). The Amendment was filed as Reyburn and associates prepared to negotiate with a group of investors (infra, London trip).

Compare Fuller's ambitious plan for the ADC with his modest recommendation to the Eastern investors who sent him to Arkansas about seven months earlier: Strip the surface from at least ten one-acre sites and process at least 25,000 loads of peridotite using ADMC's current plant, a project requiring approximately eighteen months and $40,000, plus $13,000 for "unforeseen extras" (Report to Loree, in "Reports and Information," 18-19).

[21] "Diamonds in Arkansas" (prospectus), 8. For Fuller's use of statistics, see infra, "Test for Truth Tellers," final paragraphs.

[22] "Diamonds in Arkansas," 8 (see infra, "Surface Bonanza"). The writer, or editor, of the statement accidentally left an erroneous sentence in that quotation, in the part omitted: "We

know that more than half of the material washed was the over burden of vegetable soil not bearing diamonds." As stated, it clearly implied the yields had been gotten from the matrix beneath the surface layer, with the surface soil contributing nothing. Immediately after the passage quoted, however, the writer extolled the rich "surface finds."

[23] "Diamonds in Arkansas," 8.

[24] Fuller, "Arkansas Diamond Field in 1909," *Engineering and Mining Journal [EMJ]* (April 9, 1910), 767. The plant was powered by a twenty-horsepower portable boiler and engine. Processing equipment included an eight-foot rotary washing pan (an "African Washer," whose metal blades stirred material into a sludge, thus floating silt, clay, and light rock over the edge of the big pan while diamonds and associated heavy minerals sank to the bottom); a revolving cylindrical screen with a graduated series of meshes, designed to sort out five sizes of concentrates (not specified); and a Hartz jig, used to further concentrate diamonds and associated heavy minerals. No grease table was mentioned; so, again, the jigged material was examined visually after being spread to dry on inspection tables, usually metal sheets on supports. No doubt the sorters missed a significant number of dark or dull diamonds, which tended to blend with small gravel in the concentrates, especially if the material was not completely dry before being examined.

[25] Fuller, consulting mining engineer, Report to Loree, June 25, 1908, in "Reports and Information"; Fuller, "Report on Property of The Arkansas Diamond Co.," to the ADC, January 1, 1909, ibid.. The reports reflected Fuller's growing vision of the project.

Fuller's frank displays of impatience began with his first reports on the pipe (to Loree, June 25, 1908, 15; "Diamond Mine in Pike County, Arkansas," *EMJ,* January 16, 1909, 154). His enthusiasm, as well as his constant frustration, was especially evident in his annual reports in the *Engineering and Mining Journal*, 1909-1914. Infra, "Test for Truth Tellers," expands this topic.

Surface Bonanza

Following John Huddleston's lead, Reyburn's workers had kept finding diamonds on the surface of the field. Huddleston, himself, accounted for at least half of the thirty-three collected by early March 1907.[1] The total recovered, overwhelmingly from surface material, jumped to almost 250 in the spring of 1908 when a crew exposed a large number while clearing ground for the first plant. Then, with the plant operating, the count reached about 700 by the end of the year. The largest diamond weighed 6½ carats.[2]

By the end of 1908, the "very incomplete records which were kept of a few washing operations" indicated an average yield of almost 21 carats per 100 loads of material (the standard tram load of the time was about 16 cubic feet, or 1,600 pounds).[3] The reported average size of the diamonds, about one-half carat, meant that many small diamonds either were allowed to pass through the smallest-mesh washing screens or were otherwise lost.[4] In either case, the loss came largely from a tough, frustrating surface material.

The diamonds were concentrated in a layer of rocky, humus-enriched "black gumbo" averaging about one foot thick and extending at places to four and one-half feet. They usually turned up after vegetation was disturbed and rains flushed the loose dirt from around them.[5] Although the gumbo clay always proved difficult to process, diamonds still could be picked up by hand or be screened from the topsoil and drainage ditches in the field with even the most primitive equipment. "The number of diamonds recovered in this manner (on the surface accidentally or by search) forms a record[,] as no mine in South Africa has ever had such a surface showing, not even famous Kimberley," said J. G. Woodford, the mining engineer hired in 1908 to direct Reyburn's field operations.[6] Even a turkey reportedly picked up two diamonds—tiny crystals the county sheriff said he found in its craw while dressing it.[7]

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[1] "More Options Taken," January 16, 1907, p. 1; "Four More Diamonds," March 9, 1907, p. 1. At that point, field work and washing at the Little Missouri River picked up; the overall count accelerated ("Fourteen Diamonds Found," March 13, 1907, p. 1).

Sub-surface finds offered a sharp contrast. By the fall of 1907, only three diamonds had clearly been taken from the "green ground" below the dark surface layer.

[2] John Fuller reported "some 700" diamonds recovered in all mining and washing operations by the end of 1908, with 6½ carats the largest (Report to ADC, 26). George F. Kunz and Henry S. Washington, "Notes on the Forms of Arkansas Diamonds, *American Journal of Science*, 24 (1907), 275-276, said of about 140 diamonds found to date (by Aug. 12, 1907, the time of writing): "The largest diamond weighs 6y carats, and is . . . of an absolutely pure, pellucid white, free from inclusions. . . . Another stone weighs 6, carats, several about 5, 4, or 3, and from this they run down to 1/64 carat, the average being probably about one carat." Kunz and Washington, "Diamonds in Arkansas," *Transactions of the American Institute of Mining Engineers*, 39 [1908], 173, repeated the statistics of their other writings in 1907).

Although the totals included diamonds found in the matrix below the distinctive surface layer, those were extremely few until the plant was built in mid-1908. Then more sub-surface finds occurred, but the yield remained far below that of the surface.

The bonanza found with the clearing of the first plant site in May-June 1908 impressed Fuller, and certainly helped him decide to remain in Arkansas (Fuller, Report to ADC, 25; also Fuller, Report to Loree, 13; Fuller, "Diamond Mine in Pike County, Arkansas," *EMJ*, 87, No. 3 (January 16, 1909), 154.

[3] Fuller, Report to ADC, 27 (cf. the average yield for 1907-1908 that Fuller cited over twenty years later: "Estimate of Unit Value in Carats Per Load, 1931," in "Reports and Information," 36). Taken out of context, this paragraph of Fuller's report to the ADC appears to say the *property* tested at 21 carats per 100 loads (0.21 per load), although that average depended largely upon surface diamonds.

[4] Fuller to ADC, 26, noted the average size, which was consistent with his report in 1931. In 1920, another authoritative source reported an overall average of "a little less than half a carat" (Reyburn and Zimmerman, "Diamonds in Arkansas," 983).

Fuller's public criticism of the ADC's methods ("Diamond Mine in Pike County," *EMJ* [January 16, 1909] 154), displayed impatience while neglecting to mention the role of surface material: the average yields reflected "haphazard experimental tests" with "inadequate washing machines, and the chances are that as many diamonds were lost in tailings as were recovered." Twenty years later, Fuller repeated the criticism in a public speech: ". . . they put up a test plant and did considerable work on the property. The results were negative and in my opinion they were negative because the work was improperly done. . . . All of the money that has been spent on it, in my opinion, might just as well be thrown into the

Arkansas River because results were not obtained in the right way" ("Public Statement By John T. Fuller on April 7, 1929" [sic.; actually 1928], in "Reports and Information," 33).

As for losses during processing, however, competent mining companies did not ordinarily dispose of tailings haphazardly—especially when they suspected problems with processing, which was always the case with the black gumbo. Routinely, suspect tailings were kept for later reprocessing, a safeguard Fuller himself used ("Washing for Diamonds in Pike County," *Nashville News*, December 10, 1910, p. 1: "Engineer Fuller, who is in charge of the work, states that only a portion of the stones are being found under the present method of working the dirt, and that it will all be worked over when the machinery is installed, and that he expects to find as many more as he has already secured, at the second working"). Similarly, runoff from grease tables usually was trapped in a holding pond. Even if tailings were rerun, however, most of the loss would have occurred again unless a company switched to a finer mesh for its smallest screens—which would have made it even more difficult to break down the black gumbo.

It is also worth noting that the sub-surface breccia processed more easily than the surface gumbo, which meant a lower rate of loss for the breccia.

[5] This was referred to also as "black ground." Hugh D. Miser and Clarence S. Ross of the U.S Geological Survey included the description in the various editions of their report. Miser and Ross, "Diamond-Bearing Peridotite in Pike County," *Contributions to Economic Geology,* Part 1, U.S. Geological Survey Bulletin 735-I (1923), 295: "The soft earth at the surface is black from the presence of organic matter and is thus known as black ground. It is waxy like gumbo and is as much as 4 1/2 feet thick, though it is usually only about 1 foot thick. At places fully half of the black ground is composed of well-rounded pebbles of novaculite and angular fragments of sandstone and quartzite."

Fuller said in an early report: "Overlying the greater part of the whole [35-acre] area to a depth which does not exceed 1 foot, is a black vegetable soil locally known as 'gumbo.' This soil contains some peridotite and a mixture of other rocks and soils brought in by the surface waters" ("Diamond Mine in Pike County, Arkansas" [1909], 154).

Samuel W. Reyburn and Stanley H. Zimmerman, "Diamonds in Arkansas," 984, said that about 75% of the "pipe" was covered by "sticky black residual clay derived from the underlying peridotite and vegetable matter and called 'gumbo' locally" and that large quantities of "water-worn pebbles and fragments of conglomerate derived from the Bingen sand" littered the gumbo. "The Bingen sand consists of intercalated beds of sand, clay, and gravel" (layers of material, with some mixing over time). The material had washed over the area as higher elevations immediately to the north weathered.

Rocks in the diamond-bearing peridotite also derived from near-surface deposits of sandstone and quartzite, which were shattered by the gaseous volcanic explosion that formed much of the pipe. Henry Washington, however, and later Reyburn and Zimmerman (ibid.), failed to notice the sub-surface inclusions, and therefore believed a typical magmatic flow had worked through the strata to form the pipe (Kunz and Washington, "Occurrence of Diamonds in Arkansas" [1907], 1250; "Diamonds in Arkansas" [1908], 170). Also see Edwin M. Williams, "Story of Ozark Diamond Mines in Pike County, Ark.," *Arkansas Democrat*, October 26, 1912, p. 9, reflecting Washington's influence (paragraph headed "Differences in Formation"). John Fuller, well-informed about diamond-bearing pipes, elected to avoid an argument with Washington (Fuller to ADC, in "Reports and Information," 23), and thereby allowed Reyburn to continue believing his initial consultant's erroneous conclusion.

[6] Woodford, Report (to Sam W. Reyburn, c. June 1908), reproduced in Fuller, "Reports and Information," 17-18; Woodford, Report to the President, Ozark Diamond Mining Corporation, October 28, 1908, p. 4, "Misc." box, Crater archive (in this later report Woodford retreated a bit: "The surface recovery of diamonds in such large numbers is unique. In my African experience I know of no mine there, except Kimberley, that can equal the record of this Arkansas Pipe"). Also Fuller, Report to Loree, 13: ". . . the surface finds in this way exceed anything that was ever discovered in the African mines at a corresponding period of their exploitation." Cf. Fuller, Report to ADC, January 1, 1909, p. 25 (the surface finds "compare favorably with the finds of the African mines"), and Fuller, "Diamond Mine in Pike County, Arkansas" (January 16, 1909), 154 ("The number of diamonds found in this way is remarkable and is an indication of considerable wealth"). Whatever the exact expression, sources of the period agreed the surface concentration of diamonds was extraordinary.

Fuller described Woodford as "an old Kimberley diamond miner and a man of considerable mining experience all over the world" (Fuller to Loree, 16).

The black gumbo was normally hard to process in screens and wash tubs, where it tended to form clay balls. With simple hand equipment, it could be stirred and forced through even fine-mesh screens, especially if the soil contained considerable small gravel, which helped break down the clay; but the cylindrical screens and washers in plants clogged more easily. Critics of Reyburn's slow operation tended to view this as a problem with management instead of material. A friend of Austin Millar, for instance, said at one point in December 1908, "Perhaps the trouble was with Supt. Woodford, however, rather than with their sticky, gummy rock" (Philip F. Schneider, geologist, to Austin Q. Millar, December 30, 1908, I.B, Crater archive).

[7] "Diamonds Plentiful," *Nashville News*, January 9, 1907, p. 1.

A Challenge for Experts

In those first few years, almost all consulting geologists thought the surface yield of the eroding volcanic formation reflected a rewarding commercial reserve in the undisturbed matrix below.[1] A rare but prominent yellow flag came from Professor Philip S. Schneider of New York, a leading geologist who studied the pipe in September-October 1907 for the State of Arkansas.

Schneider's preliminary report, published in Little Rock in late 1907, cautioned that the 160 or so diamonds found so far had come from the base of a slope that had "for centuries received the wash of the three hills to the north, . . . and the gems which are apparently found in such abundance may be the accumulations of a thousand years in this particular spot." To gauge commercial potential, mining groups needed to evaluate a few thousand loads of fresh matrix.[2]

The ongoing tests of the matrix also offered reason for caution. Only three of approximately 140 diamonds collected by the fall of 1907 were extracted from material below the black surface layer.[3] And later samplings reaffirmed the scarcity. The highest recorded yield ever gotten from the undisturbed peridotite occurred in a test in 1909: an average of 2 carats per 100 loads, far below the 10-12 carats average needed for minimal commercial production.[4]

In those early years, however, such poor results hardly dampened enthusiasm. The surface yield and the stunning size of the formation, then estimated at 60-70 surface acres, combined to overwhelm almost all the experts. The size, per se, inspired awe, for even the famous Kimberley diamond mine of South

Africa was initially only 10.37 acres. The largest mine in the original African field, the Du Toits Pan, was 31.79.[5] Because nature typically scattered diamonds at random within such volcanic deposits, it was assumed that commercial-grade hot spots probably would turn up somewhere in the matrix despite disappointing tests at any given time.[6] Test results, however consistent, were easily blamed on inadequate sampling, faulty equipment, incompetent supervision, theft, or perhaps devious intent. John Fuller, himself, never stopped believing that because of "inadequate washing machines," the company lost about half the diamonds it processed.[7]

Unusually large to begin with, the formation lost very little respect as it became clear that the diamonds were coming from approximately thirty-five acres dominating its east half.[8] That productive "volcanic breccia," as the U. S. Geological Survey classified it, extended over the big southeast slope and across a high ridge into the northeast corner.[9]

The volume of breccia reserve below the gummy surface was in itself enlivening, for John Fuller and others estimated the rain-softened material extended as much as 60' deep and provided at least 1,500,000 cubic yards that could be "easily and cheaply mined."[10] Long-hole drilling found the unweathered reserve, the blue ground, still running well below that depth.[11]

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[1] As usual, the *Nashville News* picked up the theme early: ". . . it is thought from this splendid surface indication that the fields are very rich, and will yield many diamonds of rare quality when the mining goes deep enough" ("Four Propositions," June 12, 1907, p. 1). Evidently, that advice came primarily from Henry S. Washington, the first consultant hired by Reyburn's group. After studying the pipe for a year, Washington sent Reyburn a final encouraging report in late 1907, and also presented his findings in published articles and at the American Institute of Mining Engineers in February 1908. In the private report, he made a clear, strong statement. It was true, he said, that the diamonds collected since Huddleston's discovery had come almost entirely from the surface. Nevertheless, there was no doubt the surface diamonds originated in the volcanic matrix below, which was almost the same material as that mined in South Africa, and Reyburn's deposit was vast. Considering the number of diamonds already found, "the indications" were they "probably" existed in the matrix in remunerative amounts. Washington thought the odds justified "considerable" investment, "with good hopes of financial success under proper management" (Washington to Reyburn, in "Reports and Information," 8, and passim).

John Fuller was even more optimistic. Referring to one geologist's caution concerning the surface yield, he said, "I am of the opinion, however, that the underlying peridotite will prove rich enough to be worked at considerable profit and that the surface indications fully justify the expenditure of considerable money to prove this to be so" (Fuller to Loree, in "Reports," 19).

When writing private reports or commenting for the news media, geologists and mining engineers tended to be more openly optimistic. Expressing themselves in professional journals, they sometimes exercised more restraint. For instance, "The Academy of Science of St. Louis," *Science*, New Series, 30 (July 23, 1909), 127, a report on the ASSL's meeting of May 17, 1909, commented on W. E. McCourt's paper on "Diamonds in Arkansas": "From these indications this area seems to contain a mass of rock similar to the rock in South Africa. But as to the number of diamonds which may be found deeper in the peridotite, that, said Professor McCourt, is a question which can only be settled by actual mining and testing. The results which have been shown by the more or less spasmodic exploitation, however, seem to indicate a good promise." McCourt was with the Department of Geology, Washington University.

Of course, John Fuller, Henry Washington, and other professionals almost always included the standard qualifier at some point: Only full-scale testing could finally determine the yield.

[2] Philip F. Schneider, *A Preliminary Report on the Arkansas Diamond Field*, issued by the Arkansas Bureau of Mines, Manufactures, and Agriculture (Little Rock: Central Printing Co., 1907), 14. Schneider's study ended October 14, 1907. An expanded work, including historical context, was published in 1908.

Fuller, Report to Loree, June 1908, p. 13, repeated Schneider's caveat more tentatively, although Fuller was hardly concerned about the surface accumulation: "As an offset to the above very favorable showing [average yield] attention must be called to the fact that most of the stones so far recovered have been found on the South slope above mentioned, of the volcanic area. This is a place where if any natural concentration of the weathered ground has taken place, the concentrate would naturally collect, so that the underlying peridotite may average lower in value than the excellent surface showing might lead one to expect." Later in the report, Fuller referred to Schneider's cautioning, and then offered a more enthusiastic assessment of commercial potential.

[3] Kunz and Washington, "Diamonds in Arkansas," 173; cf. their "Occurrence of Diamonds in Arkansas," 1250, which said of the first two diamonds thought to have been extracted subsurface, "This would have settled definitely the question of their source had not some doubt existed through the possible accidental admixture of small amounts of the surface soil with the underlying green earth . . .."

[4] This was the first subsurface entry in Fuller's comprehensive report of 1931—"peridotite," as opposed to "surface" ("Estimate of Unit Value," in "Reports and Information," 36).

As a model for analyzing the Arkansas pipe, Fuller used a South African mine he was familiar with, the Jagersfontein, which was profitable at 13 carats per 100 loads (Fuller to ADC, 27).

[5] Fuller, Report to ADC, 24, compared the Arkansas "mine" with those and two others in South Africa: DeBeers, 13.72 original surface acres; Bultfontein, 23.54. Fuller's "Qualifications," in "Reports and Information," 9, indicated he worked at all four mines while in South Africa. Also see the obituary, "John Torrey Fuller," *New York Times*, May 19, 1939, p. 21.

[6] This was the assumed nature of diamond-bearing pipes. For instance, E. G. Woodford, Consulting Mining Engineer, to President, Ozark Diamond Mining Corporation [Company], October 28, 1908, p. 3, "Misc." box, Crater archive: "Large areas of the famous mines have rich and poor quarters, payable and blank layers . . .. A practical diamond miner carefully and exhaustively prospects the whole area of his mine in order to select the rich quarter for his first operations, expecting always to find changes in value and locality as he attains depth" (also a similar comment, ibid., 6). Reyburn and Zimmerman, "Diamonds in Arkansas," p. 984: "This 'pipe,' being similar in every respect to the 'pipes' of South Africa, and having the different varieties of peridotite, will, no doubt, contain lean or barren portions with varying diamond content."

[7] Fuller, trying to encourage new investment in the ADC in 1909, immediately decried the company's previous "haphazard experimental tests" with "inadequate washing machines." The "chances are," he wrote in the *Engineering and Mining Journal*, "that as many diamonds were lost in tailings as were recovered" (Fuller, "Diamond Mine in Pike County, Arkansas," 154). He refrained from mentioning that few of the diamonds, recovered or lost, came from the undisturbed peridotite, the essential commercial reserve. Nor did he mention the problem of processing the black gumbo soil. Fuller was still expressing such criticism as late as 1931 ("Public Statement of John T. Fuller on April 7, 1929," in "Reports and Information," 33-34; "John T. Fuller's Estimate of Unit Value in Carats per Load, 1931," ibid., 35).

Also notice Fuller's statement to the *Nashville News* in December 1910: "Engineer Fuller, who is in charge of the work [on the ADC's property], states that only a portion of the stones are being found under the present method of working the dirt, and that it will all be worked over when the [new] machinery is installed, and that he expects to find as many more as he has already secured, at the second working" ("Washing for Diamonds in Pike County," December 10, 1910, p. 1).

[8] Soon, those in the field distinguished between the easily weathered ground on the slope, "being at least 35 acres in extent," and the much tougher dark peridotite dominating the west side of the pipe—material similar to the "hardebank" of South Africa (sometimes spelled "hardibank") and classified by the USGS as "intrusive peridotite." John Fuller, with experience in South Africa, quickly drew the distinction in his reports, and consistently estimated that the softer "volcanic breccia" covered about thirty-five surface acres ("Diamond Mine in Pike County," 154).

At first, the hardebank was merely deemed too difficult to treat economically. Fuller to Loree (1908) 12: ". . . no amount of exposure to the atmosphere will have any practical effect on its disintegration. . . . Its economical and successful method of treatment has not yet been successfully solved." Fuller to ADC, 23: the hardebank was "equal to the hardest quartzite" and would have to be "crushed by powerful gyrating crushers and crushing rolls." Reyburn and Zimmerman, "Diamonds in Arkansas," 984, 986, said of the ADC's operations to date, (1920): "Owing to lack of proper facilities, none of the harder portions of the peridotite including the 'hardebank' were tested."

Gradually, it became apparent the hardebank, as well as the companion light-blue peridotite tuff, was either diamond-free or so poorly endowed that diamonds escaped notice. Evidently, the first to acknowledge this was Austin Q. Millar, who reported that hardebank on the small northeast slope of the pipe contained no diamonds (infra, "Northeast Slope-Kimberlite Company").

Basically, experts have theorized that any diamonds in the original hardebank magma disintegrated ("resorbed") under intense heat and attrition. For instance, petrographer S. A. Williams's statement in Charles L. Fair, "Progress Report #3," to Neal Potts, General Earth Minerals, April 4, 1969, in Crater of Diamonds file, Department of Parks & Tourism, Little Rock.

Whatever the theories, this author's extensive field work at the Crater of Diamonds, 1985-1993, reconfirmed the extreme rarity or apparent non-existence of diamonds originating outside the volcanic breccia (as the USGS identified it). State-sponsored tests of the Crater in the mid-90s pointed to the same conclusion (infra, "Final Test").

[9] The USGS map, Plate 10, delineated the breccia as it appeared at the time.

[10] This is Fuller's estimate of the weathered reserve, in "Diamond Mine in Pike County, Arkansas" (1909), 154. Estimates of depth varied, with Washington the most conservative; as usual, the experienced Fuller got closer to the average eventually established.

[11] At least three drill holes were completed in 1907, to depths of 205', 186', and 80' (Kunz and Washington, "Diamonds in Arkansas," 171; cf. their "Occurrence of Diamonds in Arkansas," 1248, written earlier and mentioning "drill holes" to only 30'). The USGS map, Plate 10, located four drill holes—three in the field of volcanic breccia and one at the center of the pipe (the numbers correspond to discussion in the USGS reports).

Speculative Heyday, 1907-1912

From the beginning, Sam Reyburn's venture faced not only the challenge of a perplexing diamond field, but also the skepticism lingering from the fraud and other disappointments of the late 1800s. Then, shortly after Huddleston's discovery, a new wave of speculation and excessive enthusiasm reinforced those obstacles.

This time there was no repetition of the fruitless Kentucky diamond rush of the mid-80's or the "wild excitements" engulfing western Arkansas back then. Nor did the leading state newspapers repeat the hasty and uncritical reporting of media in the past.[1] Yet, the news of the discovery spread nationally and almost immediately drew a steady stream of outside consultants, promoters, and earnest prospectors, who in turn helped stir "local excitement" and, to a lesser degree, mining fever outside Pike County.[2]

At the center of the promotional effort sat the editors of the *Nashville News*, a substantial biweekly published in that growing commercial center about thirteen miles southwest of Murfreesboro. Nashville lay at the main railhead of the area, giving the News convenient access to those visiting the diamond field—and vice versa.[3] The paper's booster spirit, characteristic of media in those days, was evident in its front-page story of September 12, 1906, about Huddleston's "diamond mine."[4]

While providing substantial details about unfolding events, the *News* also became an uncritical outlet and cheerleader for an array of imaginative sources. "Diamonds are still being found in the Pike County diamond fields . . . and the excitement is increasing," declared an article in early January 1907. The headline: "DIAMONDS PLENTIFUL."[5]

Unchallenged local reports of rich gold and silver discoveries compounded the excitement, to the point that some good citizens began "jumping" the properties of others, trying to seize them through legal technicalities. Lumber companies and recent homesteaders were most vulnerable to such assaults.[6]

By early spring of 1907, promoters and prospectors had secured virtually all land within a mile of Huddleston's farm. Although a few of these were local men—most notably MM Mauney's oldest son, Walter—newcomers generated most of the publicity.[7] The two most active outsiders, Rollo W. Hess of St. Louis and Henry T. Buie of Marion County, Arkansas, held a joint option on a tract including M.M. Mauney's six acres on the northeast slope. Buie, a land speculator, had paid $250 for an extendable six-month contract, with a purchase price of $9,000, and then had sold a one-half interest to Hess, who essentially became the venture's operating partner. Involved with other properties, the two let that option expire in late 1907.[8] Hess, a serious diamond hunter, remained active in Pike County until the summer of 1908.[9] Buie first established Henry T. Buie Real Estate & Mines and then Buie & Copeland Real Estate and Loans, both in Murfreesboro, and bought and sold properties into the mid 1920s.[10]

Before the autumn of 1907, even more exciting images emanated from Pike County: diamonds over ten carats; rich new fields near the main discovery, and promising alluvial deposits in the Little Missouri River and elsewhere. "'There is no question that diamonds are there,' said Gen. Pearson, 'and the indications are that the quantity is practically unlimited. The blue dirt is well distributed, covering a much larger area than in South Africa, and the indications are that the gems will be found in large quantities in the river.'"[11] "General Pearson" reportedly was in the area conducting an investigation for an eastern syndicate.

Such comparisons with the South African mines became a staple of promotional rhetoric. "PIKE DIAMOND FIELD DECLARED BY STATE GEOLOGIST WHITLOCK RICHER THAN KIMBERLEY," ran the *News*'s headline on August 28, 1907, referring to Reyburn's tract on the southeast slope. "Deputy Commissioner Whitlock" reportedly said if the field were mined to a depth of 1,000', it would be worth "at the lowest and most conservative calculation $100,000,000."[12]

Moreover, the pipe south of Murfreesboro was only the initial discovery in Pike County. In 1907, speculation soared as prospectors began finding other peridotite deposits within three and one-half miles of Huddleston's farm. The American Mine, the Kimberlite Mine, the Black Lick, the Twin Knobs, and various imagined discoveries eventually became the targets of various groups that rushed into the field to secure available properties.[13] The most prominent were the Ozark Diamond Mining Company of Murfreesboro (later reorganized as the Ozark Diamond Mines Corporation of Murfreesboro); the American Diamond Company, a minor player with a main office in Texarkana; the Kimberlite Diamond Mining and Washing Company, headed by Midwesterner Austin Q. Millar, with a base of investors in St. Louis and Chicago; and the American Diamond Mining Company, supported basically by businessmen of Arkansas and northern Louisiana.[14]

Before all proved disappointing, those new discoveries helped spawn excitement, rumors, and reckless claims on a grand scale. Diamonds as large as 12.75 carats reportedly were found on several properties within five miles of the original discovery, and although the information came largely from newcomers to the area, seldom did anyone make an issue of reliability.[15]

By late 1908, speculative fever had swept through the Murfreesboro area. "The Pike diamond fields this week witnessed a rush similar to those witnessed in the mining sections of the west, when a particularly rich strike is made," said the *Nashville News* on October 31st.[16]

While the number of new peridotites helped spur the boom, the sizes of those deposits, or the imagined sizes, inspired much of the premature celebration. Those in the wooded hills southeast of the original discovery took on new dimensions, with the Kimberlite Mine eventually being cast as a worthy rival of Huddleston's find, and perhaps its superior. More sensational, in December 1908 the United Press Association distributed an article announcing that "the largest diamond mine in the world exists in Arkansas," an "immense pipe covering 130 acres."[17]

The UPA release came from the new Ozark Diamond Mining Company, which had gotten control of four acres of Mauney's property at the northeast corner of the original discovery and over 160 acres immediately east of it. A few months earlier the organizers had inspired visions of "developments that will astonish the world."[18]

That was the sort of excess some observers had foreseen earlier in 1908. In a private report, John Fuller cautioned that the four acres might be "used as a basis for floating all sorts of wildcat mining speculations which will have the tendency to give the whole area a bad name."[19] Henry Washington and George F. Kunz, the eminent New York geologist, issued a more comprehensive "Word of Warning," underscoring "the danger of the repetition here of the disastrous history of many mining camps which have undergone an unwarranted 'boom.'" They advised "the greatest caution" be taken as other claims occurred, particularly those said to be extensions of the original discovery.[20]

In fact, the Ozark Company's diamond deposit consisted only of the four acres. Later tests on the company's adjoining 160-acre tract found only traces of material that apparently had eroded from the pipe.[21]

But in 1908 enthusiasm reigned. As Christmas and an exciting new year approached, the N*ashville News* echoed the unrestrained confidence radiating from almost all the new ventures around Murfreesboro: ". . . the present activities indicate that soon the operations in that section will rival any similar enterprise in the world." The paper reprinted a long letter sent to the *Arkansas Democrat* by John W. Bishop, a Nashville lawyer associated with speculative groups. "That there are diamonds in Pike County, no one with any intelligence or information will deny," he said. "That they are superior to the gems of South Africa is unquestionable, and that the superficial mining already done tends to prove it the richest field on the globe is admitted by those who are qualified to know . . .." [22]

By late 1908, however, speculative fever had reached its highest pitch. Within a year it cooled considerably, and activities in the hills and on the northeast corner of the main field grew relatively tranquil.[23] The American Diamond Company and other promoters who based their appeals upon visions of alluvial diamonds in the Little Missouri River and other drainage channels had already vanished from the scene—understandably. Miser, Washington and Kunz, and other professionals who worked drainage areas below the main field reported finding tracer minerals typically associated with diamond-bearing formations, but no diamonds. Later, without identifying the successful prospectors mentioned, Miser and Ross summarized that facet of the heyday:

Hard rains, however, wash some of the heavier minerals away from the outcrop. Mr. Miser found grains of chromite, garnet, and barite along a stream as far as 300 or 400 feet south of the Arkansas mine, and these minerals are said to have been found as far as half a mile south of the mine. The presence of these minerals indicates very strongly that some diamonds have been washed by streams away from the peridotite exposures, but thus far only a few diamonds have been found among the sands and gravels . . ..[24]

In most respects, the speculative heyday ended by the winter of 1909, although there was a flare of "new discoveries" the following year, "all of which proved, on investigation, to be cases of mistaken identity or clumsy fakes."[25] Promotion and enthusiasm, alone, could no longer sustain investor interest. The American Diamond Mining Company and the Kimberlite Company continued working the peridotite deposits in the hills for about two years, until frustration and lack of funds effectively terminated those ventures.[26] In the end, creditors and stockholders of the American Diamond Mining Company, including some of its officers, sued it for redress and forced the auctioning of the property.[27]

Before 1912, Austin Q. Millar and other aspiring miners understood that if diamond mining in Arkansas had a future, it rested with the big pipe near Murfreesboro.

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[1] Notice the *Arkansas Gazette*'s crisp introductory comment on September 21, 1906, p. 1; the editor then let Stifft's cautious statement carry the report. A review of the *Gazette* and the *Arkansas Democrat* on dates following significant events in the diamond field found selective and sporadic coverage. This is what a Nashville lawyer involved with aggressive new mining groups referred to in November 1908, when complaining that the *Gazette*, the state's leading newspaper, neglected to cover their activities ("The Diamond Fields," *Nashville News*, November 14, 1908, p. 4). The writer said the *Democrat* had "from time to time" printed articles about the Pike County diamond fields which had not been "previously censored."

The response of the *Washington Telegraph*, a significant newspaper published in an old community south of Nashville, also reflected the prevailing skepticism among informed Arkansans. On October 26, 1906, the paper simply reprinted an item appearing in the "*Little Rock Gazette"* [sic] in April 1876, about a reported diamond discovery back then (supra, "Background of Discovery").

As noted previously, very few issues of Murfreesboro's weekly *Pike County Courier* are available for 1906 and following years.

[2] Kunz and Washington, "Diamonds in Arkansas," *Transactions of the American Institute of Mining Engineers* (1908), 175, captured the scene when referring briefly to "the great local excitement over the discovery of diamonds, which has extended over part of the state."

[3] The first reported interview came only a few days after the *Arkansas Gazette*'s initial coverage of the discovery.   A self-described mining engineer from St. Louis, "William Einstein," said his inspection indicated "the diamond prospect" would "prove a paying one," especially under the guidance of an experienced engineer ("Experts Opinion," *Nashville News*, September 26, 1906, p. 1).

[4] Supra.

[5] *News*, January 9, 1907, p. 1.

[6] The familiar stories of gold and silver emerged almost immediately after Huddleston's discovery. For examples, "Gold in Pike," *News*, October 3, 1906, p. 1 ("rich gold strike" about ten miles south of Pike City, near Murfreesboro); "The Fourth Diamond," October 6, 1906, p. 1 (along with comment on diamonds, this subheading appeared: "There is But Little Question that Gold Also Abounds in Paying Quantities").

The widespread "land jumping" occurred because of ambiguities in the federal homestead and mineral acts. Generally, aggressive prospectors insisted they could claim mineral rights on lands that others had settled under the Homestead Act. The most prominent case involved newcomer Austin Q. Millar (infra, “Millars and the Kimberlite Company”). For applicable federal mining law, see the Revised Statutes, Ch. VI, Sections 2318ff. (federal and state laws at that time were reprinted in Ferguson, *Minerals in Arkansas* [1922], 109ff.).

There were very few reports of outright swindling. In one instance, unidentified scoundrels were said to be going around Pike County supposedly making option deals, but actually getting land owners’ signatures on quit-claim deeds (“Grafting in Pike,” *Nashville News*, August 7, 1909, p. 1).

[7] Infra, “Northeast Slope–Enterprising Mauneys.”

[8] Pike, Deeds, M, 10, November 2, 1906, Option, M.M. and Bettie Mauney to Buie, November 2, 1906 (providing a nine-tenths interest in forty acres—generally known as the “Mauney Diamond Mine” property, comprising the southwest quarter of the southeast quarter of Section 21, Township 8, South Range 25 West, 5th P.M.). Also M, 9, Option, Roxanne and J. H. Conway to Buie, November 2, 1906 ($200; six months; approximately sixty acres immediately northwest of the pipe, for a price of $10,000); M, 93, “Agreement of Option,” Buie to Hess, November 22, 1906; M, 273, “Assignment of Option,” Buie to Hess, March 13, 1907 (including a stipulation that Hess had to spend $1,000 in prospecting the property); “An Option Expired,” *Nashville* News, November 9, 1907, p. 1.

“Colonel” Buie was a friend of John C. Branner, and in September had written the departed geologist to inform him of the discovery and remind him of a vague conversation in which Branner had once mentioned a formation in Arkansas that could contain diamonds. “. . . it does not seem to me that you spoke of Pike County, and it must have been some other locality,” said Buie (cited in Branner, “Some Facts and Corrections” 372). Hearing about the event for the first time, Branner explained the location he had referred to, near Murfreesboro (ibid.).

[9] Hess’s additional options in 1906: M, 95, Option to Purchase, Millard M. and Bettie Mauney to Rollo W. Hess, December 29, 1906 ($125 for a six-month option, with a $7,000 purchase price; 160-acre tract west of the Little Missouri River); M, 97, Option to Purchase, Roxanne and Joel H. Conway to Rollo W. Hess, December 29, 1906 ($110 for six months, with a $3,000 price; eighty acres northwest of the pipe; the Conways stipulated the option was not effective until Hess paid $10,000 to satisfy a previous option on approximately fifty-five acres northwest of the pipe). Several transactions followed in 1907, including option renewals and an Assignment of Option from Henry T. Buie on March 13 (M, 273). A six-month renewal of the key Mauney option on May 1, 1907, allowed no further extension (N, 276, payment of $250 and a purchase price of $8,750**)**. The purchase of one property in May 1908, with warranty deed, evidently ended Hess’s venture (P, 237); in late 1908 he sold other property rights to Austin Q. Millar’s fledgling venture (P, 467, Warranty Deed, W. N. Burgess, Rolla W. Hess, and Cordelia Burgess to Austin Q. Millar, Trustee, October 31, 1908, sixty acres in Section 15 for $1,500 cash; P. 469, Quit Claim, Hess to Millar, Trustee, November 4, 1908, same property, for $750).

For basic coverage by the vigilant *Nashville News*, see “More Options Taken,” January 16, 1907, p. 1; “Fourteen Diamonds,” March 13, 1907, p. 1; “Hundred Diamonds,” May 22, 1907, p. 1 (“Mr. Hess is operating a steam drill on the land on which he has secured options”); “Four Propositions,” June 12, 1907, p. 1 (a reference to Hess’s drilling); “An Option Expired,” November 9, 1907, p. 1 (the Mauney property).

[10] After giving up the Mauney option, Henry T. Buie paused, and then in November 1909 began dealing in real estate. His last deeds were recorded in 1925 (see the deed indexes, Indirect and Direct, for an overview). As part of his promotional literature, Buie used a blueprint map bearing the name of his initial business and locating the properties of the ADC, the Ozark Corporation, the Kimberlite Company, and the American Diamond Mining Company on a section grid (W. C. Rodgers Collection, Box 2.IV, File 20, AHC [Guide Book 27]). Inclusion of the new railroad and Kimberley Township, as well as Murfreesboro, dates the map as late 1909 or early 1910. A "Note" below the map informed buyers: "The only diamond mines in the Western Hemisphere and as rich in diamonds as the famous South African pipes." Compare this map with the similar item in John Fuller, "The Arkansas Diamond Fields in 1909," *Engineering and Mining Journal,* Vol. 89, April 9, 1910, 767, which includes the Black Lick deposit south of the American property.

See the advertisement of Buie & Copeland Real Estate and Loans, in Henry T. Buie, compiler, *Diamonds* [Murfreesboro, Arkansas: 1913], a sixteen-page promotional pamphlet (Pamphlet No. 015, Southwest Arkansas Regional Archive, Washington, Arkansas).

[11] *Nashville* News, Oct. 2, 1907, p. 1. For other instances, see the *News*, March 27, April 3, and August 21, 1907, p. 1..

[12] "Pike Diamond Field," *News*, August 28, 1907, p. 1. The same news service report appeared as "Diamond Fields of Pike County," *Washington* [Arkansas] *Telegraph*, August 30, 1907, p. 1.

[13] For locations, see the maps in supra, n. 56. John Fuller's annual updates in the *Engineering and Mining Journal*, April 9, 1910 to January 1, 1914, had brief summaries of activities at three new deposits, the Kimberlite, American and Black Lick. Hugh D. Miser of the US Geological Survey provided the greatest detail about workings at those three properties, initially in "New Areas of Diamond-Bearing Peridotite in Arkansas," USGS Bulletin 54 (1914), 535ff. His map on page 536, however, showed four deposits besides the main formation at Prairie Creek: while discussing the Black Lick, he briefly referred to another exposure of peridotite about 900' east of it. Miser's full report, issued in several editions in 1922-1929 with Purdue and Ross co-editors, added general updates about the properties (the 1914 report and Miser & Ross, "Diamond-Bearing Peridotite in Pike County," *Contributions to Economic Geology,* 304-310, cover the data thoroughly).

The fourth formation, the Twin Knobs, was suspected early: during general exploration in the area, fragments of peridotite were found in wash at that location (for early comment on exploration of the Twin Knobs, see Austin Q. Millars correspondence in September 1909, I.C, Crater archive).

Although there were comments about sizeable diamonds found at the American Mine, those were never documented. Anything recovered could have come from surface material scraped off before the core drilling and excavation of pits. In any case, operations effectively ended after a few years. Later, from the late 1970s to about 2000, systematic testing at all deposits found a few small diamonds at some and none at others. The average yields ran far below the average of the original discovery—itself a very low-yield pipe (infra, "Promotional Maneuvering and a Final Test").

[14] The American Diamond Company appeared in late 1907, and focused on alluvium in the Little Missouri River, near Prairie Creek (Pike County, Record of Articles of Incorporation [Misc. Record], 1, 145, "Articles of Agreement and Incorporation," October 26, 1907 [filed December 26]; "American Diamond Company," four-page company circular, in "Printed Materials," IV, Crater archive. The officers were Louis Heilbron, President; Charles M. Conway, Vice President; F. W. Offenhauser, Secretary-Treasurer; "Judge" John A. Hurley, general agent**;** and Charles B. Kelley, director. Business was conducted in Conway's office in Texarkana. The initial $600,000 of capital stock was all reportedly subscribed by those five incorporators, at $25 per share—indicating, as did the promotional pamphlet, that the group intended to increase authorized stock if they successfully attracted investors.

The American Diamond Mining Company was chartered initially in Louisiana in January 1909. Basic details were covered in "Another Company Organized," *Nashville* News, January 30, 1909, p. 4, and Reece Lamb, "Something about the Diamond Mine of the American Diamond Mining Company, and the circumstances leading up to the formation of said Company," four-page leaflet (c. 1909), W. C. Rodgers Collection, Box 2.IV, File 28, AHC). Capitalized at $1,000,000, the venture announced an impressive board of directors, including William Grayson and N. W. McLeod (Grayson-McLeod Lumber Company of St. Louis, whose holdings in Pike County included land in Section 14, where the American Mine was soon located), T. E. Flournoy of Monroe, La. (president of the Ouachita National Bank), John Potts and Henry Bernstein (attorneys for the St. Louis, Iron Mountain and Southern Railroad, at Monroe, La.). Reece Lamb of Texarkana (formerly of Murfreesboro), and J. G. Bickly of Texarkana also sat on the board. John J. Kress was president; Reece Lamb, first vice president; Frederick J. Hudson of Monroe, La. (a partner with Potts and Berstein in a law firm), second VP; John J. Potts, secretary-treasurer.

Lamb and Bickly initially located the peridotite deposit, in Section 14 (Lamb, "Something About the Diamond Mine"). Lamb, Bickly, Kress, Hudson, Isaac H. Seller, and Henry Bernstein were incorporators. The company remained virtually inactive until it filed its articles in Arkansas in May, 1909, and started selling stock—just as the heyday ebbed ("Diamond Company of Pike County Has Been Incorporated," *Nashville News*, May 12, 1909, p. 1; further detail, **infra, n**. 96).

The Ozark and Kimberlite groups receive attention infra, and "Southeast Slope."

[15] The *Nashville News* covered events almost continuously through 1908. The "huge" 12.75 diamond reportedly was found southwest of the river, apparently by someone associated with the Texarkana group who formed the American Diamond Company two months later ("A Huge Diamond," August 21, 1907, p. 1, reporting that John B. King of Texarkana, representing a group of investors, had the diamond "in his possession" and that it had "every indication of being a genuine diamond"). For a substantial, colorful, and disparaging description of diamond frenzy following that reported discovery, see the Special from Little Rock, "Arkansas Diamond Mad," *New York Times*, September 3, 1907, p. 6 (an illustrative paragraph: "The fact that the Texarkana man [D. B. Conway] was offered $2,500 for the stone he found last week by the cashier of the Bank of Murfreesboro, has spread across the hill regions as rapidly as the news of a shooting affray in which some mountaineer has 'got even' with a neighbor who shot his dog years ago"). The article projected the "Arkie" image prevailing in those days.

[16] "Diamond Lands Being Jumped," *Nashville News*, October 31, 1908, p. 1.

[17] "The Pike Diamonds," Ibid., December 23, 1808, p. 4.

[18] Ibid., September 2, 1908, p. 1; infra., "Ozark Diamond Mining Company & Ozark Mine." Despite the excessive enthusiasm, and its influence on speculation generally, those leading the Ozark venture by late 1908 were serious about diamond exploration and mining, and should not be compared to the "stock jobbers" or unscrupulous promoters of the era. R. D. Duncan, "the prime mover of the enterprise," was essentially correct in emphasizing in July 1908 that the company's capital stock of $100,000 was "not full of water" and that its property was "secured for actual operations, and not as speculation" ("Pike Mining Company," *Nashville News*, July 4, 1908, p. 1). The prominent Bemis brothers of Prescott, Arkansas, however, assured promotional restraint when they joined the venture in October 1908 (infra, "Northeast Slope–Ozark"). Without the Bemis brothers, the original organizers of the Ozark Company might have promoted their venture more aggressively—however serious their intentions.

[19] Fuller, Report to Loree, June 25, 1908, in "Reports and Information," 20.

[20] Kunz and Washington, "Diamonds in Arkansas," *Transactions of the American Institute of Mining Engineers*, 39 (1909), 175. The paper was presented at AIME's meeting in New York in February 1908. Concerning claims of diamond-bearing veins, the distinguished geologists suggested "the report of a geologist or petrographer can surely prevent an unsuspecting or ignorant person from loss by investment in a property said to be a continuation of, or a connection with, the present deposit" (176).

[21] Infra, "Northeast Slope–, Ozark Mine."

[22] "The Diamond Fields," *News*, November 14, 1908, p. 4. Bishop emerged as a leading promoter in 1907. Among various projects, he helped organize the Spring City Mining Company of Nashville, which dealt in speculative activities near Joplin, Missouri ("Property Leased," *News*, July 20, 1907, p. 1). After Austin Millar came to Pike County in 1908, Bishop became agent-attorney for Millar's venture, a role he held into the 1920s.

[23] This shift, noticeable by January 1909, is evident in deed records and the full range of published sources. As before, the *Nashville News* proved diligent in gathering significant information, especially when prominent Arkansans were involved.

[24] Miser and Ross, "Diamond-Bearing Peridotite in Pike County," *Contributions to Economic Geology,* 318. All sources point to the same conclusion: there is no clear evidence of diamonds found in sand and gravel deposits outside the identified diamond field on the east side of the main pipe. Kunz and Washington stated that by late 1907 all diamonds had been found "within the igneous area [the pipe], while none have certainly been found outside of it, even in the immediate vicinity" ("Diamonds in Arkansas," *Transactions*, 173).

Compare the above with the later comment in "Diamond Mines are Busy in Arkansas," *New York Times*, June 14, 1931, Sec. 8, 7. The writer, who showed a poor command of detail elsewhere in the article, says the richest "surface" finds were being made "along the meandering bed of the ineptly named

Poor House Branch [a creek below the north side of the pipe], which carries water only during the wet Winter months. A mine laborer named Lee Wagner, 'the champion diamond-finder of America,' says he has picked up thirty-seven good stones along the course of this stream." The USGS map of 1916 indicates "mine workings" along the Branch; however, there is no evidence diamonds were recovered (Bulletin 808, Plate 10). Moreover, Poor House Branch lay immediately below the unproductive north and northwest side of the pipe. The main drainage channel from the Mauney Mine and Ozark Mine, on the small northeast slope, fed into the Branch; but that section was heavily worked by those ventures, with no diamonds reported (Mine workings, USGS map, which incorporated other mining maps of that area).

The author's work in the Crater of Diamonds, 1985-1993, found a consistent pattern in old buried drainage channels running through the diamond field and continuing off the southeast rim of the pipe. The regular "diggers" and I found that diamonds progressively grew smaller as the drains neared the edge of the pipe; then they quickly tapered off to minute size, down to barely visible, and disappeared within some fifty yards. *Various natural traps in the drainage channels on the pipe, particularly abundant gravel and rocks up to boulder size, primarily accounted for the diminution*. In the distant past, a dissolving rock-clay cap and heavy vegetation, along with the quartzite and sandstone mixed within the volcanic breccia, evidently tended to hold diamonds back as the pipe eroded. At some point, the development of a moderate slope aided retention. Unusually heavy rains likely flushed escaping crystals, overwhelmingly small, down to the nearby river periodically, where they dispersed. Larger diamonds tended to remain on the pipe in the surface accumulation and in rocky drainage cuts.

[25] John Fuller's description in "Arkansas Diamond Field in 1910," *EMJ*, 6. After 1910, stock promoters occasionally attempted to revive enthusiasm; but there were no significant episodes until the 1920s (infra, "Northeast Slope–Mauneys–1920s").

By the end of 1909, the *Nashville News* began carrying fewer articles, and relegating more of those to inside pages; after the summer of 1910 it seldom carried items about Arkansas diamonds. Deeds and other sources reflected the same pattern of declining activity.

[26] Fuller's annual summaries in the *Engineering and Mining Journal*, 1910-1914, sketched the demise. The report for 1911 said the year "saw but little development and practically no work on the mines, as all the companies in the field were hampered by lack of capital" ("The Arkansas Diamond Field," January 6, 1912, p. 6). For 1912: "No work of any importance was performed on the land of the Kimberlite company, nor on that of the American Diamond Mining Co., which lies a few miles to the north of the large pipe" ("Diamond Mining in Arkansas," January 11, 1913, p. 75). The final report had one relevant sentence: "The American Diamond Mine Co. [sic] did no active work on their property, but reports the finding of one fine stone" ("The Arkansas Diamond Field in 1913," January 10, 1914, p. 52). Miser and Ross, provided more detail.

Fuller's reports for 1912-1913 also reflected the shift of virtually all activity from the hills to the six acres on the northeast corner of the main pipe, as did deeds and other sources.

The *Nashville News* ended comprehensive coverage by early 1910, and continued with occasional reports, almost all concerning the main pipe. A brief item in August 1911 reported one find on "property" of the American Diamond Mining Company: "5-Carat Diamond–Was Found by Reese Lamb This Week," *News*, August 19, 1911, p. 1 ("The stone is said to be of excellent quality, and so shaped that it will cut to advantage").

[27] Pike County, Chancery Court, *T. E. Flournoy, J. J. Potts, H. Bernstein and F. G. Hudson, Jr., Executor of the Estate of F. G. Hudson, Deceased v. American Diamond Mining Co*., 1914-1915, case no. 704, drawer 87 (upstairs storage room, Court House). Filed July 23, 1914.

On December 16, 1908, Reece Lamb, as trustee, had bought forty acres in Section 14 from Grayson-McLeod, for $5,000 "paid." A month later he sold the tract to the new American Diamond Mining Company for $30,000 and "other good and valuable considerations." Accepting seven promissory notes from the company, at 8% interest, he then reassigned those to Flournoy, Potts, Bernstein, and Hudson, Sr., whom he had recruited for the venture (Pike, P, 594, Warranty Deed, Grayson-McLeod Lumber Co. [W. Grayson, President, and W. E. Grayson, Secretary] to Reece Lamb, Trustee, December 14, 1908; Q, 59, Warranty Deed with Lien and Relinquishment of Power, R. L. and Annie Lamb to American Diamond Mining Company, January 27, 1909; "Initial Petition," case no. 704; Lamb, "Something about the Diamond Mine").

Finally, in July 1914, after considerable work at the American Mine, the four holding the notes sued to force a sale of the property and payment of the balance. A number of stockholders joined the suit. Petitioners sought $31,519.69 plus 8% interest until final payment; the court awarded $32,650.58 (typed slip "No. 704," ibid) and ordered the sale. At the commissioner's sale in February 1915, T. E. Flournoy acted as trustee for all plaintiffs and successfully bid $5,000, which the plaintiffs received along with the property ("Commissioner's Report of Sale," and "Order of Approval, Commissioner's Sale (Order No. 2)," ibid.).

MM Mauney's Ill-fated "Boomtown"

While others focused narrowly on diamond hunting, one of the major characters of this early era displayed unusual ingenuity. Millard M. (MM) Mauney had held onto land originally owned by forebears who settled Pike County. His holdings ran from the south edge of Murfreesboro out to the big diamond pipe, and included six acres of the pipe, itself. Also a skillful businessman and community leader, he served as Pike County Recorder and Circuit Clerk–hardly the sort of person who would be content merely scratching diamonds from a small piece of property. Among his ideas was the Kimberlite Township and Land Company, a venture featuring a new settlement between Murfreesboro and the Mauney Mine.[1]

On the weekend of January 22-23, 1909, MM Mauney and associates staged the opening ceremony for the new Kimberly Township. Bands from nearby Nashville and Delight provided music as potential buyers of business and residential lots munched on free barbecue. Helping publicize the venture, "Diamond John" Huddleston purchased Lot Number l for a token $70, and then without publicity paid $500 for another lot. Sales for the two days reportedly totaled $2,000.[2]

In 1909-1910, Kimberly gained a few wood-frame businesses, including a small Diamond State Bank, a compact three-story hotel, and a little general store.[3] In January, 1909, the Mauneys sold the entire Block 4 to John C. Peay, who acted as trustee for himself, C. F. Bemis, and Austin and Howard Millar. For a bargain price of $1,000, the contract stipulated the group had to spend $10,000 on buildings within a year—especially a club "for the entertainment and accommodation of those interested in the diamond lands, and prospectors who may visit that section."[4] Then the project stagnated when the diamond rush collapsed. As buildings decayed or were salvaged, the land reverted to cow pasture. The Diamond State Bank continued in Murfreesboro.[5]

Eventually, MM Mauney's descendants recovered most of the lots that had been sold.[6] Today the township is largely open pasture at the south edge of Murfreesboro, by Prairie Creek. The "Kimberley" Cemetery has been preserved and the original Mauney house, standing beside Prairie Creek, has been restored. During the heyday of diamond exploration, the little house served as both the home of Mauney's son Walter and the gathering place for visitors going to the Mauney Mine. It was built around a log cabin dating back at least to the early 1830s, when Mauney's forebears settled the area.[7]

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[1] Mauney Records and extended conversations with both Alton Terrell and his son, "Al," after the summer of 1985 (notes in author's files).

For the platt of Kimberly Township, see Box 2.IV, File 23-24, William Champ Rodgers Collection, AHC (manuscripts *Guide,* Book 27).

Mauney and others filed for incorporation on January 3, 1910 (Pike, County Court Record, C, 597-598). Incorporation required that at least twenty qualified voters lived within the proposed township; twenty-five signed the petition filed January 3, 1910, including Mauney and sons. The Town of Kimberly was incorporated February 5, 1910.

Intentionally or erroneously, the incorporators spelled the name *Kimberly.* Many documents, including deeds and news reports, used the South African *Kimberley*.

Bibliographic Comment. The Mauney Records were preserved by MM Mauney's granddaughter, Alice Pauline, daughter of Henry Mauney. Her husband, Alton R. Terrell of Murfreesboro, has safeguarded the collection since her death. Terrell's son, "Al," also looks after the family's interests.

[2] "Kimberley Opening," *Nashville News*, January 27, 1909, p. 4; Pike County Deeds, R, 44, Warranty Deed, MM and Bettie Mauney to John W. Huddleston, January 22, 1909 (Lot 1, Block 13); R, 45, WD (Lot 21, Block 28).

[3] The Mauney Records contains several photographs of the venture, as well as other documents. Several photos are also in the "Old Photo Contest" box, Crater archives (the first three in the file include the "Old Kimberley Store" and "Kimberley Cheap Cash Store"; no. 8, Diamond State Bank). Also, Pike, Articles of Incorporation 1, 181, Diamond State Bank, filed October 30, 1909.

For the pace of sales after the grand opening, see Deeds, R, 46-48, 71, 187, 238, 303. R, 303, was the Mauneys' deed to Diamond State Bank, Inc., November 15, 1909 (Lot 13, Block 27, for $250). There were several more sales in 1909, and then the pace slackened into 1913-1914 (including re-sales).

[4] Deeds, R, 56, Warranty Deed, Mauneys to John C. Peay, as Trustee for himself, C. F. Bemis, H. A. Millar, and A. Q. Millar, January 28, 1909; "$10,000 Club House–Is to be Erected at Kimberley Town," *Nashville News,* February 3, 1909, p. 4.

[5] The collapse of Mauney's project became evident by early 1910. In February, John Peay's group abandoned its plans and returned Block 4 (R, 465, WD, Peay, Trustee, to M. M. Mauney, February 5, 1910). For the most interesting case study in the rise and fall of Kimberley Township, see the deeds relating to the Kimberley Hotel: S, 433, WD (Mauneys to O. G. Gardner, Trustee, November 20, 1909; for Lots 7-9, Block 27, for $100 and "other considerations," with the stipulation that a frame hotel with at least fifteen rooms had to be completed within ninety days [a three-story unit was built, although apparently past the initial deadline]); R, 471 (Gardner, transfer of the property to Diamond Lumber Co., February 23, 1910); Mortgages, 3, 477, Deed of Trust, (Gardner, signing both as an individual and as President of Diamond Lumber Co., to M. M. Mauney, Trustee for Diamond State Bank of Kimberly [sic], March 5, 1910; as collateral for a $1,288 loan [deed was replaced April 25, 1910, with a new Deed of Trust mortgage]); Deeds, S, 623, WD (Diamond Lumber Co. to E. S. Warfield, Trustee, May 21, 1910; full title to property for an indicated $1); deed, Trustee to Edward P. Weilms (sometimes, "Wielms") and Mary A. Weilms—deed never filed; Mortgages 4, 15, Mortgage Deed (Edward and Mary Weilms to Diamond Lumber Co., August 1, 1910; as collateral for a promissory note for $2,000, due in one year at 6% interest); T, 136, Quit Claim Deed (Trustee to Edward P. Weilms, August 15, 1910; property for $1); Deeds, Q, 77 (replacement of lost deed of Wielms and wife, August 23, 1911); U, 306, WD (Fred Linderman and wife of St. Louis to Louis T. Washington of St. Louis, August 29, 1911; for $5,000); U, 401, WD (Washington to R. L. Cale, "a widow of the county of St. Louis, Mo., September 1, 1911; $5,000 for the hotel lots and all improvements, including the Kimberley Hotel, "subject to a balance of $1,400 of a $2,000 Deed of Trust or Mortgage now of record against the above described property bearing interest at 6% annum").

Debts and law suits eventually decided the disposition of the hotel property: Liens, Book 1, 7 (On March 15, 1910, the Nashville Lumber Co. sued Gardner to enforce a lien on the property [$256.93 for material used in building the three-story frame hotel]; a circuit-court jury awarded NLC that amount September 30, 1911; at sheriff's auction on January 27, 1912, J. C. McNeill bought the property for $300); Chancery, B, 213 (Chancery Court decree against Diamond Lumber Co., in favor of Diamond State Bank, November 14, 1910 [$845 balance of mortgage loan on hotel lots]; commissioner appointed to sell lots for judgment; apparently a settlement then occurred). Also, Prescott Hardware Co., March 19, 1909 (lien suit against Gardner for material used in hotel; lien satisfied in full, June 21, 1911])

[6] By 1920, some original cash buyers began losing their lots in State tax sales. Out-of-town owners tended to forgot to pay taxes. A few local men specialized in collecting, and reselling, such properties.

[7] Mauney Records; conversations with Terrells. Photos in the Mauney Records and the Crater archive (unnumbered folders) clarify the use of the house in managing visitor traffic to the northeast slope. Generally, the house served as an office for the Mauney Mine.

Mauney and the Beginning of Recreational Diamond Mining

In June 1909, MM Mauney saw another opportunity to innovate. The Memphis, Paris and Gulf Railroad had just extended to Murfreesboro from Nashville, allowing easy access for potential investors and other visitors as well, including the trainloads of "excursionists" prominent in those days.[1] Up to then, Mauney and his two grown sons, Walter and Henry, had dug around their property on the northeast edge of the big pipe, finding a number of diamonds in the black surface layer.[2] When the railroad passed just north of the Mauney Mine, they thought the future might lie not in commercial mining, but in operating a tourist attraction. Mauney had let the Ozark Corporation have four of his six acres, but that group apparently had few qualms about letting visitors stroll about the entire slope.[3]

To some extent, the idea of tourism was prompted by what seemed a general lull in diamond exploration at the time. But it was rooted in experience with residents of the area who often visited the diamond field wanting to look around. "The local men, women and children appear after each rainfall and search the surface for diamonds, generally with results," wrote one observer in 1908.[4]

Along with those local hunters, visitors were also coming on scheduled "field days," mostly Sundays set aside for special groups or for the families of those involved in diamond exploration. Many came decked out in their "Sunday best."[5]

When the railroad came through, Mauney and sons immediately went into business. Clearing their field, they began plowing and harrowing it—a method especially effective because it allowed rains to melt the dirt from around diamonds, giving well-dressed tourists a better chance while strolling the field. For 50¢, visitors could scan the surface or scratch around and keep anything found.[6]

The diamond finds began in mid-June. A resident of Pike County, Drew Huddleston, carried home only "a small chip," while a jeweler from De Queen, Arkansas, O. W. C. Smith, came up with "a fine diamond, its estimated worth being about $200." Publicized in area newspapers, Smith's diamond prompted a large delegation of excursionists from De Queen. News of subsequent finds ranging up to a record 8.1 carat gem kept the public interested for some time.[7]

In September, 1909, the Mauneys began using large newspaper advertisements. Beckoning investors as well as tourists, they announced plans to build a "motor car line" connecting their mine with other attractions south of Murfreesboro and with a railroad about twenty miles to the east.[8] By that time, the diamond fields and the new railroad linkage with Nashville had stirred unprecedented expectations and planning for economic development in Pike County. The Memphis, Paris and Gulf Railroad had explored possible routes for extending the line on to Hot Springs, where it would connect with the railroad to Little Rock.[9]

It was too late, however, for such elaborate dreams. The heyday was already ending, investments were drying up. Eventually, in the spring of 1912, the Mauney's leased their remaining two acres on the northeast slope to the Kimberlite Diamond Mining and Washing Company, and the pioneering tourist attraction passed into history.[10]

[1] The dynamic diamond exploration of 1907-1909 spurred extension of the railroad. Excursionists began making sight-seeing trips along the line before it reached Murfreesboro, and packed two train units for an organized outing at the Little Missouri River in early May 1909, as crews built a steel bridge for the final, three-mile leg to town ("A Great Excursion," *Nashville News,* May 8, 1909, p. 4; also, "Road Opens Sunday–Between this City and Murfreesboro," ibid., June 2, 1909, p. 1, and "Murfreesboro was Entered–By Memphis, Paris and Gulf Work Train," ibid., June 9, 1909, p. 1). A photograph identified as the first MP&G passenger train between Nashville and Murfreesboro was contributed to the Park's "Old Photo Contest" in the 1980s (No. 7 in box, Crater archive).

[2] Infra, "Northeast Slope-Enterprising Mauneys."

[3] MM Mauney's original option to the Ozark group had stipulated his right to continue prospecting on all the property until a purchase. Although the group then bought three-fourths of Mauney's tract, there was very little activity on the Ozark's part of the northeast slope in 1909.

[4] Woodford, Report [to Reyburn], cited in Fuller, Report to Loree, June 25, 1908, in "Reports and Information," 17, 14. That document, Woodford's first report in 1908, evidently was lost later.

[5] A number of photographs in the large collection at the Crater archive, some dated, show the details (almost all of these photos are on the microfilm of the archive, copies at the Arkansas History Commission Research Room, Little Rock, and the Crater). It is not clear exactly when the Field Days began. As photos illustrate, groups usually gathered at the Mauney House on Prairie Creek, which served as the mine office, then walked across a swing bridge and strolled over to the Mines (VIII, 23.96 [crossing the swing bridge], 23.102 [Field Day at the mine], 23.106 [part of a Field Day group brought in by an excursion train], 23.121-124 [Field Day groups]). The Mauney Records also has several relevant photos.

[6] Mauney Records, photos of harrowing, brush clearing, excursionists leaving the train near the Mauney and Ozark Mines and gathering for a short wagon ride, visitors at the mine, and so on; "News Staff–Visited the Pike Diamond Fields Monday," *Nashville News,* August 11, 1909, p. 4 ("The surface of the Mauney enclosure is being rapidly cleared off, and the ground is frequently plowed and harrowed over for the benefit of the searchers").

[7] "Two Diamonds Were Found," *Nashville News*., June 19, 1909, p. 4 (finds and the excursionists); "*News* Staff," August 11, 1909, p. 4 (diamond finds); "12-Carat Diamond," June 17, 1911, p. 1 (diamond "which will cut at least 12 carats" found on Mauney property, by John Key [Keys], who was using a "crude hand washer"). Evidently, this was the 8.1-carat rough stone: cf. Fuller, "Arkansas Diamond Field [1911]," *EMJ*, 6, which reported an 8.12-carat found on the Mauney Mine in 1911-the largest to date in the Arkansas diamond fields.

[8] The media campaign began September 1 with a huge banner ad: "Over the Memphis, Paris & Gulf [RR] to the Mauney Diamond Mine—See the Big White Diamond in the Rough—Admission 50¢—Keep all the Diamonds You Find—Open all the Year" (ad in *Nashville News*, p. 6); also, "A Motor Car Line–Will be Built from Gurdon and Ft. Smith–To Diamond Fields," September 8, 1909, p. 1 (about plans for a rail line running from the Mauney property through potential local attractions and then connecting to the Gurdon and Fort Smith Railroad at Antoine); ibid., p. 8, and following issues (ad including: "A Motor Car Line Will Be Built to Mauney Diamond Mine—All parties wishing to subscribe to stock in this enterprise should apply to W.C. Rogers—Nashville, Arkansas").

[9] "Survey Being Made–Between Murfreesboro and Little Rock," *Nashville News,* June 16, 1909, p. 1. For imagery of the local "boom," encouraged in part by Mauney's Kimberley Township project:

"Lands Too Cheap in This Section, Says Northern Visitor," *Nashville News,* June 2, 1909, p. 5 ("Local realty dealers report that many inquiries are being received from various sections of the country, especially from the north, from people who are desirous of locating in this section"; one tract of land is listed at $15, and one visitor stated that Northerners wanting land would pay $30 "without complaint");

"Pike County Diamonds," ibid., June 12, 1909, p. 5 (that was the heading for a repeated real-estate ad featuring both the city of Murfreesboro ["the embryo metropolis of the Pike County Fields," which lies between the diamond fields "and the great natural water power which the shrewdest business men of Arkansas are preparing to harness in order to supply electric lights and power to cities within a radius of one hundred miles"] and a new Murfreesboro Heights "suburb" a mile north of the city ["an opportunity for investment that comes but once in a life time"]);

"Murfreesboro is Building . . . The Mineral Interests Are Assuming Gigantic Proportions . . .," ibid., August 11, 1909, p. 4 ("substantial growth" being sparked by the new railroad and "wonderfully rich mineral deposits," including kaolin and fullers' earth [among "the largest and richest in the world"], along with diamonds and "rich deposits of asphalt and plaster"; cites new Murfreesboro Heights, Kimberley Township, other real-estate developments).

[10] Available documents fail to clarify exactly when the tourist operation closed. Photos in the Mauney Records include very few dates, and photos of excursion trains in the Crater archive provide little information. The *Nashville News* virtually lost interest in tourism after the initial publicity, and apparently after Mauney stopped placing big ads in the paper.

The Kimberlite group is discussed infra, "Northeast Slope."

The ADC's Dilemmas

All that promotional fervor, along with disappointing yields from the peridotite matrix, soon left the Arkansas Diamond Company in financial doldrums. After organizing the company in late 1908, Reyburn and associates still owed $72,000 on their properties, and then found it difficult to attract the kind of investors they wanted.[1] As John Fuller reported in the *Mining and Engineering Journal*, "The progress of diamond mining in Arkansas during 1909 was slight, due principally to lack of capital for development."[2]

Fuller's report in January 1911 offered more insight. "It has proved a difficult task to persuade the average investor that genuine diamonds actually exist in America and that these Arkansas fields show great promise of being a profitable venture. On the other hand the large investors held off due to the fact that the owners [of the ADC] refuse to consider any offer involving the surrender of a controlling interest in the property." [3]

The issue of control had arisen immediately after Reyburn's original group became a mining company open to other investors. In the spring of 1908, for instance, John Fuller had come to Arkansas to evaluate Reyburn's property for a client in New York City, and in June wrote a favorable report addressed to L.F. Loree, President of the Delaware & Hudson Railroad Company, New York.[4] According to a later statement, Loree "did not purchase the property because the Arkansas group would not let control pass from their hands".[5]

Finding few investors in Arkansas, the ADC turned increasingly to New York for financing, and in March 1910 thought it had an agreement with the president of the Yorkville Bank, August Zinsser, and some of his associates. Zinsser already had invested in Reyburn's venture.[6] In a public statement, the ADC projected a "permanent plant" and full-scale testing for six months at a cost of $208,000, all in line with Fuller's original plan. The company said it expected the test to yield some 25,000 carats of diamonds. "We have now reached the final stage in financing the proposition," it announced, "and after completing this part of the work, will begin the steady development of the property."[7]

Finally, John Fuller thought he had an opportunity to prove the commercial reserve. Finally, he was being lauded as "one of the noted engineers of the South African diamond mines," the man who was preparing to install "extensive machinery to open up the new American discovery."[8] Then, again, final negotiations failed.

The Zinsser affair blended into the most controversial negotiations the ADC ever undertook. About May 1910, two representatives of financial interests in London visited the Pike County field and tentatively agreed to fund the ADC's operation.[9] On May 24, 1910, the company authorized a $250,000 increase in its capital stock, enough to execute Fuller's plans.[10] In early June 1910, Reyburn, Stifft, Cohn, and Fuller sailed to London to wrap up the details and order equipment. Stifft told reporters they were securing the newest mining machinery while in England, but did not discuss the negotiations. "We expect to have the machine built and installed within six months after the order is placed," he said.[11] With an uncharacteristic touch of optimism, the *Arkansas Gazette* declared, "Their departure marks the first step in the active operation of the only discovered diamond fields in the United States."[12]

After a long stay in London, the four returned, declining to issue an immediate statement about accomplishments. Rumors in Little Rock suggested "London financiers" had purchased $175,000 worth of ADC stock."[13]

In response, Fuller's next annual report in the *Engineering and Mining Journal* addressed the issue directly. The ADC's property "was visited during the year by representatives of an English syndicate. A provisional agreement for the development of the property was signed by both parties, but at a subsequent meeting in London, this agreement was not ratified owing to difference over the details of the transaction." In his opening paragraph, Fuller had commented about the difficulty of dealing with "large investors," who required "a controlling interest in the property."[14] As suspicions continued, Reyburn issued a more succinct statement ten years later: "In 1910, partners in a London banking firm visited the property and offered to finance it, but insisted upon the control of the project."[15]

Into the early 1920s, the foreigners involved were referred to as "financiers," an "English syndicate," or "a London banking firm." No one suggested they or Reyburn's group engaged in illegal behavior—before World War II, syndicates abroad virtually had a free hand to get involved in American activities. Despite suspicions of outside influence, the only noticeable reference to the DeBeers diamond interests appeared in June 1910, in brief reports that DeBeers had asked Fuller to return to South Africa. According to the *Arkansas Gazette*, "he received an offer to resume his old position at a salary considerably greater than the one he is receiving from the Arkansas Diamond Company, but declined it, believing that the possibilities of the Arkansas field were much greater."[16]

In the 1920s, frustration and suspicion developed into a conspiracy theory. Sam Reyburn supposedly had enriched himself by agreeing to suppress the Arkansas diamond field and keep it from competing in the market place. He was, the critics said, an ambitious betrayer who undermined aspiring diamond miners, costing them a fortune and derailing prosperity for Arkansans generally.[17]

The details of the London meeting began emerging much later. An account written after the 1920s offered a brief summary:

. . . Sir Ernest Oppenheimer, of London, England, now Chairman of the Board of the Diamond Corporation, the organization that markets 95% of all diamonds now produced, and others representing the DeBeers interests of South Africa, visited the property. The result of this visit was a series of negotiations held in London between the DeBeers group and Messrs. Reyburn, Stifft, and others of the Arkansas stockholders. These conferences, arranged with the intention of British participation in the development of the property, fell through, the point of control again proving the impediment to cooperation.[18]

Shortly before his death at age ninety, Sam Reyburn finally considered it worthwhile to answer a writer's questions about that experience. The rare interview addressed various longstanding accusations that he and the ADC had conspired with the international diamond cartel to keep the Arkansas mine out of production.[19] Asked for his account, Reyburn said two bankers representing Lewis and Marks of London "turned up suddenly in Murfreesboro" in 1910. He "soon figured out" they worked for DeBeers and refused their offer to buy the ADC's property. Instead, he proposed they take a minority interest for $250,000, which the ADC needed to proceed with plans. "They agreed tentatively and that June I got a cable to come to London."[20]

Abroad, "they wined and dined" Reyburn for three weeks before offering $450,000 for full control of the operation. "Old man Lewis" took him to lunch and admitted plans to close down the Arkansas mine if the London group got it. Lewis offered him personal inducement: a three-year contract worth $150,000.[21]

In that interview, Reyburn denied long-standing "rumors" that he had sold out to DeBeers. He turned down the offer, he said, "in order to keep the mine under American control."[22]

[1] Deed Book S, 492, Warranty Deed, ADMC to ADC, December 3, 1908. Both companies had assumed responsibility for paying off a balance of $72,000 owed on properties, plus promised interest.

[2] John Fuller, "The Arkansas Diamond Fields in 1909," p. 767.

[3] "Arkansas Diamond Field in 1910," p. 6. Also see the earlier comment of William C. Rodgers, a lawyer in nearby Nashville, Arkansas, who was involved with mining interests. Citing leading authorities who "do not hesitate to pronounce the diamonds genuine and of excellent quality and the dirt as indicative of at least probably large paying ventures," he continued: "The public, however, have not accepted the reports of the discovery of these gems as more than a joke or fake. Those living at a distance, and even many in the state laugh at the claim that these fine gems are being found" ("The Arkansas Diamond Fields," unpublished ms., spring of 1909, W. C. Rodgers Collection, Box 2.IV, File 17, AHC).

[4] Fuller to Loree, June 25, 1908, in "Reports and Information."

[5] Fuller, et al. "Historical Summary of Arkansas Diamond Corp. of Virginia," in "Reports and Information," 1; cf. "Public Statement by John T. Fuller on April 7, 1929," ibid., 33.

Bibliographic Comment. The "Summary," finished shortly after July 9, 1940, contained details only Fuller could have commanded, but it also reflected some interpretations originating with Howard and Austin Millar. The original information was Fuller's, who died before 1940, and evidently that was summarized and expanded by a mining engineer from Chicago, George N. Vitt, who was influenced by Howard Millar. A group from Chicago had recently gotten an option on the Arkansas Diamond Corporation's property and hired Vitt to write a favorable report on it. They supplied Fuller's various reports. Vitt spent time in Murfreesboro and at the property, where the Millars still held the four acres of the northeast slope they had gotten from the bankrupt Ozark Corporation in 1914-1915 (infra, **"**Further Disappointments in the '40s"; "George Vitt's Analysis"; "Northeast Slope—Millars—Ozark Purchase").

[6] In contrast with almost all the ADC's negotiations, this case was publicized at the time. See "Diamond Mining in Arkansas is First in America," *New York World*, February 28, 1910, clipping in W. C. Rodgers Collection, Box 2.IV, File 26, AHC; reprinted as "The Pike Diamonds," *Nashville News*, March 9, 1910, p. 3; also "The Pike Diamonds," *News*, February 23, 1910, p. 3 (Kunz's previous statement), and "Operations–To Be Resumed at the Pike Diamond Mines," *News*, February 2, 1910, p. 1 ("Superintendent Fuller, of the Stifft-Reyburn diamond mines in Pike country, has returned to the mine,

and operations will open up on a large scale in the near future. . . ."). One of those appearing on the scene in Pike County during negotiations was L. F Loree, who had tried to buy the ADC's property in 1908 ("Notable Visitors–Were at Pike Diamond Mines Friday," *News,* March 12, 1910, p. 2).

Fuller, Report to Loree, June 1908, p. 14, said Zinsser "was taken into partnership" earlier; but the paperwork for the original Arkansas Diamond Mining Company lists only Reyburn, Stifft, Cohn, John Peay, and C. P. Perrie (supra, ADMC corporate filings). In any case, he remained obscure until 1910, and did not participate with other principals of the ADC as they continued to finance operations afterward.

[7] *Nashville News*, February 23, 1910, p. 3, Stifft's statement.

[8] *News*, March 9, 1910, p. 3, citing Kunz.

[9] Discussed infra. At this point, the diamond syndicate and other interested groups evidently were influenced by Fuller's optimistic reports—regardless of all the general information about surface and subsurface yields.

[10] "Amendment of Articles of Agreement and Incorporation of the Arkansas Diamond Company, Providing for Increase of the Capital Stock of the Company from $1,000,000 to $1,250,000," May 24, 1910, Arkansas, Corporate Records, No. 478, Record 4-14-199.

[11] "To Buy Diamond Mine Machinery," *Arkansas Gazette*, June 2, 1910, p. 1; reprinted as "Four Diamond Men," *Nashville News* , June 4, 1910, p. 3. As quoted, Charles S. Stifft seems to have been somewhat deceptive, saying of the machinery: ". . . it is for this reason that we are obliged to go there [to London]." He and the others had learned, however, not to broadcast financial agreements before concluding them.

[12] Ibid.

[13] "Machinery Bought," *Nashville News*, July 20, 1910, p. 2.

[14] Fuller, "Arkansas Diamond Field in 1910," 6.

[15] Samuel W. Reyburn and Stanley H. Zimmerman, "Diamonds in Arkansas," *EMJ* (April 24, 1920), 984; also Reyburn's previous statement: Reyburn, President of ADC, letter to stockholders, May 1, 1914, Crater archive, I.H.

[16] "Machinery," *Gazette*, June 2, 1910, p. 1; "Diamond Men," *Nashville News*, June 4, 1910, p. 3.

[17] Although still muted in public expression, the sentiment gained a bit of publicity during a court case in the mid 1920s (Infra, "Frustration, Suspicion, and Taxes"). It was more evident behind the scenes (infra, "Millars–New Speculative Heyday," passim).

[18] "Historical Summary," (c. 1940) in "Reports and Information," 1. This must have come from Fuller, who participated in the event. After that statement appeared, an article in the *Arkansas Gazette* mentioned the London episode: "With Mr. Stifft and three other directors, Mr. Reyburn went to London for the purpose of obtaining British backing, but the British wanted to control the Arkansas mines and there was no deal. Albert D. Cohn, W. B. Smith and Arthur E. Van Etten were directors who accompanied Mr. Reyburn and Mr Stifft to London, it was recalled by J. F. Loughborough, lawyer who is a former director of the company" ("Diamond Field Hoped For," *Gazette*, June 16, 1940, p. 11).

In the mid 1920s, the issue emerged in Pike County, basically because of agitation by Reyburn's old critic, Austin Q. Millar (infra, "Frustration, Suspicion, and Taxes"; "Millars—Dealing with 'Conspirators'").

[19] Infra, "Millars—Dealing with 'Conspirators.'"

[20] Gross, "Diamond Mine Mystery," 98. Although Gross obviously accepted the conspiracy theory, his reporting on Reyburn was largely straightforward and no doubt true to the interview: during his career, Reyburn had become one of the nation's eminent business leaders, as Gross suggested in the article. The writer erred, however, in identifying his subject as "Samuel *Winston* Reyburn."

[21] Ibid.

[22] Ibid. In March 1943, the New York diamond firm Schenck & Van Haelen honored Reyburn with a gift of cut stones accompanied by a special certificate reading, "The enclosed Diamonds from The Arkansas Mine [the original ADC property] are presented as a token of esteem recognizing the sound judgment which under your guidance helped in preserving for this Mine its American ownership" (I.P, Crater archive, originally in the Lee J. Wagner records). Schenck & Van Haelen, operating at the center of the international diamond trade, had handled diamonds from the ADC's property since the first years of the venture and no doubt had substantial information about the company's financial negotiations.

Samuel (Sam) Wallace Reyburn died in June 1962 and was buried in Mount Holly Cemetery, Little Rock. An extraordinarily long and detailed obituary in the *Arkansas Gazette* did not mention his diamond-mining experience ("Samuel W. Reyburn, 90, Dies at Home in Florida," June 8, 1962, p. B1), nor did an obituary in the *Arkansas Democrat* (June 7, 1962, pp. 1-2) or an entry in *Who Was Who in America*, IV (1961-1968), 787.

Apparently, the harsh criticism setting in after World War II, fomented basically by Howard Millar, dealt Reyburn a final disappointment. As he told an associate late in life, he "learned the hard way that mining at Murfreesboro held no prospect of fortunes" (S. D. Dickinson, Prescott, Arkansas, letter to Dean Banks, September 29, 1989, in author's files.).

A Test for Truth Tellers

After the London conference, one of the ADC's constant dilemmas was the need to secure financing without misrepresenting its achievements. On one hand, the company was accumulating an impressive number of diamonds for the effort expended—about 1,000 by the end of 1909, totaling some 500 carats.[1] Those averaged only about 10% gem quality, typical of mines overall, but were recognized for their extraordinary luster and brilliance. Although surface finds included a high percentage of broken, cracked, pitted, or carbon-laced specimens, Arkansas diamonds also proved to be of superior industrial grade, much harder than the average.[2] They were relatively inexpensive to produce because of readily available water, wood, cheap labor, and other local resources.[3]

Yet, the mere quality of Arkansas diamonds, however impressive, had little effect on investors. In April 1910 Charles Stifft took a fine display to jewelers in New York City's Maiden Lane district, so they could be shown to importers and manufacturers, and no doubt to financial interests as well. He reportedly told New Yorkers that although the development of the Arkansas field "had been proceeding cautiously," results had been "so favorable thus far that a complete mining plant, similar to that of the De Beers Company," was about to be installed. From this, the *New York Times* inferred the diamond display was an effort to demonstrate "that Arkansas is the coming rival of South Africa."[4]

The jewelers' response, however, underscored the skepticism prevailing outside of Arkansas. "Maiden Lane's experts admitted that the Arkansas diamonds are equal in quality to the best from South Africa or any other part of the world," said the *Times*. "The only differences of opinion were as to whether the volcanic pipe found in Arkansas really contains diamonds in sufficient abundance to make the mines important."[5]

Always uncomfortable with promotion, Reyburn, Stifft, and Cohn now grew even more reluctant to engage in aggressive salesmanship. The aberrant flare of confidence in January 1909 would never be repeated. In the speculative climate of the time, the Little Rock group again appeared curiously restrained.[6]

In contrast, the geologists and other professionals working with the Little Rock trio remained less reserved; and John T. Fuller, the ADC's new director of operations, stood out as the boldest of the group. Drawing from six years experience in South Africa, he believed the surface concentration reflected commercial potential in the undisturbed matrix below.[7] Although his private reports always acknowledged the unusually high yield of the dark topsoil at some point, even in private he usually failed to distinguish between surface and matrix while using test averages as a tentative indicator of commercial success. Fuller's report to the ADC in January 1909, for instance, said at one point, "By taking the very incomplete records which were kept of a few washing operations carried out, the indications are an average yield of 0.21 carats per load of sixteen cubic feet [21 per hundred loads]. This fact, however, has not been sufficiently demonstrated to be accepted."[8]

Using one of South Africa's lowest producing mines as a model, Fuller told the ADC he thought diamond yield on the big southeast slope would be "at least as good as the [current] Jager Fontein average of 0.13 carats per load." Then he restated the standard caveat: "It is to be distinctly understood that sufficient data from this Arkansas 'pipe' has not been obtained to estimate [precisely] on the number of carats per load, and that much data is only obtainable by actually operation [sic; operating] on a large scale for a long period of time." He had used 0.13 carats per load "to illustrate how great the possibilities are."[9]

More noticeably, Fuller's annual reports in the *Engineering and Mining Journal*, 1909-1914, often exhibited a distinct promotional slant—no doubt because the ADC was trying to raise money for his proposed full-scale test. Here, again, he left the impression that limited testing of the pipe had averaged within a high commercial range. In the initial report of January 1909, he wrote, "Test runs from certain parts of the Arkansas pipe indicate at least 0.21 carats per load of 16 cu. ft., which may be considered a most excellent average if it can be maintained." The report for 1910 said that from 145 loads washed in the small test plant, "142 diamonds weighing 53.56 carats were obtained, thus making an average of 0.369 carat per load."[10]

John Fuller's most comprehensive statement appeared in his brief summary of January 1912, written as he gave up full-time employment with the ADC and sought other work. Referring to the ADC's property, he said without qualification: "Five years have now elapsed since the finding of the first diamond on these fields. During this period one 'pipe' has been proved to contain diamonds in payable quantity, the 'washings' to date having shown 28 carats per 100 loads of 16 cu. ft."[11]

Years later, such comments would be taken out of context often, especially by various groups trying to raise money to retest the pipe.[12] But at the time, they had no significant impact on investors. The situation at the Arkansas diamond field was too well known.

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[1] Fuller, "Arkansas Diamond Fields in 1909," 767. As the ADC's mining engineer and then as its general manager, Fuller reported the diamond count along with other significant information about the main field and the deposits in the hills. Fuller's basic information was included in the annual summaries in *Mineral Resources of the United States, 1908-*, Part 2 (Washington: Government Printing Office, 1909-), 815-816, 757-759 (1910 publication), 858 (1911), 1047 (1912), 1037 (1913).

The total number of diamonds recovered during the early commercial era is difficult to estimate. Taking all available data into consideration, about 20,000 seems maximal. Miser and Ross, *Contributions*, 318, reported the ADC's property "had produced about 3,000 diamonds by the end of 1920." Reyburn and Zimmerman, in 1920, simply said, "In an occurrence of peridotite in Pike County, Ark., more than 2,000 diamonds have been found" ("Diamonds in Arkansas," 983). Ferguson, *Minerals in Arkansas* (1922), 56, citing "the best information that is available," reported "at least 5,000 diamonds were found up to the end of 1919" (reported earlier in B. H. Stoddard, "Gems and Precious Stones," *Mineral Resources, 1919*, Part 2 [Washington: Govt. Printing Office, 1922], 170]). The more reliable records for 1920-1931 indicated about 13,000 more from the big slope (Fuller, "Estimate of Unit Value," in "Reports and Information," 36).

Still, some sources have suggested 30,000 to 48,000 for the entire diamond field, and the lower figure is clearly the more reliable within that range (the Arkansas Centennial

Commission's memorial, placed beside the Pike County Court House in 1936, used 48,000). State Geologist George C. Branner's statement in 1942 reflected the general uncertainty as well as the tendency to cite high numbers: "Production figures are incomplete, but it is estimated that approximately 48,000 stones with an average weight of one-fourth carat, have been produced . . .." (Branner, *Arkansas Natural Resources*, 116). Cf. the *Arkansas Gazette's* report in 1949, apparently citing geologists at the State Geology Division: from 1907 to 1930, companies "mined a total of 14,026 stones weighing 7,844.6 carats" (article reprinted as "Corporation Gives Up on Mining Arkansas Diamonds," *Pike County Courier,* November 25, 1949, p. 1).

Although the *New York Times* greatly understated diamond production, it further illustrated the uncertainty in the late 1920s: "The exact production of Arkansas diamonds remains unknown. The Department of Geology asserts, however, that at least 5,300 diamonds have been mined, most of which have been held by the companies mining them" ("Diamond Mining in Arkansas Has Gone on For Twenty Years," March 11, 1928, Sec. 9, p. 10). Cf. an earlier statement of the *Times* : "According to the official reports one of the Arkansas diamond mines has yielded 3,000 stones and another 1,000 in a single year" ("Diamonds Have Been Found in Eleven American States," March 28, 1926, Sec. 9, p. 15).

For further perspective of the difficulty, see Mary L. Gibson, compiler, *Mineral Production Statistics of Arkansas for the Period 1880-1935*, Information Circular 9 (Little Rock: State of Arkansas, Geological Survey, 1936), i, 25, 27, 29, 57, 81, 115 (published as a separate booklet and also in a hardback collection of Circulars No. 7-9, by the Arkansas Geological and Conservation Commission). State severance-tax records provided very limited information about diamond production.

[2] Kunz and Washington, "Notes on the Forms of Arkansas Diamonds, *American Journal of Science* (1907), 276, said of the first 140 or so diamonds collected, almost all from the surface: "Inclusions are present in some of the stones, especially in the gray ones, and are apparently mostly of hematite, and in one case of what appear to be rutile needles. Several of the diamonds show rough and irregular indentations, as if they had formed or been attached to surfaces that were not smooth; while a very large proportion, possibly one half, are fractured."

Miser & Ross, "Diamond-Bearing Peridotite in Pike County, Arkansas," *Economic Geology,* 673, cites A.Q. Millar on the color distribution: whites, 40%; yellows, 22%; browns, 37%; bort, 1%. "Stones have been found with a blue or pink tinge and occasionally a 'frosted' or etched white is noticeable in the recoveries. . . ." (ibid.). "Fragments and fractures are much more noticeable when mining is being done in surface material, but with slight depth in the volcanic ground these features were almost absent" (673-674). Millar's comment about color, tinge, and frost became the standard (e.g., "Diamond Mining in Arkansas Has Gone on For Twenty Years," *New York Times*, March 11, 1928, Sec. 9, p. 10).

Reflecting John Fuller's influence, the *Times* added, "It is claimed that these diamonds are equal to the finest stones mined at the Jagersfontein mine in Africa" (notice George Kunz's similar statement in the *Times*, "Mule That Found Diamonds," July 8, 1923, Sec. 6, p. 5). Fuller used the Jagersfontein, which he knew firsthand, as a comparative model while trying to predict the commercial potential of the ADC's property. Much earlier, in January 1909, he had made his strongest statement about the quality of Arkansas diamonds: "The stones are of exceptional hardness and brilliance, and will bear more than favorable comparison in quality with the diamonds produced in any part of the world" (Fuller, Report to ADC, in "Reports and Information," 26). Such remarks appeared in virtually all reports after 1906. Comparisons usually rated Arkansas diamonds "equal to" or "as fine as," rather than assert superiority.

George C. Branner, State Geologist, later made the most judicious statement about the percentage of gem-quality diamonds: "8 to 10 per cent" (*Arkansas Natural Resources* [1942],116). Schenck and Van Haelen, (infra, "George Vitt's Analysis") and Miser and Ross, *Contributions*, 320-321, are consistent with that estimate. Howard Millar's later comments about gem quality in the Mauney and Ozark Mines have no credibility, especially the "approximately eighty percent" in his memoir (Howard A. Millar, *It was Finders Keepers at America's Only Diamond Mine* [New York: Carlton Press, 1976], 113). When John Sinkankas questioned Millar in the 1950s, the answer was "70% classified as industrials and 30% gem quality" (*Gemstones of North America*, 37).

One of the earliest comments on quality, in 1907, reflected the excitement of that first year. "The remarkable feature of the Pike county [sic] finds up to date, however, is in the larger percentages of marketable gems. . . . Of the 140 diamonds or more found in Pike county, it is claimed that 65 per cent are above the average of marketable gems, and the remaining 35 per cent, although small and off color, are still marketable, it is alleged" ("Diamonds Genuine," *Nashville News,* August 10, 1907, p. 3). *Eventually, this proved true, but not in the regular market: because of their unusual luster and typical polished appearance, Arkansas diamonds in the rough always sold well as souvenirs and uncut centerpieces for jewelry.*

[3] Consulting geologists and mining engineers almost invariably emphasized these cost savings in their evaluations. Fuller to ADC, in "Reports and Information," 28, provided a thorough summary.

[4] "Arkansas Diamonds Here," *New York Times*, May 2, 1910, p. 8; reprinted as "Diamonds of Pike–Passed On By Experts in New York," *Nashville News*, May 7, 1910, p. 2. The display of "real American diamonds" included both rough and cut specimens.

[5] "Arkansas Diamonds Here," *NN,* ibid.

[6] One noticeable instance of promotional phrasing occurred in the published article of April 1920 co-authored by Reyburn and his new mining engineer, after the ADC secured ample funding for a full-scale test. Discussing the problematic gumbo, the authors said: "Examination of this surface material indicates the possibility and probability of a concentration of diamonds, as it contains a concentration of the highly unalterable minerals derived from the peridotite. . . . Numerous test pits have been dug, and during the last fourteen years several thousand loads of the surface clay and gravels, as well as the soft disintegrated rock, have been washed , from which many diamonds have been recovered" (Reyburn and Zimmerman, "Diamonds in Arkansas," *EMJ,* 984).

[7] This was Fuller's conviction from the beginning. His report to Loree in June 1908 concluded: "I am of the opinon, however, that the underlying peridotite will prove rich enough to be worked at considerable profit and that the surface indications fully justify the expenditure of considerable money to prove this to be so" (in "Reports and Information," 19). As other geologists, Fuller failed to understand how much erosion of the pipe it had taken to accumulate that diamond-rich surface layer. While aware diamonds might have washed down the slope to the base, thereby increasing the concentration at that lower level, he failed to consider that under local circumstances diamonds tended to stay in place on the entire slope rather than migrate on down to the river—and thus created a false impression of the yield per ton of eroded material.

[8] Report to ADC, January 1, 1909, in "Reports and Information," 27.

[9] Ibid., 31.

[10] Fuller, "Diamond Mine in Pike County Arkansas" (1909), 155; "Arkansas Diamond Field in 1910," 6. Cf. Fuller's comprehensive mining report of 1931, which listed averages he had available for 1907-1912, including both "surface" and "peridotite" tests (in "Reports and Information," 36). His average in the *EMJ* for 1910 clearly was surface material.

Typically, items in the *Nashville News* simply commented on numbers of diamonds found, without reference to surface or matrix. The dominant surface production is clear, however, in view of the overall record. In 1910, the year of Fuller's 0.369 per ton average, the headlines of May 21, 1910 reported: "11 Diamonds Found–On the Reyburn-Stifft Property in Pike–In One Pan of Dirt" (p. 1). Similarly, "Washing for Diamonds in Pike County," *News*, December 10, 1910, p. 1, commented on the continuing trend on the ADC's property (". . . daily finds of stones are being made, the lowest number found on one day being eight, and the largest thirty-five. The washing is being done with very crude machinery, and is an indication of what may be expected when the modern machinery which has been purchased by the company is installed").

In his circumstances, Fuller, the ADC's general manager, engaged in a practice found commonly among geologists and other mining interests in those days—one that often led writers to either downplay the negative features of a property or ignore them entirely. Sometimes, it was described as "getting up a good report." Fuller, however, was a man driven by conviction and self-assurance: he *believed* the surface represented the commercial potential below—at least it did somewhere on the big southeast slope. As he once put it, "At present the outlook for great progress in these fields during 1911 is not promising although I am confident of ultimate success" ("Arkansas Diamond Field in 1910," 6). John Fuller apparently felt future success would blot out any misrepresentations he might make during these early years.

[11] Fuller, "The Arkansas Diamond Field [in 1911]," 6.

[12] The Arkansas Geological Survey (AGS), for instance, began citing Fuller's 1909 article by 1931, and the AGS's literature was in turn circulated by mining interests ("Extract" from "Outlines of Arkansas Mineral Resources," AGS, 1927, 1931, in II, Periodicals, Crater archive). In his comprehensive report on the ADC's property in 1931, Fuller revealed a bit of displeasure with those already using his statements without qualifying them ("John T. Fuller's Estimate of Unit Value in Carats Per Load, 1931," in "Reports and Information," 35).

Evasive "Big Ones"

The poor average yield of the peridotite matrix was not the only disappointing feature of the big Arkansas mine. In contrast with operations in South Africa and South America, no "large diamonds," usually defined as fifteen carats or more, had turned up by 1912; and although commercial viability depended upon smaller, run-of-the-mill stones, those big ones could generate publicity and stir reconsideration among investors. Yet, the 8.1-carat gem found on the Mauney Mine in 1911 remained the record; before that it was a 6.5-carat, with a number of others only slightly smaller.[1]

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[1] Kunz and Washington, "Notes on the Forms of Arkansas Diamonds, *American Journal of Science*, 275-276, said of about 140 diamonds found to date (time of writing, Aug. 12, 1907): "The largest diamond weighs 6½ carats, and is . . . of an absolutely pure, pellucid white, free from inclusions. . . . Another stone weighs 6¼ carats, several about 5, 4, or 3, and from this they run down to 1/64 carat, the average being probably about one carat." Fuller, "Diamond Mine in Pike County Arkansas" (January 16, 1909), 155, still reported the 6½-carat as the record find; Fuller, "The Arkansas Diamond Field [in 1911]," 6, said, "The most important event of the year was the finding of an 8ˆ-carat white stone on the Mauney tract."

Financial Doldrums: The ADC, 1912-1919

In late 1911, a frustrated John Fuller stopped working full-time with the ADC, remaining involved with the company only as an investor and informal consultant. In 1913, he became a consulting engineer in the Arkansas Bureau of Mines, Manufactures and Agriculture.[1]

The ADC kept processing material at the pilot plant in 1912, irregularly "but always with results in the way of diamonds recovered."[2] The following year, operations effectively halted; Reyburn and his board of directors began pondering the future. These items in the company's balance sheet of April 1914 helped clarify their position:

Cash in Pike County Bank, $10; interest account, $11,521.62; value of rough and polished diamonds left on hand, $3,855.68 and $80l.55, respectively; bills payable, $46,302.82; interest payable, $3,365.97; bank overdraft, $181.83; owed to Reyburn, Stifft, Cohn, Fuller, John Peay, Lee Wagner, and Moorehead Wright, $8,000.[3]

On June 8, 1914, officers of the company convened stockholders in Little Rock to approve a bond issue covering "the present indebtedness and probably $5,000 to $10,000 additional advances." The notice of the meeting expressed disappointment over the lack of support from the public at large: after five years of effort, the company still had failed "to pay out the property and make a thorough test of its value"; four serious attempts with "strong financial groups" had failed because of unsatisfactory offers.[4] With no alternative, stockholders approved a first mortgage on company property to back a maximum bond issue of $100,000, to be initiated at the board of directors' discretion.[5]

About that time, associates in New York City asked Sam Reyburn to come and handle finances for Lord and Taylor, a large and struggling corporation owning a string of department stores.[6] Reyburn had been a director of the American Banking Association and gained stature from that role; but, as he acknowledged years later, the key to his advancement lay in the difficult London negotiations in 1910, where he had the opportunity to demonstrate his abilities to powerful investment bankers. "If it hadn't been for Murfreesboro and London," he said, "I never would have gotten to New York.[7]

Thinking the job in New York would last perhaps six months, Reyburn left the ADC's property in the hands of the man whose honesty and mechanical skills he had learned to respect—Lee J. Wagner, the brother-in-law of John Huddleston. Wagner had sold his farm to Reyburn's group after the discovery and gone to work for them. While overseeing the diamond field after Reyburn's departure, he decided to continue working the surface layer by rigging a large hose to the water supply of the processing plant and flushing the tough black gumbo through sluice boxes. Wagner "was industrious and loyal," a grateful Sam Reyburn said a few years later, "and without our knowledge spent his own money to replace and repair some of our old machinery to get water to the ore area . . .. His efforts met with good success and he paid his own salary and other expenses and had left enough to apply on the high taxes that had been assessed against the property. His recoveries enabled us to demonstrate to people with money that it is very possible that enough efficient work might prove our property to be valuable." To Sam Reyburn, "Mr. Wagner" was "a very exceptional man."[8]

As the war in Europe increased demand for industrial diamonds and at the same time began draining financial resources from the United States, the ADC's board finally issued the approved bonds. In May 1916, the directors authorized $100,000 in $100 and $500 denominations for "developing and mining the property," paying debts and taxes, and otherwise supporting operations. The ADC's properties in Pike County were mortgaged to back the certificates.[9] In the end, Reyburn, Stifft, and Cohn bought almost all the bonds, $66,000 worth out of the $75,100 sold. Fuller and two other old associates either bought some or received them in lieu of salaries due. Only one new name, a minor investor, appeared on the list of bond owners.[10]

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[1] Editorial notes in Fuller's *EMJ* articles trace his shifting positions in Arkansas until 1914. "Qualifications of John T. Fuller," in "Reports and Information," 9-10, lists the full range of activities. For a reflection of his continuing financial stake in the ADC: Pike, 13, 357, Mortgage Deed, September 30, 1919. He held both stock and bonds.

[2] Fuller, "Diamond Mining in Arkansas [1912]," 75.

[3] "Arkansas Diamond Co., Little Rock, Balance Sheet as of April 30, 1914," IV.F.1, Crater archive. At that point, the company owed Lee Wagner only $125. The entries made it clear that at least one-third of payments to lawyers, managers and consultants, including Fuller, had been in stock. Overall, the company's assets and liabilities balanced, with land constituting all but a small fraction of assets.

[4] Letter to Stockholders, Reyburn to W. F. Armstrong, St. Louis, May 1, 1914, I.H, Crater archive; Notice of Stockholders Meeting, for June 8, 1914, IV.F.2, ibid.

[5] Pike, Mortgage Deeds, 10, p. 396, June 1, 1916, recorded the decision at the meeting in 1914.

[6] Obituary, "Samuel W. Reyburn, 90, Dies at Home in Florida," *Arkansas Gazette*, June 8, 1962, p. B1; *Arkansas Democrat*, June 7, 1962, pp. 1-2.

[7] "Mr. Reyburn Traces Life History," *Arkansas Gazette*, April 25(?), 1945, clipping in Biography, Butler Center vertical files, Little Rock. After 1914, Reyburn turned Lord and Taylor into a profitable operation. He became its president in 1916, and that year also assumed leadership of the Associated Dry Goods Corporation. He gave the speech above to the Little Rock Rotary Club, after retiring about three years earlier. He mentioned the London group's concern that the Arkansas field might compete with "the empire's South African mines."

[8] Feature article, "Prepare for Test in Diamond Field," *Gazette*, November 14, 1919, p. 5; correspondence, Reyburn and Wagner, infra.

Wagner's qualities, including trustworthiness, were reflected in Reyburn's reliance on the man and in Wagner's personal investment in the company. But his good reputation around Murfreesboro, where he was still remembered clearly by old-timers the author talked with, is equally telling. An outstanding account came from Alton Terrell, who as a young boy in the mid-1920s often accompanied "Uncle Lee" on daily trips to the mine (notes in author's possession).

Regarding the general trustworthiness of workers, an article in the *New York Times* got to the heart of the matter: "Personal honesty is the first requirement of diamond diggers in Arkansas. Mine foremen employ native labor, most of it white, 'neighbor people' whom all the community knows well and has good reason to trust." ("Diamond Mines are Busy in Arkansas," June 14, 1931, Sec. 8, p. 7). Cf. Washington's and Woodford's early speculation about potential theft, a major problem in South Africa : Henry S. Washington, Report to Sam W. Reyburn, October 30, 1907, in "Reports and Information," 8; E. G. Woodford, Consulting Mining Engineer, New York, to President, Ozark Diamond Mining Corporation, October 28, 1908, 4.

Evidently, Wagner knew of the similar hydraulic mining used in the Western gold fields for decades. Fuller's pilot plant, built in 1909, had a water pump capable of filling its large water tower, which provided enough gravity flow to produce a powerful spray, especially when a large hose fed the water to an adjustable nozzle. While this method broke down the clayey gumbo and concentrated heavy minerals in the sluice boxes, however, it also resulted in significant loss of diamonds, as the author's field work and other digging in the Crater has verified. In the 1980s and early '90s, I and the recreational diamond diggers often shoveled through a thick stream of black silt-clay while putting down holes to reach old buried drainage channels; at the top of this layer, usually in greenish silt, were runs of gravel containing diamonds, mostly very small and typical of surface stones (high percentage broken, fractured, carbonized). A considerable number ranged from about one-fifth carat to a half carat, and occasionally a digger washed out a larger one. The author found this pattern constantly while doing extensive field work between the summer of 1985 and late fall of 1992. Monitoring of the diggers after 1992 found the same pattern until the buried black layer and accompanying gravel stream were virtually depleted. At last observation, in 1998, only a few short runs of the layer remained in the original deep cut of the east drain, seven-to-ten feet from the surface.

No doubt Wagner and others lost diamonds in four ways: some through the sluice boxes; some at the sorting tables (visual inspection of sized material); others, including fairly large diamonds, in sluiced "debris" left out in the field; and a great many through the smallest-mesh screens (the ADC never tried to retain the smallest diamonds, as is especially evident in the average size of those recovered after 1906—about one-half carat).

[9] Pike,Mortgage Record 10, 396-406, Mortgage Deed, June 1, 1916. The five-year certificates, backed by the property mortgage, were payable in gold coin at 6% interest. The bonds and the mortgage were placed with the Union Trust Co. of Little Rock, Reyburn's old firm, for marketing and administration (E. J. Bodman, Secretary, Union Trust).

[10] Record 13, 357, Extension of Maturity, September 30, 1919. This instrument extended the date of maturity five more years, and listed bondholders. Reyburn, still president of the ADC, signed in New York City, then later in Little Rock. Jointly, Reyburn, Stifft, and Cohn bought $44,100 worth; Reyburn and Cohn (individually), $5,400 each; Stifft (individually), $5,900; Reyburn and Stifft "as Trustees," $5,200; John C. Peay, $2,900; John T. Fuller, $1,400; Moorehead Wright, $700; Adolph G. Wigren, $4,100.

The First Big One

By 1917, the U.S. was on the verge of being drawn into the European war, and materials and financing were already flowing into that great event. Wages and prices were rising, making it more costly to try reviving a mining venture out in rural southwest Arkansas. So Lee J. Wagner continued working the surface layer, slowly gathering diamonds and periodically sending them on to Little Rock or to Reyburn in New York.[1] Then in May 1917, a few weeks after the U.S. declared war on Germany, he made a bit of history, himself.

According to records, Wagner was sluicing the surface near the southwest corner of the diamond field when he flushed a gem-quality yellow beauty weighing 17.86 carats. The U.S. Geological Survey team marked the spot on its map, on a small rise later named Canary Hill.[2]

With war raging, the spectacular gem caused scarcely a ripple. But as German forces crumbled in late 1918, Reyburn wrote Wagner asking for ideas about an effective way to step up his little operation. "We think you have done awfully well considering the means at your disposal," he said, "and believe from your experience you could plan a little pumping plant that might enable you and two or three other reliable men, if you could get them, to do some effective washing out of diamonds. You might also send me all the stones you have in your possession."[3]

After Wagner sent suggestions, Reyburn asked for a cost estimate for the plant and its operation. "You see Lee we are talking about a pretty big thing now, and I will not ask the Board of Directors to spend the money until we have made a very careful plan." Reyburn said he had received the diamonds sent on August 3, and asked for any found since.[4]

THE ADC AND THE ARKANSAS DIAMOND CORPORATION, 1919-32

The big canary diamond found in 1917 no doubt helped stir this renewed interest, but it was the end of the World War that suddenly gave Reyburn's ADC the opportunity sought for a decade. Massive war industry had consumed diamonds and driven up prices, and now peace was freeing material, manpower, and money for all sorts of domestic ventures.[1] It was the onset of an era of speculation and risky investment. Now, that $75,100 of bond money seemed like pocket change: the ADC had financial sources ready to provide everything it needed for the full-scale test Fuller had proposed a decade earlier. In July 1919, those involved organized the Arkansas Diamond Corporation and chartered it in Virginia with authorized capital of 1,000,000 shares at $10 par value.[2]

One of Reyburn's financial associates in New York, Thomas Cochran, is sometimes recognized as the principal organizer of the Corporation.[3] Yet, Sam Reyburn, himself a respected executive in banking and finance, remained central to the effort, and as a result the Arkansas Diamond Company retained ownership of its property and control of the operation in Pike County.[4] As company officials and the State of Arkansas agreed in a later court case, the Virginia Corporation owned no property in the State of Arkansas and had "not done business therein."[5] Assuring things remained in the hands of the Little Rock group, Reyburn soon headed the Corporation as well as the Company. Formally, he conducted business as president of the Corporation, working from his office in New York City.[6]

In effect, the Corporation became a full financial partner of the Arkansas Diamond Company—not merely lending money for expenses, but also handling investments for both entities. Integrating all stock, the Corporation exchanged 176,320 of its own shares, $10 par value, for virtually all of the Company's 8,848 shares. Suddenly, on paper at least, Lee J. Wagner and a few others could feel like wealthy men.[7] The market value, however, was reflected in the Corporation's sale of 332,533 shares at $1 each, which brought in enough money to assure a full-scale test while leaving 491,147 shares in reserve.[8]

The Company had only its land and diamond collection to use as collateral for the Corporation's loans, and Reyburn and a few close associates already had gotten a first mortgage on the land in June 1916 when they purchased $75,100 worth of five-year bonds to fund the ADC. So the bond lien served as basic collateral. Because the bonds would mature in less than two years, Reyburn and associates cleared the way for a collateral agreement by signing an early five-year extension of the lien. The new maturity date, 1 June 1926, allowed ample time for the planned test.[9]

As preparations for the big test began, in August 1919, expectation revived around Pike County. "The diamonds are here," the *Pike County Courier* declared, "and we hope the mining industry will be carried on to the extent that all Arkansas will profit thereby." In early September, news of the ADC's "reorganization" and $10,000,000 of capital stock "caused considerable excitement," as the *Nashville News* put it.[10] And this time there was no doubt a big project was underway. Heavy machinery had been ordered; crews were working to hard-surface the road from Murfreesboro's railway depot to the mine. In the office of the *Courier*, a writer envisioned an explosion of jobs and economic growth like that in South Africa, where thousands were put to work. "If the Murfreesboro mine is ever worked to that extent, and we can see no reason why it should not, we will yet get a place on the map," he told readers.[11]

In mid October the first two carloads of equipment rolled in. Then others, bringing all sorts of machinery—machinery for a saw mill to produce timbers and lumber for construction, a massive 100-horsepower engine, a huge dryer for the plant . . . "Specially constructed trucks" had to be made to transport such items.[12] By mid December the *Pike County Courier* radiated confidence:

Work is being carried on at the mines regardless of weather conditions, and the 'prophets' who once thought the mines would never be worked are seeing what their predictions were worth. Other big interests are making plans to come here, and there is some talk of a $100,000 local corporation being formed to launch a big business enterprise. Real estate transfers are becoming common occurrences now, from the realization of the stability of the town and its assured growth. Again we say, if you are looking for investment don't fail to visit Murfreesboro . . .[13]

Indeed, as a later and even more effusive article in the *Arkansas Gazette* said, Pike County seemed "Destined to Become a Great Golconda," a leading center of diamond production. Also delighting the *Courier's* editor, the *Kansas City Star* repeated the Golconda imagery and suggested the foreign interests controlling the diamond industry were concerned they might be "seriously challenged by a handful of rugged, low-lying hills in Pike County, Arkansas." Reyburn's original consultant, the eminent George F. Kunz, also seemed to feel vindicated, declaring that "mining for diamonds in the United States has actually begun."[14]

In January 1920, the venture began constructing a large processing plant at the base of the southeast slope. The company planned to test approximately 100,000 loads of peridotite "rock" from the matrix and 50,000 loads of the tough surface clay. The plant was designed to handle both types of material *separately*, as Reyburn and his new general manager, Stanley H. Zimmerman, pointed out in an article in the *Engineering and Mining Journal* in April 1920. Their flow chart showed a dual system, with the humus-enriched surface gumbo passing through a heated chamber ("dryer") before dropping into a standard fourteen-foot African-type washing pan. Experiments had shown that thorough drying seemed to disintegrate humus fibers; sudden saturation with water then loosened the clay particles more easily, letting the material break down into a thin mud when stirred in the pan.[15] If the material dissolved properly, diamonds and other heavy solids sank to the bottom of the pan, ready for screening and sizing. The new plant handled the jigging and sizing separately from the treatment of matrix material.

In the article, Rayburn and Zimmerman wrote candidly about one central point. What really counted was not the yield of diamonds from the thin surface layer: ". . . the real test will be made upon the rock, and the future of the mine will depend upon the yield of diamonds from this source."[16] Previously, a joint statement indicated it would take eighteen months of "hard and accurate work" before Arkansans learned if they had a viable mine or only a diamond pipe that was "just an interesting occurrence in geology."[17]

The five-story plant was essentially completed in July-August 1920, at a cost of about $125,000. During limited trial washing, there was news of unspecified problems with some equipment; and yet at one point the crew still managed to recover twenty-four diamonds, totaling fourteen carats, from a one-hour run.[18] That yield, along with the reported problems, suggested that from the start the ADC had trouble with the surface gumbo.

Nevertheless, local expectations kept soaring. If the test proved successful, said the *Courier* in September, "many more mines would install machinery and begin operations. Citizens owning farms in that section would become rich overnight." Murfreesboro—"staid old Murfreesboro"—would become "the metropolis of Arkansas." In December, the editor was already projecting the ADC's development of a larger, permanent facility "giving employment to thousands of men."[19]

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[1] "Up to May, 1919, the United States was buying more precious stones than all the rest of the world put together. The demand for all grades of diamonds from 'chips' to stones of the finest quality, continues in excess of offerings. The shortage of diamonds . . . is most marked in small stones" (B. H. Stoddard, "Gems and Precious Stones," in *Mineral Resources of the United States, 1919*, Part 2 [Washington: GPO, 1922], 171). The article cited *The American Jeweler*'s report that "the price of diamonds has increased almost 100 per cent in the last year" (ibid.).

[2] "Certificate of Incorporation of Arkansas Diamond Corporation," July 30, 1919, Virginia State Corporation Commission Charter Book, Vol. 102, RG #112, Barcode 1087200, p. 501 (also Vol. 169, RG #112, Barcode 1087292, p. 420). On May 12, 1933, the Articles and some of the related filings were also registered in Arkansas (Arkansas, Secretary of State, Corporate Records, EL Box 81, File No. 328). The original organizers set maximum capitalization at $10,000,000 and par value of shares at $10. Richmond, Virginia, was designated the principal corporate headquarters. B. A. LaBarge, New York City, was initially president, with J. A. Mowen of Brooklyn vice-president and H. H. Chalkley of Richmond Secretary-Treasurer; directors included Mowen, LaBarge, and Thomas W. Yeakle of New York City. As usual, this was an initiating group: Reyburn and close associates quickly assumed control (infra).

[3] Cochran's role in the Arkansas venture is mentioned periodically in the literature after the mid-1920s. The "Historical Summary of Arkansas Diamond Corp. of Virginia," in "Reports and Information," 2, was among the first to comment (not altogether correctly). The writer, or his source of information, said the ADC was "reorganized" under the laws of Virginia in 1919. "This [new] company was controlled by Mr. Cochran and his associates. A Mr. S. H. Zimmerman was employed by them to take charge of operations." Cochran, "later a partner in J. P. Morgan and Co.," advanced money to the venture in return for a "mortgage," and in 1927 foreclosed. The writer said Cochran, in 1911, had "purchased a minority interest" in the Arkansas Diamond Company; but there is no available evidence of that.

In 1920, Reyburn and Stanley Zimmerman offered a simple statement covering the event: "In the summer of 1919 the owners [of the ADC] succeeded in interesting a number of their friends, chiefly in New York, who have put up about $250,000" ("Diamonds in Arkansas," *EMJ,* 984; also, "Prepare for Test in Diamond Field," *Arkansas* Gazette, November 14, 1919, p. 5: "This spring proved to be a better time to obtain money than we have had heretofore, and many of our friends knowing fully of our proposition, have put up a large sum of money to enable us to go forward with the testing"). John Fuller also explained it briefly in his public speech in Little Rock in 1928: "Finally Mr. Reyburn in New York succeeded in interesting capitalists who he could trust and who did not seek to control the property" ("Public Statement," in "Reports and Information," 33 [which erroneously dated the speech as April 7, 1929]).

No doubt Cochran was the major investor in the Corporation—he certainly had the resources (see the later summary of his personal wealth, "G. G. Bernard Left Estate—Morgan Partner [Cochran] Left $7,323,203," *New York Times,* July 12, 1940, p. 13). For general information: "Thomas Cochran, Financier, is Dead," *New York Times,* October 30, 1936, p. 23; "Thomas Cochran," *National Cyclopedia of American Biography,* 27, pp. 368-369. An associate of Sam Reyburn in New York, and about the same age (born March 20, 1871), Tom Cochran was known as an easy-going and affable member of the financial community—much as Reyburn, himself.

In 1917 Cochran became a partner in the powerful banking firm of J. P. Morgan & Co., which was involved with a wide array of national and international interests, including some majors in the diamond industry. After 1919, the link with Morgan & Co. inevitably generated more suspicion among critics of Reyburn's venture in Pike County: again, it seemed the international diamond syndicate was in control; the eventual failure of the new test seemed to confirm a conspiracy to keep Arkansas diamonds out of the market (Gross, "Incredible Mystery," 99-100, was an outstanding example of the theory; also infra, "Frustration, Suspicion, and Taxes"). Cf. Millar, *Finders Keepers*, 60ff.

[4] Property deeds remained with the ADC. No lien on the ADC's property appears in Pike County records except the original bondholders first mortgage (supra, "Financial Doldrums").

The Company was never simply absorbed into the Corporation or "reorganized" as the Corporation. It retained the deeds to properties until it finally went out of business in July 1930, liquidating its assets (infra, "Inactivity and a Change of Leadership").

[5] Pike County Chancery Court, "State of Arkansas vs. Arkansas Diamond Corporation," case no. 1444, 30 December 1926, file drawer 35 (storage room, third floor of the County Court House). Initially, the State filed a minor claim against the Corporation, reflecting the general perception that it had displaced the Company, but amended the petition upon determining the Company's status (the initial pleading is not in the file; the corrected decree repeated the award to the State, $2,500).

[6] Reyburn's position as president of the Corporation was soon publicized, as in the editor's introduction to Reyburn and Zimmerman, "Diamonds in Arkansas," *Engineering and Mining Journal*, 109, No. 17 (April 24, 1920)*,* 983. For other instances, see Reyburn, letter to stockholders, March 20, 1924, "Misc." box, Crater archive; Schenck & Van Haelen, New York, letter to S. W. Reyburn, President, Arkansas Diamond Corporation, New York City, Dec. 8, 1926, copy in "Reports and Information," p. 37.

[7] Sam W. Reyburn, President, Arkansas Diamond Corporation, letter to stockholders, May 29, 1928, I.N., Crater; Wagner's Stock Certificates, II.A, Crater. Lee Wagner received certificate No. A309 for 1,000 shares on December 23, 1919, and No. A3086 for 200 on November 14, 1921. No. A4640 for 1,200 shares has an illegible date (June 26, 19?). In the letter above and in

a few other documents, Reyburn simplified the Company's relationship with the Corporation by simply calling it a subsidiary.

Although the Corporation's articles (supra) included no specific reference to the Arkansas Diamond Company, the long document provided sweeping powers to pursue diamond exploration, mining, and marketing. Its "further and additional powers" allowed wide latitude in financial arrangements with other corporations, including authority to "purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of the capital stock or any bonds, securities, or evidences of indebtedness of any corporation . . .." (4). Moreover, it could "make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures and other obligations, . . . for any purpose in or about the business of the Company," and also "aid by loan, subsidy, guaranty, or in any other manner whatsoever, any corporation whose stock, bonds, securities or other obligations are in any manner owned, possessed, held or guaranteed by this corporation" (4-5). The Corporation further authorized itself to "acquire from time to time, in exchange for the shares of the capital stock, or the bonds or debentures of the company . . . such property or shares of the capital stock of any other corporation or corporations . . . at such valuation as in the judgment of said board shall be fair and just" (4).

[8] Reyburn to stockholders, May 29, 1928, I.N, Crater.

[9] Pike, Mortgage Book 10, 396, original Mortgage Deed, June 1, 1916 (supra, Financial Doldrums); Book 13, 357, Extension of Maturity, September 30, 1919. The extension was drawn up in New York City and signed by Reyburn and Adolph G. Wrigren, two of the seven original bondholders, on October 22. Charles S. Stifft, Albert D. Cohn, and Moorehead Wright signed in Little Rock October 28; John C. Fuller, in Little Rock November 13; John C. Peay, in Murfreesboro November 17. The instrument assigned J. C. Pinnix, Murfreesboro, as an agent to assure it was then filed at the Pike County Courthouse.

Although Cochran, and undoubtedly other New York investors, clearly gained an interest in the bond lien (infra, "Inactivity and Change of Leadership"), available documents include no contract or other collateral agreement. Neither the original mortgage nor the extension indicated a transfer of lien or a second lien. According to Pike County records, Reyburn's group of seven still owned the bonds; the Union Trust of Little Rock remained trustee until 1928, when the bonds finally were acted upon in New York. For key evidence of the New York investors' interest in the bonds, notice that the administration of the bonds was switched, in January 1928, from Union Trust of Little Rock to a new Trustee in New York when legal action was taken there to enforce the bond lien (infra, "Inactivity and Change,"). Also notice that although the mortgage bonds reportedly were paid off in 1928, the marginal notation on the mortgage deed was not entered until June 21, 1937, indicating the New York Trustee still held some related obligations (marginal notation, top or original Mortgage Deed). Consistent with that delayed filing, the ADC's property deed to the Corporation in 1930 was held back until June 21, 1937 (Pike, Deed Book 56, 169, Warranty Deed, Arkansas Diamond Company to the Arkansas Diamond Corporation, July 9, 1930 [filed June 21, 1937]); Arkansas Secretary of State, "Certificate of Dissolution of the Arkansas Diamond Company, July 12, 1930, Arkansas Secretary of State, Corporate Records, File 478, attached to Record 1-15-540.

The ADC's diamond collection clearly was committed to the financial maneuvering. On September 6, 1919, the Arkansas Diamond Company, Murfreesboro, sent eighty diamonds to Sam Reyburn in New York, including the 17.83-carat canary yellow Lee Wagner found in 1917 ("80 Pike Diamonds," *Nashville News*, September 10, 1919, p. 2). The canary and other choice stones eventually ended up in a private collection donated to the Smithsonian. After the big test ended in late 1922, the Company pledged its current diamond collection as collateral for loans "to meet pressing debts and current expenses" (Reyburn to Stockholders, May 29, 1928; infra, "Inactivity and Change"). Nevertheless, the combined collateral value of the bond lien ($75,100) and the diamonds ($21,000) was less than half the amount finally spent on the big test—which ran at least $276, 470 (Reyburn to Stockholders of the Arkansas Diamond Corporation, March 20, 1924, in "Misc." box, Crater archive). Basically, the financing of the venture rested upon the credibility of Reyburn's original group and the wealth and risk-taking that characterized the postwar economy.

Later, Reyburn provided a long, detailed summary of events in July 1919-May 1928. When mentioning the use of diamonds as collateral for loans, he referred to "the holders of the notes, who also owned the bonds of the Company," but gave no further clarification (Reyburn to Stockholders, May 29, 1928). Cochran clearly was involved with the diamond notes as well as the bonds.

[10] "Diamond Mines May Open Soon," *Courier,* August 8, 1919, p. 1; "80 Pike Diamonds," *News*, September 10, 1919, p. 2. Engineers "from the diamond fields of South Africa" had inspected the field and left the previous week (*Courier*).

[11] "Diamond Mines May Open Soon," *Courier,* September 5, 1919, p. 1. Ibid. and *News*, September 10, for comment on machinery and roads.

[12] "Machinery for the Diamond Mine," *Courier*, October 17, 1919, p. 1 ("two carloads"); "Machinery is Arriving for Diamond Mines," *News*, October 18, p. 1 (shipment came from Aldene, New Jersey); "Machinery Arriving," *Courier*, November 28, p. 1 (saw mill); "More Diamond Machinery Here," ibid., December 19, p. 1 (engine and special trucks); "Two Cars Machinery Received," ibid., January 30, 1920, p. 1. These fail to mention the dryer, but the task of moving that object from the depot to the mine is well documented by photos in the Mauney Records, Murfreesboro. According to John Peay, general overseer of the ADC's operation, all the machinery was manufactured in the United States without difficulty (Peay, Affidavit for *Millar, et al. v. Bettie L. Mauney, et al.*, June 11, 1920, "Misc." box, Crater archive).

[13] "More Diamond Machinery Here." An expanded pronouncement followed in January 1920: "The magnitude of this gigantic industry is becoming more apparent with each succeeding car load of machinery. The experimental days of the industry have passed . . .. Before you know it Murfreesboro will be a thing of note. All we need to do to accomplish this is to let the outside world know what we have got. It is not all diamonds. We have immense quantities of kaolin (a fine clay), gypsum, asphalt, and other minerals, besides being one of the finest agricultural and fruit raising districts on earth. A delightful and healthy climate, surrounded by all these things and more, among good thrifty people, is enough to create envy . . ." ("Two Cars Machinery Received").

[14] Fletcher Chenault, "Pike County Destined to Become a Great Golconda," *Gazette*, October 4, 1920, pp. 4, 9; article, no date indicated, *Kansas City Star,* reprinted as "The Pike County Diamond Mines," *Courier*, September 24, 1920, p. 1; Kunz, "Precious Stones," *Engineering and Mining Journal* (1921), 160.

[15] Reyburn and Zimmerman, "Diamonds in Arkansas," 985. "The charring and burning of the vegetable matter no doubt opens pores through which the water enters, thereby wetting the surfaces of the grains of sand and crystals to such an extent that the bond is broken and the thin mud or paste results. The diamonds and associated minerals readily settle to the bottom of the pan, and the concentrates from this point on are separately treated exactly the same as shown in the rock-treatment flow sheet. The process of drying will be accomplished by a 6 x 50-ft. direct-heat rotary drier, fired either by coal or wood" (ibid.).

The dates plant construction began and ended were clarified in affidavits for a law suit provided by Stanley Zimmerman and John C. Peay, general overseer of the ADC's operation (Affidavits, June 11, 1920, "Misc." box, Crater). Ground preparation for the plant began January 1919; construction, the following month; and "active washing of material," about August.

[16] Ibid. Apparently drawing from company information as well as this article, the *Philadelphia Public Ledger*, Sunday edition, covered the test. At one point it said, "There are 2,000,000 to 3,000,000 tons of the decomposed clayey stuff overlying the mouth of the pipe, and this will be washed for diamonds—profitably, it is hoped. But the real test of the future of the mine as a producer of the sparklers will lie in the outcome of the rock-crushing operations" (undated clipping, Box IV.E.5, Crater archive).

[17] "Prepare for Test in Diamond Field," *Arkansas* Gazette, November 14, 1919, p. 5.

[18] Zimmerman, Affidavit, ibid. (cost); "Stockholders Visit Mines," *Pike County* Courier, September 3, 1920 (operation). When the plant was "practically finished," Zimmerman stated the cost at about $125,000, a figure reflecting the extra expenses incurred because of bad weather and reliance upon unskilled labor. This was consistent with other knowledgeable sources. Published comments about "a half million dollar diamond crushing and washing plant" apparently were based on estimates of maximum spending for the entire testing program (e.g., "Operations to Start Soon in Diamond Fields," *Nashville News*, April 7, 1920, p. 1, citing Charles S. Stifft). The plant complex also had an office building, machine shop, and gasoline station ("Stockholders Visit Mines").

In late October Zimmerman guided some prominent stockholders through the plant, including Charles and P. W. Stifft, J. F. Loughbourough and wife, L. R. Kauffman, E. B. Hamilton, Charles Seymour and J. B. Bateman, all of Little Rock. According to the *Courier*, the group left feeling assured the mine would "prove to be a paying proposition" ("Stockholders Visit Mines").

[19] Ibid.; "May Enlarge the Diamond Plant," *Courier*, December 17, 1920, p.

The Big Test, 1920-1922

Ordinarily, a full-scale test would involve samples taken from large pits spaced systematically across the field, as Fuller had proposed in 1908. Material from each pit would be taken carload by carload to the plant for careful processing. This way the engineers would know precisely where diamonds came from and could judge the general quantity and quality at the spot. In previous testing, however, Reyburn's operation had generally followed the standard procedure, and had consumed time and money for very little return except from the natural concentration of diamonds on the eroded surface. Covering the thirty-five acre slope satisfactorily with a grid and pits might be conducive to good recordkeeping, but was it necessarily the best method for gathering and processing the huge tonnage required for a full-scale test of this particular property?[1]

To excavate the peridotite rock, Sam Reyburn and Stanley Zimmerman chose to use trenches instead of pits and a dragline bucket scraper in place of tramcars. Four wide trench lines were staked out, beginning at a single point near the plant and radiating upslope some 1,200 feet. Three branched northward across the main part of the diamond field; the other angled more westward, providing a sampling of the two harder types of peridotite as well as the volcanic breccia (the plant finally included a crushing unit). After the surface layer was removed, the rock matrix was prepared by drilling holes and inserting "30 per cent ammonia dynamite fired by electricity." Then the big dragline scraper, pulled with the steam engine at the plant, eventually cut the trenches to a depth of some twenty feet.[2]

In the big plant, however, the surface material still proved frustratingly hard to break down. The black gumbo dissolved to a certain extent, but then tended to roll into little balls, usually with solids concealed inside. Run over the grease table, these simply passed through.[3] Only simple "hand washing," with a set of screens in a tub, could break the clay down completely: surface soil was manually stirred and forced through each screen, "sizing" the material progressively smaller. If the mesh of the bottom screen was fine enough, virtually no clay balls survived as tailings.[4] But hand washing, alone, could hardly suffice in a full-scale test; Zimmerman and his plant manager, M. J. ("Scotty") Eunson, had to come up with a faster, yet reasonably efficient solution. Without the diamonds from that rich surface layer, the overall operation would seem anemic, to say the least.

In late December 1920, the plant shut down for over two months so the equipment could be adjusted. About sixty workers, mostly from Murfreesboro, were sent home.[5] After restarting, the operation lasted only about two months—just long enough to produce rumors of large diamonds and again raise hopes that the development of local resources might "become a reality instead of a dream."[6] Then Zimmerman closed the plant indefinitely and went to England and South Africa to study methods and machinery.[7]

New machinery began arriving at the mine in July 1921, including a new crusher to improve treatment of the harder rock matrix on the west side of the test area.[8] Awaiting Zimmerman's return, as well as remaining shipments of surface-mining equipment, field crews used "small hand washing operations" to work a selected area of the slope above the plant. They focused on sand-and-gravel deposits where natural erosion had left a concentration of heavy minerals, and hit what must have seemed a small mother lode. In one two-week period, they washed 48.0 carats of diamonds from 100 loads; in another, 33.0 carats from 100.[9]

That 48.0-carat batch proved doubly exciting when it produced a record diamond. Described as "a fairly good 20.1+ carat white stone," the find was hastily evaluated at $10,000, uncut.[10]

In October 1921, Zimmerman and crew finished setting up a new surface-mining operation. Switching to the small plant nearby, the one John Fuller built in 1909, they modified the screens, added a grease table, installed a water pump and engine, and then ran a flume from the plant out into the field. Instead of merely washing the surface layer through a sluice box, powerful water hoses flushed it down the long chute to a holding pond. The saturated, broken down material was scooped up and sent through the simple screen-and-jig processing plant.[11] In a general sense, the ADC had gone back to the method Lee Wagner used previously.

Sam Reyburn visited the mine in early December and found it "running at full capacity." And, for the first time, the hydraulic mining operation was treating the gumbo thoroughly. Understandably, the *Pike County Courier* lauded the man whose "faith and influence" had created the foundation of a promising future. The paper again projected images of a much larger mining operation that would employ "hundreds of employees and would insure Murfreesboro of a rapid growth." The company, its success now "an assured probability," seemed on the verge of paying large dividends on its stock. There were rumors that the company, if profitable, intended to build homes near the mine for its employees.[12]

As the eighteen-month test period ended in late spring of 1922, work halted except for the "placer mining" on the surface. "Many men were thrown out of employment by the stopping of part of the machinery," the *Courier* reported in May, "but there still remains a large force at work and from rumors we understand that operations may open again in full blast within a few weeks."[13] After that, the rumors continued, but in a few months it was clear the test of the matrix was over and the big plant had closed.[14]

Only one record of the test results is available, John Fuller's comprehensive mining report of 1931. As expected, the surface yield ran much higher than that of the matrix, even though the problems with the gumbo reduced the overall average considerably. The yield of the basic run of matrix—0.38 carat per 100 loads—to some extent reflected the effect of unproductive rock out in the west trench, beyond the breccia. If Fuller's figures were correct, however, the abnormally low yield mostly indicated the loss of small diamonds: only 253 diamonds weighing 176.07 carats were recovered from 45,961 loads of pure peridotite, for an average size of 0.70 carat, well above the ADC's historical average of almost 0.50 carat. This either meant a loss from faulty processing or, more likely, reflected the mesh of the smallest screens used in the plant to size the rock.[15]

Later, John Fuller and others insisted the low yield of the matrix resulted from inefficient management and faulty processing—Zimmerman was simply inexperienced and inept. "When I watched the plant a few times," Fuller said, "there was a tendency to rush the material through the plant. . . . The way the equipment was put together and the haste with which the material was run through the plant led to the loss of diamonds."[16] Some critics suspected the test had been designed to fail: DeBeers and the international diamond cartel supposedly had managed to suppress the Arkansas mine.[17] Yet, the fundamental problem lay not in management or machinery, but in the consistently poor performance of the matrix. Whatever losses occurred during processing derived overwhelmingly from the surface material; and as Reyburn and Zimmerman acknowledged at the beginning, that thin layer had a very short commercial life span.

[1] Reyburn and Zimmerman understood the difficulties of extracting diamonds distributed at random in the expansive matrix. See their long discussion in "Diamonds in Arkansas," *Engineering and Mining* Journal, 984-985 (section headed "Ratio of Concentration in Diamond Washing 14,500,000 to 1"), which was preceded by essentially the same treatise in "Prepare for Test in Diamond Field."

[2] "Diamonds in Arkansas," 985; Fuller, map, "Prairie Creek Peridotite Occurrence"; photos, 23-1, 23-24, 23-26, and 23-87, VIII, Crater archive. Number 23-1 is a three-shot panorama of the four cuts, with the plant's water tower and outbuildings nearby. A few photographs are also in the Mauney Records, Murfreesboro.

[3] Sources in the following endnotes made it clear the surface layer was the basic problem, but the balling was not mentioned specifically until almost a year after the big plant closed permanently: "15,000 Gallon Tank Falls at Mine," *Pike County Courier,* August 17, 1923, p. 1. The piece referred to the current mining of the surface layer, "which they were unable to mine properly in the big plant on account of the dirt balling up and passing over the grease board."

[4] "Hand washing" appeared noticeably in the sources, after 1920 and in previous years as well. The photographic record best clarifies the equipment. Experience washing the clayey material during recreational digging at the Crater leaves no doubt the balling would have been an insurmountable problem in the automated equipment of the big plant, especially in the finer-mesh screens (where clay bits would be retained and keep rolling around, gathering additional solid particles).

[5] "Diamond Plant Ceases Work," *Courier*, January 7, 1921, p. 1 (at first, said "probably 65 or 75" laid off); "Diamond Mines May Open Soon," ibid., March 4, 1921, p. 1 (corrects: "The mine ceased operating in December and about 60 men were thrown out of employment. Most of the employees are residents of Murfreesboro . . .")

[6] "Diamond Mines Attracting Attention," ibid., March 18, 1921, p. 1. The article cited State Representative Ebel's statement about diamonds weighing "80 carats" and "18 carats," reportedly found on the ADC's property. An informed source denied the first. At varying times, other published items also referred to diamonds of eighteen carats (statement of Sam Reyburn, in "Prepare for Test in Diamond Field," *Arkansas Gazette*, November 14, 1919, p. 5: without mentioning the color, Reyburn said the diamond weighed 18¾ carats and sold in the rough for $100 a carat, which was much less than the value of the canary yellow found in 1917); "Big Stone Found at Diamond Mine," *Gazette*, October 9, 1921, p. 1, reprinted as "Rich Find at Diamond Mine," *Courier*, October 14, 1921, p. 1: while reporting a 20¼-carat just found at the mine, the article referred to the previous record diamond, "a perfect white stone weighing 18.3 carats, [which] was sold in the rough for $6,800 to Tiffany of New York").

[7] *Arkansas Oil and Mineral News,* reprinted as "Drop in Diamonds," *Courier*, May 27, 1921, p. 1.

[8] "New Diamond Machinery is Arriving," *Courier*, July 22, 1921, p. 1

[9] "Big Stone Found at Diamond Mine," *Gazette;* "Rich Find at Diamond Mine," *Courier.* Zimmerman described the finds. Fuller's composite mining map of 1931 outlined the surface workings of 1920-1922, north of the big plant and looping around the smaller area where Lee Wagner washed out the big canary yellow gem in 1917 ("The Prairie Creek Peridotite Occurrence, Showing the Arkansas, Ozark and Mauney Mines, with Surface Workings, Topography and Approximate Locations of Intrusive Rocks," December 1931, large folded map, VI.3, Crater archive; microfilm).

[10] "Big Stone Found at Diamond Mine"; "Rich Find."

[11] Ibid.; cf. O. L. Brace, Petroleum and Mining Geologist, Camden, Arkansas, report to Gordon Ingalls, McWilliams Bldg., El Dorado, Arkansas, October 17, 1923, "Misc." box, Crater.

[12] "Prominent Visitor Here," *Courier*, December 9, 1921, p. 1.

[13] Brief untitled item, *Courier*, May 19, 1922, p. 2.

[14] The composite mining map accompanying Fuller's report of 1931 used October 1922 as the break between the test and the continuing surface operation with the small plant (Prairie Creek Peridotite Occurrence, supra).

Shortly before his death, Sam Reyburn commented publicly about the test: "I decided to send Zimmerman to South Africa to observe and, through my Morgan contacts, got letters of introduction to the De Beers people. He came back and we kept going until 1922, when we gave up. . . . I offered to quit as president, but the stockholders wouldn't let me" (Gross, "Diamond Mine Mystery," 99). Reportedly, Reyburn testified during a court case in 1925 that he also put his stock up for sale, and that his wife, the only bidder at public auction in New York, got them for 5¢ a share ("Diamond Operators 'Inefficient,' Avers State, Resting Case," *El Dorado Daily News,* October 16, 1925, pp. 1-2).

In late 1923, an engineer visiting the mine reported the "manager" told him the company planned "to remodel the large plant and resume operations in the near future" ((O. L. Brace, Petroleum and Mining Geologist, Camden, Arkansas, to Gordon Ingalls, McWilliams Bldg., El Dorado, Arkansas, October 17, 1923, "Misc." box, Crater archive).

[15] Fuller, "Estimate of Unit Value—2. Tests of Diamond Contents in Arkansas Mines," in "Reports and Information," 36. The report used only one entry for the period of testing (October 1919-October 1922) and the following surface mining (October 1922-July 1925): "Oct. 1919-July 1925." The composite mining map accompanying the report divided the two.

Although Fuller's two entries for surface mining were labeled "Surface and Peridotite," the latter probably indicated that some of the softened green matrix immediately underlying the humus-enriched "black ground" had been taken along with that layer and its heavy minerals, particularly during hydraulic mining. Recreational digging in buried drainage channels at the Crater often have shown a thick black layer of wash overlain by a thin green band. The black layer consisted of light clay soil and very small gravel, and was virtually barren of diamonds or other heavy minerals. The green held larger, heavier gravel and rock, and consistently produced diamonds. This indicates the lighter humus material washed ahead, forming a layer in the drainage cut, while the heavies lagged behind.

[16] In his speech in Little Rock, April 7, 1928, Fuller said in his opinion the results were negative "because the work was improperly done. The property today is just as valuable and is in exactly the same position so far as its prospective value is concerned as it was when I first saw it in 1909. All of the money that has been spent on it, in my opinion, might just as well be thrown into the Arkansas River because results were not obtained in the right way" ("Public Statement," in "Reports and Information," 33; also see "Historical Summary," ibid., 2: "This work, as supervised by Zimmerman, proved commercially unsuccessful, due to the failure to apply known methods of testing diamond bearing areas").

As some critics said, Zimmerman's experience before 1920 was in other kinds of mining, and he himself acknowledged he had been a mining engineer only seven years (Affidavit, ibid.). Yet, he was hardly ignorant of diamond-processing methods, as the article in the *Engineering and Mining Journal* demonstrated (Reyburn and Zimmerman, "Diamonds in Arkansas"). In May 1931, Zimmerman wrote a letter of recommendation for his long-time foreman who had joined him in Murfreesboro in 1919, M. J. ("Scotty") Eunson. Zimmerman mentioned both his and Eunson's mining experience in South America and elsewhere. He indicated he was a manager in those jobs, with Eunson as foreman (copy of letter, S. H. Zimmerman, Murfreesboro, to [name blacked out], Denver, May 6, 1931, Conway papers, Pike County Historical Society archive, Murfreesboro). Zimmerman's affidavit of June 11, 1920, stated he had received his education at the Michigan College of Mines.

[17] Howard Millar dominated this school of thought. His memoir was especially blunt toward Zimmerman, whose operation "was not designed to find many diamonds." To Millar the reason seemed clear: "Looking back, I can see why he did not avail himself of any help I offered. I also understand why he had so few security arrangements around his recovery equipment. I strongly believe that he was sent to Murfreesboro with instructions to 'prove' the field to be potentially non-productive of profit. Thus the diamond syndicate would face less possibility that others would finance operations by my father and myself, operations that might prove competitive to the syndicate" (*Finders-Keepers*, 60-6l).

Martin Gross's equally imaginative article reflected the broader suspicion reemerging after World War II ("Incredible Mine Mystery," 99). Gross cited Howard Branch, a New York diamond merchant who had cut some of the ADC's diamonds: Branch "intimates that Zimmerman's giant flop may not have been accidental. 'What better way to discourage future mining than make a big show and have it fail?' he asks. Zimmerman, despite his failure, reportedly turned up in an important New York executive position."

Lee Wagner's Heyday

Closing the big plant, the ADC continued the assault on the diamond-rich black gumbo. The field crew wielded water hoses powered by gravity flow from the plant's large water tower, and began steadily flushing the dark surface material, stripping the field down to the fresh peridotite. Before finishing in June 1925, they cleaned about half the big northeast slope, almost to the high ridge.[1] The only recorded disruption during that remarkable performance occurred in 1923 when supports of the 15,000-gallon water tank gave way, bringing it down.[2]

It is debatable how many diamonds the ADC recovered in that period. Schenck and Van Haelen's evaluation of one lot in 1926 is only suggestive: the 4,615 stones were appraised at $57,432.85.[3] Although Fuller's comprehensive report of 1931 failed to break down the period October 1919-July 1925 clearly, the 10,792 diamonds recorded for that full ADC operation came overwhelmingly from the surface and largely from the work in 1922-1925. As in the past, the total from the surface would have run much higher if not for intentional and unintentional losses: the 9,576 diamonds from the basic surface run averaged 0.60 carat in size, indicating the screens in the modified small plant let some fairly sizeable stones pass with tailings.[4] There was one big one, however, that had not gotten away.

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[1] Fuller's comprehensive mining map, December 1931, outlined the areas sluiced and indicated dates ("Prairie Creek Peridotite Occurrence," VI.3 Crater archive). The photo collection in the Crater archive, VIII, holds many photos of sluicing that Wagner accumulated at the mine. Examples: Nos. 23.17, 23.43, 23.46 (excellent), 23.61 (excellent), and 23.85 (excellent). O. L. Brace's report in October 1923 mentioned the ADC then was using only the small plant; Brace considered this an appropriate method until the potential of the field was determined (Brace to Ingalls, October 17, 1923, pp. 1, 2).

An old-timer in Murfreesboro, Alton Terrell, told of his experience as a boy going to the mine with "Uncle Lee" Wagner. Born in 1914, he clearly remembered the sluicing after the big plant closed, including the discovery of the "Uncle Sam" diamond. He described how, at some point, Wagner and local craftsmen built a small processing plant on skids and pulled it up and down the field with a huge steam-engine tractor. He described the plant, and the big mill, in detail (notes in author's possession). Mr. Terrell's general comments, however, suggested the portable plant probably was built after another group of Little Rock businessmen took over the ADC in 1928. Fuller's comprehensive mining map of 1931 shows the little "washing plant" still out in the field.

[2] "15,000 Gallon Tank Falls at the Mines," *Courier*, August 17, 1923, p. 1. Also Brace, report to Ingalls, 1923.

[3] Schenck & Van Halen to Reyburn, December 8, 1926, in "Reports and Information," 37. These were run-of-the-mill stones. The ADC held large and exceptional diamonds for special placement. Some served as collateral for loans; others went to private collectors. Miser and Ross's statement in 1923 applied up to about that point: "Most of the diamonds have been held by the companies, though some uncut stones have been given away or sold and some cut stones have been sold. The first cut stones were offered for sale in 1921 by Tiffany & Co. of New York City and by the Chas. S. Stifft Co., of Little Rock, Arkansas" (Miser and Ross, USGS Bulletin 735-I, 319). Stifft's initial exhibition in the window of his jewelry store created a stir. "All Arkansas diamonds that are sold by Charles S. Stifft are sold for the

Arkansas Diamond Corporation, Stifft receiving only a commission on the sale," the *Gazette* reported (*Arkansas Gazette*, reprinted as "Interest Shown in Diamond Display," *Pike County Courier*, November 18, 1921, p. 1).

Miser and Ross, USGS Bulletin 735-I (1923), 320-321, discussed and illustrated the collection of Col. Washington A. Roebling, Trenton, N.J., which included the uncut 17.86-carat canary yellow and nine other Arkansas gems in the rough (11.21 carats, 6.83, 4.40, 3.3, 2.77, 2.5, 1.4, 1.19, .92). In early 1927, after Roebling's death, his son donated the vast collection of minerals to the Smithsonian Institution (*New York Times*, January 3, 1927, p. 18, and February 6, 1927, Sec. 7, p. 15).

[4] "Estimate of Unit Value," in "Reports and Information," 36. The first entry for "Surface and Peridotite"—evidently the troublesome run in the big plant—showed 5,812 loads yielding 963 diamonds weighing 391 carats, for an average of 6.73 carats per 100 loads. A second entry, "Surface and Peridotite," indicated 22,238 loads, 9,576 diamonds, and 5,749.58 carats, for 25.85 carats per 100 loads. Excluding the small percentage of peridotite in the mix, this would have been about the historical average yield of the surface layer, but at a significantly larger average size (0.60 carat per diamond). The size suggests Zimmerman's solution to the gumbo included a small screen with a bit larger mesh than the ADC previously used in the little plant (reports indicated he did purchase a new screen in 1921 for the surface-mining operation: "Big Stone Found at Diamond Mine," *Gazette;* "Rich Find at Diamond Mine," *Courier* , supra).

The Big One

In 1924, about halfway up the slope, the surface gumbo yielded a special prize—a white gem of high quality weighing 40.23 carats, the largest ever found in the Pike County field. Some old-timers around Murfreesboro say it was named the "Uncle Sam Diamond" after an elderly field worker who saw it first. Alton R. Terrell, who used to accompany Lee Wagner to the mine as a young boy, remembers being told that it was found lodged in the sorting equipment in the small plant. In any case, the Uncle Sam turned up in the summer of 1924 and made history.[1]

If not for the Uncle Sam, the Arkansas Diamond Company probably would have shut down with the onset of winter in 1924. The surface material was being depleted rapidly; and as Reyburn informed stockholders in March, the cost of sluicing operations, "without counting overhead and depreciation," was being "little more than met by the diamonds recovered." Cash on hand was actually declining, while the loss was being offset by the value of diamonds on hand. Reyburn pointed out that "the Company" had $75,100 worth of outstanding bonds maturing in June 1926, plus 6% interest accumulating since 1916. The Company's indebtedness to "the parent Corporation" ran over $276,470.[2]

The Uncle Sam lifted spirits enough to keep the little surface operation plodding along into the late spring of 1925. Then came the decisive blow.

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[1] Notes in author's possession. The Uncle Sam has gotten attention in everything written about Arkansas diamonds. Today, a sign identifies the area on the southeast slope where it turned up, a

spot consistent with John Fuller's map of surface operations (composite mining map of 1931 showing "Boundaries of Areas from which Top Soil Has Been Sluiced," with dates).

[2] Reyburn to Stockhholders of the Arkansas Diamond Corporation, March 20, 1924, in "Misc." box, Crater archive.

Pride, Suspicion, and Taxes

In 1925 Reyburn and his backers found themselves in an odd predicament. They had confronted the old diamond pipe again, at great expense, and learned the same harsh lessons about its commercial potential. Now they had no reason whatsoever to be hopeful or optimistic. On the other hand, the general attitude in Arkansas had grown more supportive toward the Pike County diamond fields. There was much less skepticism and pessimism than in earlier years. The persistent imagery of the surface yield—both the quantity and the splendid quality of the gems—had proved irresistible.

To a great many Arkansans the important thing was that their state, long a target of mockery from outsiders, now had a unique treasure, the only diamond field in North America, the first diamond-bearing pipe found outside of South Africa. Diamonds, whatever the precise quantity, had become symbolic of the "Wonder State's" magnificent array of natural resources. In 1913 the diamond emblem dominating the new state flag began displaying this pride unmistakably. Before the 1920s, public officials and other ambassadors of the new Arkansas traveled across the country, attending gatherings and either displaying or handing out diamonds to help convey their message. By 1925, the campaign to build pride and gain respect was in full swing. It was no time for the leading venture in the diamond fields to declare failure.[1]

Around Murfreesboro, the seat of government in Pike County, the continuing surface production had convinced many that Reyburn's dwindling operation was no natural outcome of testing, but instead manifested either mere inefficiency or a deliberate conspiracy to discredit the diamond pipe. The charge of conspiracy issued largely from the most frustrated diamond hunters of the era: Austin and Howard Millar and Walter Mauney.[2]

In 1925, the local three-man Township Board of Assessors decided the diamond properties near Murfreesboro were indeed valuable commercial prospects that had been greatly under-taxed. Their brewing confrontation with the ADC was first evident in the *Courier*'s brief report in April: of all the large businesses in Pike County, the "Arkansas Diamond Mining Company" paid the lowest taxes, $1,097.40 annually.[3] When the Board revaluated county taxes in early June, it raised the Company's assessment from less than $23,000 to slightly over $484,000. Reyburn's operation was required to pay for a supposedly lucrative holding whether it yielded a profit or not.[4]

The ADC's appeal to County Court produced a lot of testimony from Sam Reyburn and associates, but it was all mere formality. The assistant district attorney, J. C. Pinnix, scarcely bothered to present any evidence for the State, feeling the ADC's mismanagement of the mine (its "inefficiency") was well known. As expected, the Court upheld the Board. Then the ADC appealed to the Circuit Court and prevailed, in November 1925. The Board had to roll back assessments reasonably close to the previous levels.[5]

By the end of that affair, the ever-hopeful *Pike County Courier* had almost lost its idealism. "Although the mines have been operated for years," it said, "the owners say that the cost of the recovery of the stones is too great to make the mining profitable. Operations are practically suspended now although it is rumored that the 'sluicewashing' or 'placer mining' is to be resumed soon. This method of mining requires the services of only a few employees and is said to have been profitable." But Sam Reyburn's field operation in Pike County had effectively ended in June, with the onset of that final unpleasant experience.[6]

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[1] Although there were many proud Arkansans before 1906, efforts to counteract the stereotypes of outsiders scarcely existed. The Pike County diamond fields, along with the discoveries of other valuable resources soon afterward, gave community and state leaders the substance for a remarkable campaign. It had roots in initiatives such as the shipment of a train-car load of Pike County "diamond dirt" to Chicago in May 1910 for the Arkansas Day exhibit at the National Land Congress, where John Peay displayed gems from America's only "diamond mines" ("Carload of Diamond Dirt to Chicago," *Nashville News,* November 5, 1909, p. 1; "A Great Showing–Made at Chicago," ibid., November 30, 1910, p. 3 ["The crowds marvel at the display and not one in a hundred has ever hear that diamonds are mined in this country"]). The new state flag, adopted in 1913, marked a significant point, as did the Arkansas Gazette's thin but potent eulogy to outstanding Arkansans and resources: *The Book of Arkansas* (Little Rock: The Arkansas Gazette, 1913), overshadowed later by David Y. Thomas, ed., *Arkansas and Its People*, 4 vols. (New York: American Historical Society, 1930).

For the broader campaign, see the news releases appearing prominently in state publications by the early 1920s. E.g., "Arkansas Diamond," *Nashville News,* November 5, 1921, pp. 1, 3; "Would Advertise Wonder State," ibid., November 9, 1921, p. 3; "Tells Bankers of the Wonders of Arkansas," ibid., October 1, 1924, p. 1 (about Arkansas Governor Charles H. Brough's address at the meeting of the American Bankers' Association in Chicago, which he "opened with a tribute to the greatest of Arkansas in refutation of the slanders and scurrilous attacks made upon the state by writers who are ignorant or maliciously deceptive . . ."); "Pike Diamond is Prize Offered," ibid., January 31, 1925, p. 1.

The "Wonder State" slogan took hold in late 1921 with a bill introduced in Congress "permitting the use in all presidential post offices of Arkansas a special cancellation stamp bearing the words *Arkansas, The Wonder State."* The Arkansas Advancement Association had proposed the legislation (e.g,, special release from Little Rock, published as "Would Advertise Wonder State," *Nashville News*, supra). By the early 1930s, there also were references to Arkansas as the "Diamond State" (e.g., *Pike County Courier,* April 29, 1932, p. 1).

The campaign had three goals: combating outside stereotypes, instilling pride in Arkansans, and encouraging industrious citizens from other parts of the country to consider Arkansas as the place to be. "Advertising" was a key word, as in the eventual preamble to State guidelines for the Department of Parks and Tourism: ". . . that due to the failure of proper advertising of the

State's resources to other sections of the country, wrong impressions concerning the State are abroad . . ." (Ar. Code, Title 15, Ch. 11-101, "Publicity and Tourism").

The value of the diamond field as a tourist destination, something M. M. Mauney had promoted earlier, was still understood; and although a very minor ingredient at the time, it contributed to the emerging sense of pride (for example, "Party of 200 to Visit Murfreesboro– Will Visit the Diamond Mines and the Big Peach Orchard," *Courier*, July 15, 1927, p. 1. Similarly, the diamond field's role as a laboratory and training ground for geologists entered into the mix ("Geologists [Thirty] Visit Mines," ibid., June 22, 1923, p. 4). That pattern had continued since the early years.

[2] For context see "Northeast Slope," Millars and Mauneys, especially sections covering 1919 on. Walter Mauney's accusations in 1925 were reported in the only publication in Arkansas reckless enough to champion the conspiratorial school and defame Sam Reyburn—the *El Dorado Daily News*. Although the paper drew from the Millars as well, it refrained from identifying them as sources. The publisher, a critic of Reyburn's operation, allowed the use of rumors and innuendo in order to magnify local suspicions and make it appear the case against Reyburn had been proved during court action in late 1925 (infra). For basic items, see the *Daily News*: "Murfreesboro Diamond Mine Hearing Today," October 15, 1925, p. 1; "Diamond Operators 'Inefficient,' Avers State, Resting Case," October 16, 1925, pp. 1-2; "Arkansas Diamonds Staked in World-Wide Deal, Belief," October 18, 1925, pp. 1-2; "Judge Upholds Diamond Taxes," October 20, 1925, p. 1. Microfilm images of the paper in the Research Room of the Arkansas History Commission, Little Rock, are mostly faint and somewhat difficult to read.

[3] *Pike County Courier*, April 24, 1925, p. 1.

[4] For details see the two related court cases, *In the Matter of Arkansas Diamond Company Assessment for Taxes in the Year 1925*: "Appeal from the Township Board Assessment, to the County Court," August 17, 1925, Civil No. 460½, file drawer 64, Pike County Court House (third-floor depository); "Appeal from County Court," October 30, 1925, ibid; also Pike, Circuit Court, Civil, Book D, 208, same title, November 23, 1925 (cf. ibid., 532, *Arkansas Diamond Corporation vs. Pike County*, March 28, 1935, a similar case), and Pike, Real Estate Tax Book, 1925, p. 180 (credits given "by order of Circuit Court").

"Land Values Raised by Board in Thompson Township," *Courier,* June 12, 1925, p. 1, summarized basic details. As the article said, some increases in the Township clearly were justified; but the board used the opportunity to make a statement about the ADC in particular and diamond mining in general. The Millars' assessment increased from $3,625 to $50,000; the Mauney diamond mine, $1,250 to $10,000. Reyburn's successful appeal in Circuit Court benefited those two as well.

[5] Sources supra. According to the *El Dorado Daily News,* County Judge Q. H. Lewis "telephoned *The News* a few minutes after announcing his decision" ("Judge Upholds Diamond Taxes," October 20, 1925, p. 1). Also, "Special Session of Circuit Court," *Courier*, November 27, 1925, p. 1. The *Courier* listed those giving testimony, but court records included no transcripts. The *El Dorado Daily News* reported at length on Reyburn's extensive testimony, trying to twist it into an admission that the test was intended to fail ("Diamonds Staked in World-

Wide Deal"). J. C. Pinnix reportedly described the ADC's operation as "a magnificent gesture of inefficiency," seemingly implying that while the testing had been staged as a serious project, it was designed to fail ("Judge Upholds Taxes," ibid.).

[6] "Special Session of Circuit Court," *Courier* (quote). Notice that John Fuller, who remained close to the operation and attended the County Court hearing, used June 1925 as the cutoff date in his later comprehensive report on the ADC's property ("Estimate of Unit Value—2. Tests of Diamond Contents in Arkansas Mines," in "Reports and Information," 36; also the composite mining map, "Prairie Creek Peridotite Occurrence").

Inactivity and a Change of Leadership, 1926-1932

In June 1926, bonds matured again, and again there were no funds to pay off the lien holders. Sam Reyburn, immersed in his job in New York, seemed willing to go along with any of several solutions: simply finding more money for renewed testing, selling the company to a suitable new group, or, if necessary, foreclosing on the bonds. In July he proposed the ADC raise $100,000 to pay off bonds and cover routine expenses while trying to find money for further testing. Stockholders were reluctant to continue the status quo.[1]

The ADC had only one asset left, its remaining rough diamonds, and it pledged those as collateral for loans to pay current expenses. The lenders were the same group holding the bond lien. For the diamond notes, they were due a total of $21,000 in July 1927. When that date passed, they demanded payment. According to Reyburn's later explanation to stockholders, "The Company, without credit, could not borrow elsewhere or find a market for the diamonds. They were sold under the power of the pledge for $21,000."[2]

Howard Millar's later memoir, *Finders Keepers*, offered an expanded interpretation of these events. In his version, Tom Cochran held the bond mortgage and was determined to foreclose and grab the ADC's property. "I do not believe he had any intentions of doing anything in the diamond field except to make sure it wasn't developed to compete with the world syndicate," Millar wrote. As for the pledged gems, Cochran secretly "had stood on the steps of the Garland County Courthouse, in Hot Springs, Arkansas, earlier and auctioned off the diamonds for $19,000. He was both auctioneer and only bidder." Schenck and Van Haelen, New York diamond specialists, later bought the collection, including the Uncle Sam, from Cochran's estate.[3]

The venture continued in limbo for almost two more years before the bondholders sued for foreclosure in order to spur shareholders into action. At the time, the ADC was broke; the custodian and the watchman at the property, Lee Wagner and Charles M. Carter, had gone several months without pay; the property manager, John Peay, was using his own money for basic expenses. Therefore, in January 1928 the trustee for the bond mortgage was switched from the Union Trust of Little Rock to George Jordan of New York County, New York. In February Jordan filed suit against the ADC in federal district court, Texarkana, Arkansas, seeking $75,100 principal and $10,965 interest accrued since July 1, 1925.[4] The original mortgage agreement had empowered the Trustee to defend the interests of the bondholders. Jordan primarily represented the New York group.

After lawyers representing the ADC filed a standard denial of all charges, J. C. Pinnix and other "minority stockholders" petitioned, in March, to intervene in the suit. They needed time to "investigate the affairs of the Company," in order to decide whether to intervene and "offer to lend the Company" any funds needed to discharge the mortgage. Negotiations were already in progress, they said. Nevertheless, after a transfer of the case to the Fort Smith Division of the Western District, the court appointed a receiver to arrange a public sale of the ADC's property.[5]

As negotiations continued out of court, Thomas Cochran, the New York banker representing the bondholders, advised that they would be receptive to any plan of reorganization resulting in the retirement of corporate debts. A group of interested stockholders, led by J. C. Pinnex and John T. Fuller, along with Roy L. Thompson and Fred Heiskell, prominent Little Rock businessmen, convened in the Chamber of Commerce auditorium, Little Rock, on April 7, 1928. After due discussion, they proposed to buy the Corporation's remaining 491,147 shares of stock for 25¢ each, stipulating that the $122,786.75 be used to pay debts and, if possible, to recover the defaulted diamonds. If successful they would own both the ADC and the Corporation, and then would lease the ADC's property to a new operating company headed by John T. Fuller.[6] By implication, this meant the stalwart ADC, Sam Reyburn's old Arkansas Diamond Company, would become superfluous.

The Corporation's board of directors approved the offer, but with the proviso that all shareholders be afforded the opportunity to buy, at 25¢, shares virtually equaling the number each already held. All participating shareholders were to send a certified check to Sam Reyburn, President of the Corporation, by a fixed deadline: June 25, 1928. If sales fell short of the stated goal, checks would be returned; otherwise, Reyburn and other officers of the venture would apply the funds and then resign in favor of new management.[7]

At the meeting of April 7, John Fuller spoke optimistically about the group's chances at the diamond field if adequate funds for testing could be raised. "It is possible," he said, "that diamonds may occur only in certain spots [in the matrix] and it will be necessary to excavate the whole area to determine if it will pay." Then he added: "We always expect and always find the surface material of a diamond pipe more productive. It might pay handsomely to wash up the surface and I believe it would in this case. In fact, surface washings to date have been successful."[8]

Reporting this event, the *Pike County Courier* expressed guarded optimism. Several men already were out on the big southeast slope, preparing it "for the probable re-opening of this only industry on the North American Continent." The new venture, "if carried through," would undoubtedly succeed. "The diamonds are there. U. S. Geological reports show them to excel in hardness and brilliance . . . and if the diamond plant can be rebuilt to properly mine the precious stones . . . ."[9]

Later, the *Courier* repeated the prevailing belief that Reyburn's operation had failed because "for some reason the machinery never did the work expected of it." This time, however, the earlier comment was further qualified: "There is no question about the presence of diamonds there; the only question is, can they be mined at a profit? The new company propose [sic] to answer this question, and as a starter will employ sluice washing until the installation of new machinery is made."[10]

Although the Corporation's terms were not met fully, the amount of stock sales and the reputation of the new group evidently impressed the bondholders.[11] The lawsuit was terminated in June 1928 and the reorganization was allowed to proceed. Roy L. Thompson, vice president of the Democrat Printing & Lithographic Company, replaced Reyburn as president of both the Corporation and the ADC. John Fuller, J. C. Pinnix, and John Peay served on the governing board; Peay, the veteran field supervisor for the ADC and the Corporation, remained as general manager. The faithful Lee J. Wagner stayed on as property custodian and general handyman.[12]

Facing the same problems as their predecessors, John Fuller and associates continued sluicing the rich surface layer, and found it still yielded about enough diamonds to compensate for operating expenses.[13] They still lacked funds, however, for any significant testing of the matrix. By late 1929, as turmoil in the stock market set in, the operation's long-term viability seemed highly questionable.

In early 1930, those leading the venture began preparing for the demise of the Arkansas Diamond Company. In April a new Diamond Mining and Engineering Company of Arkansas (DMEC) was given a ninety-nine year mineral lease on all the ADC's properties, including the existing plant.[14] In return, the DMEC had to pay 5% of the gross from diamonds recovered in the future, plus 5% of any profit. Stripping the ADC of valuable assets, the lease stipulated the ADC "shall sell and deliver to the lessee all diamonds recovered by it [the ADC] during the past year from said property"; the stated price was $5,000, "the estimated cost of producing said diamonds."[15]

Only the continuing involvement of John Fuller and John Peay lent credibility to this otherwise shaky venture. Although the DMEC's authorized capital was 10,000 shares of common stock, the certificates were assigned no par value. The beginning capital was $300, the legal minimum. The president, W. C. Ribenack, subscribed to fifty-four shares of the sixty bought by incorporators.[16]

Those listed as officials of the DMEC, all Little Rock businessmen, hardly represented a significant break with the past. Two of the seven, including the secretary, Aristo Brizzolara, Jr., used the Union Trust Company as an address; Ribenack and two others listed the Bankers Trust Company; and one, H. G. Mitchell, listed Roy Thompson's Democrat Printing & Lithographic Company as an address.[17]

In July 1930 the ADC completed this final reorganization by transferring all its properties in Pike County, including remaining buildings and machinery, to the Arkansas Diamond Corporation. The warranty deed preserved DMEC's long-term lease. Then, on July 12, 1930, Sam Reyburn's Arkansas Diamond Company officially dissolved.[18]

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[1] ADC financial report, July 30, 1926, cited in Reyburn to Stockholders of the Arkansas Diamond Corporation, May 29, 1928, I.N, Crater. Cf. this account with Howard Millar's interpretation of events in 1926-1928, *Finders Keepers*, 64-66.

In November 1927, the press carried a statement about the ADC's "willingness to sell its holdings for $100,000"; but that probably referred to the proposal of July 1926 ("Fraud Order Hits Arkansas Concern," *Gazette*, November 24, 1927, p. 1; the same press release appeared as "Fraud Order Hits Arkansas Diamond Co., *Nashville News*, November 26, 1927, p. 2.

[2] Reyburn to Stockholders, May 29, 1928.

[3] *Finders Keepers*, 65-66. Rather than trying to control the diamond field, Cochran was amenable to the group of Arkansans who wanted to pay off the bonds and continue the ADC's operation (infra). While he represented the group holding the bond lien and the diamond pledge, there is no evidence he acted slyly or unfairly.

[4] Pike, Mortgage Record 17, 610, Acceptance of Trust, George Jordan, January 30, 1928; "Complaint," *George Jordan as Trustee vs. Arkansas Diamond Company,* February 3, 1928, United

States Western District of Arkansas, Texarkana Division, Equity Case No. 170; switched to the Fort Smith Division of the Western Division, Equity No. 474, in Federal Records Center, Ft. Worth, Texas (NARA, Southwest Region), Accession No. 7NC-21-85-0004, Box No. 2 of 96, Location No. A34-006-21.

Later, Jordan corrected the amount of interest, leaving a total of $88,968.40 due (Petition for Correction, ibid., Fort Smith Division).

[5] Petition for Leave to Intervene, J. C. Pinnix, et al., March 12, 1928; Stipulation for Transfer to Fort Smith Division, April 5, 1928; Oath of Receiver, May 2, 1928. The case was transferred to Fort Smith by agreement of the parties.

[6] Reyburn to Stockholders, May 29, 1928; "Mining Company–Will Hold Meeting," *Courier*, April 6, 1928, p. 1; "New Corporation to Acquire Mine," *Arkansas Gazette,* April 8, 1928, reprinted with same title, *Courier,* April 13, 1928, p. 1. Roy L. Thompson was vice president of the Democrat Printing & Lithographic Company; Fred Heiskell ran the *Arkansas Gazette.* The group's steering committee consisted of Thompson, Heiskell, Pinnix, Fuller, R. H. Kaufman (Little Rock), J. Gilbert Leigh (Little Rock), James T. Hammond (Pittsburgh, Pa.), and several others.

[7] Reyburn to Stockholders; "Diamond Stock Has Been Sold," *Courier*, May 11, 1928, p. 1, partially reprinted from the *Gazette.*

[8] "Public Statement of John T. Fuller on April 7, 1928 [not 1929, as indicated]," in "Reports and Information," 34. "New Corporation to Acquire Mine," infra, only mentioned Fuller briefly.

[9] "Diamond Stock Has Been Sold."

[10] "Diamond Mines Are to Reopen Soon," August 24, 1928, p. 1.

[11] Although the bonds were declared paid in 1928, the discharge document was held back until June 21, 1937, when it was filed in Pike County. The required marginal notation on the original mortgage deed was not entered until that date, indicating the New York Trustee still held some related obligations (Pike, Mortgage Record 25, 549, Discharge of Lien, George Jordan, Trustee, July 11, 1928; marginal notation, top of original Mortgage Deed, Record 10, 396). Corresponding with that delayed filing, the ADC's property deed was also held back when the property was turned over to the newly reorganized Corporation in 1930 (Pike, Deed Book 56, 169, Warranty Deed, Arkansas Diamond Company to the Arkansas Diamond Corporation, July 9, 1930 [filed June 21, 1937]); Arkansas Secretary of State, "Certificate of Dissolution of the Arkansas Diamond Company, July 12, 1930, Arkansas Secretary of State, Corporate Records, File 478, attached to Record 1-15-540.

[12] "Receiver's First and Final Report," June 28, 1928; "New Corporation to Acquire Mine"; "Diamond Stock Has Been Sold"; "Arkansas Diamond Mine Reopens for Work," *Courier,* August 9, 1929; "Form for Use of Foreign Corporations," Arkansas Diamond Corporation, February 23, 1933, Arkansas Secretary of State, Corporate Records, EL Box 81, File No. 328; Organization Meeting of the Board of the Arkansas Diamond Corporation, February 23, 1933, ibid.

[13] "Statement of Operations at the Arkansas Diamond Mine for 16 months ending November 30, 1930," in "Reports and Information," 41; infra, "Fuller's Last Stand" (summarizes the surface work). By early August 1928, John Peay had moved back to Murfreesboro from Little Rock, hired a crew, and started preparing for the sluicing operation. New piping was run from the nearby Little Missouri River to supply adequate water ("Diamond Mine Began Work Monday," *Courier,* August 2, 1928, p. 1; "Arkansas Mine Reopens for Work," ibid., August 9, 1928, p. 1).

[14] "Certificate of Incorporation of Diamond Mining & Engineering Company of Arkansas, April 30, 1930 (with attached "Certificate of Dissolution of a Corporation," DMECA, August 22, 1941), Secretary of State, Corporate Records; Pike County, Oil and Gas Leases (covering all minerals), Book 6, 271, Arkansas Diamond Company to Diamond Mining & Engineering Company of Arkansas (DMECA), April 30, 1930.

In addition to this lease, the ADC granted a timber concession netting the company $7,200 (Pike, Deeds, 51, 258, Timber Deed, ADC to A. H. Boswell, April 12, 1929). This was the extent of the ADC's income.

Fuller's job at the time evidently allowed adequate time for these activities (compare "Qualifications," in "Reports and Information," 10, with "Public Statement," ibid., 34, which indicated he was still Chief Engineer of the American Bauxite Company as well as General Manager of an ALCOA subsidiary).

[15] Lease, ibid.

[16] Certificate of Incorporation.

[17] Ibid. The company had a president, a secretary, and five directors. S. M. Garwood ("c/o Bankers Trust Co."), W. R. Snodgrass (Union Trust), C. E. Crossland (Bankers Trust), and H. W. Morrison ("R. I. Ry. Co."—Rhode Island Railway Company[?]) completed the group. When the Certificate of Dissolution was filed, August 22, 1941, all officers still lived in Little Rock.

[18] Pike, 56, 169, Warranty Deed, Arkansas Diamond Company to the Arkansas Diamond Corporation, July 9, 1930 (not filed until June 21, 1937); Arkansas Secretary of State, "Certificate of Dissolution of the Arkansas Diamond Company, July 12, 1930, Arkansas Secretary of State, Corporate Records, File 478, attached to Record 1-15-540.

At some point, the Corporation's buildings, power plant, "washing plant," transmission equipment, shop equipment, yard equipment, pipe, angle iron, and office furniture were put up for sale by the Industrial Machinery Company of Dermott, Arkansas. The date is unclear ("List of Machinery, Equipment and Supplies of the Arkansas Diamond Corporation," IV.C, "Brochures, Pamphlets, etc.," Crater.

John T. Fuller's last Stand, 1929-1931

In 1929, the ADC's small plant had been modified slightly and some 1,500' of six-inch water line installed for a renewed assault on the black surface layer.[1] For sixteen months, the "sluicing" crew focused on a large unworked area north-to-northeast of the big plant, about one-third of the way up the big slope; and by November 30, 1930, the ADC and the DMEC together processed 3,500 loads and collected 2,559 diamonds (1,273.43 carats) for an average of 36.38 carats per 100 loads. This was the highest yield ever officially recorded for "surface" material.[2] Again, the average size of diamonds recovered, one-half carat, indicates the finest screen used in that operation allowed a good many small diamonds to pass into tailings.

At the end of sluicing in November 30, 1930, Fuller or associates drew up the detailed "Statement of Operations" for the sixteen-month effort. Handwritten notations on the typed sheet estimated a minimum profit of $10,300 before deducting payments going into a trust fund for the lessor. This was hardly the handsome profits mentioned in his speech in 1928; still, it was unusual for the Arkansas diamond field.[3]

John Fuller's last report on the ADC's property, in 1931, was an attempt to reconcile the lessons and the frustration of the past twenty-three years. In it, he first tried to set the record straight by explaining that the average yields he had used in previous reports were merely estimates made "for the purpose of illustrating the possibilities of the property *and not the proved facts* [Fuller's underscoring]."[4]

Then Fuller demonstrated his continuing struggle to balance promotional needs with professional restraint. Unquestionably, the beginning of the comprehensive report was good promotional literature. Fuller listed and interpreted tests made in 1907-1925 and came up with an average yield he had used as a model in the past, 13 carats per 100 loads of material (including both the surface layer and the underlying peridotite). Then he inflated that a bit by adding the exceptionally rich surface results of 1929-1930. Ironically, this final average, 14.2 carats, would, itself, be misused later by groups of promoters.

In the end, however, John Fuller remained basically the professional. Immediately after commenting on the 14.2 average, the report continued: "I do not, however, believe this average will hold as depth is gained but will only hold good for the first few feet where a natural process of concentration has taken place, thereby increasing the diamond content of the surface material."[5]

Having found little encouragement aside from the surface yield, Fuller concluded his final report by turning again to the comparative model he had used since 1908. "From all indications I would not look for a better average diamond content than the present-day average of the Jagersfontein Mine in South Africa, which is 7.19 carats per 100 loads."[6]

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[1] "Statement of Operations at the Arkansas Diamond Mine for 16 months ending November 30, 1930," in "Reports and Information, 41.

[2] Fuller's comprehensive report on the ADC's property in 1931 included the "surface" run in 1929-1930 ("Reports and Information," 36); the results also appeared in the "Statement of Operations," ibid., 41. The sources failed to break down the number of diamonds found before the DMEC's lease and those recovered afterward, May-November 1930).

The composite mining map accompanying Fuller's report of 1931 indicated the areas sluiced, with dates ("The Prairie Creek Peridotite Occurrence, Showing the Arkansas, Ozark and Mauney Mines with Surface Workings, Topography and Approximate Locations of Intrusive Rocks," VI.A.3, "Maps, Blueprints," Crater archive [originally misfiled in the "Misc." box in the file-storage room at the Park Visitor Center, because of the map's large size]). On the map, notice the favorable position of the water tower, which provided gravity-flow pressure for the hoses.

It is unclear which washing plant was used in this case. Lee Wagner and other local talent had built a small portable plant, placed on skids so that it could be moved around the field with a steam tractor (interviews of Alton Terrell, Murfreesboro), but the composite map showed it still sitting in an area sluiced in 1922-1925. The small plant Fuller built in 1909 was also available (it had been used again for sluicing operations in 1922-1925, after the big "mill" shut down). The "Statement of Operations" showed only $408.56 for "Reconstruction of Washing Plant."

Photos in the Crater archive include many of Lee Wagner and the sluicing crew (VIII, File 23.85 is a good illustration).

Although the test produced the highest average yield ever described officially as coming from "surface" material, a much smaller test in 1910 reportedly averaged 36.9 carats per 100 tons (Fuller, "Arkansas Diamond Field in 1910," 6). That clearly was surface material although it was not identified as such. In addition, field crews occasionally extracted even higher average yields when they ran across sand-and-gravel deposits in the field—in low wash areas; but those were abnormal super-concentrates, not regular surface mixture.

[3] "Statement" in "Reports and Information," 41.

[4] "Estimate of Unit Value," in "Reports and Information," 36.

[5] Ibid., 37.

[6] Ibid. About two years later, John T. Fuller retired as chief engineer of the Aluminum Company of America. He died May 18, 1939, at age 59 (obituary, "John Torrey Fuller," *New York Times*, May 19, 1939, p. 21).

Final Sluicing and Financial Loss, 1931-1932

After the main effort ended in November 1930, Lee Wagner and a small sluicing crew remained in the field, working the black ground just below the high ridge separating the southeast slope from the six-acre counterpart on the other side. John Peay was still general manager. Photographs and time books indicate the little operation began in March 1931 and finally concluded on Christmas Eve, December 24, 1932.[1] That was the last mining activity on the southeast slope in the early period—except for whatever work Lee Wagner might have done on his own initiative.

While helpful, the overall results fell far short of a handsome reward. The inevitable borrowing began. In October, 1931, the DMEC gave the Arkansas Diamond Corporation a four-month promissory note for $3,775.56, secured by twenty-two diamonds ranging from 4.47 carats to 0.66 carat. Without paying that obligation, the DMEC then gave the Corporation a one-month note in February 1932 for $3,463 secured by the remainder of the company's diamond collection.[2] The strained Corporation, itself, then started borrowing from the Union Trust, Little Rock, giving it a one-month note for $3,456.95 in August 1932. For collateral, the Corporation put up both of the DMEC's notes, with diamonds.[3]

Although closely tied to the borrowers, Union Trust pressed both for payment after the Corporation missed the due date, and received only token payments on interest due. Finally, the lender sued in Pulaski County Chancery Court, Little Rock; the court ordered both borrowers to pay principal and interest due within five days, after which the diamonds would be sold to satisfy the plaintiff. Whatever money was left would go first to the Corporation and then to the DMEC. In a public sale at the courthouse November 25, 1932, Aristo Brizzolara Jr., acting as a trustee, bid $9,166.65 and took the gems. The court's judgment had been $3,531.28 from the Corporation and $7,763.19 from the DMEC.[4] It is not clear if Brizzolara represented the DMEC, which he served as secretary.

Reflecting accumulated losses, the Corporation devaluated its stock from the original par value of $10. In December 1932, as the Great Depression deepened and field operations concluded, Lee J. Wagner and others found their certificates were now worth 10¢ each. Wagner, fortune in the balance, kept his old job as overseer of the diamond field.[5]

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[1] Fuller's comprehensive map shows the sluicing in 1931, up near the high ridge and out in the center of the field (VI.A.3, Maps, Crater). The work in 1932 followed the completion of the map.

The collection of photographs at the Crater has one dated August 1932, with Giles Wagner, Era Brown, "Lester" Wagner, and Will Jackson, a local mechanic, identified ("Old Photo Contest" file, Crater). Lottie Wagner, also in the shot, was no doubt posing. The inclusion of all the Wagners suggests this was a special photograph marking the finale of the sluicing days.

Because Lee Wagner was on salary (up to about $125 monthly), he did not appear on the time books for the crew, which ranged from five to six men in May-September 1931 and four to six in May-December 1932. The last entry in the books was the two-week period ending December 24 (Time Books, II.P, Crater, including significant detail in notes at the bottom of entries; names of crews are clear except for the first few entries).

"Arkansas Diamond Mines Resume Operations," *Pike County Courier,* May 20, 1932, p. 1, was essentially correct: "After a close-down of several months the Arkansas Diamond Mining Company resumed operations Monday on their holdings one mile south of Murfreesboro, with practically the same crew as formerly used in the operation of this plant."

The DMEC, itself, left no direct record of diamond recovery in 1931-1932. The State severance tax reports simply entered 769.23 carats for 1931 (valued at $3,846.15), and had no entry for diamonds in 1932 (Mary L. Gibson, compiler, *Mineral Production Statistics of Arkansas for the Period 1880-1935,* Information Circular 9 (Little Rock: Arkansas Geological Survey, 1937), 29, 81. Ibid., entries from the U.S Bureau of Mines included a cryptic "300 carats gemstones and bort" for 1932 (81n. 7). Although the gemstones category normally embraced various precious minerals, the USBM's estimate probably meant diamonds. M. W. von Bernewitz, "Precious and Semiprecious Stones," *Minerals Yearbook*, *1932-33* (Washington, D. C.: U. S. Department of Commerce, Bureau of Mines, 1933), 799-801, provided no helpful information.

[2] "Complaint," *Union Trust Company vs. Arkansas Diamond Corporation and Arkansas Diamond Mining and Engineering Company*, 1932, Pulaski County Chancery Court, Case. No. 46729. All the diamonds were in a group evaluated by Schenck and Van Haelen of New York, list No. 9. The complaint described the twenty-two choice diamonds; the full list was described in the "Report of Sale," and "Order Approving and Confirming Commissioner's Sale," ibid.

"Arkansas Diamonds Will Be Sold," *Pike County Courier*, November 11, 1932, p. 1, summarized basic details of the case.

[3] "Complaint," Case No. 46729.

[4] "Decree"; Report of Sale; Order Approving Sale.

[5] For example, see "Stock Certificates," II.A, Crater. Although the item on file was stamped "A liquidating dividend of 10¢ per share from capital has been paid on this certificate," that action was taken later when the Corporation sold the property (infra, North American Diamond Corporation).

The dream, however, lived on. In 1936 one national magazine reported the DMEC and the Corporation were "ready to put up $400,000 to resume operations. Better times and a rise in the diamond market are actuating them" (*Literary Digest* [November 11, 1914], p. 9; a clipping is in IV.E.5, Crater, but the publisher is not identified).

THE NORTHEAST SLOPE, 1906-1940

At the northeast corner of the big pipe lay a six-acre tract differing considerably from its expansive counterpart to the south. Much of this area, especially the west side, consisted of dense hardebank, a weather-resistant form of peridotite that would require both "the immediate use of drilling and explosives to extract in any considerable quantity" and the purchase of expensive crushers for further processing.[1] Still, a black-gumbo surface layer appearing almost identical to that on the big slope extended throughout most of the east half and part of the remainder.[2]

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[1] Fuller to Loree, June 25, 1908, in "Reports and Information," 19, 13 (the spelling of the word varied: hardbank, hardebank, or hardibank). Fuller referred to Mauney's "about six acres" and recommended against acquiring it because it was "mostly composed of Hardibank . . .." Woodford provided more detail about the dark surface layer and the hardebank, and concluded, "This hard rock cannot be worked" (Report to Ozark Corporation, October 28, 1908, 4).

Also see John W. Bishop's statement about the Millars' evaluation of the Mauney Mine in 1912: Deposition, John W. Bishop, in *Bettie L. Mauney, et al. v. Austin Q. Millar, et al.,* 1920, Arkansas Supreme Court 6029 (the deposition was reprinted fully as "The Origin and History of the Mining Lease Entered into Between M.M. Mauney and Bettie L. Mauney, His Wife, and Howard A. Millar and Associates," *Pike County Courier*, July 18, 1919, p. 1). The Nashville lawyer emphasized that the northeast slope was "a difficult proposition" because "hardibank boulders occupied largely the area and in the language of Howard Millar, it appears that there was a 'horse' in the center of the tract and probably after testing out the loose disintegrate surrounding this apex of rock or hardibank that it would probably become necessary to sink a shaft and . . .." Defending the Millars in a law suit, Bishop of course exaggerated the difficulty of testing.

Today, a visitor to Crater of Diamonds State Park can stand on the high ridge separating the two slopes and easily see the difference in materials.

[2] Woodford, ibid.; infra, Millars; John R. Reigart, Mining Engineer, Ford Motor Company, and Charles W. Cook, Geologist, University of Michigan, to the Ford Motor Company, Reports on the Ozark Diamond Mine, September 10, 1923 (Reigart) and September 7, 1923, Accession No. 60, Box 1, "Diamonds–Arkansas," Benson Ford Research Center, The Henry Ford Museum, Dearborn, Michigan. Reigart and Cook studied the northeast slope, including the Mauney Mine, as a team after Austin Millar drew Ford's attention to the pipe as a possible source of industrial diamonds. Both submitted reports, but Cook deferred to Reigart on most matters. The latter's analysis of the six acres was easily the best produced during the era. Reigart and Cook included complementary maps of the hardebank (intrusive peridotite), volcanic breccia, and sandstone composing the slope.

The Enterprising Mauneys

M.M. Mauney and family, owner of the six acres, at first began mining it themselves instead of selling to Reyburn's group or others. Walter and Henry, M.M.'s grown sons, processed both the eroded surface and small amounts of the softened peridotite beneath.[1] Using mechanical ingenuity found commonly among rural Arkansans, Walter attached paddle wheels to three revolving washing screens and set them on a narrow wooden barge in Prairie Creek, by his home. The current did the work as diamond dirt churned inside the cylinders—when sufficient current was available.[2]

Wrestling with the tough surface layer, the Mauneys reportedly screened about thirty diamonds by mid-1908, and decided there were better ways to profit from their holdings.[3] From May 1908 until late February 1909, M.M. Mauney engaged in a complicated series of contracts with a few investors who organized the Ozark Diamond Mining Company of Murfreesboro; he and his wife, Bettie, finally received $20,000 for a thirty-acre tract that included the best four acres of the northeast slope.[4] They kept the two-acre Mauney Mine on the west edge of the slope.[5]

At the same time, M.M. and his oldest son, Walter, became the leading real-estate agents of the area. At twenty-seven years of age, Walter was easily the more aggressive of the two: he not only accumulated options and bought a few tracts outright, but also contracted with landowners to sell or lease their land at high prices. His first transaction, in April 1907, involved the 160-acre Riley property immediately northeast of the diamond pipe. For that special prospect, his contract set a price of $60,000, with a 20% commission for himself; moreover, an accompanying deed granted him an outright 10% interest in the tract.[6] The next year, as lofty expectations diminished, Mauney and the Rileys sold the land for a great deal less.[7]

While Walter enjoyed free-wheeling activities, the more conservative M.M. Mauney preferred to buy and develop real estate. In January 1909, he launched his flagship venture, the Kimberlite Township and Land Company. Then, when the railroad extended to Murfreesboro in June, running close to the Mauney Mine, he started the first tourist attraction and planned an extensive rail system for the Murfreesboro area.[8]

Soon, the collapse of speculation and investment redirected entrepreneurial thinking. After the record-breaking 8.1-carat diamond turned up on his mine in 1911, Mauney was in position to bargain with anyone still wanting to buy or lease the two acres, and waiting on the sidelines were the enterprising diamond hunters from the Midwest, Austin Q. Millar and son, Howard, who were finding that their Kimberlite Mine in the hills offered only mounting frustration. In April 1912, M.M. Mauney and wife, Bettie, leased the small field and eight adjacent acres to the Millars and associates for fifty years. The shrewd M.M. required that Millar's group build a processing plant on a five-acre plant site about a mile away on the north bank of Prairie Creek—on the edge of Mauney's faltering real-estate venture.[9]

As stated in the preamble of the lease, the Mauneys were basically "interested in the development and exploitation of a townsite, known as 'Kimberly' in the vicinity of said 'Mauney Diamond Mine.'" They believed the systematic working of the mine would "greatly expedite, as well as develop and enhance the value of property in said townsite." They expected "many laborers and skilled artisans" would be employed, "thus directly benefiting the interests of said M. M. Mauney and wife in said townsite."[10]

The lease negotiations were conducted with Howard Millar and the Millars' lawyer-agent from nearby Nashville, John W. Bishop. Considering Bishop's connections with the main railroad company serving the area, the Mauneys expected the lessees "to use their best efforts and endeavor to induce better railway facilities at Kimberly townsite for the proper dispatch and convenience of their [Mauneys'] business and project."[11]

Impressed by what they learned during the sessions, the Mauneys expressed special confidence in the younger Millar, "a practical mining engineer" who had "considerable experience in testing out deposits of Kimberlite of the same general character" as that in the Mauney Mine." Moreover, they felt confident because of the Millars' declared supporters—"business men of large means and practical experience in mining and development work."[12]

With such expectations, the Mauneys charged only $10 for the lease of the ten-acres. The plant site was free. However, they required 25% of all diamonds recovered, and set specific rules for quarterly reporting of both the production and the marketing of such.[13]

Under other performance clauses, the lessees had to "begin operation within thirty days from April 10, 1912 by taking such preliminary steps toward the preparation of plans and purchase of machinery necessary to carry on the work in contemplation" and "erect and install a modern washing and concentrating plant of African type within one year from April 10, 1912." Diamond processing had to begin by that date; then work could at no time cease for longer than three months. During "each and every year" of the lease, Millar and associates had to process a minimum of 10,000 loads of material, at sixteen cubic feet per load.[14]

Although the lease included the standard flexibility for acts of God or other unavoidable delays, the parties stipulated this clause did not apply to the annual processing requirement. In the basic lease contract, "10,000 loads" was firm.[15]

On the other hand, a Supplemental Lease Agreement of May 6, 1912, opened a wide door to future contention. No doubt it was added because of lingering dissatisfaction in Millar's camp: in previous discussions that group had expressed concern over the hardibank on the Mauney Mine and thought it might necessitate underground mining, a difficult and costly method. The basic contract had covered "excavating, tunneling, mining in, over, upon and under the land hereby leased," but said nothing about the additional time needed if miners had to tunnel beneath the hardibank. The brief supplement provided that if a shift to "an underground system" became necessary, the lessee and his associates could "take such time as is actually necessary, to make such changes without forfeiting their rights . . .." But, once begun, such an operation had to be completed "as soon as it can be reasonably effected."[16]

Those performance requirements would have created problems even under the best circumstances, and this case, with a very limited mining prospect and a failing real estate venture involved, some frustration and friction were unavoidable, although not necessarily unmanageable. The root problem in 1912, however, was not the leases, per se, but the strong personalities within the Millars' group and the Mauney family.

While the elder Mauneys owned the property and signed the documents, a new head of the family was being installed in 1912. Other members were beginning to defer to the oldest son, Walter, then almost thirty-two years of age and highly competitive. Since 1907, matters relating to diamond mining had become his special interest—and assumed responsibility.[17] He was in all respects a worthy match for Austin Q. Millar and son Howard.

The clash was evident by early 1913, before the deadline for completion of the Prairie Creek plant and commencement of diamond processing. When construction lagged, the Mauneys refused to allow the Millars more time and began preparing a lawsuit seeking nullification of the lease. They filed in Pike County Chancery Court on April 11, less than twenty-four hours after the deadline.[18] Thus began the most bitter feud in the history of the Arkansas diamond fields. For almost eight years, pleadings in state and federal courts remained the chief weapon, although reported violence and threats of violence sometimes exposed the underlying hostility.[19]

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[1] Mauney Records. The Mauneys left a large collection of photos documenting activities on their property from about late 1906 into 1911-1912. Several show them digging shallow holes and trenches, basically working the surface layer. VIII, "Photographs," unnumbered folders, Millar collection, Crater archive, includes several early scenes on the Mauney Mine, apparently c. 1908: clearing the field; scraping the surface with mules and plow; "primitive diamond washing" (dated "prior to 1912"); prospecting at small creek (geologists?) . . .

[2] Mauney Records (clear photo); "Old Photo Contest" box, Crater archive (a rather faint copy).

[3] The *Nashville News*, August 5, 1908, p. 1, reported a total of 32 diamonds found to date (cf. Reece Lamb, "Something About the Diamond Mine of the American Diamond Mining Company": when Lamb visited the Mauney Mine in March 1908, Mauney "had only discovered two small diamonds although he had been diligently hunting for them for quite a while"). John Fuller's initial report to the ADC, November 11, 1908, said thirty-five had been taken from "the Mauney tract, . . . as far as known" (in prospectus, *Diamonds in* Arkansas, 20). Woodford to President, Ozark Corporation, October 28, 1908, p. 4, mentioned forty-nine had been collected previously on the part of the northeast slope the corporation had gotten from Mauney, "with few exceptions . . . found by searching the immediate surface soil." Fuller, "The Arkansas Diamond Fields in 1909," 767, reported about seventy-five "found without any systematic search or washing" (on the Mauney Mine).

[4] Infra, "Northeast Slope–Ozark Company."

[5] The USGS map (1916), Plate 10, clarifies property divisions.

[6] Pike, Deeds, M, 591, 592, Contract to Sell and Warranty Deed, Marion W. Riley and wife, Roxanne, to Walter J. Mauney, April 18, 1907 (applying to the west half of the southwest quarter of Section 22 and the east half of the southeast quarter of Sec. 21).

The Mauneys' publicized transactions added to the speculative climate of the time. For early examples, see the following in the *Nashville News:* "New Diamond Field," April 20, 1907, p. 1 ("C. K. Garner found a genuine diamond on his farm, which is situated near the Huddleston diamond field, this week, and Walter Mauney closed an option contract on the land at once. While the proposition has not been developed, it is thought that it will prove equally as paying as the Huddleston diamond field"); "Four Propositions," June 12, 1907, p. 1 (". . . shafts are being sunk on the Woodson property, under the direction of Walter Mauney" [who was securing properties for Col. J. A. Woodson of Little Rock]); "Five More Diamonds," June 19, 1907, p. 1 (still securing options for Col. J. A. Woodson of Little Rock); "The News of Pike," July 27, 1907, p. 2 ("Walter Mauney has secured options on some more diamond land in this part. Mr. Mauney is representing a firm of Texarkana people").

Deeds, Indirect Index, 1895-1940, "Mauney" (buyers and lessees are indexed) provides an unusually convenient overview of activities. At some point, the Mauney entries were extracted from the regular indirect index and listed neatly on several typed pages, perhaps during the family's financial crisis in the 1920s.

[7] Infra, "Ozark Company."

[8] Supra, "Ill-fated 'Boomtown'" and "Beginnings of Recreational Diamond Hunting." As Fuller noted, little work was done at the Mauney Mine in 1909 except the tourist operation ("Arkansas Diamond Fields in 1909," 768).

[9] Pike, Deed Book 27, 430, Lease Contract, M.M. Mauney and wife, Bettie L., to Howard A. Millar, et al., April 12, 1912; also, Deposition, John W. Bishop, in *Bettie L. Mauney, et al. v. Austin Q. Millar, et*

al., 1920, Arkansas Supreme Court 6029 (reprinted as "The Origin and History of the Mining Lease Entered into Between M.M. Mauney and Bettie L. Mauney, His Wife, and Howard A. Millar and Associates," *Pike County Courier*, July 18, 1919, p. 1). Bishop, of nearby Nashville, had been attorney-agent for the Millars' Kimberlite Company since 1910, and in 1912 was also General Attorney and Secretary of the Memphis-Dallas and Gulf Railway Company. In the deposition, he said he changed jobs in November 1918, becoming "General Attorney under the United States Railroad administration."

Bishop's earlier work with the Millars receives attention infra, "Kimberlite Company." The deposition recalled discussion in 1912 of Kimberly townsite and possible underground mining necessitated by hardibank in the Mauney Mine. Bishop, a key participant in the lease negotiations, correctly testified the Mauneys were interested primarily in the townsite, while he and Howard Millar focused on diamond mining. Although still based in St. Louis, Howard Millar was business manager for his father's venture, and went to Murfreesboro with Bishop.

[10] Lease Contract.

[11] Ibid., preamble. In his deposition (supra), Bishop said he was General Attorney and Secretary of the Memphis-Dallas and Gulf Railroad Company in 1912 (when extended to Murfreesboro in 1909, the branch was known as the Memphis, Paris, and Gulf Railroad Company). Later, in November 1918, he became General Attorney under the United States Railroad Administration (deposition).

According to Bishop, the train stopped only in Murfreesboro before the lease was concluded. Then he used his influence "to have the passenger trains stop on signal at Kimberley . . . and this program I think was carried into effect almost immediately, as thereafter all trains stopped at the townsite of Kimberley" (ibid.). If this is correct, photographs in the Crater archive and the Mauney Records showing trains stopping near the diamond field to discharge passengers were taken after early 1912 (supra, "Mauney and the Beginning of Recreational Diamond Mining"). But the photos and the phrasing in the lease seem to indicate trains were stopping before then. It seems unlikely that excursion trains—coming because of the diamond field—would not have stopped at Kimberley "on signal" after the railway was extended in 1909. Perhaps Bishop was responsible for "all trains" stopping regularly.

[12] Ibid.

[13] Ibid. Howard Millar and associates were entrusted with the management of sales, which were set at three-month intervals. The Mauneys had the first right of purchase, at three-fourths of the price set by the lessee; or if the lessee failed to set a price, the Mauneys could do so, and the lessee had an option to purchase. If neither chose to buy production, the lessee was responsible for selling in the cash market (both parties had to agree on any credit sales). Lessee would keep the Mauneys informed of "the manner, methods and records, of sale, together with quarterly statements of sales made with payment in full for royalties due."

Under the three-month rule, the lessee had to furnish "an accurate statement of the number, character, quality and weight of all diamonds and other valuable minerals taken from said mine at all reasonable times." As a general safeguard, the Mauneys, and their agents and attorneys, had "at all reasonable times" access to the grounds and equipment involved.

[14] Ibid.

[15] Ibid. This was the final clause of the contract.

[16] Deed Book 27, 435, Supplemental Lease Agreement, May 6, 1912 (allowed extra time in case underground mining was required; re-specified the plant location, and provided for the leasing of extra acreage for "flooring" [spreading peridotite for natural weathering]). Austin Q. Millar was out of the state during initial lease negotiations, and perhaps noticed the deficiencies upon returning.

[17] Statements of Mauney descendants in Murfreesboro (notes in author's possession). Walter's younger brother, Henry, relayed the accounts of Walter's interaction with the Millars, particularly Howard. The information agrees with the documentary evidence cited in this study.

According to Howard Millar's memoir, M. M. Mauney "became ill during this period, and his son Walter took charge of his business affairs" (*Finders-Keepers*, 44).

[18] "Complaint in Equity," *M.M. Mauney and Bettie L. Mauney vs. Kimberlite Diamond Mining and Washing Co., Austin Q. Millar and Howard A. Millar,* April 11, 1913, Pike County Chancery Court, Equity No. 12. Again, other sources agree with Millar's *Finders-Keepers:* "Our delays getting into operation caused us to miss the date agreed upon . . .. Walter influenced his father to sue us for failure to meet the agreement, but we won the case" (44).

[19] The barrage of charges, denials, and countercharges ran virtually nonstop from the Mauneys' initial filing of April 11, 1913, until the Millars' final legal offensive in 1920. Wary of local courts, the Millars and the Kimberliite Company (a Missouri corporation) had Equity No. 12 moved to federal jurisdiction. The continuing interaction: "Amendment to Complaint," 1913, US District Court for the Western District of Arkansas, Texarkana Division; "Separate Answer of the Defendant, Austin Q. Millar," 1913, US District Court; "Amended Answer and Cross-Bill of he Kimberlite Diamond Mining and Washing Company," US District Court; "Answer of the Plaintiffs, M. M. Mauney and Bettie L. Mauney to the Cross Bill of the Kimberlite Diamond Mining and Washing Company," 1913, US District Court; "Decree," April 1, 1914, District Court, Texarkana, Equity No. 12, case file in the National Archives and Records Administration Center (NARA), Ft. Worth, Texas.

For the entire range of Mauney-Millar court battles, including Equity No. 12, a comprehensive review is available in a later case file at NARA: *Austin Q. Millar, Howard A. Millar and W. L. Wilder, As Trustees, vs. Bettie L. Mauney, W. J. Mauney, Henry Mauney, Occo Alford, Roxie Kempner, Mesilla Shackelford*, May 24, 1920, US, Western District of Arkansas, Texarkana, Equity Case No. 45 (the Archive location numbers: Accession-transfer No. 55-A-843; FRC Location No. 72657; Record Box No. 118). In this final effort to retain the lease, the Millars' lawyers included copies of previous case pleadings and decrees, as exhibits. The file also has typed and printed copies of the leases of 1912. It does not include the numerous depositions filed with the various cases.

Bibliographic note. NARA, Ft. Worth consists of the Records Center, where federal documents from the southwest region are initially transferred after a certain period, and the Archive—the permanent storage for aging files such as the above. To place orders for other case files of the early era, or to schedule a research visit, first get the transfer numbers from the court of original jurisdiction (in this case, Western District for Arkansas, Texarkana, Arkansas). The clerk will need the case number and approximate date to check the registry. At NARA, contact the Archive division directly: the Record Center will have only more recent files.

Battling in the Courts, 1913-1920

If M. M. Mauney and his lawyer had handled the problem on their own, emotions likely would not have gotten out of control. M. M., himself, seldom used the courts to manage his affairs, and had no record of combativeness. His lawyer, William C. Rodgers of Nashville, was a skillful and respected member of the bar.[1] Reflecting their attitude as well as Walter's impatience, the initial suit of April 11, 1913, was reasonably civil, although hastily filed. The case seemed simple enough at that point: under terms of the lease, the property had reverted to the owners because defendants had missed the performance deadline of April 10; yet, the defendants remained on the property, interfering with restored rights of ownership.[2]

The perturbed Millars, however, successfully petitioned to have the case removed from the court in the Mauneys' hometown of Murfreesboro to the US District Court in Texarkana, Arkansas. The property was leased not to residents of Arkansas, but to Howard Millar of St. Louis "and his associates and assigns," including the Kimberlite Diamond Mining & Washing Co. of Missouri.

At the same time, Austin Millar set up basic equipment in the plant and began digging pits on the two acres of the northeast slope, testing the peridotite beneath the dark surface layer. His first required reports to M. M. Mauney in the summer of 1913 appeared suspect: diamonds were very scarce and disappointingly small.[3]

Now, Walter Mauney effectively took control of the case. He had found diamonds on the property in the past, and knew others had found them—up to 8.1 carats. Surely, he told his family, the Millars were not listing everything found.[4] Following his lead and using a supporting statement provided by an associate, Reece Lamb, his parents added that allegation to an amendment filed in the US District Court in December 1913. Now, the "disagreeable and obnoxious" defendants not only missed the deadline and "resolutely, persistently, contemptuously and defiantly refused [plaintiffs] access to the property," they were engaged in fraud.[5]

More precisely, the defendants were concealing "the true status of said mining operations" and refusing plaintiffs their rights to diamonds. From the beginning, said the amended complaint, they had been "carrying out a scheme to keep plaintiffs in the dark as to the result of said mining operations" and had not revealed "the number, character, size or value of the stones recovered." This was "systematically and persistently carried out with the view of discrediting and demoralizing the mines of plaintiffs and the diamond mining business in Pike County, Arkansas, for the purpose thereby of enabling themselves to buy up all the diamond bearing land in the locality for less than its value and probably for a nominal price."[6]

The answers of Austin Millar and the Kimberlite Company, in 1913, displayed similar creative skills. Denying allegations, Millar argued the deadline for completing the plant was not a condition of the lease, but merely a "covenant" between the principals.[7] The Company (essentially the Millars) submitted an elaborate brief that basically insisted the plant and other preparations were "about ninety percent" completed before the April 10 deadline, and would have been ready if not impeded by bad weather, “scarcity of labor,” and unforeseen delays in the manufacturing and transporting of machinery and other equipment.[8]

Portraying itself as victim, the Company alleged the plaintiffs had “fraudulently joined certain laborers in the employ of this defendant, who are citizens of the State of Arkansas, in order to defeat and prevent a removal of the said action into this court, and are threatening and are now about to enter upon the said lands and with force and arms take possession of the buildings, machinery, tramways, sluice ways, appliances and equipment already erected and installed . . ..” It asked the federal court to declare defendants in compliance with the lease and enjoin the plaintiffs, its agents, and its employees “from interfering with work of defendant.”[9]

On April 1, 1914, the federal judge issued a one-page decree. The plaintiffs’ amendment to their original bill—including the blunt charge of conspiracy—was declared an unauthorized late filing, and was stricken. The plaintiffs’ original bill was dismissed: the judge found no grounds for forfeiting the lease. Plaintiffs were ordered to pay all costs of the litigation.[10]

Still, there was no relief for Millars and associates. Six months earlier, the Mauneys had filed a civil lawsuit in Pike County Circuit Court, seeking to have defendants ejected from the property. And, as before, defendants avoided local justice by having the case removed to the US District Court.[11] But then, immediately after the District Court’s decree of April 1, 1914, M. M. Mauney filed again in Pike County Circuit Court, using a replevin case (determination of ownership) to re-argue basic points of the previous suits. His complaint focused on the most tangible point of contention: fifty-nine diamonds the Millars had reported recently, but had failed to market or to offer to the Mauneys for purchase, as required by the lease.[12]

This time, there was no escape to federal court. The suit named only Austin and Howard Millar, now clearly residents of Arkansas. Previously, the Mauneys had challenged the Kimberlite Company’s status in Arkansas, and the Company was banned because it held no license or permit to conduct business in the state. So the case proceeded in the Pike County Courthouse, Murfreesboro, according to the law of replevin.

As an initial step in procedure, the Circuit Judge ordered the county sheriff to pick up the contested diamonds and take them to M. M. Mauney. Such orders included a writ for the arrest of the persons holding the property if they failed to comply. On April 13, 1914, Sheriff J. E. Chaney served the papers on defendants Austin and Howard Millar, demanding they turn over the diamonds. Chaney arrested the two for noncompliance and held them until they posted bond.[13]

In following argument in court, both sides revisited all the basic issues. As for the diamonds, the Mauneys emphasized that in contrast to those reported by defendants, “many large diamonds” were found previously on the leased mine “by surface hunting and hand washing,” including one diamond weighing about as much as all fifty-nine at issue.[14] The Millars insisted it had been “impossible for these defendants to procure an offer for said diamonds for the reason that said diamonds are mined nowhere in the United States and there is no market for stones such as have been recovered by the defendants from the leased land.” They admitted they still held all diamonds recovered, including the fifty-nine, but said the plaintiff had received full information about them and had never “fixed a price at which he was willing to sell or buy.”[15]

On October 5, 1914, a jury of twelve peers reported their verdict. The plaintiff was awarded the fifty-nine diamonds or $100 for his share of their estimated value. On two questions of fact, however, the jury found for the defendants: they had neither entered into the lease "with the fraudulent purpose of not complying with its terms" nor failed to comply with the terms. The judge, swayed by the finding of fact, sustained a motion of the defendants and decreed that "plaintiff take nothing by this suit." Moreover, the plaintiff had to pay all costs expended by the defendant.[16]

Mauney's appeal to the Arkansas Supreme Court failed. On March 29, 1915, it upheld the lower court.[17]

By early 1915, the rancorous argument reached a plateau, and then two events assured even greater antagonism. M. M. Mauney died in April, leaving Walter to handle family affairs. At the same time, the Millars managed to buy the bankrupt Ozark Mine adjoining the leased property.[18] When they proceeded to wash Ozark dirt at the Prairie Creek Plant, while reducing work at the Mauney Mine, a breech of contract seemed obvious. The Mauneys added that complaint to renewed suits in the Chancery and Circuit courts, along with further petitions focusing upon diamonds the Millars recovered recently.[19]

Up to 1916-1917, the Millars succeeded in court for one basic reason: judges and juries felt they made a reasonable effort to comply with terms of the lease. It was clear the operation on the Mauney Mine never met the annual requirement of 10,000 loads; yet, the sense of progress was there, along with the appeal of the bad-weather defense. Then, in 1915-1916, activity at the mine dwindled noticeably.[20] By the winter of 1917-1918, the property was effectively abandoned, and in April the Mauneys returned to Chancery Court with a more persuasive case. The defendants had "procrastinated, neglected and refused to operate said mine" since April 10, 1917. They had "all that time been shut down" and currently were "not operating."[21]

The Millars had only two arguments left. First, they invoked the flexibility clause of the Supplemental Lease Agreement, declaring "it was determined early in 1917 that it was necessary to resort to deep mining for the purpose of ascertaining the extent and character of the diamond bearing dirt." But, they said, the nation's involvement in the war with Germany brought restrictions on dynamite, other material, and labor; so they continued washing, "and did wash ten thousand loads of dirt per annum which necessarily consisted largely of overburden . . .." Meanwhile, at "great expense," they employed competent engineers to determine the best location for a mining shaft, which probably would have to extend to a depth of 500 feet.[22]

Next, the Millars alleged the plaintiffs were largely responsible for delays at the mine. Defendants had spent "more than one Hundred Thousand Dollars" complying with the lease; all the while, plaintiffs had harassed, sued, and threatened them—and worse. The defendants' Kimberlite Mine had been burned, their fences cut, their livestock poisoned, and some of their employees arrested on frivolous charges, the Millars said. Moreover, they alleged:

. . . on the 10th day of May, 1918, while these defendants were traveling along the public highway, the plaintiff Walter Mauney sought to assassinate them, fired several shots at them, one of which went through the dash-board of the buggy in which they were riding, and finally on the 13th day of January, 1919, as defendants believe [was] by the instigation and procurement of the plaintiffs, the plant which had been erected [at Prairie Creek] for the washing of the diamond bearing dirt, as well as another plant belonging to the defendants on what is known as the Ozark property and an eight room house—the two plants being one mile apart—were burned on the same night.[23]

Unswayed, the Chancery Court ruled for the plaintiffs in October 1919, and dismissed the defendants' allegations of harassment and violence. Defendants were given sixty days to remove any buildings and equipment still on the properties, but otherwise were ordered to stay away and leave plaintiffs alone. Defendants had to pay all costs of the law suit. Upon appeal, the Arkansas Supreme Court upheld the lower court on March 8, 1920, and denied defendants a rehearing.[24]

Walter Mauney and family, however, wanted more satisfaction—as well as more certainty. Nine days after the Supreme Court's ruling of March 8, seven triumphant members of the family filed individually in Circuit Court against each of the three main defendants, the Millars and the Kimberlite Company. This frivolous salvo was of course dismissed swiftly, without prejudice.[25] Continuing, the Mauneys filed another basic suit in Circuit Court a week later, this time saying Austin and Howard Millar, Trustees, had been inactive since April 27, 1918, and were moving remnants of the plant at Kimberly to their own property (the Ozark Mine). There was no effort to rebuild the plant. The defendants answer failed to convince a twelve-member jury, which found for plaintiffs and granted full recovery of leased properties. Defendants paid all costs.[26]

With no other recourse, the Millars and an old associate in St. Louis filed their final suit in the US District Court in May 1920, unsuccessfully seeking intervention and restoration of the lease. In 1921, the Mauneys reclaimed the properties fully.[27]

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[1] A petition to the Pike County Circuit Court in 1908 was unusual, but still consistent with M. M. Mauney's overall record of behavior (*Millard M. Mauney, and Bettie L. Mauney*, *vs. Ozark Diamond Mining Company*, December 12, 1908, Civil #707, in file drawer 47, Pike County Court House). Facing a difficult task of dividing the forty-acre "Mauney Diamond Mine" property with the Ozark group, he simply petitioned the court to determine the division, if possible, or else order the land sold and the proceeds divided equitably (the context is provided infra, "Ozark Company"). Evidently, the parties reached an amiable agreement without formal court intervention.

[2] "Complaint," Equity No. 12. W. C. Rodgers prepared the two-page petition, and continued serving the Mauneys throughout the feud.

[3] Infra, "Millars and the Kimberlite Company–Mauney Lease."

[4] Henry Mauney's account, passed down to his children and grandchildren, was clear about Walter's suspicions and his role in convincing the family Millar was dishonest. A few documents in the Mauney Records add perspective, but also raise questions as to who originated the charge of dishonesty (see Reece Lamb's statement, infra).

A few comments in Millar's *Finders-Keepers* at least seem to lend credibility to Walter's suspicion. For instance, while badly misstating the time period involved, he said, "The plant got into operation in July of 1913, and more than a thousand diamonds were recovered during a period of about three months [that count was reached in late 1914]. We divided these with the Mauney heirs, as agreed, on a 25 per cent royalty basis. I remember that one of these diamonds was a fine one of about six carats, which was also of fine quality. Most of the diamonds recovered ranged from one carat to one and a quarter carats" (44). Cf. the Millars' reports to M. M. Mauney, infra.

[5] "Amendment to Complaint," December 12, 1913, US District Court for the Western District of Arkansas, Texarkana Division, Equity No. 12. Lawyers for the plaintiffs: W. H. Arnold, W. C. Rodgers, and J. C. Pinnix; supra (Lamb). The Mauney Records has Reece Lamb's undated statement, handwritten on Diamond State Bank (Kimberly) stationery. Lamb said he was on the way to St. Louis and was leaving the statement in case of an accident. Then he continued:

"I say that Howard A. Millar a short time before the contract was signed between Mauney & Millar[,] he told me if I would use all my influence in getting a contract signed by Mauney, he had a scheme fixed by which he and his associates and myself could control the diamond mines of Pike County Arkansas.

"His proposition was as follows-- He Howard A Millar and his associates would install a washing plant and wash the dirt on the Mauney mine but would keep all diamonds of good quality hid from Mauney and the public so as to discredit the diamond mines of Pike County Arkansas, by which means we could easily buy for a small sum all the other mines." (Signed, Reece Lamb.)

There is also a brief letter of November 27, 1913, from Lamb to M. M. Mauney. Then at the Hotel Marion, Little Rock, Lamb referred to an impending meeting in Texarkana, and said he would come any time needed. His statement was used to support the Mauneys' amended complaint, filed at the District Court two weeks later.

A promoter and an associate of the Mauneys, Lamb had been involved with the original Ozark group and the American Diamond Mining Company (see those sections, notes).

[6] "Amendment to Complaint."

[7] "Separate Answer of the Defendant, Austin Q. Millar," 1913, US District Court, Equity No. 12. Lawyer, George B. Webster.

[8] "Amended Answer and Cross-Bill of the Kimberlite Diamond Mining and Washing Company," December 2, 1913. Lawyer, George B. Webster.

[9] Ibid.

[10] "Decree," April 1, 1914, Equity No. 12.

[11] Pike Circuit Court, Civil, Record C, 120, *M.M. Mauney, et al., vs. Kimberlite Diamond Mining & Washing Company*, September 17, 1913, No. 989 (defense granted removal to US District Court). The Kimberlite Company's "Amended Answer and Cross-Bill, December 1913 (supra, Equity No. 12), asked the District Court to enjoin the plaintiffs from further prosecuting the "action of ejectment."

[12] "Complaint at Law," *M. M. Mauney vs. Howard A. Millar; Howard A. Millar, Trustee; Austin Q. Millar; Austin Q. Millar, Trustee*, April 11, 1914, Pike Circuit Court, No. 23; appealed to Arkansas Supreme Court, Opinion 117 Arkansas 633. Infra, "Millars and Kimberlite Company–Mauney Lease," summarizes the Millars' reports to Mauney.

M. M. Mauney, encouraged by Walter, had started building a case in March, sending the Millars a "Notice" requesting "as early as convenient an itemized list or inventory of all diamonds taken from my land in Pike County . . ., giving the size, color, quality, grade and approximate value" (undated, I.Y, Crater). Replying, Howard Millar referred to diamonds shown to Mauney recently, but said he and his father had no scales to weight them and were not expert enough to evaluate them. To determine value, they needed to accumulate enough diamonds to send to experts in New York or Chicago (Millar to M. M. Mauney, March 14, 1914, ibid.). A separate letter of the same date again mentioned the diamonds shown recently and said twenty-five more had been recovered. "These are subject to your inspection at any time during our business hours at the plant" (ibid.). Mauney did not visit the plant. Almost two weeks later, Howard reported thirty-four more diamonds, making the total of fifty-nine; this time, he gave the colors and the combined weight of all fifty-nine, slightly under nine carats. Apparently, all were quite small (March 26, 1914, ibid.). Another report on April 7 listed forty more diamonds, including "fragments" and tiny "sands." Totaling slightly over five carats, this was the puniest batch to date (April 7, 1914, ibid.). A few days later, Mauney filed suit.

[13] "Endorsement," April 13, 1914, J. E. Chaney, Sheriff, Pike County, ibid. The Sheriff endorsed the Order of Delivery, which instructed him to take the diamonds to M. M. Mauney. Millar's copy of the order, dated April 11, 1914, is in his collection at the Crater (Correspondence, I.H).

[14] Complaint at Law, April 11, 1914, p. 5. The Mauneys still alleged "fraudulent purpose," "fraudulent conduct," and scheming generally. Their "Amendment to Complaint," September 23, 1914, alleged the Millars had gotten the lease intending to use the plant to process dirt from their mine located about two and a half miles away—the Kimberlite Mine. Defendants and associates never intended to be "true and faithful to the interest of the plaintiffs."

[15] "Joint Answer of the Defendants," September 23, 1914, pp. 3-4. Defendants of course denied other allegations. Infra, "Millars and Kimberlite Company–Mauney Lease," discusses other points in the Joint Answer.

In March 1915, the Millars again reported: "We have not yet found a market for the rough diamonds" (Millar to Mauney, March 23, 1915, I.Y, Crater). Eventually, the accumulated treasure was divided.

[16] "Judgment," October 5, 1914. The defendants filed a "Motion for judgment not withstanding the verdict"; the judge sustained it "upon the special finding of the facts by the jury."

[17] Arkansas Supreme Court, Opinion 117 Arkansas 633.

[18] Infra, "Reprieved by Ozark Purchase." Headstones in the Murfreesboro Municipal Cemetery are consistent with the general record: Millard M. Mauney, January 30, 1853-April 15, 1915; Bettie M. Mauney, April 26, 1853-January 11, 1944; Walter Mauney, 1880-1947; and Henry Mauney, 1887-1968.

Howard Millar's memoir probably exaggerated a bit in saying the death of M. M. Mauney "was quite a blow to us, since we considered him our friend, if not his son Walter" (*Finders-Keepers*, 44). That could have been true a few years earlier.

[19] The Pike Chancery Court still found no grounds for turning the diamonds over to the Mauney's. In May 1917 it dismissed another complaint that had originated in Circuit Court,

involving diamonds reported in 1916; but it ordered defendants, the Millars, to certify all diamonds recovered since April 24, 1915, and deliver them to the court for disposal (Chancery Record D, 10, "Decree," *Bettie L. Mauney, et al., vs. Austin Q. Millar, W. L. Wilder, and Howard A. Millar*, May 24, 1917, Chancery, No. 847; "Complaint at Law," *ibid*., August 26, 1916, Pike Circuit, Civil). Eventually, the lawyers arranged an equitable division (25% to the Mauneys).

The accumulated diamonds undoubtedly comprised most of those on the "List of Diamonds in Box," II.N, Crater archive (undated, but continuing after 1916). The list indicated the total number for each type of diamond, basically by color and quality; the grand total was 1,821 stones weighing 291.48 carats. Also see the large collection of used diamond wrappers, "Misc." box, Crater. With only three exceptions, each of the wrappers also has detailed description; some indicate either the Ozark or the Mauney Mine as the source; some are dated. The wrappers represent the usual method of handling diamonds after recovery at the plant: rough stones were cleaned with acid, then wrapped in the special paper and, in this case, kept in a box. In the Crater archive, the wrappers are still in a small cardboard box—apparently as Howard Millar finally left them.

[20] Infra, "Millars and Kimberlite Company–Ozark Purchase."

[21] "Complaint in Equity," *Bettie L. Mauney, et al., vs. Austin Q. Millar, et al., Trustees*, April 27, 1918, No. 931 (appealed to Arkansas Supreme Court; decision, March 8, 1920, SC 219 Sw. 1028). No "act of God" should excuse defendants' inaction, plaintiffs said. They assured the court they were willing to allow defendants a reasonable time to remove equipment and structures from the properties.

[22] "Amended and Substituted Answer and Cross Bill," *Bettie L. Mauney, et al., vs. Austin Q. Millar and Howard A. Millar as Trustees*, 1919 (Chancery No. 931; Supreme Court 219 Sw. 1028), 6-9.

[23] Ibid., 9-10. Henry Mauney's grandson, Al Terrell of Murfreesboro, recalled hearing the family's side of the story from an early age (notes in author's possession). According to this more credible account, Walter Mauney intended only to "throw a scare" into the Millars, by firing his rifle at the rear of the buggy as they passed on the old county road next to his house on Prairie Creek—about forty yards away. So far as anyone knows, this was the only time a firearm was used. Howard Millar later insisted someone also fired at him after dark.

[24] "Decree," Chancery Court, October 13, 1919, No. 931; SC 219 Sw. 1028, April 12, 1920 (rehearing denied).

[25] Pike Circuit, Civil, Record C, 528-532, March 17, 1920, No. 349-370. Plaintiffs paid all costs. The cohesive seven: Walter Mauney, Bettie Mauney, Henry Mauney, Occo Alford, Roxie Kempner, Mesilla Shackelford, and Alice Peel.

[26] "Complaint at Law," *Bettie L. Mauney, et al., vs. Austin Q. Millar and Howard A. Millar, Trustees*, April 23, 1920, Pike Circuit, Civil; "Answer, Demurrer and Motion to Transfer to Equity," ibid., 1920; Pike Circuit, Civil, Record D, 11-12, *Bettie L. Mauney, et al., vs. Austin Q.*

Millar and Howard A. Millar, Trustees, March 24, 1921, No. 389 (jury found for plaintiffs; motion for new trial denied; appeal to Supreme Court granted).

In their answer, defendants repeated the argument about underground mining, the impact of the war, and harassment by plaintiffs. As for a new plant, they said, “it will cost a large sum of money—more than a quarter million dollars to construct a plant necessary to commercially mine said land,” and because of “the fraud, malice and harassment inflicted upon them by the plaintiffs,” they had been “hampered in making the necessary financial arrangements to construct said plant” (5-6).

[27] “Complaint in Equity,” *Austin Q. Millar, Howard A. Millar and W. L. Wilder, as Trustees, vs. Bettie L. Mauney, et al.*, May 24, 1920, US District Court, Western District of Arkansas, Texarkana Division, Equity Case No. 45, NARA Ft. Worth (Accession-transfer No. 55-A-843; FRC Location No. 72657; Record Box No. 118); “Joint Answer of all Defendants,” ibid., June 24, 1920. In the case file, Equity No. 45 concluded with a brief letter of November 22, 1920, referring to accompanying legal documents introduced by plaintiff. The writer, an attorney for the Millars, asked the recipient to keep the papers available for later reference when the attorney was ready to write a brief (J. B. McDonough, Attorney for the Kansas City Southern Railway Company, Ft. Smith, Arkansas, to James K. Perkins, Ft. Smith). The case file includes no response from the court except the routine summons.

In their Answer, the Mauneys challenged the federal court’s jurisdiction, pointing out that all parties in the case except Wilder resided in Arkansas. The also claimed their right to a trial by a jury of their peers, and requested recovery of all expenses. The Millars seem to have reconsidered all the circumstances and terminated the suit.

The 1920s: Financial Plight and Promotional Morass

Recovery of the Mauney Mine proved crucial for the Mauney family, because that venturous group emerged from the previous decade heavily in debt and facing bankruptcy.[1] By late 1922, major creditors had grown impatient, particularly the State Life Insurance Company of Indianapolis, which held a note for $6,901 plus interest due. Both State Life and the Pike County Bank had liens on family properties, except for the ten acres included in the Mauney Mine. After State Life sued for payment, 255 acres of land were scheduled for public auction on June 30, 1923.[2]

But now, with a clear deed to the Mine, the Mauneys could benefit from certain advantages they held in the early ‘20s. As descendants of leading pioneers of the area, they were active in the affairs of Murfreesboro and Pike County, and had a longstanding relationship with the Pike County Bank and its president, J. C. Pinnix. Now, they could arrange for the bank to buy those 255 acres at auction and return the deeds to the family. In return, they signed a deed contract pledging the ten acres of the Mauney Mine as security for both the new debt and “several” other “notes and obligations” held by the bank. According to the contract, the Mauneys would clear all debts, including all expenses associated with the auction, within ninety days after recovering the 255 acres.[3] A later contract clarified the total amount due the Pike County Bank after it had paid $7,410.25 for the auctioned properties: $20,907.93, at 10% annual interest.[4]

At the time, the ninety-day deadline seemed reasonable. The Arkansas Diamond Company's operation just south of the Mauney Mine was still generating excitement and local confidence in the future; Walter Mauney, head of the family since his father died, was an experienced promoter with many useful contacts. Recently, almost all the family had given him full Power of Attorney to sell or lease the Mine, and only one deal was needed to make the financial situation at least manageable.[5]

Walter Mauney's new adventure began in early July 1923, when John Peay, John Fuller and other stalwarts of the Arkansas Diamond Company dined at the Mauney home on Prairie Creek, reportedly to talk about buying the Mine. "If these gentlemen purchase the property," declared the *Pike County Courier*, "they will probably begin development work on a large scale which will mean much towards the industrial growth of Murfreesboro and Pike County. . . . and if they take charge of this rich field we may rest assured that it will be developed."[6]

Although that discussion led nowhere, another prospect soon appeared on the scene. In mid October, 1923, O. L. Brace, a consulting geologist from Camden, Arkansas, inspected the Mine for Gordon Ingalls of nearby El Dorado, and submitted a balanced, straightforward report. Benefiting from the ADC's experience, Brace recommended a cautious approach. "In order to place the Mauney property on an operating basis it would be necessary to install machinery first to handle the black ground, ... The best type of plant for this purpose is the small washing plant, as used [currently] by the Arkansas Diamond Corporation. At a later date, after the black ground has been exhausted, it would be necessary to install a larger plant. . . ."[7]

Dispassionately, Brace emphasized that the ADC's experience showed diamonds could be recovered "by means of a simple, inexpensive plant, thus permitting the thorough test of the property without a large initial outlay of funds. The period over which this company [ADC] has operated would tend to show that their operations have been profitable. We have no statistics to prove this point, however." He closed with the standard caveat, that only field operations could obtain data about "commercial possibilities of diamond recovery."[8]

Ingalls, however, was representing an aggressive promoter from New York City: A. Rovenger, whose visit to the Mine in late October helped send expectations soaring in Murfreesboro. According to the *Pike County Courier*, those negotiating with Walter Mauney were "said to be very strong financially" and "reported to be worth something near $14,000,000."[9] They planned to erect "one of the most modern diamond washing plants in existence and have the diamonds cut and polished here . . . and marketed from Murfreesboro to the jewelers of the world." The mine would be run "regularly and permantly [sic], employing a large force of men and will prove to be one of the biggest industries started in Southwest Arkansas in many years." Walter Mauney had selected the buyers carefully, the *Courier* said, and "states that he believes we are on the eve of the biggest business revival ever had in this part of the state.[10]

In mid November, the *Courier* reported Rovenger had leased the Mine tract for twenty-five years, with the Mauneys getting a one-eighth royalty for all diamonds found. The lessee would begin preparing the grounds for a modern South African plant within thirty days; engineers from abroad were scheduled to leave for Murfreesboro "at once" to handle the project. For the cutting and polishing, Belgian experts were being brought in.[11] Lauding Rovenger and Walter Mauney, the *Courier* concluded with a long prepared statement from the latter, effectively a promotional tract as well as an apparent articles of faith. "'There is enough diamond bearing earth to insure a daily run of many years and I know the diamonds are there and in paying quantities," said Mauney, who also thought many other "diamond craters" would be found in the area. He believed his little town was "on the eve of a boom."[12]

Two weeks later, the *Courier* carried a brief article about a visit by one of Rovenger's associates, who was "highly elated" with what he found. "The diamond mining experts from South America and South Africa will arrive here about December 10, when work of development is expected to begin on a big scale," the paper reported.[13]

Then, without further comment, the heralded project vanished from the record—an understandable outcome in view of the mineral lease filed at the Pike County court house a week after Rovenger's first visit. According to that document, the twenty-five-year concession cost the New Yorker $12,500 "cash in hand," as well as the royalty. Moreover, the contract called for three additional payments of $12,500 each, the first due within six months. Both the initial money and the following installments would go directly to the Pike County Bank to assure repayment of the Mauneys' debt there. Under a generous performance clause, Rovenger had a full year to commence work at the mine.[14]

Walter Mauney apparently understood the promotional essence of the arrangement, and included a careful disclaimer in the contract. "It is distinctly understood and agreed that the parties of this Lease are not partners," it said, "but stand in relationship to each other as Lessor and Lessee."[15] Similarly, Mauney indicated a degree of sensitivity by assuring any reader of the contract that his family honestly intended to pursue diamond mining and was not involved primarily because of the lease payments.[16]

What about the $12,500 "cash" payment? After the venture failed, the debt at the Pike County Bank remained untouched. This and the general circumstances indicate there was no $12,500 payment upfront, which according to the contract would have applied directly to the debt.

Evidently, the Rovenger affair was another of those episodes when "cash in hand paid, the receipt of which is hereby acknowledged" actually meant the cash fell due as the promoters raised money. This happened again in early 1925, when Walter Mauney entangled himself with investors in Texarkana, about seventy miles southwest of Murfreesboro. This time, there was no publicity. According to the documents covering the short-lived arrangement, Mauney borrowed $5,000 from the group in April and immediately leased them the Mine property for $35,000 "cash in hand"—$5,000 of which was to apply to the loan.[17] The group also had the option of buying the ten acres for $120,000.[18] Years later, Mauney explained that the group's trustee, C. C. Turquette, had returned the lease in 1925 without paying the money or conducting any operations at the mine.[19] The aborted venture terminated only a few weeks after the Arkansas Diamond Company's operation shut down on the southeast slope.

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[1] Financial strain, primarily from real-estate ventures and legal costs, was evident by late 1916, when M.M. Mauney's heirs mortgaged all of his real estate in Arkansas and Oklahoma except for Kimberley Township, the Mauney Diamond Mine (ten acres), and a twenty-seven acre tract that had already been deeded to Henry Mauney (Pike, Mortgage Record 10, 581-583, Deed of Trust, Bettie L., Walter and Emma, and Henry and May Mauney to W. F. Galloway, Trustee, in behalf of Pike County Bank, December 30, 1916 [$2,800 loan for sixty days at 10% annual interest, secured by notes]). The mortgage deed stipulated the properties also could serve as security for any further loans. The $2,800 was paid off on schedule.

In March 1917, the Mauneys took a mortgage loan of $6,000 from the Southern Trust Co. of Little Rock, putting up 255 selected acres near the diamond field (Record 12, 122-125, Deed of Trust, family to STC, March 1, 1917 [loan at 6%; payment in seven annual installments, by due by January 1, 1924]). A second mortgage deed of that date specified the first two of the seven annual payments (ibid., 143). As SLI's law suit later clarified, at least some of the 255 acres mortgaged to SLI remained part of the collateral at Pike County Bank.

In April 1917, Southern Trust transferred the mortgage to State Life Insurance Co. of Indianapolis, Minnesota (ibid., 406, April 5, 1917). After the Mauneys made the first two payments, State Life released the second mortgage deed of March 1, 1917 (Mortgage Record 13, 199, Release, January 4, 1919). When they missed the next scheduled payments, the company sued (infra, nn. 206,207).

Along with legal costs and failures in real-estate development, there family experienced misfortune such as the ill-fated marriage of a daughter, Mesilla Mauney Shackelford. Years earlier her father, M.M., had divided money from the sale of the Ozark property among his children, and "all this and her other property, he [the husband] ran through with and consumed it before he left her" (Walter J. Mauney, deposition, *Mesilla Shackelford v. Thad Shackelford*, petition for divorce, September 28, 1921, Pike County Chancery Court No. 1097, drawer 128).

[2] *State Life Insurance Company v. Bettie L. Mauney, et al.*, 1922, Chancery No. 1247. The Mauneys also were indebted to the Pike County Bank for unspecified but "divers [sic] sums of money." The details were summarized in Pike, Mortgage Record 17, 48, "Mortgage with Power of Sale," Bettie L. Mauney, Walter J. and Emma Mauney, and Henry and May Mauney to Pike County Bank, June 30, 1923. A copy also is available in the British-American packet noted infra (1927, Chancery No. 1541, drawer 150).

[3] Mortgage with Power of Sale, ibid.; Pike, Chancery Court Record, Book D, 461, "Intervention" by Pike County Bank, *State Life Insurance Company v. Bettie L. Mauney, et al.*, November 13, 1922, Chancery No. 1247 (J. C. Pinnix intervened, as attorney for the bank); "Commissioner's Report," ibid., 550, November 12, 1923 (no detail); "Order Approving Report of and Confirming Sale Made by Commissioner" and "Order Granting Commissioner's Deed," ibid., 561-562, November 13, 1923 (Pike County Bank bought the 255 acres).

[4] Pike, Oil & Gas (minerals) Lease Record 5, 59, "Lease of Diamond Mine Property," Mauney family to A. Rovenger, November 3, 1923. In addition to those approving the Power of Attorney cited below (infra, n. 209), other family members had inherited a share of the Mine, and signed the lease: Mesilla Shackelford (nee Mauney) of Okolona, Arkansas, now declared a widow; Ike Kempner of Hot Springs, husband of the deceased Roxana Kempner (nee Mauney); and William W. Little of Hot Springs, guardian of Roxana's minor children, Mary Elizabeth Kempner and Mauney Ike Kempner.

[5] Pike, Misc. Records, 3, 129, Power of Attorney, March 28, 1923, signed by Bettie Maunie; Emma Mauney, wife of Walter; Henry Mauney and wife, May; J. N. and Occo [Mauney] Alford of Okalona, Arkansas, and J. H. and Alice [Mauney] Peel of Sulphur, Oklahoma—all having an interest in the property. Not signing, for some unknown reason: Ike Kempner and William W. Little of Hot Springs.

[6] "Prominent Little Rock Men Here," *Courier*, July 6, 1923, p. 1. Except for Reyburn and Stifft, the delegation included almost all the top figures involved with the ADC: Peay, Fuller, Moorehead Wright (of the Union Trust Company, Little Rock), E. J. Bodeman (another Little Rock banker), and Albert Cohn (of the original Little Rock trio). The outcome of the meeting was never reported.

[7] O. L. Brace, Petroleum and Mining Geologist, Camden, Arkansas, to Gordon Ingalls, McWilliams Bldg., El Dorado, Arkansas, October 17, 1923, p. 4, "Misc." box, Crater archive.

[8] Ibid., 4-5.

[9] "Large Diamond Deal This Week—Mauney Heirs Will Probably Sell to New York Capitalists," *Courier*, October 26, 1923, p. 1f.

[10] Ibid.

[11] "Mauney Diamond Mine is Leased," *Courier*, November 16, 1923, p. 1.

[12] Ibid., p. 4. The promotional overtones did not necessarily reflect a lack of sincerity. When the Millars held the lease, Walter Mauney suspected they had found ample diamonds and had merely failed to report many of them (infra Millars and the Kimberlite Company). He knew, of course, about the surface concentration of diamonds; but so did John Fuller, who in the 1920s still thought the eroded surface reflected the content of the underlying matrix. As others, Mauney had invested so much time, money, energy and emotion in the diamond mine that perhaps he *had* to continue believing in eventual success. He, himself, probably could not have sorted out his motives and basic intent at this point.

[13] "Promoter Visits Mine," *Courier*, November 30, 1923, p. 1. The visitor was identified as "Guy C. Core" of New York City.

[14] Pike, Oil & Gas (all minerals) Record 5, 56-57, Lease, Mauney family to A. Rovenger, November 3, 1923.

[15] Ibid., 57.

[16] ". . . and it is understood that the principal consideration to the parties of the first part [Mauneys, et al.] for this lease is not the cash paid on the signing of this lease, nor the installments of cash payments above referred to, but is the expected One-Eighth (1/8) royalty from the operation and development of the property" (ibid.).

[17] Pike, Misc. Record 5, 131, Escrow Agreement, Walter J. Mauney, as agent, and C. C. Turquette, Trustee, of Texarkana, Texas, April 17, 1925; ibid., 138, Lease of Mine, Mauney family to Turquette, Trustee, April 17, 1925. Turquette represented himself and other, unnamed investors. The loan was due within thirty days, as stated in a complicated escrow agreement involving the Mine property, the Pike County Bank, and the Merchants & Planters Bank of Texarkana, Arkansas, the escrow holder.

[18] Ibid., 142.

[19] Misc. Record 5, 59, Affidavit of W. J. Mauney, November 9, 1945; cf. marginal notation, Lease, April 17, 1925. The deeds Reverse Index, 1895-1940, "Mauney," has two entries indicating Turquette returned the two original documents on August 26, 1925. The documents,

themselves, bear no information except the vague marginal notation; apparently, the reverse entries were added in 1945.

The British-American Company: a Scheme That Might Have Succeeded

In January 1927, seventeen months after the last known promotional activity, the *Pike County Courier* suddenly carried a prominent front-page article announcing "MAUNEY DIAMOND MINE HAS BEEN LEASED FOR ACTIVE OPERATIONS." Now wary of such pronouncements, the paper reprinted a report that had appeared in the *Arkansas Democrat* earlier in the week, a brief item about a British-American Diamond Company that had leased the Mauney diamond field "some time ago" and now had a crew preparing the grounds for mining. "W. J. Mauney, in company with Col. L. G. White, who is local superintendent of all operations, states that this is in no wise a 'test' but that the company intends making the operations of a permanent nature," the *Democrat* said. A mill (processing plant) would be installed "within a short time."[1]

Providing no information on its own, the *Courier* simply welcomed the company and credited the activity to the recent termination of the Mauney-Millar conflict and the commercial potential of the diamond field. "Now that litigation is over capital has began [sic] to move, which is always the case where production is certain and proven."[2]

With very little fanfare, the shadowy company maintained a sense of momentum on the northeast slope. In late January 1927, the *Courier*'s reporter visited the property and found activity continuing despite constant rain. Bridges leading to the mine were rebuilt or repaired; the road was re-graveled, and "other construction work put underway." Mining operations were "not expected," however, until the preparation and the rain ended. "As is well known by all familiar with these mines, the earth is sticky as wheat dough in wet weather . . .."[3]

In following months, things seemed to move ahead. Preparation of the plant site continued in February.[4] On July 1, the *Courier*'s reporter was "agreeably surprised" while inspecting the improvements of the past few weeks: a test pit had been dug and covered by a "building"; the wood frame of the plant was being completed, with an "engine" already in place; an office building and driveways were under construction, and the frame for a water tank had been finished. On the other hand, "The machinery which has been ordered has to be rebuilt and [it] will probably be some time before the completion of the mill and before operations can begin."[5] Although this was the *Courier*'s last article on the subject, a writer for an out-of-state newspaper visited in August and found the crew still "laboring in the hot sun building a small plant for the British-American Company." Mining would start "within the next month," he concluded.[6]

All the while, the organizers of the operation, a small group based in the Ft. Worth, Texas, area, engaged in the most imaginative stock promotion of the entire era. It began by late November 1926 and reached its highest pitch about three months later, most lavishly in a tour de force styled as the *Pike County Courier* of Friday, February 18, 1927.[7]

Virtually promising "incredibly huge profits," the eye-catching "Courier" told potential investors, "This opportunity is before you TODAY. But! . . . NOT FOR LONG! Just for long enough to raise sufficient money to install machinery and start operations on an efficient basis. Then--the offer will be withdrawn! Never to come to you again! . . . For, this is the ONLY known diamond pipe in North America!"

According to that sales pitch, the company "anticipated" the mine would "shortly go on a producing basis sufficient to supply a major portion of the Forty-two Million Dollar demand for diamonds in the United States." Without qualification, it said: "OUR PROPERTY HAS ALREADY GIVEN UP MORE THAN 2,000 OF THESE TREMENDOUSLY VALUABLE STONES!" And "In all probability, COUNTLESS THOUSANDS OF TREMENDOUSLY VALUABLE DIAMONDS ABOUND IN THE GREATEST PROFUSION FROM THE VERY SURFACE ON DOWN TO PERHAPS THOUSANDS AND THOUSANDS OF FEET!" An unidentified engineering firm had estimated profits of "$3,638,840 FROM THE FIRST THIRTY FEET," and other engineers estimated twice that sum![8]

On November 24, 1927, the lead article of the *Arkansas Gazette* announced the results of an investigation by the U.S. Postmaster General. The postal department had found the British-American Diamond Company and its organizers were engaging in a scheme to obtain money "'by means of false and fraudulent pretenses, representations and promises.'" The company and the principals—W.I. Brashears and "Newell & Co." of Ft. Worth—were barred from further use of the mails. Walter Mauney was mentioned only as the person leasing the ten-acre property.[9]

The *Gazette*'s review of the evidence left no doubt the little group of Texans had, indeed, used fraudulent propaganda to push stock. Statements in the "great volume" of "letters, printed folders and display circulars" were generally more deceptive than those in the "Courier" of February 18—one item not only declared 2,200 diamonds had already been "taken out," but also added, "We are busy taking out more."[10]

Exposed, Brashears and associates promptly abandoned the buildings and equipment on the Mauney Mine. Creditors and hired workers, including Lee J. Wagner, were left with payments due; even the British-American Company's local superintendent, Colonel White, declared he had $2,450 coming.[11]

Ordered into receivership by a Pike County judge, the company's property was declared of insufficient sales value to cover the moderate claims submitted December 1, 1927-May 14, 1928, although they totaled only $3,237.73, including White's amount. At the time, the Arkansas Diamond Company was preparing for more work on the southeast slope, and the Receiver recommended postponement of the sale until "a re-organization of the Company and the beginning of actual operations of the Diamond Mines in Pike County." Meanwhile, claimants received liens on the buildings and equipment.[12]

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[1] "Mauney Diamond Mine Has Been Leased," *Courier*, January 21, 1927, p. 1. No lease was filed in Pike County.

[2] Ibid.

[3] "Preparations for Diamond Mining Being Made," *Courier*, January 28, 1927, p. 1.

[4] "First Diamond is Found by British-American Diamond Commpany Employee," *Courier*, February 18, 1927, p. 1. A worker "caught the gleam and poised long enough to pick up a splendid small blue-white diamond that had been washed out by the incessant rains within a dozen feet of where a hand washer had just been installed."

[5] "Much Progress Going On At The Diamond Mine," *Courier*, July 1, 1927, p. 1.

[6] "Pike County Has Real Diamonds, He Says," *The World***,** August 14, 1927, clipping (no source identification; no page number), in IV.E.5, Crater archive. "This company was organized by W. J. Mauney, who owned nine acres of the old crater," the writer said. "Mauney has worked years and spent money in order that his property may be developed and may soon be rewarded for his labor."

[7] On November 26, 1926, H. A. Bigelow of Pasadena, California, wrote Howard Millar asking for advice. The British-American Diamond Company of Ft. Worth, Texas, was "being organized" and selling stock, to buy machinery to work the Mauney Diamond Mine. "They claim to have leased this mine, and want to sell me stock in it . . .." Millar, no doubt savoring the opportunity, replied that the Mauney property could not be worked by itself, because it included only ".41 acres" of the pipe and had a problem with caving along the sides adjacent to the Ozark and Arkansas Mines (I.N, Crater archive).

A well-preserved copy of the promotional "*Courier*" is in IV.E.1, Crater (and on the microfilm of the archive, ibid.). Such exploitation of local newspapers was fairly common in those days. There is no way of knowing if the *Courier* ever knew about the piece, which would have been used quietly in selective appeals to investors. Evidently, the rare copy in the Crater archive came with the Millars' collection.

[8] The oversized pamphlet cited an article on American diamonds appearing in the *Literary Digest* of February 26, 1927. Investors reading the small print would have noticed a comment about most Arkansas diamonds being very small stones picked up from the surface.

[9] "Fraud Order Hits Arkansas Concern," *Gazette*, November 24, 1927, p. 1; the same press release appeared as "Fraud Order Hits Arkansas Diamond Co., *Nashville News*, November 26, 1927, p. 2. According to the findings of the department's solicitor, Brashears had leased the ten-acres from Walter Mauney on May 20, 1926, but (as the deed records still indicate) never filed the lease in Pike County. More important, Ike Kempner and William Little had signed neither the lease nor the power of attorney the rest of the Mauney family had given Walter earlier; so the solicitor declared the lease invalid.

Among other alleged infractions, it was not clear Brashears had ever assigned the lease to the company, which he, B. J. Thigpin, and H. L. Green had incorporated in Texas with a capitalization of $35,000 and an authorized 1,000,000 shares having no par value. As for "Newell & Co.," supposedly the group's stock broker, the solicitor found it was only an oil-field worker "who at the instance of Brashears entered the brokerage business and without a license or the payment of the state taxes proceeded to sell and to advertise stock in Brashears' company."

[10] Ibid.

[11] "Report of Receiver—In the Matter of the Receivership of British American Diamond Company," May 14, 1928, in *T. J. Jones, Receiver, v. British American Diamond Company*, 1927, Chancery No. 1541, drawer 150, Pike County Courthouse. Almost all of those filing a Statement of Account to Obtain Lien (ibid.) were local laborers and craftsmen:

R. B. Carroll and C. W. Carroll, doing business as Carroll Auto Company, filed December 1, 1927 (two pages of detail; materials and labor for maintaining a "Model J. Hudson 1918). $20.80 for labor, gasoline, oil, tire work, etc. R. B. Carroll was bookkeeper of the firm.

W. O. Basham, "garage" owner, December 1, 1927 (two pages). $10.50 for sales and delivery of gas and oil.

Henry Davis, filed December 5, 1927 (four pages of detail). Due $90.16 for lumber sold to the BAC; $20 for hauling steel from Caddo Gap, Arkansas, and $20 for steel nails and spikes supplied. Total, $130.16.

Lee J. Wagner, December 5, 1927 (three pages). $42 for selling and delivering 180 feet of drill stem; $8 for one lot of bolts; $18 for two shafts, and $25 for labor. Total, $93.

Giles Wagner, December 22, 1927 (one page and a one-page affidavit listing equipment and describing plant in detail). Due $30 for labor, helping construct the plant.

Paul Parker, December 23, 1927 (one page and affidavit). $1, balance due for labor in October; $11.25, balance for labor in November. Total, $12.25.

Freeman Kizzia, December 23, 1927 (one page and affidavit). $21.25 for balance of labor in October, and $7.50 for balance in November. Total, $28.75.

J. R. Sidebottom, a Blacksmith and Woodworkman, December 30, 1927 (one page and affidavit). $5.10 for bolts, clamps, bearings, and other hardware.

Will Fugitt, January 14, 1928 (one page and affidavit). $8, night watchman (@ $2); $1 for four hours of carpentering (@ 25 cents); $1 for two hours hauling (@ 50 cents); also worked in construction of plant. Total, $10.

Lee Buckley, mechanic in construction and repair of equipment at plant, January 26, 1928 (one page, detailing what he worked on). $64.50 for sixteen days work in October and five and one-half days in November (@ $3).

Filings included an "Intervention" of M. L. Carroll, May 14, 1928 (two pages, listing equipment at the BAC site that he sold on credit to L. G. White, including a "W. C. Meadows Mill Company Grist Mill, complete" (Carroll wanted repossession). Also, an Intervention of Grover Conway, May 14, 1928 (statement with a contract to L. G. White attached): $125 due on a Delco Light Plant sold on credit, September 7, 1927 (Conway wanted repossession).

The Receiver added a few creditors: Diamond Gravel and Lumber Co., $13.35; Murfreesboro Telephone Co., $20.13; Murfreesboro Hardware Co., $226.69; Tropical Paint Co., $45; L. G. White (the British-American Company's mine superintendent), $2,450, and Henry Bumgarner, $20 (Report, 1-2). Excluding the repossessed machinery and making minor adjustments to the Statements of Account, the Receiver submitted a total of $3,237.73 due.

[12] Report of Receiver, May 14, 1928, ibid. The property list included: a "washing plant building, 16 by 24 feet, painted, sheet-iron roof, housing jigs and screens, with engine room"; one "Fairbanks-Morse Z type, 15 h.p. Gas Engine, #485997"; a set of three-stand jigs, complete; one "Trommel, 3-section Screen, ¼, ½, and 1 inch mesh, 36 by 36 inch [each section]; sections complete, without shaft"; a 38-inch cast-iron pulley; two 24-inch cast iron pulleys; 100 feet of 2-inch pipe, new; 250 feet of 1½-inch pipe, new; two 2-inch brass G. Globe valves; two 1½-inch brass check valves; two 2-inch brass check valves; "and other machinery and materials put into said plant and buildings." Also see Giles Wagner's list, and other Statements, supra.

A Final Deal and Final Justice

Over a year later, there was an offer to purchase all the property held by the Receiver—for $450. Written on stationery of the Pike County Bank, the proposal of July 26, 1929 came from a stranger, W. F. Hintze of Tarrant County (Ft. Worth), Texas.[1] There is no evidence this offer, or any other, was ever accepted; yet, the following month, Hintze filed a Certificate of Incorporation at the Pike County Courthouse, declaring formation of the American Diamond Corporation, a Murfreesboro venture. Hintze was President; Claude A. Rankin, a leading citizen of Pike County, signed as Secretary. J. N. Hipp, cashier at the Pike County Bank, also appeared as an incorporator and one of three directors. Initial capitalization was $300, the legal minimum; but 100,000 shares of stock were authorized at $1 par value. According to the document, each incorporator subscribed to 100 shares.[2]

The timing seemed appropriate, considering the reorganized Arkansas Diamond Company had just started working the southeast slope again, reviving interest locally. This time, the *Pike County Courier* took a close look at the northeast slope and "found quite a bit of activity going on." W. F. "Hientz" of Ft. Worth "recently purchased this property in fee simple," the paper reported, "and for the past 20 or 30 days has been busy in making preparations to uncover the 'gems' . . .." After obtaining a permit, Hientz's group would lay pipe from the plant to Prairie Creek and start "'sluice washing.'" The article described the process in detail, and said two small diamonds had already been found "employing hand washing methods."[3]

Noting the roles of Hipp and "Senator Claude A. Rankin," the *Courier* was guardedly optimistic. "At present seven men are employed and one foreman, but if his plans materialize, Mr. Hientz stated that he expected to run a day and night shift in about 30 days that would require the services of about 30 men." Hientz was "very optimistic over the prospects . . .."[4]

After almost three months, however, readers of the *Courier* learned of another frustrating turn of events. The headlines: "Diamond Mining Men Are Arrested—Charged With Using the Mails to Defraud. Hearing Will Be Had in Federal Court." Walter F. "Heintze" and W. I. Brashears, a "promotion man, said to have served a Federal term from Fort Worth on a similar charge," were taken into custody in Dallas, Texas. Heintze's female secretary was being sought.[5]

Moreover, Walter Mauney of Murfreesboro—currently a candidate for Pike County Judge—had a hearing before a U.S. commissioner the previous week. Mauney told the *Courier* he had appeared voluntarily, and insisted "all he did was make a deed to W. F. Hientz" and place it in escrow in the Pike County Bank. He believed the people of the county would understand "that his only interest was to dispose of the property, that it might be properly developed, and prove to be of some benefit to the county and state." He was, he said, still a candidate for county judge.[6]

The news was doubly disappointing, for the U.S. postal inspector declared the group's literature was not only misleading, but also "based on false hopes." Engineers from the South African diamond fields considered the company's prospects on the northeast slope to be "negligible."[7]

Later, federal court proceedings in Texarkana cast doubt on the validity of Walter Mauney's defense. In May 1931, he entered a plea of guilty and drew a $750 fine, which the judge suspended. Also pleading guilty, Hintze was fined $300 and sentenced to a year and a day in prison; Brashears' guilty plea yielded a year and three months. The secretary, Sue E. Nash, remained at large.[8]

The obscure deed to W. F. Hintze was never recorded in Pike County. According to statements at the time, Mauney simply sold an option to purchase, which expired April 1, 1930.[9] But J. N. Hipp's later affidavit provided further perspective: although a deed was delivered to the Pike County Bank for escrow, the plan to organize the American Diamond Corporation "did not materialize." Those who were “suppose [sic] to furnish the money” failed to do so. The deed was never delivered to Hintze, who was said to be the president of the American Diamond Corporation “if and when organized.”[10]

The Mauney family entered the 1930s effectively bankrupt and still depending upon friendly creditors to get by. The Pike County Bank received very little payment on its big loan of 1923, backed by a lien on the Mauney Mine. The obligation—$20,907.93, at 10% annual interest—became unmanageable as Walter’s various deals failed, and yet the bank never foreclosed.[11] Similarly, the family’s much smaller loan from the Bank of Delight, in nearby Delight, Arkansas, became a problem for all concerned.[12] But then came the Great Depression, a leveling force creating a society filled with irony and paradox, as well as tragedy.

For many Americans, the Depression relieved both the pressure and the stigma of past mistakes. In areas hit by severe drought, such as southwest Arkansas, forfeited land soon threatened to inundate both the banking system and state tax agencies. While many foreclosures occurred, many debts were also dealt with sensitively, especially in tightly-knit rural communities. Lenders often suspended mortgages, with debtors getting a fresh start as New Deal programs expanded and a second great war revived the economy.[13]

Eventually, the Mauneys recovered from those hectic years of 1913-1933, still holding the Mine and the main family estate those ten acres had rescued back in the early ‘20s. In February 1943, all of M. M. Mauney’s surviving heirs finally signed a deed transferring the mortgaged property to the Pike County Bank.[14]

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[1] Letter filed with *T. J. Jones, Receiver, v. British American Diamond* Company, ibid. According to the writer, the offer would liquidate all claims. Chancery Court records, however, show no action beyond the delay-of-sale in 1928. Nor do deeds or leases.

[2] Misc. Record 3, 370, Certificate of Incorporation, American Diamond Corp., August 14, 1929; supra. This time, Hintze and undisclosed associates in Texas followed one of the basic rules of promotion: To succeed, or at least have the best chance at success, draw prominent leaders of the community into the effort. For Hipp and Rankin’s backgrounds, see their later affidavits in Misc. Record 4, 339, July 15, 1937 (Rankin) and Misc. 5, 59, November 9, 1945. In 1929, Rankin managed the Pike County Abstract Company, owned by J. C. Pinnix.

[3] “Diamond Mines Are Being Worked Now—W. F. Hientz Recently Purchased Mauney Mines[,] Expects to Use Night and Day Shift Soon,” *Courier*, September 20, 1929, p. 1. Hintze’s name was often misspelled. The typed Certificate of Incorporation was consistent throughout: *Hintze.*

[4] Ibid.

[5] *Courier*, December 13, 1929, p. 1. Apparently, the paper had gotten erroneous or confusing information from some source: the article said, in the lead paragraph, that the charges were “in connection with stock selling operations of the Arkansas Diamond Corporation, carried on from Texarkana several months ago. The company has no connection with the American Diamond Corporation, here, but has a tract of land near Murfreesboro . . . adjoining that of the older company.” Then the article clearly described the principals, excepting Brashears, as those

known to be involved with the American Diamond Corporation. Hipp and Rankin escaped attention.

[6] Ibid. According to Mauney, the postal inspector missed the hearing; so he returned home to await further instructions. He requested another hearing, he said, and was anxious to explain he "had no connection with the diamond company, that he knew nothing about their alleged mail campaign, does not have stock in the company, has no office in the company, and . . . knows nothing about the organization in Texas nor Arkansas."

[7] Ibid. The promoters raised hopes that investors might make "up to 15,000 per cent on their money."

[8] "Diamond Mine Case Is Heard," *Pike County Courier*, May 22, 1931, p. 1. Federal officials viewed the American Diamond Corporation as a successor of Brashears' British-American venture.

[9] Ibid.

[10] Pike, Misc. Record 5, 59, Affidavit by J. N. Hipp, long-time cashier of Pike County Bank, November 9, 1945 (cf. Certificate of Incorporation," supra).

[11] The required marginal notations on the mortgage contract, certified by Pinnix and the cashier, J. N. Hipp, reflected the problem: $43.01 credit for property rental in 1924; an extension of the original ninety-days deadline, to September 10, 1925; a $500 payment on January 13, 1927; $200 credit for rents in 1929, and a $150 credit on July 10, 1933, as the Great Depression set in (Pike, Mortgage Deeds 17, 48, "Mortgage with Power of Sale," Bettie L. Mauney, Walter J. and Emma Mauney, and Henry and May Mauney to Pike County Bank, June 30, 1923.

[12] Walter, Bettie, and Henry Mauney had signed a note; and finally, in March 1931, the Bank of Delight got a court order instructing Walter to settle the account. A year later, the court ordered Bettie and son Henry to pay the loan, then totaling $1,020, principal and interest. The previous judgment against Walter was incorporated into that order (Pike Circuit, Civil D, 419, *Bank of Delight vs. Bettie L. Mauney and Henry Mauney*, March 21, 1932, Case No. 699).

[13] The records of Pike County offer ample material for a study of the 1930s. The deeds and tax records, along with court proceedings, provide an overview.

[14] Deed Record 68, 209, Warranty Deed, Bettie L. Mauney, et al., to Pike County Bank, February 15, 1943. According to the brief document, the Mauneys sold the property for $10.

The Ozark Venture, 1908-1915

The Ozark Diamond Mining Company emerged at the height of the speculative frenzy in Pike County, and for a time seemed merely one its irresponsible elements. Headed by Robert D. Duncan, the operation began in June 1908, less than a month after that newcomer first negotiated an option to purchase the forty-acre "Mauney Diamond Land" for $20,000. Duncan, recently from St. Louis, was

President. Charles McKee, a Little Rock banker, served as Vice President; and David. B. Russell of Little Rock, Secretary-Treasurer. Declaring Murfreesboro their "place of business," the group conducted business at McKee's office in Little Rock.[1] Soon, all three were also involved in running a small bank in that city, the State National Bank.[2]

Initially, the Ozark Company was capitalized at $100,000, divided into 4,000 shares of stock at $25 par value. The three incorporators subscribed all shares and reported they had "actually paid in" $5,000. Duncan, the driving force behind the venture, received 2,160 shares; McKee, 750; Russell as an individual, 90; and Russell as Trustee for the treasury, 1,000.[3]

Almost immediately, the behavior of Ozark officials suggested a certain promotional bent. In June 1908 they wrote Philip F. Schneider, a leading geologist in Syracuse, New York, who previously had studied the pipe for the State of Arkansas. They needed a "scientific" analysis of their property, they said. "We want this report to submit to our stockholders, and, of course, would like to have it along lines as favorable as possible for that purpose. . . . let us know for just how much you could get up a good report . . .."[4]

Rejected by Schneider, Ozark officials hired an old mining engineer with South African experience, "Colonel" E. G. Woodford, recently the director of Reyburn's operation.[5] In October, they expanded their operation by uniting with Horace E. Bemis of nearby Prescott, Arkansas, who recently had bought the 160-acre "Riley place" immediately east of the Mauney tract. Prospectors already had found traces of peridotite on that tract, and it was reportedly "considered among the best diamond producing property in the section."[6] Moreover, the Ozark group's plans for the Mauney property, itself, had inspired visions of "developments that will astonish the world."[7]

Woodford's formal report to the Ozark Company in October 1908 reinforced the group's excitement and imagination.[8] Relying on experience in the diamond provinces of South Africa, he thought he and others had found a "new pipe" at the center of the Riley place. It seemed to occupy "about 60 acres." Outlining a thorough test of the company's properties, Woodford cautioned: "No miner—no engineer—however long his experience, can tell the value of a diamond mine until it has been opened as I recommend; ten times the amount of work above mentioned has been done on African mines before average values have been finally determined."[9]

As almost all consultants of the time, Woodford advised that the ongoing "surface recovery of diamonds" on the main pipe "renders your properties a legitimate mining venture with exceedingly favorable prospects." If the properties were in South Africa, he concluded, the company's stock "would probably stand at considerable premium."[10]

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[1] Supra, "Speculative Heyday"; Pike County, Articles of Incorporation 1, 156, Articles, Ozark Diamond Mining Company, June 19, 1908; "Articles of Agreement and Incorporation," July 2, 1908, Arkansas Secretary of State, Corporate Records, File No. 0-1, Record 1-15-375. Also *Nashville News,* "Pike Mining Company–Is Being Incorporated by R. D. Duncan," July 4, 1908, p. 1. The *News* identified Duncan, correctly, as the venture's "prime mover."

Robert D. Duncan was from St. Louis, and apparently maintained some link to that city after moving to Arkansas. Later, during the Ozark bankruptcy (infra), he submitted a bid bearing the letterhead "R. D. Duncan, Investments, St. Louis [and] Little Rock" ("Trustees Report of Sale," December 14, 1914, bid for Ozark Corporation property attached). Very little information about his background is available.

Robert D. Duncan's overall activities in 1908 demonstrated both skill and determination. In November 1907, Hess and Buie had dropped their option on the forty-acre "Mauney Diamond Land" (supra, Heyday). In May 1908, R. D. Duncan of St. Louis took an option to purchase the tract for $20,000, thus gaining primary control of all six acres on the northeast slope. Two days later Duncan and the Mauneys signed a contract limiting the option to a three-quarter interest in the forty acres, but with the division of the property still undetermined (Pike, Deed Book P, 200, Option Contract, M. M. Mauney and Bettie L. Mauney to R. D. Duncan, May 23, 1908 [ninety-day lease for $1 cash, with option to renew lease for $500 and purchase for $20,000]; P, 201, Contract, May 25, 1908 [ninety-day lease and an undivided three-quarter interest in the property, with an option to renew one year for $1,000 and purchase for $20,000]).

On August 29, 1908, Duncan's new Ozark Diamond Mining Company paid $1,000 to extend the option ninety days. This time, however, the contract allowed no further extension; the Ozark Company paid the $20,000 in November 1908 (P, 547, Warranty Deed, M. M. and Bettie L. Mauney to Ozark, November 23, 1908, conveying the undefined three-quarter interest in the forty acres; final extension typed on the back of the original Contract of May 25, 1908, in the Mauney Records, which include original option deeds, supplemental agreements, extensions, amendments, warranty deeds, drafts, the cancelled $20,000 check, and so on).

After a period of confusion, during which Mauney petitioned a local court to either help set boundaries or order a sale of the property, the parties finally agreed on the thirty acres belonging to the company (Q, 180, Partition Deed–Contract, M. M. Mauney and Ozark Diamond Mining Company, February 25, 1909 [in this "perfect and absolute partition," the Ozark Company effectively sold Mauney his ten-acre tract for $1]). See the US Geological Survey map of 1916 for the division.

The Mauneys' petition to the Pike County Circuit Court in December 1908 apparently was designed to force Duncan and his company to negotiate seriously and resolve the matter. The Mauney's Nashville lawyer, William C. Rodgers, evidently sorted things out before the court responded; only the petition is available in the case file (*Millard M. Mauney, and Bettie L. Mauney, vs. Ozark Diamond Mining Company*, December 12, 1908, Pike Circuit Court, Civil No. 707, file drawer 47, Pike Court House).

Duncan did not originate the Ozark Company. It began April 14, 1908, as the Pike County Diamond Mining Company, incorporated by J. G. Brickley, Reece Lamb, and A. C. Lamb. The authorized capital was $100,000, divided into 4,000 shares at $25 par value. The three incorporators took a majority interest, subscribing to $50,100 of stock (the total at par value). They reported $1,000 of capital stock "actually paid in" (Pike County, Articles of Incorporation 1, 151).

The Pike Count Diamond Mining Company was reorganized ("superceded") under the same name on June 8, 1908, by R. D. Duncan, President; Charles McKee, Vice President; and D. B. Russell, Secretary-Treasurer (Pike, Articles of Incorporation 1, 153). Duncan's group reorganized again June 19, 1908, as the Ozark Diamond Mining Company, with the same officers and capitalization—$100,000 at $25 par value (ibid., 156).

[2] The later bankruptcy of the Ozark Corporation (infra) produced paperwork and testimony connecting the three to State National back to late 1908 (especially see the Depositions and the Referee's "Order Allowing Claim," November 2, 1914). During bankruptcy proceedings, Duncan was identified as vice president and cashier, effectively the manager (ibid., p. 1; "Deposition of R. D. Duncan," October 8, 1914, p. 1; "Deposition of D. B. Russell," September 17, 1914, p. 14). Details are not yet available about their initial involvement with the bank.

[3] Pike, Articles of Incorporation 1, 156, Articles, June 19, 1908; "Articles of Agreement and Incorporation," July 2, 1908, State Corporate Records.

[4] D. B. Russell, Secretary & Treasurer, Ozark Diamond Mining Co., to Phillip [sic] F. Schneider, Syracuse, New York, June 30, 1908, I.B, "Correspondence," Crater archive. The letterhead stationery listed officers of the company. Schneider already had become a close acquaintance of Austin Millar, and sent him Russell's letter. Advising that Ozark officials "are not putting in any cash but forming stock Co.," Schneider said he would turn down the consulting offer, which "should leave the way a little more clear for you should you wish to deal with Mauney when they give up" (Schneider to Austin Q. Millar, Murfreesboro, July 7, 1908, ibid.).

[5] It is not clear when Woodford left the ADC and began working for the Ozark Company. He completed the ADC's first plant in June 1908.

[6] "Another Deal Made," *Nashville News*, October 10, 1908, p. 2. By this time the entire countryside had been explored, exposing peridotite deposits within a few miles of the main pipe.

Buying the Riley place, Horace Bemis signed a deed agreement with both the Rileys and Walter Mauney, who already had contracted to sell the property for the Rileys. Both took notes for payment (Deed Book P, 413, Marion W. Riley and wife, Amanda Roxana (Mandie), and Walter J. Mauney to Horace E. Bemis, October 7, 1908 [deed for the west half of the southwest quarter of Section 22 and the east half of the southeast quarter of Sec. 21, Township 8 S., Range 25 W.]). Mauney received $1,000, payable July 1, 1909; the Rileys, $20,000 ($1,000 cash in hand; $4,000 on January 1, 1909; and then $1,000 every six months for the balance, at 6% interest). Ibid., Q, 635, Release Deed [Quit Claim], Walter Mauney to Horace E. Bemis, July 5, 1909, also summarized previous transactions.

[7] "Option is Renewed," ibid., September 2, 1908, p. 1.

[8] Report, Woodford to President, Ozark Diamond Mining Company, October 28, 1908, "Misc." box, Crater archive.

[9] Ibid., 5-6.

[10] Ibid., 7.

The Ozark Diamond Mines Corporation, 1909-1914

Woodford's report lent momentum to the ongoing effort to reorganize the Ozark Company through a partnership with not only Horace Bemis, but his brother William N. Bemis as well. Horace Bemis and wife, Ethel, deeded the 160-acre Riley place to the Ozark Company, which assumed responsibility for payments still due. Bemis received "one dollar and other valuable considerations," meaning shares of stock.[1] William Bemis, as president of the Ozan Lumber Company, sold the Ozark an option on 60,000 acres of land in Pike and Hempstead Counties. According to the option deed, the Ozan Company received $7,500 of Ozark capital stock in exchange for fifteen years of diamond exploration and the opportunity to buy any of the land for $50 an acre.[2]

A few days later, the Ozark contracted with the Caddo River Lumber Co. of Missouri, represented by James W. Bemis of St. Louis. According to the deed, that company allowed the Ozark an option on all its land in Pike County, 20,000 acres, in return for $2,500 of capital stock. The terms were identical to the Ozan Company's.[3]

The Bemis brothers were senior members of a family of business magnates from Prescott, about thirty miles southeast of Murfreesboro. The family owned the dominant lumber operations in the area, and also had a railway system that extended well into Pike County. Controlling vast tracts of land, the men knew the countryside and had the resources to assure a test of the main diamond properties if other support failed to materialize.[4]

At the end of October 1908, as a firm deadline for the Mauney purchase neared, the group increased capital stock to $200,000.[5] Less than a month later they had sold enough to pay Mauney the full $20,000, cash in hand. The actual price of the stock was never clarified.[6]

As the reorganization proceeded, the United Press Association distributed an article datelined Murfreesboro, Arkansas, Dec. 19, 1908, announcing that "the largest diamond mine in the world exists in Arkansas." President R. D. Duncan of the Ozark Company was in active charge of the prospecting. "From the drilling so far done," the article said, "it appears that both the Mauney and Riley tracts form one immense pipe covering 130 acres."[7]

Finally, on January 16, 1909, Duncan, McKee, Russell, H. E. Bemis, W. N. Bemis, and James W. Bemis met in Little Rock to increase the Ozark Company's capitalization from $200,000 to $1,500,000 and rename it the Ozark Diamond Mines Corporation, with both changes effective March 1, 1909. As that date approached, officers of the new venture were elected. Duncan remained president; Charles McKee and Horace Bemis shared the vice presidency, and D. B. Russell still served as secretary. The four served as the board of directors. W. N. Bemis and James W. Bemis signed the Certificate of Incorporation, but were not designated as board members. While greatly increasing capitalization, the group retained the previous par value of stock, $25 per share.[8]

According to information given the *Nashville News*, stockholders of the Corporation would be essentially the same as those of the displaced Company. Moreover, "The old company announced that all the trustee's stock has been sold and no more will be offered." The Corporation would begin with "a paid-up capital" of $1,000,000.[9]

About four months later, the Corporation's first annual report lent more perspective. "Amount of capital paid in," $1,000,000; number of shares subscribed, 40,000, with 164 stockholders listed. The nine principal stockholders—the Bemis interests, E. G. Woodford, Duncan, McKee, and Russell—held a total of 30,226 shares.[10] Taken literally, the statement implied that almost $250,000 from general subscriptions remained for exploring and testing the properties. But that clearly was not the case because stock sales never met the Corporation's financial needs after 1908.[11] As used here, "capital paid in" represented the par value of all shares taken, instead of the real aggregate value derived from issuing shares in return for cash or other considerations (now known as "share capital"). The actual pricing of stock subscriptions remained a mystery.

Considering that officials of the Corporation received no salaries or other monetary compensation, their holdings in the highly speculative venture were not necessarily excessive, whatever the actual value of their stock. R. D. Duncan's 7,200 shares, for instance, reflected his role as chief organizer and manager of day-to-day operations. He handled almost all the Corporation's business by himself, occasionally consulting with Horace Bemis about the most important matters. Living in Little Rock, along with McKee and Russell, he was also Vice President and manager-cashier of the small State National Bank, a convenient financial resource when needed. On the other hand, Charles McKee (varying around 3,200 shares) and D. B. Russell (a steady 405) put very little time into the operation. Even the bookkeeping and other paperwork were left to Robert D. Duncan.[12]

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[1] P, 439, Special Warranty Deed, Horace E. and Ethel Bemis to Ozark, October 24, 1908; Pike, Articles of Incorporation 1, 177-78, Annual Report, Ozark Diamond Corporation, July 1, 1909, with initial listing of stockholders and shares (including Horace Bemis, 4,950; William N. Bemis, 4,500; James W. Bemis, 4,500; Ozan Lumber Co. [a Bemis operation; W. N. Bemis, President], 1,350). The Ozark assumed the debts to both the Rileys and Walter Mauney, who held a small interest in the 160 acres.

[2] P, 472, Option Deed, Ozan Lumber Company to Ozark, October 24, 1908. The number of shares, 1,350, is noted supra.

After the Ozark reorganized as a Corporation, with Horace Bemis a vice president, the Ozan reissued the option (Q, 472, Quit Claim, Ozark to Ozan, May 19, 1909; Q, 508, Option, Ozan to Ozark, May 19, 1909).

[3] P, 474, Option Contract, Caddo River Lumber Co. to Ozark, October 28, 1908, signed by M. R. Smith, President, and W. E. Cooper, Secretary.

The Ozark's annual report in 1909 (supra) omitted Caddo River from the list of shareholders. It appeared initially in the 1910 report, with 450 shares (Pike, Articles of Incorporation 1, 197, July 14, 1910).

[4] The holdings of the Bemis family's Ozan Lumber Company included several tracts close to the diamond pipe (for a full listing of properties, see Q, 472, Option, Ozan to Ozark, May 19, 1909). To facilitate their operations, the family had acquired the Prescott and Northwestern Railroad in 1890 and extended track into virgin lumbering territory. Horace Bemis and the family clan were also part of the financial structure in Prescott, and had legal talent available through Horace's father-in-law, Thomas C., a lawyer, banker, and former Congressman. Horace Erastus Bemis's prominence is reflected in an excellent biographical sketch in David Y. Thomas, ed., *Arkansas and Its People*, 3 (New York: American Historical Society, 1930), 49-50, including a sharp photograph. Brief historical sketches are now available on the web: search "H.E. Bemis" and "W.N. Bemis," for sites, including "De Ann Cemetery (Prescott, Ar.) Biographies."

There may be credibility in an early account of John Huddleston's discovery, which said Horace Bemis was the first person to whom Huddleston showed his unusual crystals. Bemis, "suspecting they were diamonds, took one to the Mermond, Jaccard and King Jewelry Co., of St. Louis for identification" (Miser and Ross, "Diamond-Bearing Peridotite in Pike County, Arkansas," USGS Bulletin 735-I, 285). The reference to Bemis was cut from subsequent editions of Miser and Ross's report, but was quoted fully in Thomas, *Arkansas and Its People*, Vol. 2, 386. After World War II, Howard Millar revived and embellished the story, most notably in his imaginative *Finders Keepers*, 25 (referring to "Morace Bemis").

[5] Articles of Incorporation 1, 62, October 31, 1908; "Certificate" increasing stock, November 7, 1908, Arkansas Secretary of State, Corporate Records, File 0-1, Record 2-14-109; *Nashville News,* "The Diamond Fields," November 14, 1908, p. 4.

Duncan later secured options from other property owners near the pipe (Deed Book Q, 300, from Walter Mauney, March 27, 1909; S, 387, from W. M. Kizzia, January 28, 1910). Other options and purchases are discussed later.

[6] P, 547, Warranty Deed, M. M. and Bettie L. Mauney to Ozark, November 23, 1908. Later, during bankruptcy, Duncan and Russell were questioned about the stock sales. Twice, Russell said the Company's sales totaled $40,000; Duncan also was sure of that amount, and referred to "the sale of the Forty Thousand Dollars Treasury stock of the original Ozark Diamond Mining Company." Asked how that money applied to the Mauney purchase, Russell changed the sales to $20,000 total, all spent on the tract. Duncan was vague about where the payment came from: "I would say, in a sense, from the Forty Thousand Dollars . . .." (Russell, Deposition, pp. 8, 10-11; Duncan, Deposition, 5).

[7] "The Pipe Diamonds–Remain no Longer a Subject of Doubt," *Nashville News,* December 23, 1908, p. 4. Test pits reportedly showed "one tract 2,000 feet wide and much longer, containing diamond bearing rock." A railroad from Nashville was "rapidly being constructed to the field" and "active mining" would begin "early next year" (ibid.).

[8] Pike County, Articles of Incorporation 1, 170, "Certificate," February 27, 1909 (no file in State Corporate Records: designated a local corporation); *Nashville News,* "A New Mining Company," February 24, 1909, p. 5. For continuing details see the "Annual Reports": Articles of Incorporation 1, 177, July 1, 1909; ibid., 196, July 1, 1910; Misc. Record 2 (succeeded Articles of Incorporation, continuing the series), p. 11, August 15, 1911; no report in 1912; ibid., 82, February 15, 1913 (final report, filed before the commencement of testing). Each annual report included assets, debts, and capital "actually paid in," and listed shareholders and quantity of stock held,

Duncan's later testified in the bankruptcy that the three Bemises and J. F. Rutherford of Pine Bluff, Arkansas, were on the board; but he made it clear that he and Horace Bemis made decisions, sometimes after consulting with others (Duncan, Deposition, 1).

[9] *News*, ibid. This article also said John F. Rutherford, president of the Citizens' Lighting and Water Company of Pine Bluff, Arkansas, had been made a director of the Ozark Company recently and would be "identified" with the new venture. The Corporation's annual reports (supra) listed him as a major stockholder in 1909-1911, with 1,800 shares, and then indicated only one share in 1913. He was never an active member of the board.

[10] Pike, Articles of Incorporation 1, 177 (entry begins opposite page 177), Annual Report, Ozark Diamond Mines Corporation, July 1, 1909, signed by Duncan and Russell. The cash value of real estate was $20,000 (the Mauney tract); debts stood at $2,183.67.

The report named all shareholders and the number of stock each held. Shares of the Bemis family and the Ozan and Caddo River Lumber Companies were listed supra. E. G. Woodford held 1,600 shares as an individual and 2,400 in trust. He evidently received some stock in lieu of salary. R. D. Duncan held 7,200 shares; Charles McKee, 3,303; D. B. Russell, 405. Among many local small investors, M. M. Mauney had eight shares and Walter, ten (in 1910, this increased to twelve each, with three shares also entered for Henry Mauney; between 1911 and February 1913, M. M. increased to 20 and Walter and Henry sold all shares). John C. Peay, Reyburn's associate, had 160 shares in 1910 and still held that number in 1913.

The Mauney records, held by the Terrell family of Murfreesboro, has an original issue of corporate stock, 148 shares to J. M. Moulton at $25 par value; the Ozark Corporation's annual report of July 1, 1909, and following years, included Moulton at 148 shares.

[11] Bankruptcy proceedings in 1914 (infra) disclosed the basic financial problems, but failed to clarify stock sales and annual reports after 1908.

Compare the Corporation's statements with those of the Ozark Company, supra. In 1908, Duncan's financial statement for the new Ozark Diamond Mining Company gave the amount of capital stock—$25 par value— "actually paid in by the subscribers": $5,000 of the authorized $100,000. He then listed the total shares owned: 4,000. The subscription price was hardly the same as par value. The statement for the Ozark's predecessor, the Pike County Diamond Mining Company, made the same distinction between market value and par value.

The Ozark Corporation's contracts with the Ozan and Caddo River Companies might lend some insight into the actual price of stock. The two deeds called for proportional prices for the options on 60,000 acres (Ozan) and 20,000 acres (Caddo River)—$7,500 and $2,500, both paid in shares of stock. The Corporation's annual reports listed the Ozan at 1,350 shares and the Caddo River at a proportional 450 shares. If the deeds and reports reflected the contracts of October 1908 precisely, the shares would have been valued at about $5.50 instead of the $25 par value indicated in the annual reports. If general sales—cash sales— were also discounted at that price, the Ozark's income and expenditures would begin making sense. The lists of shareholders would be credible.

[12] Bankruptcy proceedings, infra (see Depositions of McKee, Russell, and Duncan; and Referee's "Order Allowing Claim of W. E. Bemis, H. E. Bemis Estate and R. D. Duncan for $43,360"). It is not clear how many of Duncan, McKee, and Russell's shares in the Corporation were carried over from their stake in the preceding Ozark Company (supra).

Testing the Properties

In mid-1909, Duncan began ordering machinery for a mill that eventually would be built at the northeast corner of the main diamond field. Doing little work on the field, itself, the mining crew concentrated first on the Riley tract, basically using core-drilling to trace an apparent peridotite formation lying 20-40 feet below the surface.[1] Then the speculative boom, and investments, cooled; virtually no work except limited core-drilling occurred the rest of the year or in 1910. "At present the outlook for great progress in these fields during 1911 is not promising," John Fuller observed in his annual report.[2]

As predicted, financial problems effectively halted all work for a while. The Ozark Corporation scaled back exploration outside the Riley and Mauney tracts, and in late 1911 gave up the option on much of the Ozan Lumber Company's 60,000 acres.[3] At the time, the annual report indicated $1,000,975 capital paid in—the same as in 1910. Although some stockholders had sold shares to other investors, the total shares had remained stable, indicating the Corporation received no significant income from sales. Debt had settled at $7,007.80, down slightly from $8,221.12 in 1910.[4]

Then, in the late spring of 1912, "due entirely to the courage of the Bemis Bros. of Prescott, Ark.," the Ozark Corporation initiated a serious test of its properties.[5] A modern steam-powered "crushing and recovery plant" was ready in the spring of the following year, becoming the first full-size facility in the Arkansas diamond fields.[6] Certainly, it was an impressive structure compared with the ADC's small plant: a visiting writer described it as 112 feet long, almost 29 feet wide, and 60 feet high at the peak of the roof.[7] John Fuller rated it "a first-class washing plant" capable of handling about 100 loads in a standard 10-hour work day."[8]

As the washing plant neared completion in late 1912, the flurry of activity inspired the *Arkansas Democrat* to publish one of the most exhaustive newspaper reports of the era. The illustrated full-page spread, "Story of Ozark Diamond Mines in Pike County, Ark.," reasserted the optimism and pride aroused earlier by Sam Reyburn's group. "Arkansas diamond mining through the enterprise of the Ozark company will become an established industry," the article said, "and as soon as the new plant is in operation the marketing of the yield from these fields will be one of the leading business undertakings of the United States and will place Arkansas in the front as the only producer of diamonds outside of South Africa and Brazil." The article cited Woodford's report indicating the company's property might include an entire diamond-bearing pipe in addition to part of the original discovery. Naming company officials, including Vice President H. E. Bemis, the writer assured readers: "The Ozark company means business. The men who are behind the enterprise are known for their business integrity and conservatism."[9]

The Ozark's impressive financial commitment also received attention. All together, the venture reportedly had spent "about $100,000 cash" for properties and the current preparation for "mining operations." The plant would cost approximately $20,000 when completed. Drawing from the company's financial statement, the writer indicated that all 60,000 shares of capital stock, par value of $25 each, were "fully paid and non-assessable." This included $500,000 (20,000 shares) of "treasury stock," apparently shares the Corporation had subscribed but held in trust.[10] As in previous reports, there was no indication of actual subscription prices, or total share capital.

Before the testing commenced in 1913, however, the Ozark Corporation's final annual report began reflecting reality. The entry for capital "actually paid in" remained as in 1910, $1,000,975. The value of real estate had risen to $30,000. But debt now totaled $36,400, and over $10,000 was still needed to complete payments for the plant and equipment.[11]

Testing only the Riley tract and four acres of the main field, the Corporation took about three months to learn what Sam Reyburn's ADC did in sixteen years. The new plant washed some 1000 tramcar loads from the Riley tract and found merely "pebbles of peridotite and grains of altered serpentine which were washed from an exposure of peridotite or were ejected as fragmental material from volcanic vents."[12] On the main field, the corporation's experience paralleled that of the ADC. The surface material proved much more productive than the underlying peridotite, but the black gumbo clogged the equipment, forcing the field crew to use sluicing at that level.[13] Overall, the corporation processed about 5,000 loads from a huge cut 300 feet long, 15-35 feet wide, and 8-20 feet deep, and then shut down in the autumn of 1913.[14] The 700 to 900 diamonds recovered during the entire operation no doubt came overwhelmingly from the surface.[15]

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[1] Fuller, "The Arkansas Diamond Field in 1909," p. 767, mentioned an eight-foot rotary pan ("African Washer") gotten in June. Also, "Machinery is Bought," *Nashville News*, July 14, 1909, p. 1 (brief,

nonspecific comment about machinery ordered). The Corporation's Ledger indicated a payment of $404.75 on September 18, 1909, for a "Diamond Washer" ("Machinery & Equipment," Ozark Diamond Mines Corporation, copy of ledger, p. 11, attached to the deposition of R. D. Duncan in *Ozark Diamond Mines, a Corporation*, bankruptcy case no. 364, infra). That was the only equipment entered before 1912.

According to Fuller's information, the tests on the Riley tract indicated the dike was about 100 ft. wide, running north and south (ibid.).

[2] Fuller, "Arkansas Diamond Field in 1910," p. 6. The depositions and other documents in the bankruptcy proceedings help clarify the tightening of finances by late 1909. Notice that the purchasing of equipment (supra) halted after payment for the diamond washer in September 1909.

[3] Fuller, "The Arkansas Diamond Field [in 1911]," p. 6; Deed Record V, 519, Quit Claim Deed, Ozark to Ozan, October 13, 1911. Ozark officials stated the corporation had finished exploring the tracts returned.

[4] Pike, Misc. Record 2, 11, Annual Report, August 15, 1911. The report listed almost 225 shareholders, about the same as in 1910 (Articles of Incorporation 1, 196, July 14, 1910). Among the principals, the only notable change from 1909 was a shift of 1,500 shares each from W. N. and J. W. Bemis to H. E. Bemis as Trustee, and a drop in H. E. Bemis' shares. Individually, the three now had 3,000 shares each, in addition to the 3,000 in trust—a net decline of 1,950 shares. The Ozan and Caddo River Lumber Companies remained at 1,350 and 450.

[5] Fuller, "Diamond Mining in Arkansas [in 1912]," p. 75; Ozark Ledger, p. 11, bankruptcy No. 364, infra (the first payment on the machinery contract was dated June 1, 1912). In his deposition, ibid., Duncan said the building and installation began May-June 1912, which is consistent with other indicators.

[6] Fuller, ibid., and "The Arkansas Diamond Field in 1913," p. 52; Ozark Ledger, 11. The US Geological Survey map, Plate 10, located the plant on the edge of the main pipe (also see photographs, especially 23.71, Crater archive and microfilm; the photos in Williams, infra, are only fairly clear on microfilm).

Expenditures from June 1, 1912, to July 30, 1913, totaled over $28,000 (Ledger, 11). This included payroll, building material, "machinery and equipment," and related expenses.

[7] Edwin M. Williams,"Story of Ozark Diamond Mines in Pike County, Ark.," *Arkansas Democrat*, October 26, 1912, p. 9. Williams described the equipment and the process of running diamond-bearing ore through the "reducing and washing plant," designed by Allis-Chalmers of Chicago and constructed under its supervision. This section of the article, "How Diamond Washing Machinery is Operated," is thorough, yet concise and clear—a good introduction to basic diamond processing. It does, however, lack detail about the grease table and visual sorting.

Williams also helped clarified the plant's water source (some reports seemed to contradict each other while referring to both the Little Missouri River and Prairie Creek). At first, the Ozark used the ADC's pumping station at the river, running pipe across the ADC's property; but a "modern steam pumping engine" was being installed in a "solidly constructed building on the banks of Prairie creek [sic] near its junction with the Little Missouri." A four-inch iron pipeline had been extended to the plant. According to the Ozark's ledger (supra), $200 was paid on a "Pumping Site Lease" on January 31, 1913.

Miser and Ross, USGS 735-I, 287, simply listed the basic equipment at the plant: stationary boiler and engine, trommel separator, jaw crusher, log washer, sizing screens, jigs, and grease table. Fuller had reported an eight-foot rotary washer (African pan type) in 1909, but the log washer was substituted. During the bankruptcy sale in 1914, a "washing pan" was located at the railroad depot in Murfreesboro (infra, "Report of Trustee," October 9, 1914).

The Mauney Records has a typed copy of a five-page "Specifications for Diamond Washing Plant" submitted by E. W. Lindquist, Allis-Chalmers Company, Mining Machinery Department (undated), but Williams described a more complex operation. Designed for "minimum expense," the plant in the Mauney papers included a seven-by-nine foot Dodge Crusher, which reduced rock to about one-inch pieces; a set of three revolving screens for grading (one-half inch mesh, one-quarter inch, and one-eighth inch, *with anything smaller than one-eighth "sent to waste")*; two-compartment Hartz Plunger Type Jigs, where the graded material was agitated to separate diamonds and other solids from soil; a set of crushing rollers to reduce remaining course bits to one-quarter inch (material then was re-fed through screens and jigs). The package included a 25-horsepower steam engine with forty-horsepower boiler, heater, and so on.

[8] Fuller, "Diamond Field in 1913," p. 52, and Williams, ibid., gave the same capacity, 100 loads per day.

[9] Williams, "Story of Ozark Diamond Mines," *Democrat*, October 26, 1912, p. 9. While containing much detail about the company, the plant, and the mining process, this feature article exhibited the "booster" spirit characterizing the *Nashville News* earlier. The subheadings: "THE DISCOVERY OF PRECIOUS STONES IN THIS STATE HAS LED TO GREAT DEVELOPMENT–WHAT THE NEW INDUSTRY MEANS TO STATE." The rhetoric was part of an ongoing movement to publicize Arkansas' natural resources—particularly its unique diamond field—in order to instill pride and improve the state's image nationally.

The article coincided with a stock transaction in Little Rock involving Garanflo & Townes, but there is no evidence Ozark officials prompted the article for promotional purposes (Schedule B.[2], Personal Property, promissory notes, W. H. Garanflo & J. Town, October 26, 1912).

[10] Ibid. If "treasury stock" was used correctly, the Ozark Corporation had recovered $500,000 worth of shares from the marketplace. The board could have resold it or kept it in reserve. Perhaps the writer meant "unissued stock," shares authorized but not yet sold.

[11] Miscellaneous Record 2, 82, Annual Report, Ozark, July 15, 1913; Ozark Ledger, 11. With the final Ledger entry on November 28, 1913, costs relating to construction and equipment amounted to $29,348.90. The Ozark had already paid about $20,000 on that activity before filing the report (Ledger, 11). The remainder of the $36,400 debt was not clarified, but most of it probably was unpaid bills relating to the preparation for testing.

In this final report, the Bemis brothers still owned 3,000 shares each as individuals; Horace Bemis held an additional 3,000 as Trustee; the Ozan Lumber Company had 1,350; the Caddo River Lumber Co., 450. Duncan still had 7,200; Charles McKee, 3,218; and W. B. Russell, 405. E. G. Woodford held 760 shares personally and 2,400 as Trustee.

[12] Miser and Ross, USGS 735-I, 287, 318; cf. Fuller, "The Arkansas Diamond Field in 1913," p. 52.

[13] Miser and Ross, ibid., 287, 318, 322, cited the plant superintendent, “Mr. Warren,” as a source. The company’s choice of sizing screens would have contributed to the clogging: the system used four screens instead of the usual three (the smallest mesh in the standard set was one-eighth inch, as in the Allis-Chalmers proposal, supra, or one-quarter inch, as in the British-American plant, supra). Evidently, the Ozark intended to recover tiny diamonds, likely down to a one-sixteenth mesh.

A long record of experience at the Crater shows that the clayey material is difficult to break down sufficiently with a one-eighth inch screen and much more difficult at one-sixteenth—even when washed and manipulated by hand. The smaller the screen mesh, the more the material tends to form into clay balls, much of which envelops small gravel and other solids. The problem declines somewhat when a run of material includes a large volume of gravel: the more the solids, the better the clay breaks down.

In an automatic system such as the Ozark’s, the jigs handling the run from the small screens would have been another basic problem; but trommel screens, grease tables, and even the log washer (providing better agitation than the African-type pan washer) faced a challenge when surface material was simply dug up and fed into the plant.

[14] Miser and Ross, ibid., described the trench and the loads; Fuller, “Diamond Field in 1913,” p. 52, agrees about the loads. The big cut appeared on the USGS map, completed in 1916 (northeast corner, “Ozark Mine,” irregular ditch running southwest to northeast; other cuts nearby were made later by the Millars’ operation). The USGS map is available in Miser’s publications after 1920, and in VI.A.6, “Maps, Blueprints,” Crater archive (microfilm, roll 4). Also see the photographs, especially 23.71 (showing the deep excavation in the early stages). The thick layer of dark overburden is clear.

On the map, notice the “mine workings” extending along the drainage cut running from the pipe. It is not clear if the Ozark Corporation did this alluvial testing or if the Millars’ Kimberlite Company did at least some of it after 1914.

[15] Miser and Ross, ibid., 287, and Fuller, ibid., reported 800-900 diamonds and 700-800 diamonds, respectively. The reports provided no breakdown for surface and peridotite, and no total weight or average yield; but further evidence of the extremely low yield of the matrix on the northeast slope came in later tests (infra, “Northeast Slope-Millars,” and “Final Confirmation”).

Disclosures of Bankruptcy

On April 1, 1914, Horace Bemis died suddenly. The board of the Ozark Diamond Mines Corporation approved a resolution of bankruptcy April 24th. As D. B. Russell testified later, Thomas C. McRae, who was both Horace Bemis’ father-in-law and the Bemis family’s attorney, assumed leadership at that point:

There was a meeting in Mr. Duncan’s office, in which Judge McRae and Mr. W. M. Bemis and myself and Mr. Duncan were present . . .. I knew nothing about the trouble of the concern and hadn’t paid any attention to it until the time of that meeting. Judge McRae had a memorandum of a resolution, declaring the concern a bankruptcy, and wanted it passed at once. I demurred and Mr. Duncan and Mr. Bemis demurred, to a certain extent. Judge McRae said it was the only way out of it, and, after discussing it, we all, more or less, acquiesced that it would have to be done.[1]

Bankruptcy proceedings began July 24th in Federal District Court, Texarkana, Arkansas. In this case, a deputy court clerk delegated virtually full powers to a Referee in Bankruptcy, Gustavus G. Pope of Texarkana. Three weeks later Pope presided over the initial meeting of a small group of creditors, and officially confirmed their unanimous election of J. C. Pinnix, of Murfreesboro, as Trustee for the disposal of corporate assets.[2] Further assuring a streamlined process, the prestigious law firm of Horace Bemis' father-in-law—McRae and Tompkins, of nearby Prescott—handled virtually all legal work. Thomas C. McRae, himself, was administrator of Horace Bemis' estate.[3]

Generally, the proceedings supported the *Democrat's* description of those heading the Ozark venture, for the Corporation proved to have been reasonably responsible in meeting its general obligations along the way. Most notable, the collapse of the costly testing operation in early 1914 produced no parade of merchants, laborers, and craftsmen seeking money due or petitioning to repossess equipment. Only two recent debts of that type appeared among claims, and those were approved for a total of $118.85.[4]

Similarly, the Ozark's handling of properties over the years left no significant problems for bankruptcy officials to deal with before disposing of assets. The thirty-acre Mauney tract, bought for cash in 1908, remained lien-free; and in Pinnix and Pope's most interesting transaction, that choice property eventually went to Austin and Howard Millar for $10,000.[5] Payments on the 160-acre Riley place had occurred on schedule until Horace Bemis' death, erasing all except $6,000 of the original $20,000 purchase price. Although a default occurred technically before the bankruptcy, the Rileys did not press for return of the property. When it was sold as a corporate asset, Pinnix and Pope swiftly accepted Marion W. Riley's bid of $6,210. In the end Riley and his wife, Mandie, recovered their property and netted almost $8,000 from previous payments, plus almost $500 interest.[6]

The proceedings produced no information about the test results and virtually nothing about the disposal of the reported 700-900 diamonds. Duncan's listing of assets completely omitted diamonds, and reported no cash on hand. The Trustee's reports had one reference to seven "small diamonds" that drew a bid of $5, after being appraised at $18.75.[7]

Nor was the income from stock sales clarified. Questioning during depositions of Russell and Duncan elicited general statements about the use of such funds to buy the Mauney property in 1908. Yet, the lawyers and bankruptcy officials were not inclined to pursue the subject further, and evidently none of the Corporation's many shareholders saw any reason to force the issue by filing a petition or lodging a complaint.[8]

Whatever the details about stock subscriptions, those funds had only a minor role in the Ozark Corporation's operational financing after early 1909, and no evident role after the decision in 1912 to proceed with testing. Almost all of those expenditures were covered by a series of unsecured loans depending heavily upon the State National Bank in Little Rock—run by R. D. Duncan and associates.[9] The accumulated weight of those loans forced the bank to liquidate after Ozark officials voted for bankruptcy. McRae and Tompkins handled the liquidation and represented the bank's interests before the court in Texarkana.[10]

The routine bankruptcy proceedings clarified the extent of Ozark debts by April 1914, and provided limited insight into previous financial maneuvering. After investigating claims related to outstanding loans, the Referee approved almost $65,000 of repayments due (eventually, each claimant received only 15% compensation from sales of corporate assets). The breakdown shown by basic documents, including original claims and approved amounts:[11]

State National Bank, Little Rock (represented by McRae & Tompkins); claim for promissory notes, $10,000, and Overdraft, $3,342.43; approved for $13,362.13. The claim was for “money advanced [to the Ozark Corporation] upon notes endorsed by private parties” (as explained in the initial Petition for enforcement of bankruptcy).

H. E. Bemis Estate, W. N. Bemis, R. D. Duncan (McRae & Tompkins); money advanced June 14, 1913, $40,000; approved for that amount. This included W. N. Bemis’ claim for $12,500, “for money advanced by him and paid as a security upon notes given by the corporation” (Petition for bankruptcy). A sheet attached to the schedule of claims gave more details: the $40,000 represented a note the parties made, “payable to their own order, and . . . negotiated to the State National Bank,” which still held the note. The money “was placed to the credit of the bankrupt, and used by it.” W. N. Bemis paid $12,500 on that note and another, *“and with that exception, none of the parties have paid anything on the notes.”* The attached sheet cited an agreement the parties had executed, stating they were individually liable for the obligation if the Corporation failed to pay the loan. The signers included Horace E. Bemis Jr., as well as the other three.

R. D. Duncan, Charles McKee, and R. D. Duncan (McRae & Tompkins); money advanced November 9, 1908, $2,183.67; finally approved as McKee, Russell, and Duncan for State National Bank, $2,932.77. The sheet attached to the schedule of claims made it clear the bank had taken this note.

Ozan Lumber Company (McRae & Tompkins), March 21, 1911, $3,122.14; approved for $4,245.45. Claim for “goods, wares and merchandise and cash advanced” (Petition for bankruptcy).

McRae & Tompkins; attorneys’ services before bankruptcy, $982.40; approved for $1,002.70.

R. D. Duncan; commissions and money advanced, no dates given, $72.50; not approved.

The $40,000 claim, largely for money spent on the Ozark’s new plant and testing, drew a strong objection from the Corporation’s secretary-treasurer and co-vice president, D. B. Russell and Charles McKee, who insisted the project was undertaken without the board of directors’ approval and the debt was solely the claimants’ responsibility. The plant and other “permanent fixtures,” however, had become part of the corporate real estate and should be sold to pay off “the legitimate debts.” After depositions and a required hearing, bankruptcy officials dismissed the objection; yet,the depositions of Russell, Duncan, and McKee remained to further enlighten those interested in the finer details of deficit financing.[12]

To a great extent, the Ozark Corporation’s problems sprang from faulty management. All three depositions agreed that Robert D. Duncan, as President, ran the venture almost single handedly after early 1909, rarely if ever holding a board meeting and seldom involving Russell and McKee in decision-making. He, alone, kept the records—which were never audited, and in any case consisted basically of occasional memoranda. At the same time, he managed the Little Rock branch of the State National Bank. The testimony, however, also underscored Vice-President Horace Bemis’ participation in important decisions.

Moreover, the Ozark’s use of bank loans, a practice which began in 1908, could hardly be described as acceptable procedure. In addition to using unsecured notes to obtain money for current expenses, the Ozark had gotten loans to cover previous loans as well.[13] Understandably, Thomas C. McRae insisted on bankruptcy after Horace Bemis’ death caused a reexamination of corporate affairs.

Later, some argued the Ozark plant shut down because of mechanical problems and suggested the company might have continued if Horace Bemis had lived. But although Horace and William N. Bemis were primarily responsible for keeping the Ozark afloat, it went bankrupt for the same reason Sam

Reyburn's group finally abandoned the field: poor test results and accumulated debt left reasonable men no alternative.

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[1] Resolution of the Ozark Board, April 24, 1914, Exhibit A, attached to initial Petition for bankruptcy (by major creditors), July 24, 1914, and Deposition of D. B. Russell, filed October 20, 1914, pp. 3-4, in *Ozark Diamond Mines, a Corporation*, bankruptcy case no. 364, 1914, District Court of the US for the Western District of Arkansas, Texarkana Division, case file in National Archives, Southwest Region, Ft. Worth, Texas (NARA, Ft. Worth).

The bulky case file has several basic sections, beginning in July 1914 with preliminaries such as court appointments, filing of Schedules A, "Debts," and B, "Property" (filed August 18), and Petitions to the court—most notably, the initial joint petition for declaration of bankruptcy, by the State National Bank of Little Rock (then being liquidated), the Ozan Lumber Company, William N. Bemis, and the law firm of McRae and Tompkins, Prescott, Arkansas (filed July 24, 1914).

The most informative component, however, is the Referee's "Orders," which summarize the proceedings from July 1914 until the closing in February 1916. See the Orders to determine what claims were finally allowed (especially the concluding orders and lists relating to dividends paid, beginning in July 1915): Schedules A and B were initial forms submitted by R. D. Duncan, as President of the Corporation, and were subject to modification.

The Trustee's "Reports" are also basic (the initial report was on October 6, 1914; the "Trustee's Final Account," February 11, 1916). Although the Referee's Orders provide a concise summary, the Reports include the original sealed bids and other important details.

Three Ozark officials gave depositions: D. B. Russell (September 17, 1914), R. D. Duncan (October 8, 1914), and Charles McKee (October 26, 1914). Depositions were taken only because McKee and Russell challenged a major joint claim by Duncan, W. N. Bemis, and the H. E. Bemis Estate. Duncan's account was firm and substantial; Russell's, long and more helpful overall; McKee's, brief but clear. The most valuable information was the documentary evidence introduced during interrogations—details the attorney drew from company records. Although several pages were referred to, only page 11 from the Ledger was copied and attached to Duncan's deposition. Bankruptcy forms indicated that only the Ledger had been provided for the proceedings (Schedule B.[6], Books, papers, deeds, and writings relating to bankrupt's business and estate; also "Summary of Schedule A and B"). Notice that during cross examination of Duncan, the attorney seemed to doubt the integrity of corporate records (Deposition, 8-9).

Much of the testimony during depositions was considered in the Referee's "Order Allowing Claim of W. E. Bemis, H. E. Bemis Estate and R. D. Duncan for $43,360," November 2, 1914, four pages. This document provides a concise overview of the Ozark group's administrative faults and basic financial maneuvering, from the point of view of the Referee and Trustee. The Order seems a bit too dismissive toward Russell and McKee.

Among remaining items is the official appraisal of assets. The summary report for real estate and personal property, September 12, 1914, is at the bottom of the Referee's Order appointing the team, August 25, 1914 (Owen B. Owens, a major Pike County real-estate dealer; Quincy H. Lewis, and William E. Bryant). Brief worksheets are attached: *"Personal Property"* totaled $6, 188.63 after a 25% depreciation from original total of $8,251.50 ("Diamond washing plant complete," $6,675; about 3,500 feet of piping, $875; diamonds, $25 [seven small ones]; house furnishings, $246.75 [watchman's quarters]; "Diamond washer bought in 1909," $404.71 [original cost]; and cordwood, $25; minus

$2,062.87 depreciation for all); *"Diamond Lands*," $40,000 (Mauney tract, $30,000; Riley, $10,000); *"Real Estate*," options on land of Ozan Lumber Co. and Caddo River Lumber Co., total $6,666.66 (Ozan, $5,000); *"Ozark Mines,"* summation and grand total of appraisal, $52,855.30.

Bibliographic Note. In 1954 the bankruptcy case file was transferred from Texarkana to the Fort Worth Federal Records Center (case no. 364, FRC Accession-transfer No. SS-A-843, Record Group 118, Container No. 72717). Later, the Records Center shifted the file to its permanent location in the National Archives division, at the same Ft. Worth facility (new location numbers: Ozark Diamond Corporation, case 364, Accession 021-55A-843, FRC Location G1809041, Box No. 21). When ordering the file or scheduling a visit to the facility, it is best to contact the archive division directly; the Records Center will have only more-recent files.

[2] Order referring the case to G. G. Pope, July 24, 1914; First Meeting of Creditors–order confirming the unanimous election of J. C. Pinnix as Trustee, August 18, 1914. Thomas C. McRae and law partner William V. Tompkins, Prescott, Arkansas, signed as sureties for Pinnex' bond (Bond of Trustee, August 18, 1914).

[3] The Prescott law firm's involvement is evident throughout the case file, beginning with the initial petition to the court (Petition for bankruptcy, by major creditors, filed July 24, 1914). The firm comprised Thomas C. McRae, William V. Tompkins, and Duncan L. McRae.

Thomas Chipman McRae was a lawyer, banker (owner and president of the Bank of Prescott, 1904-; president of the Arkansas Bankers Association, 1909), civic leader, former state legislator, former U.S. Representative from Arkansas' 3d District (1885-1903), future president of the Arkansas Bar Association (1917), and future Governor of Arkansas (1921-1925). He was born at Mount Holly, Union County, Arkansas, December 21, 1851, and died June 2, 1929.

Thomas C. McRae opened his first law office in Rosston, Arkansas, in 1874, and moved it to Prescott when the county seat moved there in 1877. After retiring from Congress, he joined with W. V. Tompkins in establishing the law firm of McRae and Tompkins.

Ample detail about Mr. McRae's life is available on the internet, as well as in libraries. An excellent introduction: http://www.bankofprescott.com/mcrae_middle_school.htm

[4] The original claims: H. L. (Lou) Alexander, watchman at mill, $90, priority claim; Prescott Hardware Co., $5.85 (Schedule A [1]–Statement of priority creditors; Schedule A [3], unsecured claims). For claims approved and paid, see the Referee's Orders: First Meeting of Creditors, August 18, 1914 (lists all approved claims, which were paid in full, upfront), and First Dividend of 5%, July 13, 1915 (unsecured claims, which eventually received only 12½% of money due). Those Orders awarded Alexander an additional $23 unsecured claim.

The available one-page copy of the company Ledger indicates that payments for machinery, building supplies, payroll, etc., were made when due ("Machinery & Equipment," Ozark Diamond Mines Corporation, 11, attached to the deposition of R. D. Duncan). Aside from purchasing and leasing property, the Ozark had limited debt and expenditures until preparation for the main test began in June 1912 (page 11 covered payments from that date through November 1913). Other than items in 1912-1913, the sheet had only one entry, a payment of $404.75 in September 1909 for a "Diamond Washer." Expenses relating to the test totaled $29,348.90, according to the ledger R. D. Duncan turned over to the court.

Claims included the State of Arkansas' petition for the franchise tax due for 1914: $667.32. Approved as a priority claim, this was satisfied in full from the sales of assets

(Intervention of State of Arkansas for Preferred Claim, filed August 2, 1914; Referee's Order Allowing Claim of Arkansas, August 22, 1914).

The case file also includes a cryptic summary sheet listing thirteen unsecured creditors in Texarkana, Little Rock, St. Louis, New York City, Chicago, and Nashville, Tennessee, with a total of $1,428.86 due (Summary of Schedule A–Creditors unsecured, a voluntary form submitted by R. D. Duncan). This is the only mention of these debts in the file; they do not appear in the regular Schedule A forms, the Trustee's reports, or the Referee's orders. Most of the longhand entries on the summary sheet are difficult to read; none is dated, and only one clarifies the reason for credit—the SW Gas & Elec. Co., Texarkana. Most likely these were recent services and were dealt with outside of bankruptcy proceedings.

[5] Infra, "Millars–Ozark Purchase."

[6] Schedule B.(1), Statement of all Property of Bankrupt–Real Estate, with note attached; Report of Trustee, October 9, 1914; Referee's Order, October 9, 1914; Deed Book 29, 492, Trustee's Deed, J. C. Pinnix to M. W. Riley, October 28, 1914. The typed note said "The purchase money and interest was [sic] kept paid until the payment maturing April 1st, 1914, since which time nothing has been paid, and a balance of $6,000 is due." Schedule B added that "the failure to pay the balance has forfeited the option if Riley demands it." Of course the original deed contract with Horace Bemis (supra) included a provision for forfeiture, but it also allowed deferment of payments at 6% interest.

The Ozark's lease-options with the Bemis' Ozan Lumber Company and Caddo River Lumber Company were the remaining properties. The Corporation had exchanged stock for those long-term contracts. Treated as assets in bankruptcy, they were recovered by the Bemis family for $200 each (Report of Trustee, November 3, 1914; Referee's Order, November 4, 1914; Deed 31, pp. 10, 13, Pinnix to Ozan and Caddo River companies, February 17, 1915).

[7] Report of Trustee, October 9, 1914, with attached bid of Ike Kempner and Roscoe Brewer ($5 for seven diamonds and $3,001 for the Ozark property and the "washing pan now at the [railroad] depot in Murfreesboro"); "Personal Property" worksheet attached to estimate-appraisal dated September 12, 1914 (the summary of appraisal located at the bottom of the Referee's Order of appointment, August 25, 1914).

At one point in Russell's deposition, the interrogator asked, "Did you ever see any of the diamonds that had washed?" Russell said he had seen none from the Ozark plant and, furthermore, had not seen a diamond "for several years" (7). Russell gave the first deposition; no one else was questioned about the subject.

[8] Deposition, D. B. Russell, 7-8, 10-11. During depositions, attorneys questioned Ozark officials about payments for the Mauney and Riley properties (Russell, 8, 10-11; Duncan, 5). Russell was uncertain about the amount of stock sold ($40,000 or $20,000), and mentioned only the sales in 1908 by Duncan's Ozark Company, which applied primarily to the Mauney tract and perhaps to initial payments on the Riley place. Duncan mentioned $40,000, but was vague about its use. Interrogators made no effort to clarify the Corporation's reported capital "actually paid in."

Shareholders evidently accepted losses as a normal consequence of high-risk investment: there had been no promotional excess in the stock sales of November 1908—and scarcely any promotion after the Bemises got involved the previous month. Duncan's exuberant statements after Woodford's report on the Riley property no doubt encouraged some investors, but the comments could hardly be interpreted as manipulative or intentionally deceiving. Much as Sam Reyburn's operation (except immediately after Fuller's appearance in late 1908), the new Ozark Diamond Mines Corporation remained relatively quiet and methodical, publicized only by normal news media coverage and John Fuller's published reports. The *Democrat's* enthusiastic feature article in October 1912 was unusual, and evidently had insignificant impact on stockholders.

[9] The basic sources: Initial Petition for enforcement of bankruptcy, filed July 24, 1914, by McRae & Tompkins for Ozan Lumber Co., McRae & Tompkins, W. N. Bemis, and State National Bank; Schedule A (3), Creditors whose claims are unsecured, with explanatory note attached, signed by R. D. Duncan; First Meeting of Creditors, August 18, 1914 (lists all approved claims; document in Referee's file); Referee's Order, First Dividend of 5%, July 13, 1915 (lists the unsecured claims and amounts of first dividend; two more orders followed on August 17, 1915 [5% dividend], and February 8, 1916 [2½%]); Depositions, Russell and Duncan.

[10] Thomas C. McRae, notarized sworn statement, July 15, 1914, attached to initial Petition for bankruptcy, July 24, 1914. As McRae stated, he was "one of the Liquidating Agents of State National Bank" and was authorized to make the affidavit. Later, McRae represented The State National Bank, Texarkana, Arkansas, directly when submitting a bid of $6,000 for the Ozark properties, signing it for The Liquidating Board (bid on letterhead stationery, SNB of Texarkana, December 8, 1914, attached to Trustee's Report of Sale, filed December 15, 1914). E. A. Frost was President, SNB, Texarkana; B. H. Kuhl, Vice President.

[11] See "basic sources," supra.

[12] "Objection to Allowance of Claim of R. D. Duncan, et al.," filed September 3, 1914, in Referee's file; Depositions of D. B. Russell (September 17, 1914), R. D. Duncan (October 8, 1914), and Charles McKee (October 26, 1914); Referee's "Order Allowing Claim of W. N. Bemis, H. E. Bemis Estate and R. D. Duncan for $43.360," November 2, 1914. The depositions included especially informative cross examinations. Thomas C. McRae, representing H. E. Bemis' estate, also testified at the hearing, along with O. H. Helbig; but their participation was simply noted in the Referee's Order.

[13] For the clearest instance, see Duncan's straightforward answer to questions about the $40,000 loan in 1913 (p. 2) and a $10,000 loan in 1911 (3).

The Millars and the Kimberlite Company, 1908-1939

If gems could be squeezed from the northeast slope, Austin Q. Millar and son Howard were well prepared for the task. Austin, an experienced mining engineer from Minnesota, was testing for diamonds in Kentucky when he heard about the discovery in Arkansas. Howard, twenty-four years old at the time, studied geology, mining engineering and gemology at the University of Minnesota and University of Chicago before starting a consulting practice in St. Louis. Father and son were a team, with Howard handling most of the administrative work.[1] To finance ventures, Austin Millar had built a base of support in Chicago, and also had a few important supporters in St. Louis.[2]

The elder Millar visited the Arkansas diamond field in early 1908 and began envisioning rich mines rivaling those of South Africa, mines yielding diamonds as large as 200-300 carats. Before long he abandoned the fruitless property in Kentucky, leaving a processing plant, a house, and other buildings to deteriorate.[3]

As a late arrival with little cash on hand, Millar had no chance at the original discovery, but by the end of 1908 he gained a substantial foothold up in the hills where a new peridotite deposit reportedly had rewarded a prospector with an impressive gem. He secured a key parcel of land by enlisting two local associates to help file a law suit against current claimants, who finally agreed to sell after Millar confronted them with expert witnesses and a general display of legality. Allegedly, the original settler had erred by taking public land for agricultural use instead of mineral exploitation, and was especially vulnerable because he had not quite fulfilled the five-year residency requirement of the federal Homestead Act.[4]

It soon became clear that a sizeable peridotite deposit lay within the area Millar acquired. At the time, he held all of that property as trustee for himself, son Howard, and two old associates in Chicago, Joseph G. Snydecker and Sam C. (Scotty) Scotten, four "Copartners."[5]

Meanwhile, the big diamond "pipe" near Murfreesboro continued to captivate Austin Millar, and those controlling it quickly tested his patience. Sam Reyburn, in particular, seemed to be "laying on his oars" instead of making a serious effort to test his property.[6]

Reyburn was hardly the sole target of Austin Millar's criticism. To the Midwesterner and his close associates, the entire area seemed afflicted by plodding, inexperienced obstructionists. "All this Country is daffy and don't want to do anything toward actual development," he wrote an old friend in July 1909. "We are going to get out and let them 'Dream' and are now preparing with that end in view."[7]

Six months later, Millar was still declaring he would pull out "unless the Corporations will get together and go to work and quit waiting on the other fellow and stop their speculative stock jobbing tactics." He assured a colleague, "I'll never get mixed up with another field that we can't control."[8]

After continuous disappointment in Arkansas, Austin Millar entrusted the Pike County venture to a pair of local associates and left the state in early 1910. The two, including a prominent lawyer in Nashville, John W. Bishop, coordinated with Howard Millar to organize the Kimberlite Diamond Mining and Washing Company, a Missouri corporation with a home office in St. Louis.[9] The vaguely defined peridotite deposit in the hills, soon dubbed the "Kimberlite Mine," became the centerpiece of their operation.[10]

Of all the Kimberlite Company's literature, nothing else matched the sophistication and apparent credibility of an item published in 1912—after speculative passion cooled in southwest Arkansas. It appeared as a full-size "Supplement of the Nashville News, but essentially informed readers about a "wonderful opportunity" to invest in the Kimberlite Mine. A main article invoking the imagery of the Cullinan Diamond, a giant found in South Africa in 1905, displayed the prevailing logic of recent years: "Thus far there is nothing to show that the Arkansas deposits are not quite as extensive and rich as those in South Africa, so there are reasonable expectations that before very long Pike County, Arkansas, will be the scene of one of the greatest mining industries in the world."[11]

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[1] Fortunately, both Austin and Howard Millar had a penchant for keeping and maintaining records. The character and activities of the father-son team are displayed clearly in their correspondence, company records, photographs, maps, and other documents housed in the Crater archives (on microfilm, "Crater of Diamonds," rolls 1-6)

[2] These are introduced in following sections.

[3] Millar's correspondence in 1907-1908, I.A-B, provides details about his last venture before coming to Arkansas—an unsuccessful effort to find diamonds near Stephens, Kentucky (operating as the Kentucky Diamond and Developing Company of Minneapolis). After trips to Pike County beginning in early 1908, he finally "broke camp" in Kentucky in late October, leaving the company's property with a local caretaker, G. E. Marshall. Years later, Marshall wrote Millar, "Well, your houses is all roten down . . . leaking bad and is also roten at the ground[;] the floor is all roten and also all the buildings is in bad shape." Marshall went on to say, "James is married and liven on your farm[;] if Jim was to take a noshing to move off I like to have the place . . .." (G. E. Marshall, Stephens, Kentucky, to Austin Millar, March 20, 1915, I.I). The previous year, D. C. Hamilton, Stephens, wrote Millar requesting $12 for property taxes due, on $1000 total valuation (November 24, 1914, I.H).

[4] The main tract usually was referred to as the "Pepper property," after the homesteader. Millar's correspondence, June-November, 1908, I.B, covers much of the affair. Especially see: Philip F. Schneider, Onandaga Academy of Science, Syracuse, New York, to Austin Millar, Stephens, Kentucky, July 7, 1908; Schneider to Millar, October 25, 1908. At Millar's request, Schneider traveled to Pike County to secure information as an expert witness for a scheduled federal court hearing, as did Oliver Farrington of the Field Museum of Natural History, Chicago.

The dispute started earlier when a prospector found peridotite on the homestead about two and one-half miles southeast of Murfreesboro and two miles northeast of Huddleston's discovery (east side of Section 15, Township 8, South Range 25 West). Pepper had not yet received a deed; the prospector, M. N. Burgess, filed a standard twenty-acre mining claim under the minerals act, and other claimants followed in both Section 15 and Section14, where the Kimberlite Mine eventually was located ("A New Diamond Field," *Nashville News*, December 11, 1907, p. 1, covered the initial episode; also, Pike, Mining Record B, 169, "Location–Placer Claim," M. N. Burgess, site "discovered" December 1, 1907, "located" December 13; ibid., "Location–Placer," Cordelia Burgess, signed by M. N. Burgess, same dates and site [North ½ of NE ¼ of SE ¼, Sec. 15]).

Austin Q. Millar entered the fray with a demonstration of authority, and Pepper and other claimants finally sold the tracts he wanted. Acting as Trustee for himself, son Howard, and old associates Joseph G. Snydecker and Sam C. Scotten (both of Chicago), Millar ended up with 200 acres in Section 14, comprising ten mining claims (Pike, Mining Record, B, 221-235, "Locations," eight entries by Austin Q. and two by Howard A. Millar, October 9, 1908). He bought sixty adjoining acres in Section 15 from the Burgesses and Rollo W. Hess (Pike, Deeds, P, 467, Warranty Deed, M. N. Burgess, Rolla W. Hess, and Cordelia Burgess to Austin Q. Millar, Trustee, October 31, 1908, sixty acres for $1,500 cash; P, 469, Quit Claim deed, Hess to Millar, Trustee, November 4, 1908, same property, for $750). The *Nashville News* reported the highlights: "Eminent Geologists–Here in Connection with Pike Diamond Litigation," June 13, 1908, p. 1; "Options Renewed," June 20, p. 1 [only a brief relevant paragraph: "A contest of the Pepper homestead, as to whether it is mineral land or not, is in progress, the testimony being taken today"]; and "Matter is Settled," November 7, 1908 p. 1, (cf. "Diamond Lands Being Jumped," ibid., October 31, 1908, p. 1—a more sensational case involving a lumber company's 1,600 acres).

The large peridotite deposit–the "Kimberlite Mine"–lay within the claims in Section 14. The American Mining Company's land abutted it on the south. Combined, the two "mines" rivaled the original discovery in size, but hardly in diamond content.

According to the *Pike County Courier*, the U.S. Land Office gradually rejected all except forty acres of the Millars' first ten mining claims in Section 14, ruling them non-mineral in character (August 8, 1924, p. 1). It granted a patent in 1926 for an additional eighty-acre claim immediately north of that forty (Deed

Book 51, 450, Patent, to Howard A. Millar, November 24, 1926, for the north half of the northwest quarter, Sec. 14).

[5] Specified in the mining claims and Austin Millar's first annual certification for labor and money expended to satisfy federal law (Mining Record, B, 345, May 6, 1909). 354, 355, 357, 360, and 367, annual certifications for labor and money expended

[6] Philip F. Schneider to Austin Millar, September 30, 1909, I.C, Crater archive. Schneider was perplexed by Reyburn's operation: "Why don't they go ahead and wash instead of 'laying on their oars' if they have a good thing?"

[7] Austin Millar, St. Louis, to Professor Otto Veatch, Atlanta, Georgia, July 12, 1909, ibid.

[8] Millar to Veatch, January 14, 1910, I.D. Millar said the "promotion work and future development in Arkansas is in Mr. Abadie's hands."

[9] Correspondence in January-August 1910, I.D, provided details. Millar to Veatch, and John W. Bishop to Kimberlite Diamond Mining & Washing Co., St. Louis, Missouri, August 15, 1910, are basic. In lieu of a retainer fee and service fee, Bishop, the new company's lawyer and agent in Arkansas, accepted 500 shares of capital stock, with any "extraordinary services" covered by separate agreement.

Bishop's local associate, E. H. Abadie, was initially listed as president of the company. Their letterhead stationary identified Austin Q. Millar as secretary; but he and Midwestern associates soon took leadership. Millar and son Howard served as trustees for administration of property and for operations generally. Austin and wife, Margaret, deeded Pike County properties held in their own names to the company on July 8, 1910 (Fordyce, Holliday & White, Attorneys, to President, Kimberlite Company, June 16, 1911, I.D, listing deeds and other items belonging to the company).

The transformation of the company is also reflected in Millar's annual certifications for the mining claims: Mining Record B, 354, August 31, 1911 (Millar as trustee for the four copartners and for himself as general agent of the Kimberlite Diamond Mining & Washing Co., a Missouri corporation); B, 357, December 29, 1913 (same certification, but also as trustee for shareholders of the KDMWC). Scotten and Snydecker headed the company's list of shareholders, along with two other old friends in Chicago, Charles W. Buckley and Alfred F. Leopold. Along with some of the other basic supporters in that city, the four held 1,000 shares each ("Shareholders," undated, but evidently accumulative, I.W, Crater).

[10] Supra, "Heyday."

[11] "Diamonds in Arkansas—Supplement of the *Nashville* News" (content dates it 1912), copy in "Misc." box, Crater archive. Reproductions of this item have been sold as souvenirs at Crater of Diamonds State Park.

Also in 1912, the *St. Louis* (Missouri) *Republic*, in Howard Millar's base of operations, carried an illustrated Sunday spread declaring "Arkansas Diamonds 'Bottled Up' and Mining Companies are Preparing to 'Pull the Corks.'" The article called the Arkansas field "a new El Dorado that has been the marvel of the age" (May 5, 1912, no page no., clipping in W. C. Rodgers Collection, Box 2.IV, File 26, AHC, Little Rock).

The Mauney Lease, 1912-

Hoping to consolidate control of the big pipe, Austin Millar began in 1912 with what appeared to be a mutually beneficial arrangement with M. M. and Bettie Mauney. For a 25% royalty, his group leased a triangular 9.46-acre tract including approximately 2 acres of the pipe, along with a five-acre plant site almost 4,000 feet northwest on the far bank of Prairie Creek. The level field between the pipe and the plant allowed the use of a tramway to convey material. Costs of facilities and testing were projected at $50,000 or less.[1]

In early 1913, as the Mauneys began suing to void the lease, Austin Millar completed a modest pilot plant and began using the standard method of testing potential diamond reserves: digging pits and concentrating on the undisturbed peridotite matrix beneath the dark surface layer.[2] Howard stayed mostly at his office in St. Louis, doing some consulting while serving as a co-trustee and administrator of his father's operation in Pike County. Among other things, he was responsible for sending M. M. Mauney regular reports on diamond recovery.

After weeks of labor, the elder Millar got stunning results from his pits. The first two required reports to Mauney listed six unimpressive diamonds totaling about two and one-half carats. "We may add," said the report of August 25, 1913, "that 945 cubic feet of the yellow ground [stained by oxidized iron content] lying immediately beneath the black ground was recently washed and treated by us without recovering any diamonds."[3] A following report in November indicated three finds totaling slightly less than one carat.[4]

As the Mauneys began suspecting fraud, the elder Millar leaned more heavily upon his bright, ambitious son; and in early 1914 Howard left the St. Louis office to an associate, moved to Murfreesboro, and took over the operation. The disastrous pit sampling gave way to a method exploiting more of the relatively diamond-rich surface material. Howard's mining maps, photographs, and other documents confirm what he later acknowledged, inadvertently, in his memoir:

I changed this [digging pits] to the excavation of a long shallow cut running south to north through the center of the proved diamond-bearing land, and installed moveable track down through the center of this cut, so that cars could be loaded with diamond dirt by men shoveling it in from either side . . .. [5]

The diamond count rose immediately and dramatically. Howard Millar's next report to Mauney, March 14, 1914, said, "In addition to the fifty seven diamonds shown you recently we have recovered twenty five more up to this date. These are subject to your inspection." The next report, on March 26, added thirty-four diamonds averaging about 0.10 carat each, and the pattern continued afterward: April 7, forty, including fragments and "sands" (specks about 0.01 carat), a total of five carats; April 20, seventy, including "fragments" and "fractures," totaling slightly over twelve carats; May 8, one hundred and nine; July 3, one hundred and twenty-two; August 4, two hundred and twenty . . . With the seasonal clean-up in October 1914, the tally reportedly reached about 1,000.[6] This total, however, likely included 107 diamonds recovered between late October 1914 and March 23, 1915.[7]

While projecting optimism, the report of August 4, 1914, did note "an item of vital interest." A "special careful test" of 250 loads of the "Blue Ground" from near the apex of the mine yielded fourteen small diamonds totaling slightly over one carat.[8] South African miners called the basic diamond matrix Blue Ground because of its natural, unaltered appearance.

That special test was an omen of what was to come at the Mauney Mine. A handwritten report made later at the plant told the story: "May 1 to May 1, 1915-16, Mauney Mine Washing"; 1,782 loads of "hard bank disintegration" and 9,437 loads of "debris and yellow ground"; over 1,200 loads of the "hardbank" yielded no diamonds, while the last 500 yielded less than 0.75 carat.[9] The same report also listed the washing for May 1, 1916-September 1, 1916: "debris and yellow ground," 4,108 loads, with no yield indicated.[10] The Millars' later references to production at the Mauney Mine—consistently, 1,000 diamonds—underscored how few were recovered after March 1915.

The Millars' impressive performance after April 1914 was temporary because their two acres held a very limited reserve of surface material. And compounding that dilemma, the Mauneys were hardly appeased by the reports and the way the diamonds were being handled. In April 1914 both Millars were arrested by court order, prompting Austin to tell his lawyer in St. Louis, "I have crossed Mauneys off my speaking list and if I come in contact with them in any business way they will have ample cause to complain to the Courts that my manner is otherwise than cheerful."[11] The lawyer, George B. Webster, advised his old friend to avoid "personal controversies with a pole cat." Mauney's action "bears on its face evidence of having been concocted in an insane asylum," Webster said.[12]

Before that episode, the elder Millar had already deferred to the judgment of son Howard, an almost ideal counterpart of M. M. Mauney's oldest son, Walter; and from the beginning the young mining engineer preferred to fight in court instead of compromising. In late April 1913 the Kimberlite Company's lawyer, John W. Bishop, thought he could persuade the Mauneys' lawyer to drop the law suit. Howard, confident of victory, reported to his father: "I told him to go ahead with the case as it will shut Mauney up once for all times."[13]

Another opportunity for compromise occurred in September 1914, after the limited potential of the leased property was becoming clear. The Mauneys' lawyer, William C. Rodgers, suggested the Millars receive ownership of the five-acre plant site on Prairie Creek in exchange for a return of the lease.. In addition, the Millars could have "all diamonds found up to and including the last report made to Mr. Mauney." The proposed settlement was rejected. Austin Millar told his personal attorney, George B. Webster of St. Louis, they intended to hold the lease until they "definitely and finally determine whether diamonds exist in payable or commercial quantities in this Arkansas Kimberlite."[14]

The Millars also kept fighting for the lease because the Mauney Mine had become crucial to their group's fundraising efforts in Chicago and St. Louis. The surface mining of early 1914 gave them leverage and they applied it skillfully through an annual prospectus, other literature, and extensive correspondence. In the process, father and son began walking a promotional tightrope.[15]

The elaborate prospectus, first put together in 1912, set the pace by balancing an overpowering imagery of commercial success with a few obligatory qualifications. The initial version highlighted "OUR PRACTICAL PROJECT AND GREAT COMMERCIAL POSSIBILITIES," the "QUALITY OF THE DIAMONDS OF ARKANSAS," and the "INEXHAUSTIBLE SOURCE OF SUPPLY," yet made it reasonably clear that $50,000 was needed to equip the new plant on Prairie Creek for "test washing." To keep a broad base of potential investors, The Kimberlite Company's 100,000 shares of capital stock was still offered at $5 each.[16]

The second edition of the prospectus, finished by early 1914, began employing the surface yield. Now the Mauney property was described as the finest diamond source available in Pike County, and current recovery methods were "so perfect that practically one hundred percent of the diamonds are saved." After citing statistics on average yields of South African Mines—from 21 to 28 carats per 100 loads—the writer said, "We may safely assume from available data of recovery made by the primitive contrivances that our yield at a conservative estimate will average 25 carats per 100 loads." He qualified that yield by saying it would be the product of a regulation plant, but added, ". . . it is believed even this preliminary test washing will prove very profitable."[17]

Isolated from events in Pike County, investors in the Midwest responded to the Kimberlite Company's optimistic statements, and in June-December 1914 their ranks expanded to include at least forty-eight individuals, all except nine of them in Chicago. The entire group, including Austin Millar's main base from previous years, owned 26,601 shares of Kimberlite stock at par value of $5.[18] The fundraising in 1914 brought in at least $12,000.[19]

[1] Supra, "Northeast Slope-Enterprising Mauneys."

[2] Experienced miners such as Austin Millar and John Fuller knew a valid test required removing surface soil before taking samples from pits or trenches (e.g., Fuller, Report to Loree, in "Reports and Information," 18). The Millars kept composite mining maps showing pits and trenches (two are in "Maps, Blueprints," VI.A-B, Crater archive). The final map, labeled "Developing Work in the Kimberlite Matrix," indicated depths. Supra, "Mauneys—Battling in the Courts," reviews the law suits of 1913-1920.

[3] Test reports for the Mauney Mine are concentrated in "M.M Mauney," I.Y, Crater archive. The first three letters to Mauney, signed by Howard Millar, were dated August 13, August 25, and November 3, 1913.

[4] Ibid.

[5] Millar, *Finders-Keepers*, 54; composite mining maps, VI.A-B. Consistent with other public comments, there was no reference here to the surface layer and its contribution (cf. the Millars' court argument in 1919, infra, "Fires").

The events described in *Finders-Keepers* are often entangled and misleading, as in this case. Dates are often wrong. While the brief comment about switching to trenches fits the documentary evidence, Millar or the book's editor rearranged operations at the Mauney Mine and those at the Ozark Mine, which he and his father initially purchased from bankruptcy in December 1914. Moreover, imaginative scenes are injected at certain points. The result is a clash between the account and the facts amply documented in the Millars' reports to M. M. Mauney in 1913-1914 (I.Y), in their correspondence (I.G-H), and in other files—including the record of an arrest in April 1914 (infra).

Finders-Keepers said that *after* the bankruptcy sale, "The [Prairie Creek] plant got into operation in July of 1913, and more than a thousand diamonds were recovered during a period of about three months." These included a "fine white one of about six carats weight" and a "beautiful yellow of four to five carats, which was also of fine quality. Most of the diamonds recovered ranged from one carat to one and a quarter carats" (44; comment on the Ozark sale, 41, 43). These comments clearly referred to the Mauney Mine.

In *Finders-Keepers*, and in an earlier statement, Howard Millar recalled his father's anxiety in "1914" over the small number of diamonds recovered, and then ascribed the problem to theft during processing at the plant. Having "strapped on a .45-caliber revolver" and chased off the suspected thieves, Howard supervised all washing and sorting for a few days "and then handed his father 72 gem quality stones and some others" (the abbreviated story as told in Ernie Deane, "Memories of Arkansas's Famous Crater of Diamonds," *Arkansas Gazette*, July 6, 1969, p. 4E). The more detailed account in *Finders-Keepers* added that the seventy-two gem-quality diamonds "ranged in weight from four and a half carats down to one-tenth of a carat (52).

Acknowledging his presence in Murfreesboro while the diamond count from the Mauney Mine soared in 1914, Millar continued by saying he moved from St. Louis in "December 1914" to take charge of production. "The first duty I had, beginning January 1, 1915, was to make a complete inventory . . ., then suggest and make any necessary changes or improvements"—including the shift from pits to trenches (53-54).

If that were the case, all those diamonds collected in 1913-1914 would have come from Austin Millar's pits. "He [Austin] had been loading the mine cars with disintegrated diamond ground from small pits sunk by manpower to a depth where disintegration ceased, then move [sic] to another location" (54). In those days, *disintegration* always applied to peridotite matrix immediately beneath the humus-enriched surface layer, to the solid material weathered and softened by ground water. In the diamond field, disintegrated peridotite usually ran to a depth of at least thirty feet. In the Mauney Mine, which held a large amount of the hardest peridotite (commonly referred to as “hardebank,” or “hardibank”), the overall average would have been less than that. The Millars’ final composite mining map indicated depths ranging 10-40 feet for clearly defined pits (“Developing Work in the Kimberlite Matrix,” VI.A-B, Crater archive).

Notice how the Millars described the last composite mining map, showing trenches and pits: developing work in the kimberlite “Matrix.” The legend of the map said, “Enclosure indicates 214 Proven Claims.” Consistent with this theme, *Finders-Keepers* said: “Later at a very rich spot [in the initial trench], we started the construction of a shaft for testing the deeper Kimberlite that lies beneath the yellow ground. We sank this shaft to around sixty feet under the surface but could not do satisfactory work to produce diamonds with the present equipment. Tests made showed diamonds in satisfactory numbers, similar to the caratage recovered to the disintegrated yellow ground above it [that is, recovered in the dark surface layer above the yellow ground]” (54-55).

On the other hand, the Millars did leave clear documentary evidence refuting that account. The reports, correspondence, and items are reinforced by a rich photo-documentary of their work, particularly their extraction of dark surface material from shallow cuts (“Photographs,” VIII, passim, Crater archive; almost all of these photos are available on the microfilm of the archive, copies in AHC and Crater). Unlike photos from the Lee J. Wagner collection, the Millars’ were filed in unnumbered folders. A small collection from the “Old Photo Contest” at the Crater, however, has numbered folders (10, 34, and 35 are good illustrations of the Millars’ surface mining).

There is an excellent photograph of Austin and Howard Millar and an eight-man field crew beside a tram unit; all are identified (“Prairie Creek Plant Workers,” VIII, unnumbered folder, Millar, Crater). The file has a second photo similar to that one, with an eleven-man crew. Each photo included four Black Americans. A later shot had thirteen men, including nine Blacks, and tram units pulled by a gasoline-electric engine.

[6] “Mauney,” I.Y. Austin Q. Millar to C. E. Wilcox, Chicago, October 23, 1914: the “clean up” of current test work is expected to show a total of about 1,000 diamonds to date “and justify larger and more economical operation of this first real American Diamond Mine” (“Correspondence,” I.H, Crater archive).

Miser and Ross, USGS 735-I, 318, said the Kimberlite Company recovered 1,500 diamonds on the Mauney property from 1913 to April 1915. The information came from the Millars, and evidently inflated the actual total; the company made only two reports between late October 1914 and March 23, 1915, indicating a total of 107 diamonds for that period (I.Y). The sequence is clear because each report refers to the previous one.

Also consider the “List of Diamonds in Box” (II.N, Crater archive, undated but after 1916) and the large collection of used diamond wrappers (“Misc.” box). The grand total from both the Mauney Mine and the Ozark was 1,821 stones weighing 291.48 carats.

[7] Ibid.

[8] The last composite map, “Developing Work in the Kimberlite Matrix,” indicated the big pit at the apex was forty feet deep (“Maps and Blueprints,” VI.A-B, Crater; evidently this was the “sixty” foot shaft mentioned in *Finders-Keepers*,). A handwritten report made at the plant dated the test July 15-16, 1914 (untitled tally sheet, with loads and diamond yield, II.Q, “Misc.,” Crater). The 220 diamonds reported August 4 evidently represented a compensatory assault on the surface layer.

[9] II.Q, “Misc.”

[10] Ibid. The report subtracted 500 loads from this total ("Less estimated on floors").

[11] Howard Millar to George B. Webster, St. Louis, April 13, 1914, I.H; Austin Millar to Webster, April 14, 1914, ibid.; supra, "Mauneys–Battling in the Courts." Webster was an old associate, as well as Austin Millar's lawyer. The correspondence, I.G-H. covers the first law suits thoroughly.

[12] Webster to Austin Millar, April 14, 1914, ibid; Webster to Austin Millar, April 30, 1914, ibid.

[13] Howard A. Millar, St. Louis, to Austin Q. Millar, Murfreesboro, April 28, 1913, I.G. "Don't worry about the case," Howard advised, "as the lawyers say we have a clear case, nothing to Mauneys' complaint. . . . it can squelched in the Federal Court by demurrer." Two days earlier Howard had told his father, "I am now agreeing with you that it was a good thing this trouble came, for it will clear up matters and leave us much more independent and show them that they cannot fool with us. But it is expensive" (Howard Millar to Austin Millar, April 26, 1913, ibid.)

[14] Rodgers, Nashville, Arkansas, to George B. Webster, St. Louis, September 17, 1914, I.H; Millar to Webster, September 22, 1914, I.H.). No doubt the Millars continued fighting for the lease basically because the Mauney Mine had become central to the Kimberlite Company's promotional effort (infra). Aside from the almost forgotten Kimberlite Mine up in the hills, the property was all the Millars had in September 1914. The sale of the bankrupt Ozark property was pending; yet, the purchase of that tract still seemed a remote possibility (infra).

[15] Aside from the almost forgotten Kimberlite Mine up in the hills, the Mauney property was all the Millars had in September 1914. The sale of the bankrupt Ozark Mine was pending; yet, their purchase of that tract seemed a remote possibility unless they could get ahead financially.

[16] "Reports," V.B, Crater archive, holds the twenty-one page bound copy. Photos are included. Generally, the stock was sold through core investors or agents in the Midwest (e.g., W. L. Wilder to Howard A. Millar, June 2, 1915, I.I).

[17] V.B., Crater.

[18] "Shareholders," Kimberlite Diamond Mining and Washing Company [undated, but December 1914-March 1915], I.W, Crater; "Correspondence," Austin Q. and Howard A. Millar, June-November 1914, I.H.

[19] The correspondence (ibid.) traces a number of sales appearing on the list of shareholders. Millar's basic group in Chicago was among those holding at least 1,000 shares each.

Attempt to Take Over the ADC, 1914-1915

By late 1914, the Millars' resourcefulness and determination had left them in a quandary. They were fighting to hold onto the worst two acres of the entire diamond field, and were rapidly exhausting the surface layer. The Kimberley Mine up in the hills had very limited value even for promotion. There was a chance they might manage to secure the bankrupt Ozark Corporation's property next door; yet, that was still uncertain, considering other financial demands.[1]

Most frustrating, Sam Reyburn's Arkansas Diamond Company owned about 90% of the pipe and almost that percentage of the diamond-bearing east side, and seemed to be discrediting the entire diamond field. Although in financial trouble, the Little Rock group insisted their property remain under the control of Arkansans.

In November Austin Millar tried to resolve his difficulties by staging a shareholder revolt against the ADC's leadership. He thought the company's current financial situation left it vulnerable to forced receivership, where it could be purchased or at least reorganized favorably. As the agent for this attempted coup, Millar used one of his directors and stockholders, W. F. Armstrong of St. Louis, head of the Brown Shoe Company and owner of a shoe store in Little Rock. Gaining standing for a law suit, Armstrong had bought stock in the Arkansas Diamond Company.[2]

Millar's lawyer from St. Louis, George B. Webster, filed a federal lawsuit early December 1914 in Little Rock (*Armstrong v. Arkansas Diamond Company*). Basically, Millar and Webster wanted to convince the court that officers of the company were using liens to freeze out the stockholders.[3] Facilitating the action, Millar sent his lawyer names of several other ADC stockholders and suggested they be recruited "to join in the investigation."[4]

For months the plotters tried to mobilize a stockholders rebellion, but in the end Armstrong stood alone facing an impending court hearing and worrying about having to bear all expenses due Webster and the judicial system. Webster was confused as to whether the Kimberlite Company or Armstrong was responsible for payments. Millar informed his friends the company had no money to spare at the time. Armstrong, feeling Austin Q. Millar had left him stranded, dropped out of the case by early June 1915, leaving Webster trying to work something out. When the lawyer quit in late September, the lawsuit failed by default.[5]

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[1] Infra, "Reprieved by the Ozark Purchase."

[2] Austin Q. Millar to George B. Webster, lawyer, St. Louis, November 25, 1914, I.H.; "Shareholders," Kimberlite Company, I.W.; Prospectus, Kimberlite Company, 1912- (listing company officials); Report to stockholders, Sam W. Reyburn to W. F. Armstrong, St. Louis, May 1, 1914, I.H (the letter is in Millar's files). Millar's letter informed Webster, his personal lawyer, that Armstrong would call on him "at our request in regard to have you [sic] investigate the condition of the affairs of the Arkansas Diamond Company. There will be quite a number of other shareholders I think [will] join him in what litigation you may advise."

Reyburn's letter had informed Armstrong and other ADC stockholders of the current difficult in raising funds. In his straightforward manner, Reyburn pointed out that he and other major creditors of the company had their investments secured by liens on properties, and suggested stockholders also should get liens. To keep the mining venture going, stockholders were asked to approve a bond issue covering indebtedness and basic operating expenses. (See supra, "Financial Doldrums.")

For further perspective, see *W. F. Armstrong, doing business in the name of Armstrong Shoe Company [Little Rock] v. Union Trust Company, Trustee, and A. D. Cohn,* December 4, 1913, Pulaski Chancery Court, case no. 16066, Box 716; and "Decree," *Union Trust Company, Trustee, and A. D. Cohn v. W. F. Armstrong,* December 4, 1913, Pulaski Chancery no. 16380, Box 716 (all material is in the 16380 packet). The suit began in Circuit Court, Pulaski Second Division on August 5, 1913, and was transferred to Chancery September 29, 1913. The suit and countersuit centered upon a store Armstrong leased from Cohn. In Armstrong's deposition, October 4, 1913, he stated he was sixty-one years old, a resident of Little Rock, and a "traveling salesman for the Brown Shoe Co." (7). He had a manager handling his shoe store in Little Rock, currently at 620 Main Street (7, 24)).

[3] Millar to Webster, April 19, 1915, I.I.
[4] Millar to Webster, December 10, 1914, I.H.

[5] Armstrong stopped cooperating by early June 1915 (Webster to Millar, June 11, 1915, ibid). The case was set for October 11, 1915, but Webster quit in late September (Webster to Millar, September 28, 1915, ibid.). Other related letters are in the file, November 1914-October 1915.

Reprieved by the Ozark Purchase

The Kimberlite Company was financially drained in early 1915 because the Millars were scraping up funds to buy the bankrupt Ozark Mine. At the sale in September 1914, the court-appointed Trustee, J. C. Pinnix of Murfreesboro, received four sealed bids for the thirty-acre property: Reece Lamb and Lee J. Wagner, $2,500; Howard A. Millar, $2,505.50; Austin Q. Millar, Trustee [Kimberlite Company], $2,101, excluding the diamond washing plant and equipment; and Ike Kempner and Rosco Brewer, $3,001, including both the Ozark Mine and some additional property. Pinnix considered the offers much too low and recommended rejection—a panel of appraisers had suggested $30,000 for the thirty-acre tract and $6,188.63 for structures and equipment. The Referee in Bankruptcy, Gustavus G. Pope, agreed.[1]

A final sale in November-December, 1914, still under the original sealed-bid order, again fell short of the total appraised value. R. D. Duncan bid $5,100 (November 14); Austin Q. and Howard A. Millar, $5,000 (November 24); E. J. Rodman, an associate of Sam Reyburn, $6,000 (November 24). Two weeks later, Thomas C. McRae of the State National Bank, Texarkana, Arkansas, bid $6,000 (December 8); and Austin and Howard Millar offered a tentative $10,000 (December 8). Although the sale had been advertised at the beginning as both sealed bid and "cash in hand," the Millars requested the purchase at $1,000 down and the balance within ninety days.[2]

Interestingly, the Millars' offer of December 8 was handwritten on letterhead stationery of the Referee in Bankruptcy for the Texarkana Division of the [Federal] Western District of Arkansas, Gustavus G. Pope, who formally accepted it a week later. Also notable: neither the Millars' previous bid of $5,000 nor Rodman's bid of $6,000 is in the bankruptcy case file.[3]

Howard Millar's later memoir, *Finders-Keepers*, lent some insight into this stage of the bankruptcy proceedings, and at the same time provided another example of Millar's efforts to rewrite unfavorable or unflattering episodes of history. Upon hearing of the bankruptcy, he said, he and his father talked with the attorney who was settling Horace Bemis' estate, Thomas C. McRae of Prescott, and "agreed to buy the [Ozark] property." Of course, "the sale had to be concluded in federal court. A date was set for this at Texarkana . . .."[4]

According to this account, Millar arrived at the courtroom to find a representative of Reyburn's bank, who insisted the property be sold to the highest bidder. "I immediately surmised that New York or London had sent more money to Texarkana than we had in hand," Millar said. "Mr. McRae" asked the court for a two-week postponement. "I took the first train to Chicago to see our old friends and financial supporters. They sent me back to Arkansas with a cashier's check for much more money than I anticipated would be necessary." When the court reconvened, Millar doubled his "original" bid. "The bank representative from Little Rock did not raise it, and so the property was ours."[5]

The official record has a different ending. In their tentative bid of December 8, 1914, the Millars assured the Trustee, and thereby the court, that if they failed to pay the balance of $9,000 within ninety days, they would forfeit the $1,000 cash payment to the estate of the Ozark Diamond Mines

Corporation. Yet, they passed the deadline without making a payment, and then began bargaining again. According to Pinnix's next report to Pope, on April 7, 1915, they offered two alternatives for paying the $9,000.[6]

First, Pinnix said, bankruptcy officials could sign the property over to the Millars and place the deed in escrow, in which case "they will be able to pay the full amount of money on or before the first day of May."[7] If the escrow could not be arranged, they would simply pay $2,000 cash on May 1st; $1,000, June 1st; $1,000, July 1st; and the balance, August 1st—without a signed deed beforehand. The Millars further agreed that W. F. Armstrong and W. L. Wilder would, "if required," co-sign a bid for the property under this latter proposition. In an unusual move, Pinnix deferred to the referee's judgment rather than make a recommendation.[8]

G. G. Pope approved an even better arrangement for the Millars. The deed was signed over and placed in escrow, but only a $2,000 payment was required by May 1, 1915. Pope's order blended the Millar's preferred approach with the flexibility of the alternative.[9] Even in escrow, a deed of ownership provided leverage as the Millars sold stock and sought loans within their Midwestern financial base. Now the promotional literature of the Kimberlite Company could feature the Ozark Mine along with the Mauney, as it soon did.

For the Millars, the purchase was timely, considering the rapid depletion of surface material on the Mauney Mine.[10] But it also created more problems. Along with increased pressure for fundraising came increased conflict with the Mauney family over the diversion of time and resources from their property: using the Prairie Creek plant to process material from the Ozark, as the Millars proceeded to do, hardly seemed consistent with the lease contract.[11] When Millard M. Mauney died in April 1915, thirty-five year old Walter was free to do battle. More lawsuits followed. The Millars' financial strain continued even though the Mauneys almost always lost in court and had to pay all costs.

Gradually, the Millars' fundraising efforts grew more misleading. The nine-page prospectus for 1915, for instance, began by underscoring the need to expand the "test" washing plant, then implied the planned expansion, itself, was evidence of commercial success. "More than One Thousand diamonds, many of them of exceptional beauty, have been recovered by the test washing. This fact alone bespeaks successful exploitation."[12] Another paragraph declared, "It only remains for capital to be concentrated, applied in a businesslike way and guided by technical knowledge, in order to reap rich rewards from the successful treatment of this parent rock of the diamond." Then came the boldest statement:

> The realities of our prospects in this original American field of industry cannot be exaggerated, or the great probability of successful exploitation of our properties overestimated, as a greater relative showing of diamonds recovered has been made on one of our properties than is shown by the early records of the Kimberley field.[13]

Next, the prospectus qualified these comments a bit. The "novelty" of the undertaking in the United States "calls for a cautious and conservative entry into this new field of industry and our present plans only contemplate the operation of our plant to first test our 'Mauney' and 'Ozark' Mines where conditions are most favorable and require a smaller investment." The project required $50,000 to cover plant expansion and operating expenses "for several months."[14]

Concluding, the 1915 edition repeated the standard comment about the difference between a regulation plant and "this preliminary operation," which company officials believed would "prove very profitable." Restating the point, the writer said, ". . . a large margin of profit may reasonably be expected by complete development when rightly managed and we feel that the 'proposition' presented you is sound and there is little doubt of permanent success along the lines outlined . . .."[15]

While work slowed at the Mauney Mine, Howard Millar's trenching moved eastward across the slope, encompassing the Ozark's old pit and extending into the alluvial wash beyond the rim of the pipe.[16] The material was scraped up, shoveled into tramcars, and hauled by tramline to the plant on Prairie Creek. There was no hydraulic sluicing to leave residue scattered about for future recreational miners. Under close supervision, the carloads were brought in, washed, screened ("sized"), and visually examined on well-lighted tables; then the fine concentrates were run through a grease table to recover any gems missed. The records show the recovery of even the minuscule "sands" and "grains."[17]

In 1915-1916, the Millars ran a series of nine tests from the Ozark Mine, completing the last on December 24, 1916. These totaled about 1,700 loads and averaged almost 10 carats per 100. Individual test averages ranged from 4.74 to 21.30 carats per 100 loads. The "Confidential Report No. 9" acknowledged the washed material consisted of "the yellow ground, blue ground, the volcanic debris and overburdens just as nature deposited them in the mine."[18] In promotional efforts, Austin Millar later referred to these as "special test runs made by us from the pure volcanic material of the Ozark mine."[19] The Millars' final composite mining map, made after 1916, described the testing as "Developing Work in the Kimberlite Matrix." Cryptically, the legend said the map indicated "214 proven claims."[20]

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[1] "Report of Bids Received by Trustee," J. C. Pinnix to the Honorable G. G. Pope, Referee in Bankruptcy No. 364, October 6, 1914, with attached appraisal Order and paperwork, August 25 and September 12, 1914. The bids were also attached (Lamb and Wagner, September 19; Millars, both September 28; Kempner and Brewer, September 28).

[2] Report, Pinnix, Trustee, December 14, 1914; bids attached to ibid.; printed bulletin, "Bankrupt Sale of Valuable Property–Ozark Diamond Mines," attached to initial Report of Trustee," October 6, 1914 ("cash in hand"). The Trustee cited the sale order at the beginning of each report.

[3] Bid attached to Trustee's Report, December 14, 1914; "Order Approving Sale," G. G. Pope, Referee in Bankrupcy, December 14, 1914 (the sale would "be approved and confirmed upon the payment of the residue of the purchase money").

[4] *Finders-Keepers*, 43.

[5] Ibid. Millar said the purchase surpassed expectations. "The greatest area of diamond-bearing land in the crater proved to be on the Bemis tract" (ibid.).

[6] Report of Trustee, April 7, 1915. No bid document accompanied the report.

[7] The Millars' friends in Chicago, and St. Louis, evidently refused to risk money at first. As indicated infra, two close associates at least agreed to co-sign a pledge of installment payments.

[8] Report, April 7, 1915. Ordinarily, Pinnix and other bankruptcy trustees summarized the facts and made a recommendation, then submitted the report with signed bids attached. In this unusual case, there was no bid document; the information was submitted for Pope's "consideration, orders and directions."

[9] “Order Revoking and Recinding [sic] Sale, Unless Payment is Made on or Before May 1, 1915,” Pope, Referee, April 8, 1915.

Beyond Pope’s order, the outcome is obscured. The case file contains no further detail. Moreover, deed searches failed to turn up an instrument transferring the property to the Millars, the Kimberlite Company, or any of the Millars close associates, which suggests one was never filed at the Pike County Court House. The only related document on file is a deed Howard, Austin, and Austin’s wife, Margaret, signed October 27, 1927, transferring the Ozark property to their new Consolidated Diamond Corporation, chartered in Missouri (Pike, Deed Record 46, 528, Warranty Deed). While promoting the Ozark as part of the Kimberlite Company’s holdings after early 1915, the Millars evidently held it as personal property; after the transfer to the Consolidated Diamond Corporation, stockholders of the Kimberlite Company were left with the original, almost worthless property in the hills.

Only four items relating to the Ozark purchase were found in the Crater of Diamonds archive. Austin Millar to S. C. Scotten, Chicago, September 18, 1914 (I.H), discussed the current bankruptcy proceedings, with Millar reporting he had learned two other bidders were interested, a local property speculator (“Owens”) and Reyburn. Austin Millar to George B. Webster, St. Louis, December 10, 1914 (ibid.), added: “We secured another option on the purchase of the Ozark property but at such a large price we may have to let it go when the time comes round for closing it up” (seemingly implying another bidder got the property, then optioned to Millar, but instead referring to the payment plan approved by the court). Also, Pike County Real Estate Tax Record, 1915, p. 165, showing A. Q. Millar, “trustee,” paid the $123.08 tax due on a valuation of $5,500 for “40” acres, including the Ozark and the leased Mauney Mine (the final arrangement with the court included assumption of property taxes for 1914). Over ten years later, Howard Millar wrote a law firm in Prescott, Arkansas, complaining about a current tax assessment. Correctly, he said his group paid $10,000 dollars for the thirty acres of the Ozark Corporation “and this was by far the best offer [J. C.] Pinnix as Trustee for the Bankrupt Corporation could get after advertising the sale three times” (Howard Millar to Tompkins, McRae & Tompkins, Prescott, November 19, 1925, I.N).

In the Crater archive, there is a sharp drop in the Millar’s correspondence for the years 1915-1918. Although that was a decisive period for the Kimberlite-Ozark group in various ways, the correspondence provides very little insight into the issues.

[10] See the test reports in 1915, supra. The Millars’ last detailed mining map, completed after 1916, indicated very little area was left outside the trenches on the Mauney Mine (VI, Crater archive; cf. O. L. Brace, Petroleum and Mining Geologist, Camden, Arkansas, Report to Gordon Ingalls, El Dorado, Arkansas, October 17, 1923, “Misc.,” box, Crater archive). The Millars’ earlier map, which was integrated into the US Geological Survey map of 1916, shows more open area; but much of that was hardebank.

This comment appears in an undated document in the Mauney Records: “The overburden or top soil on the Mauney Mine has all been removed something like two years ago and the diamond dirt is now exposed.” This evidently related to one of the final law suits.

[11] Austin Millar declared the Ozark plant inferior to his setup at Prairie Creek. But the Ozark’s rock crusher was useful, particularly in working the plentiful hard material of the northeast slope.

[12] Prospectus, p. 3, V.B.3; no date, but content indicates late 1914 to early 1915. The prospectus had virtually the same lineup of company officials as before: Austin Q. Millar, secretary and "general agent"; Howard Millar, chief engineer (after his move to Murfreesboro, early 1914); W. L. Wilder, Chicago, manager; John W. Bishop, Nashville, Ar., counsel; and W. F. Armstrong, of the Brown Shoe Co. of St. Louis, director. The company now had an office in Murfreesboro as well as St. Louis (Howard still had a practice there).

[13] Ibid., 6.

[14] Ibid., 7.

[15] Ibid., 8-9.

[16] The Millars composite mining maps reflected the extension into the Ozark ("Mauney and Ozark Mines," 1916, and "Developing Work in the Kimberlite Matrix" [1917-1918], VI.A-B, Crater).

A statement in one of the lawsuits suggested the Millars might have reworked the Ozark Company's tailings and recovered diamonds: ". . . the said Ozark mine, after expending more than Fifty Thousand Dollars, in an effort to test said land, became bankrupt and its property was sold, and . . . a test of the tailings of the Ozark mine developed that their machinery would not recover the diamond content of the land, whereby their venture proved disastrous" ("Amended and Substituted Answer and Cross Bill, "*Bettie L. Mauney, et al., vs. Austin Q. Millar and Howard A. Millar as Trustees*, 1919, Pike Chancery Court, No. 931; 1920, Arkansas Supreme Court 219 Sw. 1028). This question has practical application to Crater of Diamonds State Park: those large deposits of diamond-bearing tailings would have become an important reserve for recreational hunting if they remained untouched.

[17] The Millars began reporting a few sands and grains from the Mauney Mine in 1914; the report to Mauney of April 7 included four sands. The undated "List of Diamonds in Box" included twenty-one sands (II.N, Crater archive). This is what Miser referred to when he wrote, "Some of the diamonds are so small that 250 would be required to weigh one carat . . .." (Miser & Ross, "Diamond-Bearing Peridotite," *Economic Geology*, 673).

[18] "Separate and Distinct Tests of Widely Separated Localities on Ozark Mine and Analysis of Recovery," V.B.8; "Confidential Report No. 9, Ozark Mine Trial Test Washing," V.B.6.

[19] Austin Millar to Wm. De Burgh Whyte, London, October 17, 1922, I.N. This was a basic assertion in the Kimberlite group's promotional campaign during that period (infra, "Roaring '20s").

[20] VI.B, Crater archive.

Reprieve: The Great War, 1917-1918

In April 1917 the United States intervened in the European war, and the demands of that great event, including requirements for materials and manpower, helped obscure the Kimberlite Company's situation. Howard Millar, facing the draft, finally volunteered for the navy and served at Pensacola, Florida. With the Mauney Mine effectively idle since the previous winter, his father kept the Ozark operation going at reduced levels.[1]

The distractions of war especially tended to mask the elder Millar's growing problems with fundraising. He had always depended heavily on the money and connections of a few close associates in Chicago and St. Louis—most notably W. L. Wilder of Chicago, a financial expert and general manager of the Kimberlite Company.[2] But by late 1917 Millar and Wilder had strained their stockholder base and were exploring larger financial sources at home and abroad. The goal was to find someone capable of either joining them in partnership or buying them out. The problem was, they would settle for nothing less than an offer netting them much more than all their properties were worth. A notable instance occurred in the fall of 1917, when the Millars and Wilder tried to deal with an unidentified "English friend." They wanted a new capitalization scheme amounting to $3,000,000, with the friend contributing 45% and leaving them in control. They never explained how they would contribute their share.[3]

By the spring of 1918, Millar's operation was virtually broke.[4] Company officials had tried to raise money from investors in the Midwest, especially by using eye-catching displays of "exhibition diamonds," some of them brilliant cut stones.[5] But their stock was not moving. So finally, in May 1918, the company started seeking loans within its Chicago base.

The largest infusion came from a director of the company, W. S. McCrea of Chicago, who borrowed about $8,000 to put into the venture. Aware of the risk, McCrea took an assortment of forty exhibition diamonds as collateral.[6] A later statement by company officials also revealed a bank loan of $2,000 and a "floating indebtedness" of $3,615 before the end of 1918.[7] In addition, another deficit was accumulating: a shortage of "several hundred dollars" in Austin Millar's labor account.[8] All of this lay atop any unreported obligations to officials or other shareholders of the Kimberlite Company.

In November 1918, the German army collapsed on the western front, and soon the Paris Peace Conference commenced. Before long, all the distractions would end and attention would focus again on conditions in the Pike County diamond field. Promotional appeals could no longer cloud the deficiencies of the Mauney and Ozark Mines.

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[1] The Millars' correspondence in 1918 shows an effort to establish draft deferment because of age. Howard's memoir, *Finders Keepers*, said he returned to St. Louis to register for the draft, then volunteered in September 1917 and was assigned to the US Naval Engineers at Pensacola, Florida, where he worked as a draftsman under a naval architect (55).

The dwindling activities at the Mauney and Ozark Mines receive attention infra.

[2] Millar's correspondence, Box I.A-O, constantly reflected Wilder's role until his death in the late 1930s.

[3] Correspondence, I.K, covers the negotiations; Wilder to Austin Millar, September 29, 1917, is basic. From the correspondence, it appears they were dealing with another deal-maker instead of a financial source. This was often the case (infra, "Abandoning Promotional Restraint").

Later, after fires ended their field operations, the group settled on a more moderate figure than $3,000,000: "We have all agreed that we would like to sell the Ozark Mine and we feel it should not be sold to net us less than say, $1,500,000" (WLW [Wilder] to Bennett C. Clark, St. Louis, August 17, 1926, copy in Millars' correspondence, I.N).

[4] In addition to the evidence cited below, the Crater archive has the Millars' financial records, including bank statements and checkbooks with stubs ("Checks and Deposit Slips," II.I). As trustees of the Kimberlite Company, they had, at various times, accounts at the Pike County Bank and the Farmers and Merchants Bank, Murfreesboro. By late 1915, they were writing checks on an account with the Mississippi Valley Trust Company's branch in St. Louis (the "Ozark balance" on January 26, 1916, was $1,000). The company's time books for crews reportedly used at the Mauney Mine, 1912-1917, 1919, are also helpful, although there is no way of knowing exactly how much of that work occurred on the Ozark property after early 1915 ("Time Books," II.P, with no record for 1918). Overall, the record after 1916

shows dwindling finances and declining activity. With cheap labor available, Austin Millar managed to keep a crew on hand, including several Black Americans (segregated in time books as well as in photos).

For the trend at the Mauney Mine, also see supra, "Mauneys–Battling in the Courts."

[5] In early 1914, W. L. Wilder had urged the Millars to start using cut diamonds to impress financial sources: ". . . <u>if we had two or three cut stones to show</u> it would greatly encourage them and would undoubtedly facilitate the sale of more stock." Wilder said he was "in a position to handle this matter very quietly" (Wilder, Chicago, to Howard Millar, March 7, 1914, I.H, Crater; Wilder's underscoring). At the time, the Mauney Mine was the group's only operation.

The Millars no doubt sold some diamonds as debts accumulated, but the evidence is not clear. Their records include an undated one-page "Rough Diamond Sales by the Kimberlite Co. Recovered from Their Mines" (II.N, Crater). The list specifies colors and sizes of thirty-five diamonds (20.808 carats total) sold for $1,337.68.

[6] "Valuation of Twenty Packages of Arkansas rough diamonds, property of Austin Q. Millar, William L. Wilder and Howard A. Millar, Trustee, of Jewel Grade, loaned to W. S. McCrea, 1335 Peoples Gas Building, Chicago-for exhibition purposes May 12, 1918" ("Diamond Valuations," II.M). The valuation totaled $8,085. The document simply stated the diamonds were sent "for exhibition purposes in promoting sales of shares," and later the Millars reported McCrea "withheld" the diamonds after the fire. But they clearly were collateral as well as a promotional tool. McCrea appeared toward the end of the Kimberlite stockholder list; evidently he had not been one of the basic financial supporters previously ("Shareholders," Kimberlite Company, I.W).

[7] Untitled report on Chicago conference of Kimberlite Company trustees and major shareholders on July 30, 1921, with updated reports covering the period to July 30, 1922, p. 2, V.B.9.

[8] Financing agreement of trustees and major shareholders, for Chicago conference of 1921, p. 3 (no title or date), V.B.9.

Fiery Ending and a Revealing Testimony

In the night of January 13, 1919, fires ravaged buildings and equipment at both the Prairie Creek site and the Ozark property. Howard Millar, summoned by telegram, rushed home on leave and found only a redwood water tank and a few small structures intact, along with a scorched, but restorable African washer in the Prairie Creek plant. As for insurance, Millar later said policies in the area had been suspended after a rash of other fires.[1] Although the culprit or culprits were never exposed, the Millars almost immediately blamed the Mauneys, alleging in court that the destruction occurred by their "instigation and procurement."[2]

That impassioned argument in the Pike County Chancery court, in 1919, included not only an array of allegations, but also some surprising acknowledgments. In an eleven-page brief, the Millars and their lawyers tried to explain why they were not rebuilding the destroyed plant and resuming work at the Mauney Mine. The intent of the lease and the plant, they said, was to test the property for commercial potential and to determine "if there was sufficient washable material to justify the erection of the necessary machinery for the purpose of commercially operating and mining said land." Although their effort had been "retarded and hindered" by constant lawsuits, the defendants did their best "to test the overburden and surface of said Mauney mine."[3]

The defendants said they had "sufficiently tested this surface and overburden" until they knew "approximately the diamond content per cubic yard," which consisted "largely of very small diamonds and splinters or fractures." Before they could accumulate enough diamonds for proper evaluation, the war in Europe blocked their access to experts in Belgium, Holland, and adjacent trade centers, and there were "no facilities in America for cutting or marketing mine run diamonds of the character which are known to exist upon the Mauney mine." Thus, without the evaluation, "it was impossible to ascertain whether or not the land could be profitably mined."[4]

Moreover, with the diamond content of the surface known, "it then became necessary to resort to deep mining for the purpose of testing the depth of said diamond bearing dirt and [the] interrupting hard non diamond bearing rock [hardebank]." Only deep mining could determine the relative volume of productive and unproductive material, but the war helped prevent that by imposing restrictions on dynamite and other items needed.[5]

Facing all those obstacles, the defendants "continued to wash and did wash ten thousand loads of dirt per annum which necessarily consisted largely of overburden of which they had determined was of variable content as to diamonds, and not indicative of true conditions." Left free to test, defendants "would have long since determined whether or not diamonds exist upon said land in paying quantities." Because of the harassment and the war, they had been "unable to determine the value of the diamond content of the mine."[6]

Those enlightening comments, however, were buried within a long, obscure document submitted for non-jury determination. With only a few lawyers and a judge involved, the revelation escaped publicity; the Millars soon began telling a different story outside the courts. In public statements and promotional appeals, they insisted they had "proved" the potential of the properties and were intending to spend a large amount of money to go into commercial production when their enemies dealt them a devastating blow. For the remainder of his life, Howard Millar would insist the burning of a modest test plant and other facilities was the crucial turning point for his family—a tragedy that kept them from becoming millionaires.[7]

Back in that early era, however, general engineering data indicated test facilities such as those at Prairie Creek could be installed for less than $25,000. The costly part of mining was the day-to-day operation, an expense the Kimberlite Company would have incurred in any case.[8] Although a $25,000 loss was significant, the properties still could have attracted offsetting investments if they had shown commercial potential.[9]

Instead, the fires terminated work at the Ozark Mine permanently. The Millars salvaged whatever they could at Prairie Creek and stored it on the Ozark property. In effect, the company had already abandoned the Mauney Mine, and final relinquishment occurred in 1921, after the Mauneys won court decrees voiding the lease.[10]

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[1] Howard Millar, *Finders Keepers*, 55ff., is his final account. Also see the report of Arnold J. Hecker of St. Louis, the mechanical engineer who helped plan and erect the Prairie Creek plant in 1912-1913: Hecker, report to Austin Q. Millar, and Howard Millar's reply, February 17, 1919, I.M, Crater archive. Sent to inspect the damage, Hecker found the plant "completely destroyed," with the building, equipment, and other items "now a conglomerated mess, and all of no value with a few exceptions." He said the African-type washing pan was full of material during the fire and survived in fair shape, but other equipment could only be sold for scrap.

[2] Supra, "Mauneys–Battling in the Courts." After that blunt assertion, the Millars modified the story. In 1921 they reported the destruction was "inspired by the insidious propaganda" of "those

interested in the . . . litigation over the Mauney lease" and by "other lawless acts of the native element" (Report on Chicago conference of 1921, p. 1). In a letter in 1925, Howard Millar said the State Fire Marshall conducted an extensive investigation, and after almost three years got the evidence and presented it to "the District Judge," who set a pretrial date but told Millar's attorneys "that it was best not to attempt a prosecution-that we would 'probably unearth a barrel of snakes'" (Millar to Tompkins, McRae & Tompkins, attorneys at law, Prescott, Ar., November 16, 1925, I.N).

Much later, a published interview of Howard Millar summarized his comment on the fires and said: "To this day, Howard Millar believes the [diamond] syndicate was behind the law suits" (Gross, "Diamond Mine Mystery," [1959], 99). A few years earlier, without directly mentioning the suits, Howard Millar told a reporter that "British-owned mining interests in South Africa" were responsible for the fires ([Memphis] *Commercial Appeal*, Sunday, February 26, 1956, Sec. 5, p. 1). Also see the sweeping allegation in Robert S. McCord, "In Murfreesboro, More Frustrations Than Gems So Far," *Arkansas Democrat Sunday Magazine*, August 5, 1956, p. 9 (Millar blamed the syndicate for the fires and almost every other problem experienced since the early years).

The final version in *Finders Keepers* added more detail. There were one or two suspects, Millar said, and "eventually we did obtain a signed confession from one of our former workmen that implicated a certain Murfreesboro man. We never made any use of the confession, however, for a number of reasons. One was that a trusted friend warned us there might be a killing if we did, and we wanted no bloodshed. I believed the warning, for I had been shot at several times in the woods around the mining property, and once when I was in an outhouse at the mine. Whoever it was shooting at me apparently did not intend to kill me, for I was an easy target, but had merely wished to frighten me away. The arson had put an entirely different aspect of danger on the situation" (56).

After skipping to another topic, Millar's memoir completed the account. "Many" years later, evidently after the Depression, "a man" made a deathbed confession about the culprits who set the fires. "One of the men he named was paid $50 and given a new pistol. He also told who paid the man for the job, who was behind it all, and as many details as he knew. I knew this man was one I could believe, one who just the knowledge of what happened bothered him. I thanked him for the information, and he died the next day" (64).

[3] "Amended and Substituted Answer and Cross Bill," *Bettie L. Mauney, et al., vs. Austin Q. Millar and Howard A. Millar as Trustees*," 1919, Chancery No. 931, pp. 1-3 (later, Supreme Court 219 Sw. 1028).

[4] Ibid., 4. As the Millars knew, New York City had its own trade center, with cutters and appraisers, and reputable appraisers were available in several other cities. Howard Millar had mentioned "experts" in New York and Chicago as early as 1913 (Millar to M. M. Mauney, March 14, 1914, I.H, Crater). Reyburn's company had been sending diamonds to Schenck and Van Haelen, New York, for a decade. Evidently, the Millars avoided an evaluation of the diamonds because of the overall quality and the small average size: an objective appraisal would have cast serious doubt on the prospects at the Mauney Mine; better to simply underscore the total number, an impressive 1,000 or more.

[5] Ibid., 5; supra, "Battle in the Courts."

[6] Ibid., 6.

[7] In the documents examined for this study, the author found one other instance where Howard Millar clearly acknowledged his group had not determined if diamonds "existed in payable or commercially payable quantities"—the four-acre Ozark Mine remained merely "a prospect." This was in a private letter to the law firm in nearby Prescott that had helped the Millars acquire the bankrupt Ozark property (Millar to W. V. Tompkins, McRae & Tompkins, Prescott, November 16, 1925, I.N). Millar was contesting a sharp increase in the county tax assessment, based on the tax board's belief the diamond properties had great potential that simply was not being pursued. Of course, the Millars' public stance had encouraged the belief. In the end the Millars did not have to confess to the board; the Arkansas Diamond Company's victory in the court of appeals resulted in tax reductions (supra, "Frustration and Taxes").

Regardless of such obscure statements made under pressure, the assertion that the fires killed a commercial operation became a constant theme after 1920—it could hardly be avoided as the Kimberlite group began declaring their tests of the Ozark proved commercial viability (infra, "Roaring '20s").

[8] For instance, Woodford's report to the Ozark Corporation, October 28, 1908, estimated "a complete washing plant, with pumps, portable railway, steel trucks and sheds, men's quarters, tools and supplies" would cost $17,000 (5). In October 1923, O. L. Brace, a geologist familiar with the area, estimated a total of $16,000 for an adequate test plant, 5,000' of 6" pipeline, a water tower, pumps and accessories, and misc. expenditures (O. L. Brace, Petroleum and Mining Geologist, Camden, Arkansas, Report to Gordon Ingalls, El Dorado, Ar., October 17, 1923, p. 4, "Misc." box, Crater archive.). Ingalls was interested in the Mauney Mine.

The estimate Austin Millar obtained from Arnold J. Hecker, St. Louis, immediately after the fires can be dismissed (correspondence, I.M). Hecker's $350,000-$400,000 estimate for commencing "commercial" operations was designed for stock promotion, as the letters between Hecker and the two Millars made clear. It also buttressed the Millars' argument in court in 1919 (Chancery No. 931, supra).

[9] Woodford estimated that if the softer, decomposed area of the Ozark were mined only to a depth of 20', it would yield 150,000 loads of peridotite (Woodford, Report to Ozark Corporation, 4). The Ozark Mine held little hardebank, compared with the Mauney lease.

[10] In addition to the court decisions, supra, "Mauneys—Battle," see the untitled report on the Chicago conference of Kimberlite Company trustees and major shareholders on July 30, 1921, with updated reports covering the period to July 30, 1922, pp. 4, 6 (V.B.9, Crater).

Compare the above with the brief statement in Howard Millar's memoir: "We were under an agreement that, should mining be halted for three months, the Mauney lease would go back to the Mauney estate. Obviously we could not get back into production in so short a time, so we turned the ten-acre Mauney tract back to the Mauney estate" (*Finders-Keepers*, 57).

A New Speculative Heyday: The "Roaring '20s"

The decade following the Great War offered unprecedented opportunities for legitimate entrepreneurs and financial interests, but it was also an era of wheeling and dealing, of risky investments motivated by visions of fortune-making. For the Millars and W. L. Wilder, the postwar enthusiasm seemed at first an open door to success.

Their initial inspiration came from renewed activity on the southeast slope of the diamond field. In late 1919 Reyburn's dormant venture got an infusion of capital, and in early 1920 built the largest processing plant of the era, a $125,000 facility designed to handle up to 300 loads daily. In 1920-1922 the Arkansas Diamond Company undertook a massive sampling of both the surface layer and the peridotite matrix.[1]

By July 1921, the Kimberlite group felt confident enough to project a budget of $25,000 for the coming fiscal year, even while carrying several thousand dollars of old debt.[2] Austin Millar and close associates coaxed more money from sources in Chicago— including a few trustees and shareholders who had begun doubting the feasibility of mining the Ozark, but were willing to take some risk after hearing that "large financial interests are now associated with the development of the adjoining mine."[3] For the first time, the shareholders agreed to pay Howard Millar a modest salary. A small group pledged to cover the budget.[4] Records indicate loans of at least $11,500 before July 30, 1922.[5]

Still wary, the group of three investors providing most of those loans required considerable collateral. The Millars and other company trustees deposited $50,000 of their stock and a note for $25,000, at 7% interest, with the collateral trustee.[6] Basically, the lenders were willing to take limited risk for apparent chances at a lucrative sale of the Kimberlite Company's property.

In this situation, the Millars dispensed with the previous subtleties of promotion. In the '20s, no matter whom they dealt with, the story was simple and straightforward: before the fires in early 1919, they had tested the pure matrix of the Ozark property and gotten an average yield of about 10 carats per 100 loads, with some samplings running well over that. They had proved the Ozark an excellent "commercial" prospect. "At the present market value of diamonds," Howard told a potential investor in London, "it is conclusive that our mine, when operated on the scale outlined [in a suggested plan for full-scale operation] will yield handsome profits."[7]

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[1] Supra, "The ADC, 1919-1930."

[2] Financing agreement of trustees and major shareholders, for Chicago conference of July 30, 1921, p. 6 (no title or date), V.B.9; report on Chicago conference of Kimberlite Company trustees and major shareholders on July 30, 1921, ibid.

[3] As expressed in the financing agreement, p. 3. This theme was employed at the Chicago conference, as well. Essentially, the Millars invoked the ADC's large investment and well-publicized activity on the southeast slope as evidence of the general feasibility of diamond mining.

[4] Financing agreement of trustees and major shareholders, 6 (Howard Millar's salary); updated report on Chicago conference, 6-7.

[5] Ibid., 6.

[6] Financing agreement of trustees and major shareholders, for Chicago conference of July 30, 1921, V.B.9; updated report, 6-7, ibid. If company trustees defaulted on the note, the collateral trustee would sell stock and diamonds for lenders' recovery.

[7] Howard Millar to Wm. De B. Whyte, London, August 17, 1922, with five-page "Results to be Expected" attached, I.N. The primary document is the eight-page report on the Chicago conference of Kimberlite Company trustees and major shareholders on July 30, 1921, with the updated reports covering the period to July 30, 1922 (no title or date, V.B.9). For a later example, Wilder L. Wilder to Bennett C. Clark, St. Louis, August 17, 1926, I.W, referring to the Kimberlite group's "careful tests after spending $200,000 on the Ozark, showing that the mine is a commercial mine producing 11 carats per 100 loads of 16 cubic feet each." Apparently, the *New York Times* relied upon a mixture of Millar's and Fuller's statistics in "Diamond Mines are Busy in Arkansas," June 14, 1931, Sec. 8, 7: diamonds were plentiful enough "to have kept three mining companies busy and to assure them of 21 karats [sic] of rough

diamond . . . for every load of thirty-six cubic feet of ore dug up by the men in overalls" (the full-size tram cars used in the 1920s could hold eighteen cubic feet each).

Consequences of the Millar's earlier promotion were emerging by the mid 1920s. In one instance, the Kimberlite Company received an inquiry from J. Francis Booraem, New York, an industrial engineer representing the estate of J.V.V Booraem, a stockholder. "I am a little surprised" he said, "to note that Mr. Booraem's investment at the time was made in the Organization as merely a Testing Organization and not one that had really started in actual recovery work." The writer asked for names of company officers and other information. There were other inquiries from old stockholders at the time (See "Correspondence," March-June 1924, I.N).

Dealing With "Conspirators" and Other Dealers

In the early 1920s the Millars and Wilder also began exhibiting more flexibility toward De Beers and the international diamond cartel, usually known collectively as the "syndicate." They remained suspicious of Sam Reyburn: by mid 1922 the elder Millar and Wilder thought that Arkansan probably was financed by the syndicate, which they thought wanted to buy control of the entire diamond field.[1] Yet, Wilder and both Millars considered the syndicate's intrusion fortunate if they could get enough money from it to solve their predicament.

In one drawn-out affair, the trio thought they had gotten into indirect negotiations with the syndicate. This was in April-June 1921, when Austin Millar and his lawyer went to New York City for conferences with a Dutchman named Waterschoot van der Gracht, a promoter trying to put together a deal consolidating control of the big Arkansas pipe—an idea especially appealing to the elder Millar. After van der Gracht identified himself as a representative of Ladenburg, Thallmann & Company, financiers, Wilder and Austin Millar suspected De Beers was orchestrating the affair, probably while working with Reyburn to reorganize the ADC and, through it, bring the entire pipe under the syndicate's control.[2] At one point Howard advised his father, "If you have to be dominated by foreign Jews, sell them and make them pay." [3]

Howard Millar was willing to negotiate with the syndicate on his own terms. One of three things was imperative, he told his father: First, the Millars had to retain "Absolute control" if the syndicate only invested in their operation; Second, "Sale for cash consideration"; Third, "Sale for cash and stock consideration."[4]

Before long, however, it was evident the Millars had gotten into another dead end. In New York, Austin grew weary and yearned for the comfort of home. Howard, Wilder, and other close associates sensed something was amiss. Finally, after all their effort and expense, the deal collapsed; Van der Gracht could not accept some of the group's stipulations.[5]

In their report to shareholders July 30, 1921, those heading the Kimberlite Diamond Mining and Washing Company simplified matters a bit when saying they had turned down "many proposals" for acquiring company properties. Although they had contacted a number of agents trying to put together deals, and in at least one instance had attempted to persuade financial interests in London, there is no evidence those efforts yielded a bona fide offer.[6]

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[1] The issue of syndicate control was reintroduced during the van der Gracht affair (infra), and then was immediately advanced by W. L. Wilder (W. L. Wilder, Fidelity and Casualty Company of New York, Chicago office, to Austin Millar, May 8, 1922, I.N; Wilder managed the company's bonding department). Wilder's basic suspicion: Van der Gracht was involved with De Beers in a scheme to not only control Reyburn, but also to buy control of the Millar's property at a low price because of the current

financial squeeze. A later example: W. L. Wilder to Bennett C. Clark, August 17, 1927, Correspondence, I.W, Crater.

[2] There is extensive correspondence on the topic in I.X and I.N, involving the Millars, Buckley (Austin's lawyer), and Wilder, from early April into mid-May. W.A.J.M van Waterschoot van der Gracht, New York, to Austin Millar, Chicago, April 30, 1922, I.X, is the Dutchman's basic, four-page analysis and proposal.

[3] Howard Millar to Austin Millar, New York, May 5, 1922, I.N.

[4] Ibid.

[5] W. van der Gracht to Austin Millar, May 9, 1922, I.X.

[6] Report on Chicago conference, July 30, 1921, p. 1, with update covering the following year, V.B.9, Crater archive. The updates were to become an annual report, but ended as the flurry of activity in 1921-1922 diminished.

An Act of Desperation: The Bribery Scheme

The results of the ADC's massive test, known by late 1922, soon overshadowed all efforts of the Kimberlite group. If anything could be described as a decisive blow, it was that stunning bit of information. Now, the arguments of critics–that either the processing was faulty or the syndicate had triumphed–persuaded very few outside of Pike County.[1] Diamonds had been discovered sixteen years earlier; since then, tests had consistently told the same story, and now the biggest test of all confirmed it.

As funds dwindled annually, the Millars and Wilder kept depending almost entirely upon a few lenders. The basic group of three Chicago investors put up $7,500 in October 1923 after the company pledged exhibition diamonds and more stock as collateral; an old associate of Austin Millar provided a personal loan of $1,500.[2] Clearly, this was no workable long-term arrangement. Something had to be done.

The group missed few opportunities to try to extract themselves from the situation. From late 1922 into 1924, the Millars and Wilder entangled themselves in an improbable effort to persuade the Ford Motor Company to buy both their property and Reyburn's operation.[3] In early 1925, Austin Millar watched as the Dallas-based British-American Company leased the Mauney Mine and began its unrestrained stock promotion. He informed W. L. Wilder "there may now be a possible chance of selling the Ozark to the Mauney promoters if they have the money, which as yet we have been unable to ascertain."[4] Later, in 1926, Austin offered the Ozark and Kimberlite Mines to a Chicagoan for $1,150,000 and $500,000, respectively, with one-third down, one-third within a year, and the balance within two years.[5]

By August 1926, W. L. Wilder's imagination had gotten the best of him. Constantly frustrated and increasingly convinced the diamond syndicate had tied up the Arkansas field to keep it out of the market, he conceived a scheme to force De Beers to buy the Ozark Mine at a price netting the Kimberlite Company at least $1,500,000. Austin Millar and C. Warren Buckley, a member of their small inner circle, approved the plan. Howard considered such ideas too "wild" for his taste.[6]

In short, the three agreed to bribe a powerful U.S. Senator from Missouri if he would persuade the international diamond syndicate to buy the Ozark Mine. The Senator would get 10% of the sale price "plus one-third of any advance on this price he could obtain." As an overture, the Senator could inform DeBeers's associates in New York that he was one of the owners of the Ozark, and tell them "of the careful tests[,] after spending $200,000 on the Ozark, showing that the mine is a commercial mine producing 11 carats per 100 loads . . . ." If necessary, the Senator could underscore the seriousness of the proposition by threatening "to introduce a bill in Congress, changing the tariff on both cut and uncut diamonds from 20-10% to 50-40% or more [,] and to curtail the present large smuggling operations of diamonds in this country." Further, the bill would favor immediate development of domestic diamond resources, particularly industrial grade.[7]

Wilder, with his fellow conspirators' approval, explained the "plan" to their lawyer in St. Louis, Bennett C. Clark:

> We all know that [Thomas Fortune] Ryan holds a 22 percent interest in the DeBeers selling syndicate . . . and that Morgan and Company are also interested in this organization and [we] feel quite confident that the powers that be would immediately be glad to acquire the Ozark property, paying a reasonable price for same, say anywhere between 1 to 2 millions, rather than have a man of the caliber of Senator . . ., with his strong Democratic following in Congress, introducing such a bill as I mention. It seems to me that this plan would bear fruit and it might be the solution of all of our difficulties.[8]

Although the records are mute on the point, the plan apparently was aborted shortly after Clark received word of it. An effort to raise the tariff on diamonds, however, continued into the late 1920s; targeted Washington politicians included Senator Thaddeus H. Caraway of Arkansas.[9]

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[1] The issue of equipment and the question of Zimmerman's competence usually were taken up by others, including John Fuller, as indicated previously. The Millars and Wilder focused more narrowly on variations of the conspiracy thesis.

[2] "Diamond Collateral Notes of October 6th, 1923, II.L, Crater archive; Austin Millar to W. L. Wilder, with attached diamond valuation, December 29, 1923, ibid. The valuation included forty rough diamonds and six cut, for a total of almost $11,000. The stock collateral was an extra inducement; the lenders' $7,500 was covered by gem-quality diamonds. In early 1924 two of the lenders discussed buying the earlier stock collateral at half price; the outcome of that is not clear (Austin Millar to W. W. Willits and Frederick T. Vaux, Chicago, February 4, 1924, I.W).

[3] The Millars' correspondence clarifies their perspective of the affair (I.W., "Henry Ford–Reyburn's dealings). Documents in the Ford Museum and Archives, Dearborn, Michigan, including the correspondence of Ford's administrative secretary, Ernest Liebold, essentially show that a typically courteous Sam Reyburn found himself in an uncomfortable position. Because of the backdrop of anti-Semitism at the time—a widespread movement involving Ford—the topic needs more-thorough treatment than can be provided in this space (for a glimpse of the problem, see Howard A. Millar to Austin Q. Millar, November 29, 1927, ibid.).

Ford's involvement was rarely mentioned in publications, in the early era or afterwards. "Diamond Field Development Hoped For," *Arkansas Gazette,* June 16, 1940, p. 11, had one paragraph concluding that "Mr Ford, like many other prospective developers, is said to have wanted to control the field at a price too low to be accepted by the Arkansas interests." Gross, "Incredible Mine Mystery," 99, fit the topic into his analysis of the alleged conspiracy to keep Arkansas diamonds off the market. He repeated Austin Millar's version of events (later repeated in Howard Millar's *Finders Keepers*, pp. 61ff.), then cited "the Ford archivist" and Sam Reyburn. Gross, as Millar, indicated Reyburn had stymied the negotiations.

[4] Millar to Wilder, March 29, 1925, I.N; supra, "Enterprising Mauneys" (British-American Company).

[5] Memo agreement, Austin Millar to John T. Keegan, Chicago, September 4, 1926, I.N.

[6] W. L. Wilder to Bennett C. Clark, c/o Fordyce, Holliday and White, St. Louis, Missouri, August 17, 1926, I.W, conveyed the trio's plan. Wilder stated that he, Austin Millar, and Buckley "after due discussion" had "arrived at a conclusion which we would like your reaction to." He noted Millar and Buckley had initialed the letter, "indicating their approval of the plan." Howard revealed his distaste later (Howard Millar to Austin Millar, November 20, 1927 and November 27, 1927, I.W).

[7] Wilder to Clark, ibid.

[8] Ibid.

[9] A cryptic notation in the margin of Wilder's letter to Clark, supra, included the last names of three additional members of Congress, two from Utah and one from Arkansas—"Carraway." That referred to Senator Thaddeus Horatius Caraway, husband of the pioneering Hattie W. Caraway, who took his seat in Congress after his death in late 1931. T. H. Caraway, Democrat, was once described as "a political gadfly on the broad complacent back of the G. O. P. elephant."

Although there is no available evidence of an immediate follow-up in 1926, the Millars' effort to increase the tariff resumed by early 1929, as the new Hoover administration and trade protectionists in Congress took charge of economic policy. In April Austin Millar solicited the support of Hugh Miser, of the US Geological Survey; Miser, always courteous, replied that if called as a witness he would provide all the information he could about Arkansas diamonds (Miser, USGS, to Millar, April 13, 1929, I.W). Howard Millar then wrote Senator T. H. Caraway of Arkansas, member of the Committee on Agriculture & Forestry (the reply, Caraway, Washington, D.C., to Millar, March 2, 1929, I.W, was merely a standard courteous response). Later that year, Millar wrote again, this time urging Caraway to oppose a current attempt to *eliminate* the tariff on diamonds (August 20, 1929, ibid.; supporters of the measure argued that putting diamonds on the free-trade list would curb smuggling).

A following letter to Bennett Clark also referred to "Senator Smoot," meaning the cosponsor of the Hawley-Smoot protective tariff (Austin Millar to Bennett H. C. Clark, St. Louis, August 30, 1929, ibid.). Perhaps the Millars felt some sense of accomplishment when Hoover signed Hawley-Smoot in June 1930; but the high levies on foreign goods provoked similar measures abroad and thus helped spur the depression.

The Consolidated Mining Corporation and Financial Ruin, 1927-1939

The Millars' overriding concern in 1927 was the possibility their small base of supporters in Chicago might give up and demand a settlement. At the same time the crucial Ozark Mine–legally the Millars' property–needed to be clearly separated from the long-neglected Kimberlite Mine and the Kimberlite Diamond Mining & Washing Company's aging, dwindling shareholders. In November 1927, the Millars, Warren Buckley, Bennett C. Clark, and Wilder responded by setting up a new company controlled by themselves and five of the Chicagoans: the Consolidated Diamond Corporation of Missouri. Taking a majority interest, the Millars and Austin's wife, Margaret, signed over the deed to the Ozark Mine. Austin became president.[1] The Kimberlite Company became isolated and obscure.[2]

After this step, Howard Millar again focused on apparent developments around the Arkansas diamond field. He was not convinced the syndicate controlled Reyburn, and now began thinking that Reyburn was conspiring to advance his own interests. In November 1927 Howard wrote his father an unusually long and vehement letter. "Reyburn has put the Indian Sign on the whole enterprise," he said, "and there is no doubt in my mind now, but that he is playing the old Jew game of killing and knocking the mines, so that he can personally acquire the whole area for a song."[3]

But such speculation no longer mattered. The main trio of Chicago investors gave up in early 1928, declaring they would make no more payments.[4] The trustee of the collateral diamonds bought them for a price Howard Millar later described as "an enormous loss to us."[5] By 1929 the Millars were paying taxes on the Ozark from personal funds, sometimes after missing the official deadline.[6]

As the Depression set in, diamonds and other resources were almost exhausted.[7] The Millars failed to pay taxes on the Ozark in 1933-1936, and the thirty-acre tract was entered in the State auction the next year. After others in Chicago failed to respond to the crisis, Warren Buckley stepped in and loaned $1,000 to redeem the property from tax forfeiture.[8] The best the Consolidated Diamond Corporation's officers and trustees could do was provide a note in September 1937 promising the Corporation would pay Howard, their vice president, $9,204.34 within thirty days for accumulated debts.[9] Of course the note had no backing.

Finally pushed to his limit, Howard Millar sued the Corporation in November 1938 and won a default judgment for $10,523.34, along with costs and 6% interest until payment in full.[10] The award covered the promissory note and the back taxes paid to recover the property. The $1,000 loan from Warren Buckley was then secured by a contract for one-quarter interest in whatever came from the judgment.[11]

Apparently, Howard recovered very little, or nothing: in January 1939 he had to seek a loan from the Pike County Bank. To get $250 for ninety days, he signed a note at 10% interest and deposited twenty-nine diamonds for collateral. Then he never made a payment. The bank finally sued in Chancery Court over two and a half years later, and when Millar failed to respond, the diamonds were sold at public auction. Pike County Bank bought them for $335, enough to cover the loan and interest.[12]

Whatever the methods, the Millars' survival during the Depression depended upon a dutiful son's personal effort, eventually aided by new federal relief agencies. At the beginning, Howard economized by moving himself, father, and mother from Murfreesboro to the small house that had served as the office of the Ozark Mine. After the death of his mother, Margaret, in March 1930, he worked a while as a consulting engineer at a cinnabar mine (quicksilver, or mercury) near Murfreesboro, and in September 1931 began serving informally as a consultant for State Geologist George C. Branner. Branner relied on him after a visit to the Ozark Mine that month, particularly for information about the recently discovered cinnabar deposits in the area.[13] For a few years, the Millars still pursued various plans for financing a revival of the diamond field; but harsh realities soon shoved that dream aside.[14]

When New Deal work programs took hold in 1937-1938, Howard finally got the fulltime job he wanted—with the staff of the Arkansas State Mineral Survey, a federal WPA project sponsored by the Arkansas Geological Survey.[15] In the end Austin and Howard Millar made it through the Great Depression without losing the Ozark and Kimberlite Mines.

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[1] Pike, 46, 528, Warranty Deed, Austin Q. Millar, Margaret Millar, and Howard Millar, to Consolidated Diamond Corporation, October 27, 1927; "Correspondence," I.N, October 1927. The five in Chicago

were George E. Scott, trustee for the group [holding liens secured by diamonds and stock]; F. T. Vaux; Ward T. Willits; Robert H. Ripley, and Robert P. Lamont. As shareholders in the new corporation, the group ranked next to the Millars. The Millars, Buckley, Clark, and Scott served as incorporators.

The maneuver was consistent with an idea the Millars had entertained as early as 1920 ("Memorandum, September 14, 1920, Diamond Mines," V.B.4, Crater archive). Discussion of such an organization followed in 1921-1922. The more general idea of consolidating ownership of the entire diamond pipe extended back to Austin Millar's first year in Arkansas.

[2] The Kimberlite property was handled separately, usually by Austin Miller as trustee (for instance, Pike, Mining Claims, C, 261, Affidavit by Austin Q. Millar, December 31, 1934). Although almost all of the company's mining claims had been disallowed over the years, the original Kimberlite Mine was secure, and Millar had added an adjacent claim recently, boosting the acreage to 120 (ibid.).

[3] Howard Millar to Austin Millar, November 29, 1927, I.W. The letter discussed Howard's previous speculation about Ford and Reyburn and displayed his strong need in 1927 to disparage the latter. He believed the Arkansan "had again approached Ford" trying to sell him the ADC's property, "and was turned down." Ford "only desired the Ozark, but after seeing the lay of the land, he did not choose to have Jews for neighbors. . . ." Concluding, Millar outlined a plan for purchasing the ADC's property and getting out from under "Reyburn's whip hand." Also see Howard Millar to Austin Millar, November 17, 1927, ibid.: HM discussed financial maneuvering to purchase Reyburn's property and said, "If we do this I think we will have to work fast, as Reyburn may attempt to sell Ford himself."

Notice the absence of the syndicate in Howard Millar to T. W. White, St. Louis, May 28, 1930, I.W. Millar commented on the new Arkansas Diamond Mining & Engineering Company, working on the southeast slope. Little Rock businessmen of "considerable wealth" were involved, he said, and "looks to me like the same old gang . . .. They appear to be still living up to Sam Reyburn's old policy, 'Arkansas Diamond Mine for Arkansas folks.'"

After World War II, however, a frustrated Howard Millar increasingly blamed Reyburn and the "international diamond syndicate" for his troubles. One of his most sweeping statements was reported in the *Arkansas Democrat* in 1956 (McCord, "More Frustrations Than Gems," pp. 7-9). McCord, a sympathetic interviewer, wrote: "Why, then, has there never been any large-scale mining in the field? Why did the mining equipment burn mysteriously in the dead of night? Why was capital often promised but never delivered? Why couldn't the owners ever get together on a project? Mr. Millar has spent almost all of his 63 years answering these questions. And his answer to all of them and a hundred others is: Because of the power of the international diamond syndicate, which controls diamond mining and traffic throughout the world. His belief is that the syndicate has used everything in its power to stop the development of the American field. In fact, he contends that one man became a millionaire simply by owning a part of the property and never doing anything with it" (9). Sam Reyburn was still alive and active at this time.

In his memoir, written after Reyburn's death, Millar dispensed with all subtlety. "I cannot help believing that Mr. Reyburn's voyage to London, and his discussions with the syndicates financial representatives [in 1910], resulted in an agreement to prevent Arkansas' diamond ground from being developed commercially." Millar admitted he could not prove a conspiracy; "but there is no denying the facts that are know, and they do point to an apparent 'deal' in London" (*Finders-Keepers,* 40). Referring to John T. Fuller as "the DeBeers engineer," Millar alleged that a veil of secrecy surrounded Reyburn's venture on the southeast slope. "My personal opinion has always been that the tests showed a potential for profitable operations, but Mr. Reyburn and his British friends did not want this fact known" (41).

For the most strident allegations of a syndicate conspiracy, see Gross, "Diamond Mine Mystery" (1959), 54ff.

[4] C. W. Buckley to Austin Millar, March 3, 1928, I.W.

[5] Austin Millar to Bennett C. Clark, St. Louis, August 5, 1929, I.N; Austin Millar to Howard Millar, October 7, 1945, I.P. The notes of October 6, 1923, were for one year, but were extended. The exact date of final settlement is unclear; Millar's letter to Clark mentioned the loss cryptically.

[6] "Tax Statement of the Ozark Diamond Mine," II.B (summarized valuations and payments of 1929-1936). Tax records in the Pike County Court House show no significant differences; the Millars' statement, evidently prepared for a later lawsuit against the Consolidated Corporation, made it clear payments came from personal funds.

[7] The Millars received a few requests from individuals wanting rough diamonds. Howard told one inquirer in 1935 they had none that were for sale (Howard Millar to Arthur A. English, Mobile, Alabama, October 29, 1935, I.O). Later, Howard used a small batch as collateral for a bank loan (infra).

[8] "Tax Statement of the Ozark Diamond Mine: Unpaid tax on Ozark Diamond Mine," II.B, Crater archive; Notice of special meeting of stockholders, Consolidated Diamond Corp., in St. Louis, September 15, 1937, I.O; Winston, Strawn & Shaw, Chicago, to Austin Millar, October 13, 1937, ibid. (property placed on court docket); Austin Millar to Bennett C. Clark, St. Louis, October 14, 1937, ibid. (discussing the indifference of "the [George E.] Scott crowd" and Warren Buckley's offer to furnish money to recover the property from the State).

[9] Pike, Civil Court Record, E, 113-114, Default Judgment, *Howard A. Millar vs. Consolidated Diamond Corporation, Defendant*, *No. 916,* November 21, 1938. The judgment included the note of September 30, 1937, as part of the money due Millar. The note, itself, is not in the records.

[10] Ibid.

[11] Austin Millar to Howard Millar, October 7, 1945, I.P; Howard Millar to Robert W. Buckley, December 24, 1945, ibid. The two letters provide a long summary of the affair. A notation on the default judgment (supra) also documented the assignment of one-quarter interest, although Buckley is not mentioned specifically.

[12] Record G, 489, Decree, *Pike County Bank vs. Howard A. Millar*, September 16, 1941, Chancery No. 2312-A, provides details; also ibid., 500, Sheriff's Report of Sale, November 10, 1941. The collateral was described only as twenty "industrials" and nine "gems," evidently all diamonds in the rough.

[13] *Pike County Courier*, March 30, 1930, p. 1 (Margaret Millar); correspondence between Howard A. Millar, Mining Engineer, Ozark Diamond Mine, Murfreesboro, and George C. Branner, State Geologist, Little Rock, September 10, 1931 to February 17, 1940 ("Chronology" folder, Crater of Diamonds vertical files, top drawer, Department of Parks and Tourism, Little Rock). Howard Millar, *Finders Keepers*, 66, is a credible account; also, Obituary, *Arkansas Gazette,* undated clipping (1973), IV.H, Crater archive; biographical sketch, January 1964, I.S (less reliable, especially dates). Howard Agnew Millar remained single until 1942, when he married Modean Bohannon of Marshall, Arkansas. He died at 91, after retiring to Fayetteville.

Cinnebar, not diamonds, stirred excitement in the early 1930s (the *Pike County Courier* [Murfreesboro] and the *Nashville News* carried relevant articles regularly after September 1931). After the Depression, the cinnabar mines fulfilled expectations.

[14] Howard Millar to Branner, November 16, 1934, correspondence, ibid., summarized the current failure to get a loan from the federal Reconstruction Finance Corporation to "put the diamond industry of Arkansas into production." The idea was to borrow $15,000 from the RFC, with the Ozark Mine as collateral, and then lease the rest of the "crater area and the outlying properties." Millar said the "Arkansas Mine crowd" seemed ready for some sort of lease.

[15] Howard began trying to get a job with the State in the early '30s (e.g., Millar to George C. Branner, February 14, 1934, ibid.; also Branner to Millar, December 30, 1937, ibid. [the Mineral Survey would be starting soon]). George C. Branner, "State Mineral Survey in Arkansas," *Economic Geology*, 35, No. 6 (September-October, 1940), 761-771, summarized the State-sponsored program of the Works Progress Administration.

THE 1940s: FURTHER DISAPPOINTMENTS

As the 1940s began, the Nazi's blitzkrieg across Western Europe not only helped revive the American economy, it also stirred concern about this nation's supply of industrial diamonds from abroad. Attention again focused on the Pike County field, particularly the big southeast slope owned by the Arkansas Diamond Corporation. Unable to attract investors for the Ozark, Howard Millar was available to serve as adviser or agent for those interested in the ADC's property. In early 1940 he thought he had a buyer in Oklahoma City, but that prospect collapsed in less than two weeks.[1]

Howard Millar's later biography, *Finders Keepers*, tells of a more successful effort involving a mining promoter from Chicago whom Millar said he had met several years before, Ray E. Blick.[2] Although Millar's account is uncorroborated, Blick did take an option on the ADC's property in July 1940, and hired a Chicago engineer with no experience in diamond mining, George N. Vitt, to evaluate it. For orientation, Blick gave his consultant a collection of reports and other material John F. Fuller had produced before his recent death. Vitt perused the material, looked around the property, and issued his thirty-four page report on September 1, 1940.[3]

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[1] Millar's correspondence in January 3-February 15 (I.P) covers the negotiations with "Dr. Perrine," identified as an oil-investments man. Howard Millar to Perrine, February 5, 1940, tells of side negotiation with the trustee of the ADC, who, Millar said, wanted an initial payment of $25,000 by March 1 for purchase of control.

[2] *Finders Keepers*, pp. 67-68. Millar said Blick approached him wanting information about diamond properties, and he introduced Blick to Roy Thompson of Little Rock, the businessman still heading the ADC. According to Millar, the result was a meeting in Little Rock with Millar, Blick, Thompson, and Charles Wilkinson and attorney. He said he was astounded by Wilkinson's payment of "$175,000 cash" for a controlling interest in the ADC property, "sight unseen." Whatever Millar's role, if any, no available evidence corroborates his account.

[3] Pike, Misc. 4, 309, Option, Arkansas Diamond Corporation to Ray E. Blick, July 9, 1940 (no price was given for the option; it was a one-year arrangement to buy the property for $175,000, including cancellation of the 1930 lease with the Arkansas Diamond Mining & Engineering Co., and could be extended one additional year for $10,000); George N. Vitt, "Report on the Arkansas Diamond Mine," to Ray E. Blick, Chicago, September 1, 1940, "Crater of Diamonds" vertical files, Department of Parks and Tourism, Little Rock (on microfilm, first separate roll following the six-roll basic series)). Vitt's report was filed with the "Reports and Information Gathered by John T. Fuller from 1908 to 1931." No doubt it was this Vitt referred to in a "Letter of Submission" attached to the report: ". . . I am herewith submitting my summary report on the subject, having visited the property and studied all reports and materials you supplied me with for the purpose."

Pages 1-2 of the report provided Vitt's "Biographical Background." John Fuller' death was mentioned briefly on page 15; for details see obituary, "John Torrey Fuller," *New York Times*, May 19, 1939, p. 21 (referred to his retirement as chief engineer of the Aluminum Company of America, and to his experience in South Africa; but failed to mention Arkansas).

George Vitt's Analysis

Estimating the average diamond yield of the property in the past, Vitt interpreted Fuller's conclusions in the comprehensive report of 1931 as 0.142 carat per load for "surface" material; 0.100, for "mixed ground and breccia"; and 0.070, for "deep ground." Vitt's comments about production demonstrate that he failed to fully grasp the distinctions between surface material and the underlying matrix.[1] At the same time, he readily assumed that the methods and equipment used in previous tests were consistently faulty, and believed Fuller's data showed that *a varying efficiency of processing* determined fluctuating yields. The natural placement of diamond-bearing material in the pipe was secondary at best.[2]

Going far beyond available data, Vitt compensated for the modest average yields by rating the property an exceptional source of gem-quality diamonds. "Arkansas diamond production runs 54% gems and 46% industrials," he said.[3] The report indicates he reached that conclusion by reading a recent statement by Schenck & Van Haelen of New York.[4] Of course that diamond firm was describing items it had received from the Pike County field, which tended to be gem quality rather than industrial. Schenck and Van Haelen offered its own estimate in a later statement solicited by Blick's company: 80% industrial, "the balance being largely gems."[5] Even that ran slightly higher than the average cited by the Millars and others in the past, about 10% gem quality.

George Vitt's final recommendation lacked the assertiveness of previous reports on the property, and seemed only moderately optimistic. "Simplicity, favorable structure and adequate amount of soft ore being the keynote in the picture, all above aims [Vitt's proposed testing program] can be reasonably achieved, as suggested by Washington and Fuller long ago, provided the diamond content is sufficient. The latter point has already been sufficiently demonstrated with less hazard before you, than in many other mining prospects." [6]

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[1] Ibid., 19. Notice Vitt's comment on page 18 about a supposed conflict between yields on the ADC property in "1925" and in "1919." He was referring to Fuller's comprehensive report of 1931, but misread it: the big test of the undisturbed peridotite in 1919-1925 (Vitt read as "1919") was clearly described as "Peridotite," while the later test (which he says was of "identical ground") was labeled "Surface and Peridotite ("Reports and Information," 36).

[2] Fuller's statistics supposedly showed "diamond content per load varied very greatly not so much from place to place or with depth of excavation, as from period to period" as a result of varying "efficiency of recovery during working operations" (ibid., 18; Vitt's underscoring).

[3] Ibid. 17, 21.

[4] Ibid., 16-17.

[5] Schenck & Van Haelen, two-page letter to George O. Scarfe, Facilities Review Committee, War Production Board, Washington, D.C.; copy to North American Diamond Corporation, February 1, 1943 (with Vitt's reports, Parks and Tourism files, Little Rock; on microfilm).

[6] Ibid., 23-24.

North American Diamond Corporation and Trust A

A year after Blick took the option, he and his wife, Mary, conveyed their rights in the property to a new venture identified as "Trust A." That same day the Arkansas Diamond Corporation issued a deed to the trustees, Robert J. Arthur of Logansport, Indiana, and Edwin T. Schneberger of Chicago. The trustees then awarded a ninety-nine year mineral lease to a newly organized North American Diamond Corporation of Arkansas.[1] Years later, other deeds revealed that two parties dominated the Corporation and the trust: Ray Blick and the Charles Wilkinson interests, of Logansport. Wilkinson was President and major partner of the Corporation and he and his family together were the majority partner in Trust A.[2]

Blick thought the Nazi threat to America's industrial-diamond supply abroad gave his company enough leverage to secure federal support for the venture. Congress's declaration of war on Japan and Germany after the attack on Pearl Harbor, with the ensuing mobilization of war industry, seemed to improve his chances. Yet, federal officials such as Hugh Miser, still with the U.S. Geological Survey, were reluctant to approve public funds or vital resources for a test by the Corporation—especially the multi-million dollar project proposed by Blick. Like Miser, Richard J. Lund of the Miscellaneous Minerals Division of the War Production Board was fully aware the old test averages cited by Vitt and others were highly inflated by the surface concentration of diamonds.[3]

Further opposition to Blick's proposal came from the Millars and associates, who insisted any such project had to include them, as well. In the end federal agencies decided to run their own, less-expensive test.[4]

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[1] Pike, Misc. 4, 342, conveyance, Ray E. and Mary Blick to Robert J. Arthur and Edwin T. Schneberger, as Trustees under the provision of a Trust agreement dated July 1, 1941 (agreement not included in the conveyance), July 1, 1941; Deeds, 60, 94, Trust Deed, Arkansas Diamond Corporation to Arthur and Schneberger, July 1, 1941; Oil & Gas (Mineral), 7, 61, Lease with right to extend, Arthur and Schneberger to North American Diamond Corporation, July 1, 1941.

Time magazine called $175,000 a "modest" price ("Domestic Diamonds," *Time*, 38 [July 21, 1941], 71). Echoing Blick, the writer commented on the possibility the Nazis might get control of Europe's industrial diamond supply; he said the Chicago group hoped wartime demand would translate into mining success. Stockholders of the Arkansas Diamond Corporation had submitted their certificates for liquidation, and in late July, 1941, Union National Bank of Little Rock returned certificates and checks for a liquidating dividend of 10¢ a share. Lee J. Wagner, after about thirty-five years with the Arkansas Diamond Company and the Corporation, received $240 total for certificate Nos. A 309, 1000 shares; A 3086, 200; and A 4640, 1,200 (Letter of transmittal, Union National Bank to L. J. Wagner, Murfreesboro, July 23, 1941, I.P, Crater archive; stock certificates, endorsed for liquidation at 10¢, 2.A, ibid.).

[2] Misc. 5, 114-116, Notice of Resignation as Trustee, Robert J. Arthur, March 11, 1948. The instrument included details about the individuals and companies involved in Trust A. Also Oil and Gas 7, 206, Assignment, by Ray E. Blick, a 38/100ths holder in the Trust (undivided interest), undated, filed November 25, 1946; Misc. 7, 326, Trustees revocation of lease to North American Diamond Corp. (NADC), December 11, 1945.

[3] Vitt, then managing engineer of the NADC, responded for the corporation with a nine-page "Memorandum on Diamond Content in the Murfreesboro Diamondiferous Peridotite Pipe," March 3, 1943 (Parks and Tourism vertical files; on microfilm, first separate roll). Basically a rehash of his initial report to Blick, Vitt's memo added a section on the surface concentrate, in which he engaged in convoluted argument. His peculiar conclusion: "In other words the greatest concentration of diamonds in the top soil as compared to sub-surface content is in a ratio of 5.2 to 1; the smallest is in a ratio of 1.32 to 1; and perhaps <u>the most reliable figure</u> . . . is in a ratio of 2.82 to 1. In round figures this concentration can be expressed as "3 to 1" (5-6). Vitt said his analysis discredited Lund's "previous arbitrary allegations . . .." (6). For Lund, see the following footnote.

[4] A confidential draft report, "Prairie Creek Diamond Area, Pike County, Arkansas," War Minerals Report (US Dept. of Interior, BM, April 1944), Arkansas State Geological Commission (ASGC), said: "The present owners, the North American Diamond Corporation, acquired the property . . . and in 1942 made a detailed topographic survey of the property dividing the potential mining area into 100 foot squares in preparation for sampling the deposit on the grid pattern. The company requested priorities for equipment . . ., but, on the strength of information gathered from various sources, the War Production Board concluded that granting of priorities for the erection of a mill were not justified, yet further tests to determine the possibility of economic recovery would be desirable" (3).

Items in the Millars' correspondence of March 1942-August 1943, I.P, Crater archive, provide a convenient summary of deliberations: Samuel W. Fordyce, of the law firm of Fordyce, White, Mayne, Williams & Hartman, St. Louis, to Austin Millar, Murfreesboro, March 28, 1942 (about communication from the Defense Plant Corporation, and Fordyce's advice that all owners of the diamond field should be involved and the entire pipe should be tested); Thomas W. White, St. Louis, to Austin Millar (about Congressional testimony of Richard K. Lund, chief of the Miscellaneous Minerals Division of the War Production Board, in which Lund explained why the Arkansas field owned by the NADC was not being explored); Austin Millar to Thomas W. White, May 4, 1943 (quoting telegrams Millar recently received from Lund, asking Millar to provide records to Hugh Miser "for investigating possible diamond resources of Arkansas"; Millar said Miser had visited him to review records; he also mentioned the NADC's proposal for a federal loan of $6,000,000 to construct and operate a diamond washing plant, which Millar thought "savored of a 'promoter's dream'"; in addition, Millar attached a copy of a recent letter Miser had written him about NADC's application to the War Production Board); Howard Millar, "Personal" letter to C. W. Buckley, Sr., Barrington, Illinois, August 4, 1943 (discussing Howard's current job in Little Rock with the Mining Division of the War Production Board and his being in charge of "recommending all equipment for mines in the States of Arkansas, Louisiana, Mississippi and Oklahoma"; Millar said he recently was in Washington and "went into the matter of priorities for equipment for the diamond mines, and we are assured of sufficient equipment for a consolidated plant to take care of the entire production of the Prairie Creek Crater, but equipment cannot be secured for just one individual ownership. If the properties are consolidated in some equitable manner, a government loan can be secured for the needed working capital").

Howard Millar's letter to Buckley reflected optimism that the impending test by the U.S. Bureau of Mines would prove successful. Above all, the letter demonstrated the long-standing effort of Millar and associates to consolidate ownership of the pipe—preferably under their control.

Samuel Fordyce's law firm in St. Louis was in the middle of the affair, and kept the Millars informed about federal inquiries.

The U.S. Bureau of Mines, 1943-1944

Aware of the black surface layer, the experienced engineers of the Bureau of Mines avoided remnants and took samplings of undisturbed peridotite.[1] The test included only the diamond-bearing breccia of the southeast slope and a strip of the harder materials immediately west of it. In a preliminary test in April-May 1943, the Bureau used a twenty-six inch rotary bucket drill to put down three holes averaging about thirty-nine feet deep; then in September 1943-January 1944 it took a full-scale sampling from fifty-one holes, using a thirty-inch bucket drill. Two of those attempts hit hard rock near the surface and were abandoned; the others averaged about twenty-seven feet in depth.[2]

Thirty-five tons of peridotite were removed from the preliminary holes and 435 tons from the forty-nine. The preliminary sampling was shipped to the Bureau's laboratory in Rolla, Missouri, for processing; the main volume was reduced to 21.4 tons of concentrate on site, and that was bagged and transported to Rolla.[3]

Anticipating possible criticism, the Bureau's field team took various precautions. Safeguards against tampering were at first so strict that even the property manager was barred from the slope, until his protests forced a compromise.[4] The Bureau's report, including an elaborate flow chart of the test, reflected a cautious approach to processing.[5]

The results were well in line with the Arkansas Diamond Company's test of the peridotite in 1909.[6] The main sampling yielded an average of slightly less than 2 carats per 100 short tons. The thirty-two diamonds recovered totaled 8.4 carats. About 75% came from a depth of twenty feet or less, but those from below twenty feet were of larger average size than those above. Overall, the thirty-two diamonds matched the historical average weight of about one-quarter carat.[7]

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[1] J. R. Thoenen, et al., "Investigation of the Prairie Creek Diamond Area, Pike County, Ark.," Report of Investigations 4549 (United States Department of the Interior, Bureau of Mines, November 1949), 10-11, report in Arkansas State Geological Commission Files, Little Rock (the author deposited basic sections in the Crater archive and in the Butler Center, Little Rock). The report commented on the old concentration of diamonds "in the black ground capping the brecciated peridotite," saying it previously had averaged about 0.5 carat per load (11). When the Bureau's engineers arrived at the southeast slope, they found spots of original black ground totaling "not over half an acre" (10). John Fuller's comprehensive mining map of 1931 indicated that almost all the unsluiced soil ran along the top of the southeast slope, at the ridge; when the author began field work at Crater of Diamonds State Park in June 1985, dark coloration was evident only in that area and, to a lesser degree, at a small spot down the slope.

Report 4549 was preceded by a 37-page pre-publication report, distributed in early December 1948. It accompanied a news release announcing the full "manuscript report" would be placed on open file December 15 (Leon W. Dupuy, Chief, Rolla [Mo.] Branch, Mining Division, BM, copy to Harold B.

Foxhall, Director, Division of Geology, Arkansas Resources and Development Commission, Little Rock, December 10, 1948, ASGC files).

That full manuscript–completed February 1947–was preceded by a confidential draft report, "Prairie Creek Diamond Area, Pike County, Arkansas," War Minerals Report (US Dept. of Interior, BM, April 1944), ASGC. A note at the bottom of page 1 explained the document was a progress report for personnel of the BM and was "not to be made available to others, as the data are subject to correction and revision." The final report, when issued, would be "distributed on a limited basis to officials of the Federal war agencies, the owners or operators of the properties described herein . . .."

[2] The sampling was described in Report 4549, pp. 3, 11ff. Figure 2 of the illustrations used the U.S. Geological Survey map (1916) to indicate the grid of bore holes.

[3] Ibid., 14-18.

[4] Robert J. Arthur, secretary of the North American Diamond Corporation, Logansport, Indiana, to Solon W. House, Murfreesboro, guardian of the NADC's property, September 23, 1943, I.P. Arthur suggested they could work out a solution allowing House to continue overseeing the grounds and keeping local visitors from hunting diamonds, while the drilling crew worked at a safe distance.

[5] Report 4549, Figure 23; details on pp. 14-18. Especially notice the BM's comment about the grease table: "Salted samples fed to the grease table showed it to be inefficient, owing, probably, to unregulated temperature control of the grease and water suspension and possibly to the type of grease used. However, inefficiency of the grease table would not have altered the final result quantitatively, owing to the small size and quantity of the table feed" (18). Also see the comment on the size of the smallest screen used: "Although the test plant did not include hand sorting of sizes smaller than minus 8 plus 20-mesh, there seems to be no reason why, if smaller stones could be used, they could not be hand-picked down to plus 40-mesh" (ibid.).

[6] In John Fuller's test in 1909, 482 loads (1,600 pounds each) of peridotite yielded 25 diamonds weighing a total 9.75 carats, for an average of 2 carats per 100 loads ("Reports and Information," 36).

[7] "Results of Concentration," Report 4549, p. 19. Pages 19-21 provided details for each drill hole on the grid-number of diamonds, weight, depth of recovery, etc. The heart of the volcanic breccia was the richest zone.

George Vitt, now identifying as a consulting engineer in New Haven, Connecticut, issued a nonsensical eight-page critique in March 1946, scoring the property owners as well as the Bureau (Vitt, "Criticism of Bureau of Mines Report on the Murfreesboro Diamond Property," to John Q. St. Clair, Norman, Oklahoma, March 15, 1946, Parks and Tourism files).

Martin's Diamond Corporation of America

Although the principals were informed soon after the test, the Bureau's results were used primarily for government decision-making and were not publicized generally until December 1948. Meanwhile, Trust A discounted the results and kept trying to put together a dependable testing venture—the previous operations had stagnated. Finally, in May 1947, the Diamond Corporation of America (DCA) emerged, headed by a member of the Trust, Glenn L. Martin of Baltimore.[1]

Martin's DCA undertook a massive test of the entire pipe in October 1948-September 1949. The corporation built a large plant near the east edge of the volcanic breccia, immediately below the current park visitor center. For easier access to all parts of the the field, bulldozers filled the deep ancient gully running southward along the east edge of the big slope; and before the testing ended, the lower two-thirds of the slope, formerly torn up by pits and big trenches, had been leveled as evenly as a football field.[2] In the process, heavy equipment buried tons of field debris and many streams of diamond-bearing gravel that had accumulated over the decades. The wide drainage cut on the west side of the southeast slope was also filled in.[3]

The DCA's random gathering of samples, with a large volume taken from pits on the west half of the pipe, inevitably drew criticism, as did apparent weaknesses at the processing plant.[4] Yet, when it was all over, the results would hardly have surprised anyone familiar with the history of the pipe. The plant reportedly treated about 125,000 short tons of material and recovered 840 diamonds weighing 246 carats. Diluted by the high volume from the barren west side, the sampling yielded an average of almost 0.2 carat per hundred loads. As in previous tests, a great many tiny diamonds were allowed to pass through the smallest-mesh screens.[5]

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[1] In late 1945, the trustees awarded Allen B. Williams of St. Louis the right to form a mining company (Oil and Gas 7, 223, Mining Lease, Arthur and Schneberger to Williams, September 28, 1945). The trustees then cancelled the minerals lease to NADC (Misc. 7, 326, Cancellation, December 11, 1945). After no evident activity, Williams was forced to transfer his rights to the Diamond Corporation of America (DCA) in May 1947 (the assignment was stated later in Oil and Gas 7, 242, Termination of Lease to DCA, April 1, 1950; legal action was involved). Martin, President of the DCA, owned the Glenn L. Martin Company of Baltimore.

[2] The Crater archive has a fairly good photographic record of the process (VIII; on microfilm). Those photos have not been numbered for reference (the recent transfer of the archive to the new Crater of Diamonds Discovery Center [2006] should solve this problem eventually.)

[3] Infra, "Recreational Mining."

[4] The leading critic of the period was John Q. St. Clair, a mining geologist who became involved with the Arkansas diamond field in the mid 1940s. His critiques of the Bureau of Mines and the Martin operation were expressed primarily through an unpublished, but often cited "Report on the Arkansas Diamond Property," August 14, 1956, pp. 6ff. (bound copy in V.B.10, Crater archive; copy in Parks and Tourism vertical files, "Crater of Diamonds"; on microfilm, roll 4). To some extent, St. Clair was influenced by George Vitt and the Millars. As well as anyone else, however, he represents the new wave of geologists who in the postwar era began misinterpreting John Fuller's earlier statements while trying to build a case for renewed testing and mining (infra, "New Wave of Diamond Fever").

[5] This loss of "fine-mesh" material especially concerned John St. Clair, who thought the Pike County pipe would be a good source of industrial-grade diamonds (ibid.). The outcome of the test was noted by St. Clair (8) and an assortment of publications. The US Bureau of Mines outlined the basics clearly: a total of 246.15 carats, valued at $984.60; a total of 840 diamonds, the largest 4.5 carats; about 90% small industrial crystals ranging from 0.10 to 1.0 carat; an average yield of 0.16 carat per 100 loads—16 cubic feet or 1,600 pounds each load ("Gem Stones," *Minerals Yearbook, 1949* [Washington, D.C.: US Department of Interior, Bureau of Mines, 1951], 546). St. Clair and some other sources used approximately 0.2 carats per 100 for the average. John Sinkankas' popular guidebook repeated the BM's statistics (*Gemstones of North America,* Vol. 3 of Gemstones of the World series [Princeton: D. Van Nostrand Co., 1959], 37).

Also see the *Arkansas Gazette's* final report on the testing, reprinted as "Corporation Gives Up on Mining Arkansas Diamonds," *Pike County Courier*, November 25, 1949, p. 1. "Arkansas' dreams of a diamond empire may have been completely written off in a corporation dissolution filed in the secretary of State's office yesterday," it began. Corporate officials named in the dissolution were Glenn A. Martin, Baltimore; Ethel P. Wilkinson, Logansport, Indiana; Jan Porel, Baltimore; Roger P. Brennan, Shaker Heights, Ohio; and Joseph C. Little, Lyndhurst, Ohio. According to the State Geology Division, diamonds recovered in the test, 90% industrial, were valued at only $900 (at the current market price of $4 per carat for industrials).

A NEW WAVE OF DIAMOND FEVER

The test of 1947-1948 had conflicting consequences. On one hand, it persuaded the majority shareholders of Trust A, the Wilkinson family of Logansport, Indiana, to abandon the idea of diamond mining and explore other uses of the property—particularly as a tourist attraction.[1] Similarly, the DCA's test, and the Bureau of Mines' more authoritative findings, further discouraged general investment in new mining ventures.

On the other hand, the DCA's test only emboldened various interests who advocated further testing and mining: all those questionable features of the test seemed to validate the general view of Vitt and others, that the diamond field had never been tested properly. Now, Howard Millar had a more receptive audience for his continuing criticism of Martin's operation, the Bureau's work, and, increasingly, Sam Reyburn's venture in the early decades. Millar's prominence in the new tourist industry compounded his exposure and influence as he wove a tale about subversive forces that had robbed him of a fortune.[2]

Howard Millar's central role as adviser and interpreter of history also put him in better position to market the Ozark and Kimberlite properties, or at least secure investments to ease his family's continuing financial strain.[3] Now, there was more persuasiveness in his basic assertion that "full commercial development and operation" of the Ozark Mine was at hand—that "The testing with pilot plant operations was successfully completed, thus this property is no longer classed as a prospect."[4] But in the '40s, and for over two decades following, legitimate investors remained wary. Despite all the fame, fortune still eluded Millar and family.[5]

Equally important, the DCA's questionable performance enlivened a number of young professionals starting their careers during the war period and the subsequent economic boom. As the diamond industry thrived in the postwar decades, the Pike County field remained the major outlet available in North America for those needing experience in diamond geology, and they flocked around it. In 1956, John Q. St. Clair, one of the first geologists to react against the tests of the '40s, felt more confident while invoking Howard Millar's widely cited average of 10 carats per 100 loads for the old Ozark Mine. Starting with that figure, St. Clair concluded that new mining methods could squeeze 15-20 carats per short ton from the big diamond field near Murfreesboro.[6]

Newspapers and magazines throughout the nation also rediscovered the reportedly rich deposit in Pike County. In March 1949 a substantial article in *Nation's Business* repeated the current "wildest guess" about its content: $650,000,000 in diamonds. According to the writer, who had visited the field and talked with Howard Millar, "the recovery per cubic yard of excavated dirt puts the Arkansas mine on a par with any African mine at the same stage"[7]

In the early '50s, a profile of Trust A heiress Ethel Wilkinson in the *Indianapolis Star Magazine* repeated an earlier "report" saying "the diamond beds have potential value of

$605,000,000 and possibly as much as $1,000,000,000."[8] And this was only the beginning of the promotional campaign.

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[1] Forty years after MM Mauney's pioneering venture, the Diamond Preserve of the United States opened to the public. Ethel Wilkinson, widow of the major shareholder of Trust A, helped stage the opening ceremony on February 20, 1951 (infra, "Recreational Mining"). The Trust had terminated the DCA's lease in April 1950 (Oil & Gas Record 7, 242, April 1, 1950).

[2] The Bureau of Mines remained a major target of criticism on into the 1950s. For examples: Howard Millar to C. W. Seibel, Regional Director, Bureau of Mines, Amarillo, Texas, September 27, 1954, I.Q, Crater archive; Howard Millar to General Electric Co., Schenectady, New York, August 24, 1957, ibid.

Decades of striving and frustration had left Howard Millar embittered and vulnerable. By the late 1940s he accepted the explanation for failure that his father and W. L. Wilder embraced after the early '20s-that powerful conspirators were afoot, thwarting all efforts to develop the Arkansas diamond field. The Martin test seems to have been a breaking point. In November 1949, he wrote Ethel Wilkinson a long letter condemning that venture as "too ridiculous to even consider as a test, let alone . . . a commercial operation." Concluding the critique, he said, "I have come to the conclusion that the main objective was to kill off all future chances of financing diamond operations in America, as we have for many years had obstacles thrown in our path of financing our own property" (Howard Millar to Ethel P. Wilkinson, Logansport, Indiana, November 21, 1949, I.P, Crater archive).

Millar's popularity among writers in the 1950s led to numerous public assertions about a conspiracy that both destroyed his own chances to make a fortune and ruined opportunities for other Arkansans as well. His rationalizing gradually got out of control after Austin Millar's death in 1951, and was unrestrained by the late '50s, when he began directly assailing Samuel W. Reyburn. For highlights see: Kenneth Johnson, "Arkansas Diamond Hunt," *Commercial Appeal*, Memphis, Tennessee, Sunday issue, February 26, 1956, Sec. 5, p. 1; McCord, "More Frustrations Than Gems," pp. 7-9; Martin L. Gross, "The Incredible American Diamond Mine Mystery," *True* (September 1959), 52-55, 98-102 (the outstanding manifestation of the conspiratorial frame of mind).

The myth of conspiracy was fully developed before the publication of Howard Millar's memoir, *It Was Finders-Keepers at America's Only Diamond Mine* (New York: Carlton Press, Inc., 1976). In that imaginative account, the writer again depicted Reyburn as a betrayer who "came under the irresistible influence of the world diamond syndicate of England and South Africa" (39). He accused Reyburn of shrouding the Arkansas Diamond Mine in secrecy and concealing the results of early tests, which Millar believed were actually favorable (31ff.). "Mr. Reyburn and his British friends did not want this fact known" (41). As for Stanley Zimmerman, engineer in charge of the big test in 1920-1922, "I strongly believe that he was sent to Murfreesboro with instructions to 'prove' the field to be potentially non-productive of profit. Thus the diamond syndicate would face less possibility that others would finance operations by my father and myself, operations that might prove competitive to the syndicate" (61).

Howard Millar's wife, Modean, evidently shared his sentiment. In a handwritten note attached to one of Reyburn's old letters to stockholders, she said the letter was sent "when John Fuller was supposed to be testing this property—but turned in a bad report to the owners and stockholders. He later told Allan Williams of Aluminum Co. of America of St Louis, he was hired to make a bad report on the property—by Sam Reyburn" (letterhead note, 24 October 1978**,** attached to Reyburn to W. F. Armstrong, St. Louis, May 1, 1914, I.H, Crater archive).

The influence of both Howard and Austin Millar had gained considerable momentum before the 1950s, as writers and geologists began conveying their statements to wider audiences. H. E. Wheeler, for instance, was in Murfreesboro before the death of John Huddleston on November 12, 1941, and evidently got to know the discoverer and the elder Millar. In an article in 1946, he described the "owner of the Ozark Diamond Mine" in a matter-of-fact manner: Austin Q. Millar was "the one remaining resident of Murfreesboro, who acquired property, found it commercially productive, and who still holds his interests intact. Unlike other operators Mr. Millar has not withheld the facts about the stones recovered from his property and they serve as a reliable index of the commercial and industrial outlook" (first published by the Arkansas Mineralogical Society; reprinted as "Diamonds in Arkansas," *Hobbies—The Magazine for Collectors,* 51 [May 1946], 118-119). John Huddleston's obituaries: "Discoverer of Diamonds in Arkansas Dies," *Arkansas Gazette,* November 13, 1941, p. 2; "Discoverer of Diamond Field Buried Today," *Arkansas Democrat,* November 13, 1941, p. 14.

[3] Howard Millar missed no opportunity to try selling out. In June 1947 he sold sixty acres of the Kimberlite property for a stated $500, apparently to shed a tax burden (Pike, 68, 307, Warranty Deed, A. Q. Millar, H. A. Millar, trustees, and Modean Millar to M.W. Greeson, June 24, 1947). In December 1947 he told old associate Warren Buckley, "I personally would welcome a chance for us all to sell our interests in the diamond property, as we continue to get nowhere fast" (Millar to Buckley, Chicago, December 27, 1947, I.P). Also Millar to Buckley, May 19, 1947, ibid ("I am not willing to nor do I intend to pay out any more personal funds for expense on diamond property. All I seem to get for it, is criticism, instead of cooperation. . . ."); Howard Millar to Homer Browne, Houston, Texas, November 26, 1947, ibid. (Millar is now willing to sell the Ozark with part down and "the remainder to be paid over a long period of time").

[4] Howard Millar, "Personal" letter to Frederic Porter, Dallas, Texas, July 26, 1944, I.P. Millar continued using the average of 11 carats per 100 loads in both private and public statements, as he had in earlier decades; e.g., Sinkankas, *Gemstones of North America* (1959), 37. Responding to that author's request for information, Millar also said, "In testing operations more than 100,000 diamonds were recovered by Howard A. Millar and Austin Q. Millar. 70% classed as industrials and 30% gem quality" (ibid.).

[5] Various records reflect continuing financial pressure during the war and immediately afterward, even though Howard eventually secured a job with the War Production Board in Little Rock. In January 1944, for instance, Mrs. M. J. Barnes had to sue Austin Millar for the small balance of an old secured loan ($172.85, at 6% annual interest, amounting to a total of $278.29 in early 1944). When he failed to respond to her petition, she chose not to foreclose, and instead obtained a judgment extending the property lien, and the loan, for three more years. The debt was paid fully on February 26, 1947 (Pike, Circuit Court, Civil Record E, 230, *Mrs. M. J. Barnes vs. Austin Q. Millar,* March 27, 1944, summarized the case; a marginal notation indicated the payment). Also see correspondence May-December 1947, passim, I.P; infra, "Crater of Diamonds."

[6] St. Clair, "Report," iii. At the time, Howard Millar was estimating that with adequate funding, the diamond field could yield about 1,000 diamonds a day and produce a gross income of "at least $350,000 a year" (McCord, "More Frustrations Than Gems," p. 9).

[7] Junius B. Wood, "America's 35 Acres of Diamonds," *Nation's Business*, 37 (March 1949), 60ff.

[8] "Queen of Diamonds," *Indianapolis Star Magazine* (c. 1950), undated clipping, IV.E.5. Howard Millar maintained a file of media coverage after the mid 1940s. Although he often failed to clarify dates and page numbers, dates are reasonably clear from comments in the articles. Also see ibid. for another unidentified newspaper clipping, c. 1960, saying "some geologists" believed the pipe might hold a billion dollars worth of diamonds.

The Last Private Ventures

As tourism developed after 1950, several commercial interests tried to exploit the diamond field. John St. Clair's plan to mine industrial diamonds never drew enough support to move beyond the initial proposal. After that, in 1958-1962, a former Texas oil man, Arthur G. Slocum, leased part of the Trust A property and hired a small local crew to help him process surface gravel deposits around the southeast slope. In 1959 the adventuresome wildcatter told the Wall Street Journal he was "just breaking even on his $15,000 initial investment, plus $1,000 a month operating expenses for his three-man crew."[1] Then a "lack of sufficient working capital" forced him to return to Texas.[2]

In the late 1960s, Austin Millar's dream of consolidating the diamond field under one owner finally materialized, although in the end someone else achieved the goal. The first stage of consolidation involved a new Diamond Properties, Inc., a small group incorporated in Arkansas to gather land for certain interests in Dallas, Texas. The Mauney Mine, the Consolidated Diamond Corporation's Ozark Mine, and the Trust A holdings all were sold to Diamond Properties in November 1968 and then were immediately reassigned to General Earth Minerals, Inc. (GEM).[3]

GEM's highly misleading literature suggests it was essentially a promotional effort rather than a serious attempt to test the Crater.[4] Yet, in February 1969, the venture got a $550,000 loan from the Dallas-based GF Industries, in exchange for a one-year promissory note secured by its Pike County properties.[5] Defaulting on the loan, GEM deeded its properties to GF Industries, Inc., in July 1971.[6]

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[1] Neil Maxwell, "Arkansas Diamonds Bring a Bonanza-Of Tourist Dollars," *Wall Street Journal,* Southwest Edition, 23, No. 91 (May 11, 1959), clipping in IV.H. Cf. Gross, "Diamond Mine Mystery," 102.

[2] A. G. Slocum, Mill Valley California, letter to Richard Davies, Department of Parks and Tourism, Little Rock, June 13, 1986. Said Slocum, "I would still be there this very minute (and loving it)" if the money had not run out. This letter conveyed the "Vitt Report" Slocum had gotten with his lease.

Interviews of Al Terrell, a descendant of MM Mauney, provided details about Slocum's operation, particularly the "mining" of surface gravel beds. Sue McClarty, general office manager for General Earth Minerals' tourist operation in 1970-1971 told how one of Slocum's former crew members, Dicky Hughes, would run down to the base of the southeast slope with a front-end loader and bring back diamond-bearing gravel to spread around Beatty's Hill, a primary hunting area, when GEM's diamond count fell (notes of interviews, 1986-1996, in author's possession).

Hugh Leiper, a writer, also noted that Slocum's crew gathered its gravel "from the surface" (Leiper, "Celebrating the 69th Anniversary of America's Only Diamond-Bearing Peridotite Pipe," *Lapidary Journal* [September 1966], 726).

[3] Pike, 92, 40, Warranty Deed, Howard A. Millar and Modean Millar (trustees), Consolidated Diamond Corporation of Arkansas to Diamond Properties, Inc., November 8, 1968; ibid., 42-45, Trust Deed, conveying Trust A properties to Diamond Properties, Inc., November 18, 1968; ibid., 46, Quit Claim Deed (Mauney property), J. B. and Jay Warmack to Diamond Properties, Inc., November 21, 1968; ibid., 34, Warranty Deed, Diamond Properties, Inc., to General Earth Minerals, November 26, 1968. J. B. Warmack signed as president of Diamond Properties.

[4] See especially Neal H. Potts, President, General Earth Minerals, "Geological and Feasibility Report," undated (by early 1970), Parks and Tourism vertical files, Little Rock. Potts's nine-page sales pitch

concluded that with new techniques the "known recovery at the site of 0.123 carats per ton could probably be increased at least 50% or up to 0.184 carats per ton" (5). Displaying questionable research effort, he said, "the Bureau of Mines in 1949 with incomplete sampling and recovery techniques collected .08 to .413 carats per ton" (ibid.). Potts treated the entire pipe, not merely the volcanic breccia, as a vast commercial reserve extending "to depths of at least 3,000 feet" and holding perhaps "310 million tons of ore" (4-5, citing "the state geological office" as the source of data about depth). Moreover, Potts said, there were "extensive alluvial deposits down stream from the pipe where diamond recoveries have been made in the Little Missouri River by panning" (ibid.). A handwritten note attached to the report, "from the desk of Neal H. Potts," said "Harold Branch has handled 100,000 diamonds from Murfreesboro . . .." Branch was a diamond merchant in New York City.

Potts estimated that $500,000 was needed for "pilot operations." A full-scale operation would require "a $6,000,000 investment" (2).

The Parks and Tourism file on GEM contained a second report almost identical to this first one, along with other items. Correspondence, December 1, 1969 to March 17, 1970, shows an effort to enlist Kerr-McGee Corporation of Oklahoma City as a principal investor or buyer, before a previous loan forced GEM into bankruptcy (infra).

[5] Pike, Mortgage Deeds, 54, 49, Deed of Trust, GEM to Carl Abramson, Trustee, Dallas County, February 26, 1969. The sixteen-page document left no loopholes. The listing of properties totaled 828.03 acres. As all preceding deeds, this one excluded long strips of land–one-foot wide–along the west edge of the former Ozark tract: accidentally or otherwise, this remained with the Millars' Consolidated Diamond Corporation.

[6] Pike, Deeds, 100, 272, GEM to GF Industries, Inc., July 23, 1971. The one-foot strips were still omitted.

Transition to Recreational Mining

Regardless of all the controversy over commercial potential, it was always evident the diamond field was suited for public recreation. MM Mauney had recognized this in 1909 when he opened the first tourist attraction. Local citizens had underscored it continually after 1906 as they persisted in visiting the property to find those precious gems, sometimes by sneaking in.[1]

In the late 1940s there had been some interest in making the diamond field a centerpiece of a new state park. As a national magazine put it in 1949, a "lottery-minded Arkansas legislator" recently proposed the State buy the property, "and plans were actually drawn for a public park to charge $1 admission and advertise: 'What you find, you keep.'"[2] Talbot Feild, Jr., a lawyer and state representative from Hope, Arkansas, was among those pursuing such ideas.

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[1] In 1943, for instance, an official of the North American Diamond Company merely exaggerated while complaining about locals picking up "thousands" of diamonds (Robert J. Arthur, Secretary of NADC, to Solon W. House, overseer of the property, September 23, 1943, I.P, Crater archive; cf. supra, "Beginnings of Recreational Diamond Hunting"). Although a few writers have suggested the former ADC property was fenced to keep people out, the evidence generally supports the comment in a magazine article of 1951: "The facts are that the several successive owners and operators have displayed a singular indifference to the intrusions of the curious" (Domer L. Howard, "Diamond Mines of

Arkansas," *Lapidary Journal*, 5, No. 4 [October 1951], 253-254). Exceptions included the case in 1943 and the Millar's earlier effort to keep uninvited visitors off the Ozark property (photographs in the Crater archive, unnumbered; one undated but early photo shows a small shack with a sign warning, "The Ozark Diamond Mine. No Searching Permitted—Keep Off—H. A. Millar."

[2] Wood, "America's 35 Acres of Diamonds," 60ff. Wood was in Murfreesboro gathering information while discussions were underway. The *Arkansas Gazette*, March 9, 1947, pp. 1, 19, reported the initial interest in developing a tourist industry at the big pipe: the State publicity director and Ethel P. Wilkinson (majority holder in Trust A) were involved. Cf. Howard Millar, *Finders Keepers*, pp. 71ff., which is generally reliable on the subject of tourism, except for specific dates.

The Diamond Preserve of the United States

Facing obstacles to State ownership, Feild and a few businessmen from the area worked out an arrangement with Ethel Wilkinson, the majority shareholder of Trust A, and in 1950 also leased the Ozark property from Millar's Consolidated Diamond Corporation.[1] Feild, Wilkinson, and associates staged a grand opening of the Diamond Preserve of the United States on February 20, 1951, with state and national media covering the event. Publicized as "One of the Most Interesting Sightseeing Attractions of the World," the Preserve operated primarily as an educational experience, but the $1.25 admittance fee allowed each visitor to keep one of any diamonds found while searching the field. Those weighing five carats or less were free; anything over five supposedly cost the finder a royalty payment of "25% rough value," plus any tax due. To encourage compliance with the rule, and provide a record of all finds, lucky hunters received an authenticating certificate.[2]

Tourism, however, proved about as frustrating as commercial testing. Lying well off the major highways, the Diamond Preserve depended heavily upon one thing to keep generating publicity and drawing enough visitors to pay the bills: diamonds found on the surface. And very few turned up when visitors were simply allowed to roam about. Available records lend credibility to the later statement in Millar's published memoir, *It was Finders Keepers at America's Only Diamond Mine* (1976). After the Diamond Preserve opened, he said, the owners followed his suggestion "that hunters be directed especially to the black ground area where diamonds were most likely to be found. Visitors began to find diamonds . . .."[3] This was Howard Millar's only public acknowledgment of the special contribution of the old surface layer.

Still, visitor traffic remained too limited to cover expenses, and the Diamond Preserve headed toward bankruptcy before the end of its first year. Howard Millar, always determined, tried to help; but debt had piled up. The Diamond Preserve closed as winter began in 1951. Millar terminated the Ozark lease in December.[4]

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[1] Misc. 5, 257, Lease, Consolidated Diamond Corporation to R. D. Plant, November 1, 1950. Items in "Printed Matter," IV.E.5, Crater archive, identify Feild, Robert D. Plant, and Henry K. Holland as original incorporators of Diamonds Unlimited, Inc. Plant and Holland were from Murfreesboro. Howard Millar gave the group a ninety-nine year lease, with the property to be used only for "operating a tourist and/or sight-seeing attraction in order that Arkansas' diamond area may be visited by all persons interested therein." The lease cost the group $10,000 annually in advance, or $1,000 monthly. Cf. Millar, *Finders Keepers*, pp. 73-74.

[2] "Printed Materials," IV, Crater archive, provides details. Especially, see Domer Howard, "Diamond Mines of Arkansas," *Lapidary Journal*, 5, No. 4 (October 1951), 254, and the accompanying full-page Diamond Preserve bulletin-announcement, 257 (IV.A, Crater; also on the first "separate" roll of microfilm [roll following the basic six-roll series]). "Photographs," VIII, unnumbered folder, Millar collection, has a sharp black-and-white of the opening-day ceremony, dated Feb. 20, 1951 (Ethel P. Wilkinson and other dignitaries stand at the gate for the ribbon cutting).

The planning for the Diamond Preserve was idealistic but sound. Feild and associates envisioned such things as nature trails with guides, a museum exhibiting rough diamonds and educating visitors about the geology of the pipe, and the erection of a $40,000 operating plant to demonstrate how diamonds were recovered.

[3] *Finders Keepers*, 73.

[4] In addition to materials in IV, "Printed Materials," and *Finders Keepers*, 73-75, see Howard Millar's correspondence, 1949-1952 (I.P-Q), which has considerable detail about his relationship with Wilkinson and the Diamond Preserve. Also II, "Business and Financial Papers," including O, "Visitor Register."

The Crater of Diamonds

The death of Austin Millar in November 1951, at age 93, left Howard and his family alone to work out their future at the Ozark Mine. Still unable to find a buyer at his price, Howard worked out an agreement with Ethel Wilkinson, then back in Indiana: both would share the costs of a new tourist attraction; he and his wife, Modean, and their daughters would live at the property and manage the operation for a salary taken from income. According to Millar, Wilkinson's lawyer suggested they call the venture the "Crater of Diamonds."[1]

In April 1952 Howard and Modean opened the office beside the Ozark Mine, and soon offered a gift shop, snack bar, picnic tables, playground equipment, "clean rest rooms," and other amenities. Visitors could surface hunt or bring tools for digging and scratching around. Unlucky diamond hunters could buy a bag of "kimberlite" to take home and pick through.[2]

At the Crater of Diamonds, Howard Millar found the perfect outlet for his talents as writer and promoter-and finally acquired the fame he had sought since those early years in Arkansas. Skillfully, he drew the attention of national magazines, newspapers, and popular new television programs, and brought more fame to the Arkansas diamond field than any person ever had. A barrage of publicity in the '50s and '60s established tourism as a permanent and overriding purpose of the big pipe near Murfreesboro. Millar had further problems with Wilkinson, and she enabled one of his co-workers, Roscoe Johnston, to set up a competing "Big Mine" tourist attraction on the former Arkansas Diamond Mine. Facing tough competition, the Millars' income grew more precarious. Still, he remained the center of attention, the story teller, the unchallenged source of information for scores of writers and other inquirers.[3]

Recreational "miners" found several large diamonds at the Crater, but no other generated the kind of publicity that accompanied the rare beauty found on the surface in March 1956. Mrs. Arthur Lee Parker was searching along the ridge between the slopes when she picked up a 25.33-carat gem. Named the "Star of Arkansas," it cut to a splendid 8.27 carats.[4]

When General Earth Minerals consolidated the properties in 1968, it continued Millar's Crater of Diamonds tourist operation while trying to attract investors. After GEM defaulted on its loan in the summer of 1971, the tourist attraction remained while GF Industries disposed of the property.[5]

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[1] *Finders Keepers*, 74.

[2] Records in the Crater archive agree with *Finders Keepers*, 74, except for the opening date. Millar's comment about having a heart attack (ibid) is the only mention of that topic. IV, "Printed Materials," has various brochures describing the facilities; a large fold-out includes good photographs. Air conditioning was added at some point, but the date is unclear.

[3] IV, "Printed Materials," including "Periodicals," "Brochures, pamphlets, etc.," "Newspapers and newspaper clippings," "Broadsides" (1 item), and so on; VIII, "Photographs." These document Millar's remarkable effort and achievements. Gary Moore's "What's My Secret" and Johnny Carson's show were two of the television programs he appeared on. Reminiscent of the MM Mauney era, the Wabash and Pacific Railroad offered an excursion to Detroiters over a Memorial Day weekend: the trip to Hot Springs and the Crater of Diamonds cost $56.70 per person (Detroit, Michigan *Times*, April 17, 196[2?], clipping, IV.H; also IV.F.4).

II.Q, "Misc." contains some of the financial records stored at the Crater archive, including an adding machine tape showing $35,555.61 for "advertising" paid in 1952-1958. "Receipts" included a total of $6,713.41 for the off-season period of January 1-May 20, 1958, and $5,652.45 for January 1-May 20, 1959.

Depending upon heavy promotion to maintain visitor traffic, Millar's Crater of Diamonds evidently produced a very modest net income, especially by the late 1950s as the novelty of the Crater wore off. In June 1958 children under twelve years of age were charged admission for the first time (50¢), improving the balance sheet a little (Receipts, II.Q, "Misc."; II.E, Account Sheets; other records, II, "Business and Financial Papers"). A note at the bottom of the off-season tabulation commented on the new charge and said that 2,500 children's tickets were sold, apparently during the remainder of 1958.

In 1963 Howard and Modean Millar began mortgaging a block of lots they held in Murfreesboro in order to get short-term loans from the Pike County Bank: Pike, Mortgage Record 43, 311, Mortgage Deed (for $2,500), February 20, 1963; 43, 328 ($1,274.60), May 27, 1963; 43, 487 ($2,500), April 7, 1965; 43, 532 ($3,000), March 1, 1966. They finally sold the lots (89, 549, Warranty Deed, Howard Millar, trustee, and Modean Millar to William Otis Deal and wife, Lester Deal, August 8, 1966).

[4] Neil Maxwell, "Arkansas Diamonds Bring a Bonanza—Of Tourist Dollars," *Wall Street Journal* (May 11, 1959), included comment (copy in IV.E.4); among other publications, see the detailed descriptions and photographs in Hugh Leiper, "Diamonds for the Finding," *Lapidary Journal*, 11, No. 1 (April 1957), 4-6, 8, 10. Photographs and other material in the Crater archive provide details (II, IV, VIII; see the index to the archive at the beginning of the microfilm series). In the end, the "Star of Arkansas" proved unlucky for Mrs. Parker and others involved in its marketing (for a substantial overview see the *Dallas Morning News*, Sunday, August 27, 1978, p. 1G).

Some of the largest diamonds were found on the competing "Big Mine" (formally called "Johnston's Arkansas Diamond Mine"). A tourist reportedly found a 34.25-carat specimen on March 1, 1964; however, the strange shape and appearance of that unattractive item raise questions about its origin (Roscoe Johnston, operator of the Big Mine, was known for his publicity stunts). Crater archive, II and IV, contain items from the Big Mine, including a four-page folding brochure with full details about the operation (IV.C.1).

[5] As part of the continuity, Sue McCarty, GEM's office manager, kept that position.

The State Park and the Era of the Diamond Diggers

Finally, the State of Arkansas fulfilled the dream of those who had envisioned a public park centering upon the diamond field. In March 1972 it paid GF Industries $750,000 for the big pipe and some 800 surrounding acres.[1] Millar's former tourist center served as the initial entry to the new Crater of Diamonds State Park.[2]

Under State management, the Crater of Diamonds catered to two types of diamond hunters. Most numerous were the casual visitors, those paying a modest admission to enter "the Mine" and either walk around a big plowed field or scratch the surface with small hand tools. These, of course, primarily supported the operation with their entry fees, tool rentals, and purchases in the gift shop. The overall visitor traffic, however, still depended significantly upon the number and regularity of diamond finds, particularly large gems that could generate publicity for the park.[3] And the "diamond count" depended heavily upon the labor and ingenuity of a relatively small but much more serious group of miners—the "regulars" and the other hunters who joined them as often as possible.

Mostly, these hard-working miners were older men, often retired or nearing retirement. A few specialized in surface hunting, and produced some outstanding gems, including the largest ever found at the park, the 16.37-carat white "Amarillo Starlight" (1975).[4] Others usually scanned the surface after rains, and screened the surface gravels washed out by heavy downpours; but they concentrated on digging for streams of rock and gravel buried over the decades by wash from the diamond-bearing material in the field.

These "regular diggers" contributed at least 90% of the approximately 25,000 diamonds found at the park, including most of the big ones. The "Star of Shreveport" (1981) was an exceptional 8.82-carat white beauty. The extremely rare "Strawn-Wagner Diamond," a smaller but perfect gem found in a deep hole in 1990, also joined the list of record-setters.[5]

The diggers not only built the diamond count, they also served as the major tourist attraction at the park, entertaining and educating visitors in a unique way. Although they generally considered tourists bothersome, they gained a reputation for courtesy-to some extent because most welcomed the opportunities to show their diamonds and make regular sales to help defray expenses.[6]

Experienced diggers never wasted time working the undisturbed volcanic breccia in the field. They learned early, and quickly, that such labor was futile.[7] They always dug for "the right kind of dirt," as James Archer told visitors repeatedly over the years. That meant rock and gravel deposits containing various heavy minerals associated with diamonds. Some of this was found out in the field in shallow buried drainage channels; a lot of it turned up in deep holes at the base of the southeast slope (an area old-timers called "the pig pen"); and even more came from a wide, ancient drainage cut on the west side of the field.[8]

But the mother lode, including the diggings that maintain a respectable diamond count at the park today, lay within an ancient gully along the east side of the pipe. This cut had received most of the wash from the big slope long before John Huddleston's discovery in 1906. As in the pig pen and on the west side, the filled gully held a network of gravel streams at various depths. At the bottom, ranging from nine to almost eleven feet deep, lay an original bed of rock and gravel packed so tight that diggers sometimes had to use crowbars or similar tools to break it up. Here, they found several of the largest and best quality gems of the era, including the Strawn-Wagner Diamond. Immediately above this bedrock ran streams of fine gravel within a thick layer of the original black surface material; and immediately atop that, an especially diamond-rich stream of gravel within a thin layer of pale green volcanic breccia. This was the wash from the hydraulic sluicing of the old days. Shallower runs of gravel contained few heavy minerals and very few diamonds.[9]

In any kind of mining, technological advances produce noticeable results, and that holds true for recreational mining as well as commercial operations. At Crater of Diamonds State Park a major breakthrough came in 1980-1981 when an adventurer who had hunted diamonds in South America introduced a basic tool the natives used down there: the suruca (sometimes spelled "saruca").

The round suruca, originally about two feet in diameter, had a medium-mesh screen shaped as a shallow bowl. Filled with sized material and then properly shaken in water, it concentrated diamonds and associated heavy minerals in the center under the lighter gravel. Much as the jigs used in commercial operations, this simple procedure eliminated the bulk of processed material and allowed miners to examine only the small quantity of concentrated "heavies." Unlike jigs, however, the suruca did not automatically separate the heavies from the bulk of lighter material; miners had to learn to flip the round screen upside down upon a soft, flat surface—usually a "suruca pile" made of accumulated fine-grain material from the processing. Skillful flipping left the centered heavies on top, with diamonds exposed. Left to dry for a few minutes, the other minerals lost their shiny appearance while any diamonds stood out.[10]

Facilitating the procedure, old-timers at the Crater quickly converted the cumbersome South American tool into a suruca about fourteen inches in diameter. The screen mesh was reduced, with some stainless-steel units now retaining diamonds as small as one-hundredth of a carat (one "point").

The impact was swift and dramatic. In 1980, diamond finds had totaled 579; in 198l they leaped to 1,324, and remained at about that level the following three years. At the same time, the total weight of diamonds increased much less compared with previous years, reflecting the thousands of tiny diamonds now being recovered.[11]

In the early 1990s the diamond count finally started plunging.[12] To some extent, this resulted from new restrictions imposed on diggers, making it more difficult to work holes. Most of the old regulars soon quit or began coming infrequently. But the count also reflected the steady depletion of that network of buried deposits: the endowment of the old surface layer was being exhausted. The era of the digger was beginning to fade, gradually becoming just one more colorful chapter in the history of Arkansas diamonds.[13]

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[1] Pike, Deed Book 103, 369-378, Warranty Deed with supporting documents, GF Industries, Inc., to State of Arkansas Department of Parks and Tourism, March 13, 1972. The State also obtained a "Release of Claim and Covenant" from shareholders and directors of Diamond Properties, Inc., who held rights to royalties and other payments from GEM (Deed 104, 218, April 5, 1972). Here, for the first time, a deed identified the principals involved in Diamond Properties: J. B. Warmack, Faye W. Smith, R. B. Dettro, Talbot Feild, Jr., and Oliver M. Clegg.

[2] Sue McCarty stayed at her position. The original office-visitor center on the east edge of the Ozark Mine, near the high ridge, remained the park visitor center until the State built the facility now serving that purpose. The relocated VC sits on a hill immediately east of the big southeast slope (the plowed field known as "the mine"). Remnants of the old Martin plant are just below the VC, on the south side.

[3] While basic, the diamond count was only one of several things influencing traffic at the park after 1972. The park's "Diamond Statistics Summary" for 1972-1993, distributed during the season of 1994, reflects the importance of novelty, general publicity, and convenient access to major highways. Overall, the park's remoteness in southwest Arkansas remained the biggest limitation. Novelty evidently ranked next: generally, only a small percentage of visitors returned a second time (interviews over the years found a consistent explanation—that the experience was unique and interesting for perhaps several hours, but that one day spent mostly out in a hot field satisfied curiosity). Also prominent was an attitude that

had persisted since the initial discovery of diamonds in 1906: suspicion that the field was salted, that Arkansas diamonds were planted or were merely quartz crystals (to some extent a result of confusion over so-called "Hot Springs Diamonds," high-grade quartz).

By itself, the "Summary" for 1972-1993 seems to indicate that the number and size of diamonds had little effect on visitation; but they clearly helped generate publicity and traffic. Those other factors simply carried more weight.

[4] W. W. Johnson of Amarillo, Texas, set the record in August 1975 (for a partial list of record finds, see http://www.arkansasstateparks.com/parks/article.asp?aid=10&id=22). Even the *National Inquirer* picked up the story about Johnson's good fortune (clipping, no date, but soon after the find, in Crater archive, IV.E.5). The *Inquirer* described Johnson as a rather poor retired janitor who was renting out his $100,000 gem for exhibitions (at $300-$500 a week, said the tabloid).

Until his death in the early '90s, Raymond Shaw of Murfreesboro was known as "the Dean of Surface Hunters." He rarely missed a day at the mine, and almost always could be found up on Beatty's Hill, the hotspot of surface hunting for decades.

Beatty's Hill, an area spanning a little over one acre, was named after an elderly gentleman who surface hunted there regularly before the 1980's. It lay at the upper northwest corner of the big slope, just below East Hill. For almost forty years this area and the slope immediately below remained the main target of surface hunters—basically because Beatty's Hill still contained its original black ground, untouched by hydraulic sluicing in the old days. After 1985, the author monitored the area as the last of the black color disappeared, and noted the steady decline of diamond finds. By 1992, the coloration was exhausted; diamond finds grew small and infrequent; regular surface hunters no longer bothered with Beatty's Hill. A few regular diggers, however, worked the buried gravel streams of the area until the mid 1990s, particularly at the base of the Hill, and recovered diamonds up to six carats.

[5] Website, ibid.; *Murfreesboro Diamond*, June 23, 1981 (described how Carroll Blankenship of Shreveport found the gem in his 10'-deep hole just as the park staff prepared to fill it because it was deemed unsafe). The author was working nearby when Shirley Strawn dug up her icy white gem in 1990. Parks and Tourism's website comments on the Strawn-Wagner:

> The Strawn-Wagner Diamond (3.03 carats)–Discovered by park visitor Shirley Strawn of Murfreesboro, Arkansas, her white diamond was cut in 1997 to a 1.09-carat, round brilliant shape. It was graded in the laboratory of the American Gem Society (AGS) as a "D" Flawless 0/0/0 diamond. This is the highest grade a diamond can achieve. A diamond this perfect is a "one-in-a-billion diamond," stated Peter Yantzer, AGS Laboratory Director. The State of Arkansas purchased the diamond and it is on permanent display in the exhibit gallery at the Crater of Diamonds State Park visitor center.

Also see Harry Harnish, park interpreter, "Gems From the Crater," *Murfreesboro Diamond*, January 29, 1981, p. 7, explaining the dramatic increase of diamond finds at the time. Although favorable weather conditions played a role, Harnish said, "More important is the fact that we have several people that are digging almost every day. Whenever there is a group of regular diggers systematically searching the field for diamonds, we do not have to worry about our scales getting rusty."

[6] These observations are based on both the author's general experience in the mine from June 1985 until the fall of 1996 and his many conversations with old-timers such as Grady Snearly, Raymond Shaw, Ted Moore, and James Archer, about events of 1972-1985.

Selling diamonds in the Crater was always a problem for the park staff, who understandably wanted to avoid any suspicion that commercialization had crept into the program. Although rules formally banned sales outside the gift shop, they were enforced laxly except for cases of aggressive salesmanship. Apparently, everyone understood the little souvenir diamonds served as unique advertising for the park.

[7] No regular digger could recall anyone's ever finding a diamond in previously undisturbed material. The author monitored numerous tourists who dug holes out in the field, and never documented a find. As all commercial tests of the undisturbed peridotite indicated, the yield per ton of material was far too low for successful recreational mining. Experienced diamond hunters waited until heavy rains washed out gems, and then either surface hunted or screened the gravel deposits created by runoff.

[8] Many of these buried drainage cuts could be traced by referring to the US Geological Survey map of 1916, made before many of the original cuts were filled (mostly during the ADC's heavy hydraulic sluicing of the surface layer and then later by runoff from a bare field highly vulnerable to erosion). Much of the ancient east drain was filled during the Martin venture of the late 1940s.

The author mapped much of the digging in 1985-1996, correlating it with historical records.

[9] Maps and charts in author's possession.

[10] Diamond, an extremely dense material, looks the same wet or dry. It does not absorb water. This is why grease tables work, if properly operated: wet material passes over the grease while "dry" diamonds stick to it. Some diamonds, however, have a natural coating that does get saturated; so the run from a grease table is usually double checked.

[11] Crater of Diamonds State Park, "Diamond Statistics Summary, 1972-1993" (distributed 1994). For the entire period, diamond finds totaled 17,293. By 2006 the number reached 25,000.

[12] Ibid. Recent information indicates a declining count propped up largely by the continuing recovery of tiny diamonds along the old east drain. To facilitate digging in that area, the park has started stripping off the top few feet of unproductive dirt fill. If that were done also along the base of the southeast slope, where the fill runs to about twenty feet deep, the park probably could maintain a respectable diamond count for years. Still, the buried drains will be exhausted in time if diamond hunting remains the focus of park policy. Eventually the park will either work out a conservation plan or depend on the relatively few diamonds washing out of the pure peridotite. Possibly, the park might reenact diamond processing, using limited hydraulic mining and plant washing to provide concentrate as well as educate visitors (much as the Diamond Preserve intended in 1950-1951).

[13] Digging will likely continue well into the future, but its central role at the Crater of Diamond can hardly be maintained as buried rock-and-gravel deposits are depleted. Recognizing this trend, park managers are beginning to create a more balanced visitor experience, as evident especially at the new Discovery Center and water park.

Promotional Maneuvering and a Final Test

Unavoidably, recreational mining reinforced the ongoing argument of geologists and other advocates of retesting, for the impressive number of finds seemed to indicate that previous tests had, indeed, lost perhaps 50% of the diamonds in their overall samplings.

"With tourists only scratching at the worked and reworked surface, the annual recovery is approximately three times as much at the [Johnston's] Arkansas Diamond Mine per year as the yield of the massive

Martin machinery and all of its mechanized equipment," said one writer in 1966, echoing a central theme of promotional groups throughout the campaign of the late 1900s.[1]

Speculation about the value of the Crater also continued. In later 1974, for instance, the chief editor of the *National Jeweler* suggested Arkansas might have acted too hastily in setting the diamond field aside as a public park. "Is it possible Murfreesboro might have become a rich diamond mine if mining companies went deep enough for real pay dirt?" he asked.[2] In 1981, as commercial pressure built, a mining consultant in Little Rock, William P. Rogers, reported that estimates of mining potential were running as high as $5,000,000,000.[3]

The rising interest in Arkansas diamonds sprang basically from a continuing domestic demand for both jewelry and industrial abrasives, but geologists and other diamond hunters drew essential encouragement from long-awaited breakthroughs elsewhere. In the 1970s and early '80s, an unprecedented wave of exploration swept through North America and other parts of the world, leading to the discovery of diamond-bearing kimberlites along the Colorado-Wyoming border (first in 1975) and of a different type of diamond-bearing pipe in Australia in late 1979. Although the cluster of kimberlites in Colorado-Wyoming yielded large quantities of tiny diamonds, the deposits were deemed noncommercial. The Argyle Mine in Australia proved highly profitable, particularly as a source of industrial diamonds.[4]

The Argyle pipe's geological features set it apart from the classic South-African model. Instead of the typical carrot shape, it had a much shallower champagne-glass form. In place of kimberlite, it held olivine "lamproite," volcanic material of noticeably different mineral composition. And it was located not within the older core of a continent, as in Africa and on the Colorado-Wyoming border, but along the edge of it—as were the deposits in Pike County. Inspired by the Australian model, some geologists decided Arkansas' deposits were closer to lamproite than to kimberlite, a fine distinction earlier geologists such as Hugh Miser were reluctant to make.[5] The reclassification was accepted generally by 1985.[6]

An organized campaign to open the state park to commercial testing began in the late 1970s and early '80s as major companies moved into Pike County and lobbied both local and state officials for permission. Blocked by the state Parks, Recreation and Travel Commission, Cominco, Amselco, Superior Oil, and a few other groups probed the countryside, particularly the known deposits near the Crater. Before 1985 all concluded that if commercial potential existed in southwest Arkansas, it had to be at the Crater of Diamonds.[7]

An all-out campaign for retesting began in the summer of 1985, led by previously unknown promoters based in the Dallas, Texas, area. Their new Arkansas Diamond Development Company of Arkansas was joined by several other newcomers to the field, and within two years the state legislature and the Governor had approved commercial testing and mining in Crater of Diamonds State Park. Promises of great wealth, jobs, and enhanced tourism proved irresistible to those responsible for public policy in Arkansas.[8]

A joint State-private venture financed by interested companies eventually ran two phases of testing, first using long-hole drilling to determine the shape and volume of the Crater (shallow "martini glass" rather than carrot) and then large pits to sample different sections of the pipe. The State's mining consultant theorized the pipe should average about 20 carats per 100 metric tons.[9]

The final results in 1997, however, were consistent with previous tests. The overall sampling averaged 0.57 carat per 100 metric tons. The historically defined diamond field on the east side of the pipe averaged about 1 carat per 100. On the west side, only a pit by the wide central drain yielded a diamond, and the origin was questionable.[10] Concluding the affair, the Arkansas State Parks, Recreation and Travel Commission voted to impose a twenty-year ban on further applications for commercial testing at the park. The step was timely because soon after the Phase 2 results were in, history repeated itself—some critics began challenging the test as faulty, inadequate for determining the true value of the Crater.[11] For final resolution, the state legislature followed with its own ban on such commercial activity, essentially restoring the restrictions existing before the legislature and governor approved commercial testing and mining in 1987.

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[1] Leiper, "Celebrating the 69th Anniversary of America's Only Diamond-Bearing Peridotite Pipe," 718. The argument had two components: recreational hunters, principally diggers, were recovering diamonds from old "tailings"; otherwise, visitors were continuously reworking the same material (the soil plowed and re-plowed by the State), and therefore the diamonds below were "being wasted." A bit of historical research and an hour or so of field observation would have qualified the first assertion; awareness of the prominent erosion of the field during rains should have discredited the second.

These themes appeared constantly in reports, statements to the news media, public hearings, and general literature until the final retesting of the Crater in the '90s. The Crater archive and the author's files hold ample documentation.

[2] Cited in *Los Angeles Times*, Part I, November 10, 1974, p. 3, clipping in IV.H.

[3] *Arkansas Gazette*, June 14, 1981, p. 9A. Rogers was president of International Development Consultants, a group active in coal mining, and had served since 1967 as the State's industrial liaison. He recommended a State task force to study the feasibility of diamond mining at the park—a suggestion carried out later.

[4] For details, Google "Argyle Mine" and "Diamonds +Colorado-Wyoming. For a firsthand account of the Argyle discovery: http://members.iinet.net.au/~boxer/argyle.html. In 1987, the State Line district of Colorado-Wyoming produced a more promising deposit, the Kelsey Lake Prospect, which eventually became North America's first commercial producer, in 1996 (Google "Kelsey Lake Diamond Mine"; for a brief introduction, http://www.mineralsocal.org/bulletin/2002/2002_oct.htm).

Finally, persistence also paid off in the wilderness of Canada's Northwest Territory, with the discovery of vastly richer commercial kimberlites. The sensational Ekati Diamond Mine opened officially in October 1998. Others followed.

[5] Supra. "Background of Discovery." Miser and Ross found the peridotite of the Arkansas diamond field "strikingly similar" to South Africa's "porphyritic mica peridotite of lamprophyric habitat" ("Diamond-Bearing Peridotite in Pike County, Arkansas," *Economic Geology*, 672).

[6] By that date, any discussion of the Arkansas diamond fields applied *lamproite* instead of *kimberlite*. An excellent introduction to the general topic: Michael A. Waldman, Hugo T. Dummett, and Tom McCandless, "Geology and Petrology of the Twin Knobs #1 Lamproite, Pike County, Arkansas," unpublished report [1985], copy in author's files. The report included an excellent selective bibliography covering the general trend in Pike County (12-14).

[7] Exploration outside the park can be traced through the Oil & Gas (Mineral) leases, listed in the basic Deeds index of counties involved. The leading groups were Amselco Exploration Ventures, Cominco American, Superior Oil, Anaconda Copper Company (and Anaconda-ASAM joint venture), and Superior Minerals of Arkansas. A. S. Magness was also active. The Mining Corporation of Arkansas, based in Hot Springs, was involved in leasing land. In the mid '80s, LAC Minerals (U.S.A.), Inc., of Fort Collins, Colorado, assumed a leading role–its representative in Arkansas, geologist Mike Waldman, had worked with other groups earlier (see especially, Waldman, et al., "Geology and Petrology of the Twin Knobs #1 Lamproite, Pike County" [1985]).

In the ‘80s and ‘90s, two new companies retested lamproite deposits in the hills, using a new on-site pilot plant and state-of-the-art equipment to assure accuracy. Both the Arkansas Diamond Development Company and Texas Star Resources got virtually the same results as predecessors.

The author’s files and Parks and Tourism’s vertical file (“Crater of Diamonds”) include company proposals to the State, along with reports, news clippings, and other related material. The *Arkansas Gazette* and *Arkansas Democrat* covered activities thoroughly, while the *Murfreesboro Diamond* added considerable detail (the collection of clippings in the Crater archive is helpful, especially for the period before April 1984 [IV.H; also IV.E.5]). For an example of the state Parks, Recreation and Travel Commission’s rigid opposition in the early ‘80s to commercial testing or mining in the Crater, see the *Arkansas Gazette,* April 17, 1981, A1-2. The decisive pressure for approval came from the state legislature and the governor’s office.

[8] The Department of Parks and Tourism’s files are comprehensive (“Crater of Diamonds,” vertical); the Crater archive holds selected material, including an excellent file of clippings from various publications. The author’s files cover the promotional campaign organized by various mining interests in the 1980s and ‘90s, including their interaction with State and Federal agencies.

[9] Ibid. The recurring statement in official proposals was based on John Fuller’s reports, taken out of context and interpreted erroneously. For example, see Arkansas State Parks, Recreation and Travel Commission, “Crater of Diamonds State Park, Temporary Non-Conforming Use Application for Bulk Sampling and Testing” (Little Rock, October 16, 1995), 14, 21, 25, 37, 57. Page 37, “Grade,” said: “Based on knowledge of other lamproite and kimberlite deposits at various locations around the world, it is possible to calculate a range of potential grades. The low estimate of the grade is 15 carats per 100 tonnes (as per the adjusted Fuller data discussed in Section 2.3). The high estimate is 50 carats per 100 tons.” Page 14: “The hypothetical analysis assumes the grade of the pyroclastic units to be 20 carats / 100 tonnes with no diamond content assumed for the magmatic unit [on the west side].” Page 57: “. . . using a realistic grade estimate of 15 carats per 100 tonnes . . ..”

[10] The State first released test results piecemeal as material from a few pits was evaluated (“Crater of Diamonds State Park Evaluation Program—Weekly Progress Reports by John Morgan,” September 13, 1996-February 8, 1997, Parks and Tourism file and Crater archive [blue binder]). Beginning November 6, 1996, four press releases summarized the ongoing results (ibid.). Then the State issued a 108-page report: “Project Manager’s Report for Phase II Evaluation Program, Crater of Diamonds State Park,” unpublished, Arkansas Department of Parks and Tourism, 1997 (also styled as Morgan Worldwide Mining Consultants, “Crater of Diamonds State Park Evaluation Program, Final Report,” unpublished, Arkansas State Parks, Recreation and Travel Commission, 1997).

After the stunning results of Phase II testing, the Project Manager, John Morgan, finally acknowledged the central role of the original surface concentrate (“Report on crater: Most gems at surface,” *Arkansas Democrat-Gazette*, 20 Oct 1997, 1D, 4D). Morgan estimated the original pipe had eroded from a level at least as high as West Hill–which rises about eighty feet above most of the diamond field and about 90 feet higher than the southeast corner.

[11] The supervisor/mineralogist of the Arkansas Geological Commission, Mike Howard, was an outspoken critic: J. Michael Howard, “Summary of the 1990’s Exploration and Testing of the Prairie Creek Diamond-Bearing Lamproite Complex, Pike County, Arkansas,” in J. M. Howard, ed., *Contributions to the Geology of Arkansas*, 4, Misc. Pub. 18-D (Little Rock: Arkansas Geological Commission, 2000), 63-65.

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