

TONOPAH MINING- GENERAL HISTORY

History of mining
(25A) ITEM 116

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The present site of Tonopah was by no means unknown before the first claims were staked in 1900. Indians, cattlemen, and even prospectors passed by the prominent outcrops on Mizpah Hill and used them for concealment in shooting antelope, without recognizing their character and value. Indians are said to have brought specimens of the ore to nearby settlements, but since no free gold could be panned, the specimens attracted no interest. It is also reported^{1/} that a member of a surveying party that had passed over

^{1/}The discovery of Tonopah; Staff Correspondence: Eng. & Min. Jour., vol. 82, pp. 56-57, July 14, 1906.

the region, collected specimens from the veins, and had them assayed but could find no one to place sufficient credence in the results to assist in further exploration.

The long delay in appreciating the value of the ores continued into the discovery period. The discovery is attributed to James L. Butler, a prospector of long standing. He had heard in 1881 the story of the rich ore, found ^{by} the surveying party and on May 17, 1900, while traveling from Belmont to the then active mining camp of Southern Klondike, camped on Mizpah Hill

and collected a number of specimens from the outcropping veins. He brought these to Frank Hicks (or Higgs), the assayer at Southern Klondike, and offered him an interest if he would make the assays. Hicks looked at the specimens and pronounced them worthless, however, and threw them on his dump without further test.

On his way back to Belmont, Butler again camped at the outcrops on May 26-27 and again collected samples. These he turned over to ^{Taster} L. Oddie with an offer of a quarter interest if he would have them assayed. Oddie in turn sent them to W. C. Gayhart, an assayer, at Austin, offering a share of his share as payment. Gayhart accepted the offer and found that the eight samples assayed from \$80 to \$600 a ton.

On hearing of these results, the Southern Klondike assayer, Hicks, recovered the discarded samples from the dump and confirmed the high values obtained by Gayhart. He attempted to locate the outcrops himself but failed to find them, although he passed within a short distance of them. Later, he claimed the interest that Butler originally offered on the basis of his belated assay, and although he had no legal claim, Butler gave him a one-thirty second interest.

Butler visited the outcrops again on June 14 and took more samples but not until the latter part of August did he stake the claims, eight in number.

Another delay ensued until October 6, when Butler, Oddie, and Wilse' Brougher, the recorder of Nye County, took a load of supplies to the locality and put down a 15-foot shaft. From this they extracted about two tons of ore, half of which was sent to Eureka and half to Austin. These shipments netted them about \$600, with which they purchased enough provisions and supplies to permit work to begin in earnest.

In order to expedite the development of the claims, it was decided to grant leases upon the several claims, the first of which were given in November, 1900. The news of the rich ore spread so rapidly that 80 men were in the camp at the end of the year and by May, 1901, there were 225 men, most of whom were employed on the 36 leases that were then active.

The leases covered 100 feet along the strike of a vein, except for the first four, which were for 200 feet. The first 18 leases were on the Valley vein and Burro veins but thereafter sections of the Mizpah vein were

also leased. Altogether there were about 120 leases on different sections of the veins, but since some were abandoned and retaken and others subdivided, the total number of leases granted reached 218. The royalty paid the owners was 25 per cent.

Because of the relatively flat ground, all of the ore had to be hoisted, either by windlass or, as the shafts became deeper, by gasoline hoists. Some of the lessees reached depths of 200 feet before the expiration of their leases. All of the ore was sacked and freighted by wagons to either Sodaville or Candelaria, both of which were about 60 miles distant and on the railroad. Since transportation and treatment charges amounted to \$43 a ton and payment was made for only 90 per cent of the contained metals, the ore had to be of high grade. It is reported that the lessees' shipments averaged about \$150 per ton.

All of the leases given by Butler were verbal and were marked on the ground only by piles of stones. It is quite a tribute to the orderliness of the young camp that no disputes arose either concerning the mining rights of the lessees or over the royalty settlements, all of which passed through

T. L. Oddie, Butler's partner. Although the claims were sold in June, 1901, the terms provided that the leases should not terminate until January 1, 1902, the date set at the time they were granted.

In spite of a tremendous concentration of freighting outfits in the camp, the amount of ore raised was far too great to be promptly shipped and, at the expiration of the leases, a considerable tonnage of sacked or dump ore remained. This was either shipped or worked by a small local mill erected in part by the lessees during the succeeding few years.

The total value of the ore raised during the leasing period has been variously estimated at \$4,000,000 to \$7,000,000. Although the exact amount cannot be determined, it is clear from unpublished records of the United States Geological Survey that these estimates are too high and that the true amount was approximately \$3,000,000.

Butler's eight claims were bonded on June 3, 1901, by O. H. Turner of Grass Valley, Calif., for \$336,000, of which \$50,000 was to be in cash and the balance to be paid by the first of the year. For the cash payment, Turner drew on John W. Woodside, of Philadelphia, who honored the draft with the

assistance of T. N. Anderson. These gentlemen formed the Tonopah Mining Company of Nevada and incorporated it for \$1,300,000 of which \$300,000 was in 8 per cent preferred stock. Since the leases granted by Butler did not expire until the first of the year and since the royalties from them did not provide nearly enough to meet the balance of the payment, the preferred stock was sold to raise the required amount. A bonus of one share of common was given with each share of preferred. The purchase price was thus successfully raised with but little actual cash investment on the part of the original purchaser. Butler received five-eighths of the amount paid and Oddie, Gayhart, and Brougner divided the other three-eighths. Of the balance of the common stock remaining after that given as a bonus had been issued, Turner and Woodside received 280,000 shares each, and Messrs. Anderson, Braun, and Brock the remainder. Since the common stock was quoted at \$22.50 a share, within a short time these men made a tremendous profit on a relatively very small initial investment.^{1/}

^{1/} This paragraph is abstracted from "Early history of Tonopah": Eng. & Min. Jour., vol. 78, p. 135, July 28, 1904.

By the end of 1901, Tonopah had become quite^a/thriving town of 1300 inhabitants. Ore was hauled to the railroad and supplies brought in by 400 head of horses in teams of from 12 to 20 each. There were 125 wooden buildings, and 200 constructed of board and canvas. A bank, library, and two hotels had already been constructed, and two churches and a school were about to be built. A weekly newspaper had been established and quickly had a rival, and the usual quota of saloons, gambling houses, and dance halls were quickly in evidence.

An attempt was made about this time to change the name of the settlement to Butler, in honor of the discoverer; the post-office name was in fact thus altered. The new name, however, was not widely accepted, and the old name, applied by Mrs. Butler and meaning "water brush" in the Piute language, has continued in use.

The water supply of the town was a source of considerable annoyance. For a considerable time, water was hauled in to town from wells in the valley some miles to the east and later from springs 4 miles to the north and sold for \$1.50 a barrel. An elaborate plan of piping water from Twin Rivers, 60

miles away was proposed in 1901 and a company formed to accomplish it.

The plan collapsed, however, but a pipe line was constructed from the wells north of town. Somewhat later, drilling in the neighborhood of Rye Patch, 12 miles northeast of Tonopah, revealed a considerable supply of water, and a pipe line and pumping plant was constructed, which is still in use.

Naturally, the phenomenal richness of Butler's claims led to the staking of the adjoining ground. Some of these claims, such as the Gold Hill, Stone Cabin, and Wandering Boy showed veins at the surface, but many of them provided no sign of mineralization. On one of the latter claims, the Fraction, a shaft was sunk to a depth of 238 feet,--the depth being determined by the length of the rope available; and a short crosscut driven which cut a vein of high grade ore.

This discovery caused a period of even more feverish claim staking and stock selling. This was in part legitimate attempts to develop mines, but many of the companies ^{located} promoted at considerable distances from the original discoveries, apparently existed solely for the purpose of selling stock. A

contemporary account says that "the result was a flood of wild-cat stocks drowning out the market, to the detriment of the really meritorious, legitimate stocks."^{1/} Even the latter, however, were more or less over-

^{1/} Dohen, Alfred, in Report of the Director of the Mint upon the Production of the Precious Metals in the U. S. during the calendar year 1902, p. 163, 1903.

capitalized, the minimum amount being \$1,000,000, and the maximum several times that.

This initial period of extreme promotion soon subsided, however, and a period of intensive development work followed. After several false starts, a narrow-gauge railroad was extended from near Sodaville into Tonopah, being completed in July, 1904, the construction being almost entirely financed by the Tonopah Mining Company. This was overwhelmed with business as soon as completed and shipments were less than had been hoped for due to a shortage of cars. In the succeeding year, the road was converted to broad-gauge to conform to a similar change in the connecting line at Sodaville.

By 1906, there were nine companies producing and shipping ore, in addition to several companies that were carrying on active prospecting.

Tonopah now had a population of about 6,000 people, and contained a number of substantial buildings, many of them of brick or stone. A ^{ore} mine ~~operations~~ association had been formed, apparently because of a threatened strike during the summer, and which was settled by the establishment of a standard \$4 a day wage. This seems to have been the first labor trouble in the camp except for what appears to have been an ineffectual protest against contract work in the summer of 1903.

All of the ore produced up to this year had been shipped to smelters, except for a relatively small quantity that had been put through a 10-stamp mill on the Midway claims. This mill, built by the Tonopah Mining, Milling and Development Company, was erected in the fall of 1903, by a combination of Midway stockholders and Mizpah lessees to treat the dump ore that the lessees had been unable to ship.

In the fall of 1906, the Tonopah Mining Company completed a 100-stamp mill at Millers, about 12 miles west of Tonopah, where wells had developed an adequate supply of water. An extreme shortage of fuel during the winter of 1906-07, however, prevented the mill from functioning, and caused

most of the mines to curtail operations and some of them to suspend entirely.

The Belmont Company completed a 60-stamp mill at Millers in May, 1907, and the Montana built one near its mine in Tonopah later in the same year. The influence of these plants is shown in the production figures of the year by the nearly doubled tonnage. In spite of these evidences of prosperity, the camp was depressed due to the collapse of the market for local mining stocks in October, 1907, which appears to have been caused in part by the nationwide depression and in part by a feeling that the ore wouldn't "go down."

Production continued, however, and in 1909 a 30-stamp mill was built by the Extension Company at Tonopah. Late in the same year, the Belmont Company discovered a large and rich vein, east of and deeper than any ore-bodies hitherto developed. This led to a period of enthusiastic development of the properties in the eastern part of the district. An unfortunate episode in the development of this new orebody occurred on Feb. 23, 1911, when an underground fire, the only one in the history of the camp, caused the loss of 17 lives.

Favorable development at shallower depths in the western end of the camp also led in 1911 to the construction of a 10-stamp mill by the MacNamara Company and the purchase by the West End Company of the old Midway mill, which had been enlarged in 1906-1907 to 20-stamps and used by the Tonopah Mining Company in conjunction with their Millers plant. The Belmont Company also constructed a new 60-stamp mill in the spring of 1912 adjacent to the mine, and the old one at Millers was used entirely for custom ores until it was dismantled in 1917.

The first important fire in the town occurred on July 8, 1912 and resulted in a loss of \$250,000 according to contemporary accounts.

The new discoveries, both to the east and west, (continued) with the continued production from the older central part of the district led to a new high in output of the district for 1913. Thirty-two producing mines were reported for that year, but some of these should not be included within the Tonopah district proper. The value of the ore mined exceeded nine and a half million dollars, an increase of more than a million dollars over the preceding year.

The advent of the World War resulted in a somewhat decreased production during the next year, chiefly as a result of lower silver prices. Several of the larger companies stored the bulk of their production and sold only enough bullion to pay operating expenses. The stored bullion was held until 1916-1917 when it was sold at a considerably higher price. Some of the older central mines were forced to close.

Continued development in the western part of the camp exposed new orebodies and in spite of the lower price for silver both the Extension and West End Companies added 10-stamps to their mills. The development in depth of the Extension caused an even greater epoch of exploration than did the discovery of the Belmont vein and a number of new shafts were started in the vicinity of the new orebody.

The year also witnessed the beginning of a new period of labor trouble. This started with disputes between the Western Federation of Mines and the I. W. W. and resulted in the dynamiting of the "Bonanza" newspaper office and later in the year in a fire of incendiary origin that caused a loss of \$20,000 by the destruction of two city blocks. An I. W. W. adherent was convicted of arson in connection with the fire and sentenced to twenty

years in jail. This apparently prevented any further outbreaks at the time and with a raise in wages of 50 cents a shift in 1916 prevented any strikes for a period of several years.

The outbreak of labor disputes coincided with the beginning of a long and costly period of apex litigation, which is described in some detail in a succeeding section. For the next 12 years one or more lawsuits over apex rights were in course of settlement in the courts.

The rise in the price of silver in 1916 and later years caused another spurt of activity and many of the mines that closed in 1914 were again reopened. Mining, however, was handicapped by the scarcity and inefficiency of labor, and the activities of the more radical labor organizations. The labor difficulties finally resulted in a demand by the men for a raise of \$1 per shift. On this being refused a strike was called on August 17, 1919. After mediation by both State and Federal authorities a compromise was reached on November 12 by which the mine operators established a commissary at which food and supplies could be bought at cost and a temporary bonus of 50 cents a day to last until the commissary had brought down the cost of living. The

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end of the strike (was) also marked the granting of an injunction against the I. W. W. to prevent any interferences with the miners by that organization.

After a short period of quiet, the withdrawal of the bonus by the operators, on the grounds that the cost of living had been reduced, caused another strike on February 8, 1920. This was quickly settled, however, and on the thirteenth of the same month the men returned. The terms of the settlement provided that the 50 cent raise should be made permanent and that certain features of the previous agreement should be rescinded.

Another strike was called on April 22 of the same year but no demands were made and the strike was called off two days later.

Conditions were again quiet for nearly a year but there was a severe shortage of skilled miners. On April 16, 1921, however, the mine operators made a cut of 75 cents a shift, effective immediately, although their agreement with the miners called for 30 days notice in matters effecting wages. A general strike was called as a result and closed all of the mines except three that continued the old wage scale.

No compromise could be reached in spite of the efforts of several mediators, among them the Governor of the State, and two of the mines imported strike breakers in an effort to continue production. This action engendered a great deal of ill-feeling between the operators and the men and the supporters of each, and both State police and private detectives were brought in to preserve order. So intense was the feeling that the lessees in the Montana mine refused to ship ore to the custom mills in the district because they employed strike breakers.

The increasing number of strike breakers, however, finally caused the miners to lose heart and on August 8 they declared the strike lost. The conflict, however, was not quickly forgotten, and difficulties between strike breakers and the returned strikers continued for some time. It was believed locally that a fire in the Belmont boarding house in which three men lost their lives was the result of this bad feeling.

A bullion theft on March 24, 1922, was the first in the history of the camp. The loss was not great, however, as only one bar valued at \$1200 was taken.

Another unusual event occurred on July 30 of the same year, when a stope above the 300 level of the Mizpah mine caved to the surface, leaving a hole 150 feet wide and 200 feet long. Although the assay office of the company was engulfed, fortunately no lives were lost.

The mines were all working at capacity in order to take advantage of the price of one dollar an ounce for silver that was established by the Pittman Act and this was probably an important factor in long continued period of wage dispute with the miners. The conflict flared up again with an unsuccessful strike on October 1, 1922, but a second one called two weeks later was settled on the 17th of the same month by a 50 cent raise. At this time wages were fixed at \$5.75 a shift during the life of the Pittman Act.

Purchases under the Pittman Act finally ceased on May 29, 1923, and the price obtained by the domestic mines dropped from a dollar to 64 cents per ounce. The immediate result was a decrease in production amounting to nearly half. The Belmont and the Tonopah Mining companies were responsible for the greater part of the decline, about 100 men being discharged by the two companies. The Belmont mill was closed shortly thereafter and ore from the

two mines was treated at the Tonopah Mining Company's plant at Millers.

The two other larger companies, the Extension and West End, however, continued production at essentially the same tonnage rate. The Extension orebody on the 2,000-foot level was found to be unusually large and additional veins were found to the west. These two features caused extensive activity during 1924 and 1925 both in the exploration at depth of old properties and the prospecting of virgin ground in the far western part of the district.

The results of these new explorations were disappointing, however, and the activity in the district gradually declined. The westerly development of the Extension ground was handicapped by the large quantities of hot water that were periodically tapped by the advancing workings and their major ore shoot was found to be cut off by a fault below the 2,000-foot level.

In addition to these physical difficulties the price of silver continued to decline slowly and as the easily extracted ore from the older mines was in large part exhausted, more and more of the larger mines ceased company work and threw their workings open to lessees.

The West End was the first of the larger mines to establish this practice when it closed its mill and started leasing operations on Oct. 15, 1927, although leasing had been done at its subsidiary, the Halifax, for some years previously. The practice was followed by the Belmont in the summer of 1929. The accelerated decline in the silver price late that year caused the closing of the Tonopah Mining Company's property early in 1930, but it was reopened for leasing later in the year. The Tonopah Extension continued work throughout this period in spite of considerable financial difficulties, but the unprecedented low price of silver reached in January, 1931, finally necessitated its closing, and the mine was allowed to fill with water.

In the summer of 1931, lessees were working in the properties of the Tonopah Mining Company, and to a lesser extent the Belmont, and shipping their ore to the mill of the former company at Millers. This constituted the only mining activity in the district. It prompts comparison with the situation 30 years earlier, when other lessees were extracting ore from essentially the same ground.