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THE HARPENDING STORY

Some four or five miles southeast of Princeton, Kentucky a little gravel road winds off state highway No. 514 down a steep hill through the woods to a remote spot known as Twin Springs. At the base of the hill two large all weather springs pour an enormous volume of water into nearby Eddy Creek. On a knoll above the springs there formerly stood a large residence which was known as the Harpending place. When I saw it many years ago it was in a very bad state of repair, but enough remained to give you some idea of the stately mansion which it had once been. The yards had grown up in weeds and underbrush but underneath could be traced the outlines of spacious gardens and fountains together with a private fish pond. Situated as it was originally in the midst of a dense wood, such a house, in such a secluded spot, occupied by a wealthy family whose ways and manner of life were foreign to the natives, it is not surprising that there should have grown up a legion of fantastic stories, many of which persist to this day.

It was believed then, as now, that the master of the house, Asbury Harpending, was a fugitive from justice having been a participant in the great "Diamond Fraud" of 1871-72 in California. That he, with others had "salted" a mountain with worthless industrial diamonds, which they had then sold to unsuspecting investors for a large sum of money. In order to escape prosecution he had fled to this remote spot, erected a palatial home with his ill-gotten gains, there to live out his days in closely guarded seclusion. In recent days I have listened to numerous accounts of how he had constructed in his home a secret stairway which led down to a tunnel which ran from the house to the stable, and that night and day a saddled horse was kept standing ready for a quick get away. That there was constructed in the house a secret room wherein no one else was allowed and where he could hide in case it were necessary. That there was in the house a bathtub of solid gold and all the fittings were of silver. That a cabin was built at the junction of the lane

a watchman stationed in a tower on top of the house. Another of the many stories was that another Negro mounted on a fast horse, met all the trains in Princeton and made a close inspection of all the strangers who got off the train, with the idea of riding in great speed to warn his master of the arrival of certain persons. And finally, that he disappeared in the middle of the night and was never seen again. Years later it was said that news was received that he had fled to South America where he died and was buried.

In preparation for the writing of this paper I have read quite a number of books and articles on the "Great Diamond Fraud" and have talked with Asbury Harpending's relatives and am firmly convinced that he was not a partner in the fraud but a victim of it and that the fantastic stories handed down through the years are purely figments of the imagination.

It was, however, because of these stories that I became interested and decided to make some study of the subject in order to determine whether they were fact or fancy. In so doing I have discovered a most interesting story. To my great surprise I discovered that my subject, Asbury Harpending, was not a stranger to these parts, but was a native of Christian County with close relatives now living in Princeton, Caldwell County, Kentucky.

An investigation of the records in the Christian County Court House revealed the fact that in the years 1837 and 1838 there were recorded deeds conveying land to one Asbury Harpending, father of the subject, who was a descendant of a Dutch nobleman, Baron Harpending, who came to New York with the original Dutch Settlers. Later, on February 27, 1849, Deed Book 32, page 241, there was recorded another deed whereby Harpending conveyed to John Boyd, for a consideration of \$3,500.00, a 500 acre tract of land, lying and being on the waters of Sinking Fork Creek. It was while living here in 1839 that Asbury, Jr. was born and in all of the source material to which I had access, his place of birth was always stated as Hopkinsville, Kentucky. The house in which he was born is still standing and in good repair and is known as

birth as the conveying deed of February 27, 1849 lists the grantor's residence as Caldwell County, Kentucky. Young Asbury's mother was a Clark whose family came to Kentucky from Virginia. Whether she was related to any of the Clarks now living in Hopkinsville, I was not able to determine. Asbury's sister married Mr. O. P. Eldred of Princeton whose grandsons, George of Princeton and Marshall of Louisville, are known to many of you.

But to return to our hero - as a boy he was a mental prodigy; he entered college when he was fifteen years old, but mental exercise was not enough for his adventurous spirit. His college career lasted less than a year, as he was still 15 when he ran away from college to join General Walker the filibuster who was setting out to conquer Nicaragua. The expedition ended in disaster and Walker wound up before a firing squad. Harpending never reached the scene of action as the party of recruits were apprehended in route down the Mississippi and placed in jail. Harpending, however, managed to escape and make his way back home. Back in Kentucky he was restless, he had to have action, so at 16 he left home again. This time he didn't run away; with his father's permission; a steamship ticket and five dollars in one pocket and a pistol in another he again embarked down the Mississippi to set sail for California, via the Isthmus.

In Panama he invested his five dollars in oranges and bananas and on the long voyage he sold his fruit at fabulous prices, swapped and traded, and reached San Francisco with his pistol in one pocket and four hundred dollars in the other. He was just turning seventeen.

In the years between 1849 and Harpending's arrival in San Francisco in 1856 bad times had come to the city. Gold hungry miners were returning from the Mother Lode without gold; hundreds were out of work and hungry. On the ship he had made a friend of a wealthy man who gave him good advise as to where to prospect, so by good judgement or plain "nigger luck" he made a strike and cleaned up \$60,000.00 by his 17th birthday. But all the talk in mining camps was now about Mexico, and so with his newly

must surely have been his companion as he returned four years later with a quarter of a million in cash and ownership of a mine worth an estimated million more.

That first fortune of Asbury Harpending lasted exactly three years. He returned to San Francisco to find the city divided into two camps; more than twenty-five percent of its population rabidly sympathized with the Southern rebellion, and were making every effort to induce California to secede from the Union. He organized a San Francisco chapter of the Knights of the Golden Circle. The duties and activities of the Knights were simple; each of the thirty members was sworn to enlist the support of one hundred men, to equip and arm them, ready to fight for the South. In short, three thousand men were to seize the arsenal at Benicia, overthrow the state government, and form a new republic to be called the Republic of the Pacific, an ally of the rebelling Southern states. But one of the more garrulous knights was indiscreet; the plans to seize the state reached the ears of Albert Sidney Johnston, in command of the army on the Pacific. Johnston, born in Kentucky, was a Texan, and during the Civil War was an honored Southern general and was killed at the Battle of Shiloh. He sent for young Harpending and commanded him to disband the Knights or be attacked by the United States Army. The Knights disbanded.

A few months later the Civil War broke out. Harpending traveled by devious roads to Mexico again, and then turning in his tracks, ran the blockade, and fought his way to Jefferson Davis. The President of the Confederacy recommended a commission for him in the Southern Navy.

Out of uniform, he again ran the blockade, returning to San Francisco on a Pacific Mail liner. In his pocket he carried explosive letters that would have sealed his fate if they had been discovered, letters from southern leaders to southern sympathizers in San Francisco. On the steamer he met one of the most charming of the city's society women, Lady

The steamer sailed through the Golden Gate and tied up at the docks. Army officers came on board and searched Harpending for anything of a seditious nature. Nothing was found on him, and he was released. The incriminating letters were sewed to Lady Fairfax's Victorian undergarments. Harpending delivered the letters to prominent Southern sympathizers in San Francisco. His plan was to travel up and down the Pacific Coast as a privateer, seizing Pacific Mail steamers and shipping the gold they carried in their holds to leaders in the South.

He enlisted the aid of a group of men, raised a quarter of a million dollars, and purchased a ship to be used as a privateer. Before going on, I should explain that Harpending's original fortune had been seized by the United States Government when he became an officer in the Navy of the South.

A ship was purchased, manned, and prepared to sail, but before the anchor could be weighed, United States officials boarded her; Harpending's plans had been revealed by one of his men, and he and others were placed under arrest, tried for treason, and convicted. Two of his companions were sentenced to ten years in the United States Disciplinary Barracks on Alcatraz Island, and Asbury Harpending was sentenced to ten years in the San Francisco County Jail.

Four Months later, for no good reason further than that the United States Government had more serious matters on its mind, the conspirators were pardoned.

Harpending left San Francisco, traveled by foot through the California hills and found a hideout in the mountains of Tulare County. And within a few months' time he had discovered a rich gold mine - the Kernville gold field. In 1865, when the war had ended, he returned to San Francisco, a millionaire again. He was twenty-five years old.

Then he plunged with mad enthusiasm into San Francisco real estate speculation. He met W. C. Ralston, the founder and President of the

At the corner of Market and New Montgomery was property owned by Selim Woodworth, son of the author of "The Old Oaken Bucket". Woodworth valued his property at half a million dollars. In 1868 San Francisco experienced its most terrible earthquake up to that time. The day of the shake Harpending met Woodworth at the site of his property. Woodworth was frightened. Harpending offered him one hundred and fifty thousand dollars for the property worth half a million dollars. Woodworth clinched the deal there and then, and left San Francisco.

On that lot facing the Palace Hotel - that lot where the Bank of America now stands - Asbury Harpending built the Grand Hotel.

The young genius went real-estate mad, but he was looking in other directions, too. His association with William Ralston gave him opportunities to add to his fortune in the Comstock. Harpending was active in every enterprise in the booming city. He built the San Francisco and Humboldt Railroad connecting Sausalito and Eureka, a forerunner of the Northwestern Pacific.

Meanwhile, Harpending's real-estate operations had widened. On Market Street, between First and Second, he built what was, at that time probably the most impressive office building in the city. It was a square, solid structure, costing close to half a million dollars. A block further up on Market he owned the Grand Hotel. He was twenty-nine years old, one of the richest men in San Francisco, owner of the two most imposing structures on Market Street.

Then, for the second time in his career, the tide turned for Asbury Harpending. In 1871 the Harpending Building burned to the ground, a total loss. Then, on the property across New Montgomery from his Grand Hotel, Bill Ralston built the world's greatest hotel, the Palace. True, it was connected with the Grand by a glass Bridge of Sighs, but the Grand became second rate. And finally Leland Stanford, building the Central Pacific Railroad, resented Harpending's building of the little San Francisco and

slopes of the Mother Lode, and then the gold and silver fortunes in the Virginia City Comstock. First coal, then gold, then gold and silver, and now diamonds! There was no limit to the bounty of Mother Nature in California! Ralston sent for the two miners, Arnold and Slack.

At first, they didn't want to talk about their astounding fortune. They seemed dazed, confused, and overwhelmed by it. No, they were not disposed to sell shares or an interest in their diamond mines. Ralston casually asked where the mines were. Arnold and Slack were vague; the mines were someplace - out there. They were not educated men. They didn't know much about geography. All they knew was that they had been prospecting for gold and had stumbled onto the fortune in diamonds. The mines were someplace east of Ralston's office, maybe in Wyoming - or Colorado - Arizona - Nevada - they were't sure. Yes, they knew how to reach them again. Finally, after considerable stalling, they agreed that it might be wise to sell a half-interest in their discovery to someone who knew more about developing the property than they did. A figure was discussed, a very large figure. Yes, they would be willing to sell a half-interest in their diamond mine for that amount. "Well, then," said Bill Ralston, "before we close the deal, we will have to inspect the mines."

At first Arnold and Slack were dubious about letting anyone know where the property lay. They hadn't asked to do business with him. But Bill Ralston patiently explained that bankers were not in the habit of buying pigs in pokes. He had entire confidence in Mr. Slack and Mr. Arnold, but he would have to send experts to appraise the property before a deal could be closed. Finally the prospectors agreed, with the stipulation that when the expert selected by Mr. Ralston had accompanied them to the edge of the desert country where they had made their strike, he was to be blindfolded. Ralston agreed that that was a sound business proposition.

He selected General David S. Colton, Southern Pacific magnate and a distinguished San Franciscan, as his emissary. One morning General

He returned in a few days. He entered Ralston's office, closed the door, and sat at the banker's desk, trembling with excitement. Then he opened bags and poured out onto the desk the gems that he, with his own hands, had taken from the mine - a fortune in gems! There were perhaps a million dollars worth of gems, and he had not even hunted for them. All he had had to do was reach down and pick them up. And there were probably a billion dollars more waiting to be taken. The most amazing part of it all was that there were not only diamonds but he had also found rubies, sapphires, and emeralds!

Now anyone ought to know that diamonds, rubies, sapphires, and emeralds are not found in any one mine or any one locality. But General Colton, and later Ralston and all the others who went into the deal, were so carried away by the discovery that if the prospectors had produced oysters in that inland desert, they would probably have found an explanation to satisfy themselves. After all, the diamonds were genuine. One of those brought back by General Colton was offered to a prominent San Francisco jeweler. It weighed one hundred and three carats, and the jeweler offered ninety-six thousand dollars for it. The gems were submitted to other experts; all of them were established as being genuine, and of fabulous worth.

Meanwhile, Ralston was investigating the antecedents of Arnold and Slack, learning that they were just well-liked old-time prospectors, real, honest-to-goodness forty-niners, but he wanted some proof of their integrity. The prospectors agreed to supply the proof themselves. They would go to the mines and bring back at least two million dollars worth of precious gems before the deal was consummated.

They started out on their journey. Harpending, having arrived from London, was sent to meet them at Lathrop on their return. He did meet them, and then came back to San Francisco with them. That night Asbury Harpending called a meeting of the prospective officers of the new corporation.

They met in his mansion on Rincon Hill. He told an amazing story of the

worth of gems from the mines and started their return journey. They had been overtaken by a terrible storm and cloudburst and had tried to ford a swollen river on a raft. They had suffered terrible hardships and had almost lost their lives. And while making the crossing on the raft, they had lost one of the bags with a million dollars worth of diamonds. But they had saved the other; Harpending had it in his hand. He stood at his billiard table, the stockholders clustered breathlessly about him, and across the green baize of the billiard table he spilled a million dollars in precious diamonds.

Well, that was enough to convince anybody, but the deal was so gigantic that no chances could be taken. So a committee was delegated to travel to New York with a bag of the jewels. A meeting was held before Horace Greeley, General George McClellan and other distinguished Easterners. The head of Tiffany's, a Fifth Avenue jewelry house, examined the diamonds and appraised them - about one-tenth of the quantity already in the hands of Ralston - at more than one hundred and fifty thousand dollars. And, like the explosion of a bomb, the news of American diamonds burst upon the nation.

Ralston's next step in representing the syndicate was to select an engineer who would expert the mines and make arrangements for ultimate operations. Henry Janin, the man selected, had the reputation for being the foremost mining engineer living. Great things were told about him. He was never known to speculate or take any kind of a chance. He had experted hundreds of mines and never made a mistake. Janin accepted the assignment at a large fee. He went to the mines. He made a thorough examination, and he returned, enthusiastic. The diamond fields were the most amazing harvest he had ever seen. Why, according to his calculations, a million dollars' worth of diamonds a month could be mined. He figured the potential value of the mines at sixty-five million dollars. How Henry Janin, American's foremost mining engineer, could have overlooked - as all the

mysteries of the great diamond hoax. He made his report to Ralston, and that was all the reassurance Bill Ralston required. He paid three hundred thousand dollars to Messrs. Arnold and Slack, a first installment of the cash to be paid them for half their interest in the North American Diamond Mines. Then he opened handsome offices to carry on the business, and secretaries were hired. An additional three hundred thousand dollars was paid to Slack and Arnold, David Colton resigned his executive position with the Southern Pacific Railroad to become general manager, and the North American Diamond Company was functioning.

Eventually these fabulous stories reached the ears of Clarence King and James Gardner, leaders of a government survey across the West on both sides of the 40th parallel. They were dubious. If the stories were true, the prospectors had come across something they, with all their assistants, scientific knowledge and equipment had missed in five years of exploration and study. To satisfy that curiosity Clarence King made a journey to the mines. King was a scientist, a distinguished scholar, a leader of American scientists. He took assistants with him and made a thorough survey of the area. Everything he found was amazing. For instance, he found little ant hills. There would be one powdered with emerald dust, and in that hill there would be an uncut emerald; there were hills powdered with ruby dust, sapphire dust, diamond dust, and each contained uncut stones. But he found more than that. He found that the gems were not imbedded in rock but lay in loose sand. Oh, that was only the beginning. He found diamonds in forks of trees. and finally - and here somebody had obviously made the ultimate error - he found a diamond partially cut. That settled it. He sent a wire to William Ralston:

The alleged diamond mines are fraudulent. Plainly they are salted. The discovery is a gigantic fraud. The company has been pitifully duped.

Clarence King

Then the storm broke! Search was made for the conspirators.

Slack was never heard of again. Arnold had gone to Kentucky and he would

touch him. But Arnold did return one hundred thousand dollars with the understanding that all charges against him be dropped. Then he became a banker of Elizabethtown, Kentucky, a vocation that he followed until a blast from a double-barreled shotgun put an end to his scheming life.

Little by little the explanation of the Slack-Arnold operations became clear. Before they had embarked on the diamond hoax they had purchased in London some fifty thousand dollars' worth of worthless uncut diamonds - discards. These were the specimens used to salt the mines.

The losses growing out of this great diamond fraud fell on the shoulders of the original promoters, W. C. Ralston, William Lent, George Dodge and Asbury Harpending. All the money paid in by the other stockholders was returned in full. Ralston stood the loss of the original \$300,000.00 paid to Arnold and Slack, and the remaining loss was borne by Harpending and others.

But the loss in money was small in comparison to the loss in prestige, and Harpending felt it very keenly. In addition he had suffered other financial losses and developed an intuitive feeling that the high tide of western speculation was reaching a crest. He sold all of his various real estate holdings some at a considerable loss, but still realizing more than a million dollars and returned to Kentucky, to retire, settle down and live a quiet life at the ripe old age of thirty-three.

In Caldwell County, just out of Princeton, as already described, he purchased a tract of 1200 acres of virgin timberland, and immediately began the construction of a residence befitting a man of his means. It was a large house by most any standard, richly furnished, and "they say" cost a half million dollars, however, his relatives say that it actually cost only \$50,000.00 which was quite a sum in that day. It was a two story house with a cupola on the top, which the natives no doubt decided

constructed for her a small chapel, or prayer room, for her devotions and this undoubtedly was responsible for the story of the secret hiding chamber. A hydraulic ram was installed at one of the twin springs to furnish running water for the plumbing, which was indeed a rarity in that day and time, although none of the fixtures were of gold or the fittings of silver as was reported. He built the bedrooms large with 14 foot ceilings to accommodate the poster beds which were the style of the time. The lawns and gardens were elaborately laid out around a fountain which threw a stream of water high into the air.

But the life of a Kentucky Country Gentleman was not to his liking. He soon became restless and longed to return to the speculative world of high finance which was so suited to his temperament. So after a few years he left Kentucky, moving to New York, where he became an investment broker. For a few years he was highly successful and at one time was rated as being worth an estimated four million dollars. He began again to speculate in mines in Mexico and Central America, but at long last he seemed to have lost the Midas touch. The mines failed, he suffered severe reverses in Wall Street and he was forced to realize that his days as a great operator were over. He was able to salvage enough to really retire and live in moderate comfort. He returned to California, built a modest home in Fruitvale, and occupied himself in writing his memoirs in a book entitled "The Great Diamond Hoax and Other Stories". After the death of his wife he again returned to New York, to make his home with a daughter where he died in 1923. Again "they say" that he died a pauper and was buried in the Potter's Field, but a footnote by the editor, to his memoirs published in 1914 states that after the writing of the book he had been able to dispose of some holdings in the Mother Lode giving him ample means for his remaining days. And so ends the saga of the Christian County boy who made history in the West.

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