

DIAMOND MINES TO BE CAUSE OF SUIT

Idleness in Arkansas Field Is Due to Conspiracy, Is Charge.

El Dorado, Oct. 6. — (A.P.)—The Daily News will say tomorrow that what is believed to be an attempt to prove the much disputed diamond mines of Pike county either profitable and kept idle as the result of an illegal conspiracy with the British diamond interests of South Africa, or, as their owners are said to maintain, "a white elephant," will be staged in the county court at Murfreesboro, October 15.

The Daily News story continues: "Z. A. Copeland of Murfreesboro, a member of the Board of Equalization of Thompson township in Pike county, which raised the assessment on the Arkansas diamond corporation's properties being about 60 per cent of all the diamond-bearing area in the Murfreesboro 'crater,' from \$38,000 to \$500,000, was in this city Monday and Tuesday, conferring with a local engineer and appraiser, who it is said is to represent the Assessing Board at a hearing on the Arkansas corporation's complaint that the new appraisal is confiscatory.

"The president of the Arkansas corporation, Sam W. Reyburn, former head of the Union Trust Company of Little Rock and now president of the Lord & Taylor Department store in New York, returning to Little Rock on a visit in 1923, is said to have spread the report in financial circles there that the Arkansas corporation had found the Pike county fields unprofitable. One of the charges likely to be pressed by the Board of Equalization October 15 is that immediately after Mr. Reyburn made this statement a syndicate of Little Rock business men, headed by a well known publisher, offered him \$500,000 for the Arkansas corporation's holdings, and that Mr. Reyburn refused to accept."

The largest diamond ever found weighed one pound and eight ounces.

DIAMOND MINE IN ARKANSAS OWNED BY A WOMAN.

She Has Hundreds of Gems Weighing Up to Five Carats.

GIVES THEM TO GUESTS

Land on Which They Are Bought From Husband at a Bargain.

KANSAS CITY, March 6.—Kansas City has a society woman who gives diamonds to her guests as party favors. But she can afford it, because she owns a diamond mine, not in Africa, but in Southwestern Arkansas.

Mrs. George D. Hope of 133 Linwood boulevard, the wife of a wealthy lumberman, is the new "diamond queen." At a whist party at her home she surprised her guests by offering diamonds as prizes.

Mrs. Hope's husband owns about 10,000 acres of Arkansas timber land. Seven years ago he sold 3,000 acres that had been "cut over" to his wife at a bargain price.

"After I had bought the land from my husband," said Mrs. Hope, "I went down to look it over. A railroad switch was being built across my land to my husband's sawmill. I was watching the men work one day when a little negro boy passed by, with a peculiar looking pebble. He said he found it where the men were making a cut through a hill for the switch track. "The negro boy offered to sell me the stone for a nickel. I offered to give him a dime for every stone like it that he found. I sent the pebbles to experts in New York City and they said they were diamonds. Since then I have picked up diamonds in the vicinity. I had 139 diamonds cut. They ranged in weight from one-quarter of a carat to five carats.

Methodist Preacher Says He Was First to Discover Pike County Had Diamonds

Democrat-Sunday June 26-1927

But for the quick intuition of a small-town Methodist preacher the discovery of the only diamond field on the North American continent might have been delayed indefinitely. He was the first to discern the real nature of the find when a poor Pike county farmer showed him two peculiar looking pebbles that he had picked from the dust of a barren plot near his home, two and a half miles southeast of Murfreesboro.

That was nearly 21 years ago but the story of the part the preacher played in the discovery was never told "for publication" until last week, when the preacher himself, the Rev. L. W. Evans, pastor of the Methodist church at Murfreesboro, visited the Democrat office and related his memorable experience.

He incidentally revealed that the "acres of diamonds" he helped to bring to light had meant nothing to him in a financial way. He confessed that he was "just as poor as ever," despite the fact that he was in a way responsible for a discovery that led to the unearthing of gems worth many millions of dollars. One time, however, he found a fine blue-white stone worth \$500 in the rough, but, true to the ethics of his religion, he turned it over to the owner of the ground.

"I guess I could have picked up enough diamonds to make me wealthy if I had wanted to," he said simply, adding, "But they would not have been rightfully mine, so I never bothered to look for them."

Farmer Made Find.

The farmer who made the original find was John H. Huddleston, and he was lifted suddenly from poverty to affluence as the result of it. The two pebbles that he showed to the preacher had little in their appearance to suggest that they were valuable. They were lustreless lumps of a crystalline substance that he thought must be common quartz, such as is found in great abundance in some parts of Arkansas, especially in the vicinity of Hot Springs.

But when "Brother" Evans saw them, his eyes opened wide, for something seemed to tell him that the dull pebbles were diamonds.

"The idea came to me as if by intuition," he said in his narration of the incident. "Strangely, I was able to tell Huddleston what each stone was worth, although I had no knowledge whatever of the value of uncut diamonds, and knew very little about any kind of diamonds.

"That big stone is worth \$600, and the smaller one about \$400," I told him, and that was exactly what he was offered for them by an expert a few days later. How do I account for the accuracy of my estimate? I would not attempt to, the figures just came to me as if someone had whispered them in my ear."

To test the validity of his "hunch" that the stones actually were diamonds, Evans applied a sharp point that protruded from one of the "pebbles" to a piece of window glass, and sure enough, it scratched deeply as he drew it across the glazed surface.

The experiment convinced him that his supposition was correct, and he urged Huddleston to send them by registered mail to Charles Stiff, the Little Rock jeweler, and "see what happens." The farmer was elated, but at the same time rather doubt-

"Several millionaires in the East are wearing my diamonds," Mrs. Hope continued, "and they do not appear to be ashamed of them. I don't see any difference between the Arkansas diamonds and my African diamonds.

"I asked an expert in New York City, who is a friend of mine, why jewelers tried to discredit the Arkansas gems. He said the American jewelers were overstocked with African diamonds and that if Arkansas diamonds were placed on the market in quantities it would lower the price of the African product."



REV. L. W. EVANS.

ful, and his skepticism was heightened when he showed the stones to others in Murfreesboro. Without exception they scoffed at the preacher's optimistic claim and declared their belief that there was "nothing to it."

Land Is Purchased.

The stones were mailed, however, and a day or two later a representative of the jeweler hastened to Pike county to purchase the property where they were found. Huddleston received \$17,000 and the promise of a 10 per cent royalty on all diamonds found, for 60 acres of barren ground. A neighbor, Mack Ross, received \$15,000 for 40 adjoining acres. Evans got nothing but the thanks of his friend Huddleston, which was all he expected or desired.

At the present time the operations of the Arkansas Diamond Corporation, which grew out of the deal between Huddleston and the Little Rock jeweler, are practically suspended. Due, it is said, to the fact that the controlling interest in the property is in the hands of the great British diamond syndicate which dominates the market. It is commonly reported that the Arkansas field is being held in reserve for future needs, and that the volcanic "pipes" in which the diamonds were formed ages ago are probably as rich in diamonds as any like area on earth. Before operations were suspended thousands of fine diamonds, the largest gem weighing more than 20 carats, were unearthed.

Evans, a native of Lafayette county, is the youngest of five brothers, all of whom are Methodist ministers of the gospel.

"I would naturally like to be rich," he said, "and I suppose I might have been now if I had turned my attention to the commercial aspect of the Pike county diamond field in the beginning. But when I entered the ministry I promised to give my entire time to it, and I have done so. Regrets? Yes, at times, but I am happy and contented in my church work, so what does it matter that I have never been able to save any money?"

FRAUD ORDER HITS ARKANSAS CONCERN

Gazette 11-24-27

British-American Diamond Company Barred From Mails.

FALSEHOOD IS CHARGED

Ban Affects W. I. Brashears of Murfreesboro and Newell & Co. of Fort Worth.

(From the Gazette's Correspondent.) Washington, Nov. 23.—An attempt to capitalize the reputation of Arkansas as a diamond-bearing state came to grief here today when Postmaster General Harry S. New issued a fraud order denying further use of the mails to the British-American Diamond Company and W. I. Brashears at Murfreesboro and at Fort Worth, Tex., and to Newell & Co. of the latter city.

The memorandum on which the fraud order was based declares that evidence in possession of Horace J. Donnelly, solicitor of the Postoffice Department, shows that a scheme for obtaining money through the mails "by means of false and fraudulent pretenses, representations and promises" was being conducted under the names set forth in the order.

The document shows, according to the memorandum, that the British-American Diamond Company is a Texas corporation with a capitalization of \$25,000 and one million shares of no par value, incorporated by W. I. Brashears, S. J. Thigpen and H. L. Green.

Lease Faulty.

Brashears obtained a lease on 10 acres in Pike county, near Murfreesboro, from M. J. Mauney on May 20, 1926, the memorandum says. Investigation by postoffice inspectors revealed that the so-called lease was not signed by two minor heirs nor by the father of Mauney, all of whom held interest in the estate.

Neither did Brashears, according to all the evidence submitted at the hearing in Washington, assign the "lease" to his concern, the British-American Diamond Company.

A photostatic copy, however, was later received of an instrument dated July 23, 1926, signed by Brashears undertaking to assign to the British-American Diamond Company the property covered by the lease from Mauney. Value of this instrument as evidence was dismissed by the solicitor on the ground that since Brashears' title was defective, he could assign no better title to the company than he himself had. Investigation also disclosed that the so-called lease was not recorded in the office of the recorder of deeds at Murfreesboro.

Distribute Interesting Literature.

From Fort Worth, the memorandum sets forth, Brashears and his associates set out, and are still sending, a great volume of advertising literature in the form of letters, printed folders and display circulars.

One folder, quoting from a letter purporting to have been written by Mauney, said that Mauney had been approached by a party in Murfreesboro representing Henry Ford and offered a large sum for the purchase of the mine, but that the deal fell through because Mauney preferred leasing to outright sale. Mauney admitted to a postoffice inspector that he had never been offered any amount of money for the property, and that he has never talked to any person who had said they represented Henry Ford.

Another folder carried the following statement:

"We may be able to take enough diamonds from our property to supply the entire diamond demand in America, \$42,000,000 per year, and with our comparatively low capitalization, only a very small part of which is being offered for subscription, what utterly tremendous profits should come to those who get in today on the liberal ground floor basis I am offering."

A form letter sent to prospective investors contained this statement:

"Today, you have an opportunity such as you will probably never again have as long as you live. Twenty-two hundred diamonds have already been taken out. We are busy taking out more. This opportunity will be open only a short time. It must be grasped quickly."

Reyburn's Letter Introduced. In evidence is a letter dated August 23, 1927, and signed by Samuel W. Reyburn, president of the Arkansas Diamond Corporation, a concern owning the diamond mining property adjoining that of the British-American Diamond Company. Mr. Reyburn says among other things: "The Arkansas Diamond Mining Company owns probably 85 or 90 per cent of the pipe or peridotite in which these diamonds have been found. We have spent something like five or six hundred thousand dollars in acquiring the property and prospecting it. Several thousand diamonds have been recovered, but so far we have not been able to recover them in paying quantities."

Referring to the correspondence with Mr. Reyburn, the Postoffice Department solicitor said, "The evidence shows that, although the Arkansas diamond corporation, of which Mr. Reyburn is the president, owns approximately 90 per cent of the diamond bearing pipe, his company expressed a willingness to sell its holdings for \$100,000 presumably upon the ground, as stated by Mr. Reyburn, that the company is unable to operate at a profit."

Newell & Co., named in the fraud order, presumably a broker, turned out to be an oil field worker, Robert E. Newell, 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.

Evidence obtained by postoffice inspectors disclosed that not only is there no production, as claimed in literature broadcast to investors, but that no facilities have been established on the property for the production of diamonds or indications of activity looking to early operation.

DIAMOND COMPANY BONDS PAST DUE

Gazette 3/4/28

Stockholders Meet Today to Decide What Action Will Be Taken.

A decision of utmost importance to the future progress of the Arkansas Diamond Company, owners of the diamond mine near Murfreesboro, the only one in North America, may be arrived at in a meeting of stockholders today in St. Louis.

The stockholders are to decide whether they will pay a bonded indebtedness of \$86,215, with interest from December 1, 1927, at six per cent, or whether they will permit a suit for that amount to go to trial in the United States District Court at Texarkana next month. The suit was brought by George Jordan, trustee, in default of payment of the bonded indebtedness.

If the suit goes to trial, it is said, the bondholders may bid in the property for the \$86,215 and interest, or perhaps for less, and thereby acquire the entire holdings of the Arkansas Diamond Company. Some stockholders believe that it would be better to pay off the bonded indebtedness and continue in control of the property, rather than to let it go at a very low price.

Among stockholders who left last night to attend the meeting are Roy L. Thompson and W. C. Ribenack, president of the Chamber of Commerce.

When the Arkansas Diamond mine was shut down, it was announced that the number of diamonds reclaimed did not pay the cost of operation. About 10,000 diamonds have been taken from the property, including one which weighed 40 carats.

NO ACTION IS TAKEN ON DIAMOND COMPANY BONDS

Gazette 3/6/28

Nothing Decided at Meeting of Stockholders in St. Louis, With Reference to Suit in Court.

No action was taken at the meeting of stockholders of the Arkansas Diamond Company in St. Louis yesterday on the suit by bondholders, it was said by W. C. Ribenack and Roy L. Thompson, who returned late last night from the meeting.

The stockholders were called to consider whether they should pay off a bonded indebtedness of \$86,215, with interest from December 1, 1927, or whether they should permit a suit on the bonds to go to trial next month in federal court at Texarkana.

It was intimated that the matter will be considered at a later meeting.

REORGANIZATION OF COMPANY PLANNED

Gazette 4/3/28
Arkansas Diamond Corporation Stockholders to Meet Saturday.

A special meeting of the stockholders of the Arkansas Diamond Corporation will be held at 10 Saturday morning in the Chamber of Commerce auditorium, Second and Scott streets, to discuss plans for reorganization of the company.

George Jordan of New York, acting as trustee for New York bankers who hold \$75,000 of the company's bonds, which with interest, past due and unpaid, represent an indebtedness of approximately \$100,000, has filed suit in the federal court for the Western District of Arkansas at Texarkana, asking that the property of the company be sold to satisfy this indebtedness.

An attempt will be made at the meeting Saturday to reorganize the company, to provide for the payment of the indebtedness and reopen the company's mine at Murfreesboro. The company owns most of the peridotite deposits in Pike county, from which many diamonds have been taken. Operation of the mine ceased several years ago, and stock of the company today is classed as almost worthless.

Capital stock of the Arkansas Diamond Corporation is divided into 1,000,000 shares of \$10 par value. Of this number, 508,853 are outstanding and 491,147 are held in the treasury. The outstanding shares are owned by about 300 persons, 90 per cent of whom live in Arkansas, though control of the company is owned by five or six New York financiers.

The call for the meeting Saturday was sent out by seven stockholders. They are J. C. Pennix of Murfreesboro, John T. Fuller of Paducah, Ky., James Hammond of Pittsburgh, Pa., and H. W. Morrison, Fred Heiskell, R. H. Kaufman and Roy L. Thompson, all of Little Rock. Mr. Fuller will be here for the meeting and Mr. Hammond arrived Sunday to take part in the reorganization plans.

NEW CORPORATION TO ACQUIRE MINE

Gazette 4/8/28
Diamond Company Stockholders Decide on Plan of Operation.

Plans for the reorganization of the Arkansas Diamond Corporation submitted by Roy L. Thompson and other stockholders, were adopted by the stockholders of the company at a meeting held yesterday morning in the Chamber of Commerce auditorium. About 40 persons attended the meeting.

Mr. Thompson's plan called for incorporation of a new company with a capital stock of \$250,000 to buy the stock of the old organization, lease the property and operate it on a royalty basis. H. W. Morrison proposed the formation of a committee of 15 stockholders to take over the work of reorganizing.

The following stockholders were appointed members of the committee: J. Gilbert Leigh, R. H. Kaufman, Roy L. Thompson, Fred Heiskell, James T. Hammond of Pittsburgh, Pa., John T. Fuller of Paducah, Ky., and Judge J. C. Pennix of Murfreesboro. They will choose the other committee members.

Another Test Planned.

Mr. Fuller, who was formerly chief engineer of the American Bauxite Company at Bauxite, suggested to the stockholders that the property of the Arkansas Diamond Corporation at Murfreesboro had not been tested thoroughly before the work was abandoned several years ago. He said indications were that it would be worth while to raise funds for another test.

Attention was called by Mr. Kaufman to the fact that the company's mine had produced diamonds. He suggested that the committee in charge of reorganization obtain a statement explaining the operations of the old organization.

An explanation of the financial status of the corporation was given by Mr. Hammond. He said that Thomas Cochran, who represents Eastern interests holding bonds of the Arkansas Diamond Corporation, had told him that the bondholders would be interested in any plan for reorganization that would provide for paying the debts of the organization.

Judge Pennix is said to have been mainly instrumental in calling the meeting held yesterday. An indebtedness of \$100,000 is claimed by New York bankers who hold bonds issued by the corporation, and suit was filed recently in the Federal Court for the Western District of Arkansas at Texarkana, asking that the mining property be sold to satisfy the claims.

STOCK OF DIAMOND CORPORATION SOLD

Little Rock Group to Assume Control of Arkansas Mines.

New York, May 4.—(P)—A subcommittee composed of Roy L. Thompson, Fred Heiskell, Justin Matthews, all of Little Rock, John T. Fuller of Paducah, Ky., and James Hammond of Pittsburgh, today made an offer for unissued stock of the Arkansas Diamond Corporation of Virginia which was accepted by S. W. Reyburn, president. The deal will be consummated June 25.

The offer supplied money sufficient to pay debts of the Virginia corporation and of its subsidiary, the Arkansas Diamond Company of Arkansas. The present management will resign on completion of the deal, and purchasers will undertake direction of the company.

The purchasing group has agreed to have old stockholders share in the purchase of treasury stock, each being entitled to an amount proportional to that now held.

STOCK IN DIAMOND MINE TO BE SOLD

Gazette 4/2/28
Explanation of Arkansas Company's Plan Given by President.

Explanation of a plan for the sale of 491,147 shares of unissued stock of the Arkansas Diamond Corporation of Virginia is contained in a letter from Sam W. Reyburn of New York, president, mailed May 29, which has been received by stockholders here. Proceeds would be used in paying

debts of the corporation and of its subsidiary the Arkansas Diamond Company, and to repurchase the rough diamonds sold for \$21,000 to satisfy part of the indebtedness. The stockholders are offered their pro rata of the unissued stock at 25 cents a share. If all is sold, \$122,786.75 will be realized, and the corporation will be enabled to prevent public sale of the properties next August. This sale was ordered May 8 by United States District Judge Frank A. Youmans in the decree for foreclosure on the mortgage of the Arkansas Diamond Company securing bonds of \$75,100 with interest from July 1, 1925.

Properties of the company are located near Murfreesboro, Pike county. Text of letter:

Following is Mr. Reyburn's letter: "To the stockholders of the Arkansas Diamond Corporation:

"The Arkansas Diamond Corporation of Virginia was organized July 80, 1919, with authorized capital of 1,000,000 shares, par value \$10 each. It proposed to buy the lands of the Arkansas Diamond Company of Arkansas, some of which contained diamonds, or to acquire practically all of the capital stock of that company, and in its own name or through the subsidiary, make a test to see if diamonds could be found in paying quantities. It exchanged 178,320 shares for 8,816 shares, all of the capital except 32 shares of the Arkansas Diamond Company, which had no indebtedness except \$75,100 of bonds maturing the first day of July, 1926, secured by first mortgage on all of the lands of the company. It sold 332,533 shares at \$1 a share, leaving unissued 491,147 shares of the capital stock of the Virginia corporation.

"On July 30, 1926, a report on the financial condition of the company, showing its embarrassment and suggesting a plan for raising \$100,000 to pay all indebtedness and furnish a fund to meet current expenses for a year or two while renewed efforts could be made to secure funds for further testing, was made to the stockholders. The response to that appeal was not favorable.

"The diamonds recovered could not be sold to advantage and were pledged for loans to meet pressing debts and current expenses. The amount due on this collateral in July, 1927, was \$21,000. At that time the holders of the notes, who also owned the property of the company, demanded payment of all indebtedness. The company, without credit, could not borrow elsewhere or find a market for the diamonds. They were sold under the power of pledge for \$21,000.

"A decree of foreclosure on the mortgage of the subsidiary to secure the bonds of \$75,100 with interest accrued since July 1, 1925, was entered in the United States District Court of Fort Smith, Ark., on the 8th day of May, 1928, and the date of sale is set for about the middle of August, 1928.

"Some stockholders have undertaken to raise the money to pay off the indebtedness. A committee representing this group has made a proposition in

writing to buy the unissued stock of the Virginia corporation at 25 cents a share, with the understanding that the money received be used to pay the debts of the Virginia corporation, its subsidiary, the Arkansas company, and to repurchase the rough diamonds if that can be done.

"The men making the proposition have long been stockholders in the company. They are well known business men. It is their intention to take over the management of the company, and they expect to organize an operating company which will lease the property from the Virginia corporation and its subsidiary, the Arkansas Diamond Company. Through this leasing company they expect to raise the money to make further tests under the supervision and direction of John T. Fuller, a well known mining engineer.

"The charter of the Virginia corporation gives the directors on approval of the state of Virginia the right to dispose of the stock at any price determined to be fair, without offering the same to, or securing the consent of the stockholders. The Board of Directors has accepted the proposal if it has the legal right to do so, with the provision that the present stockholders shall be permitted to take their pro rata part of the unissued stock at 25 cents a share, and provided further that the purchase price of the 491,147 shares of unissued stock, to wit, \$122,786.75, be paid to the president

or the treasurer of the Arkansas Diamond Corporation of Virginia on or before the 25th day of June, 1928.

"Any stockholder who desires to take his pro rata share will be entitled to approximately 49 shares for each 50 shares he now holds.

"Please give the matter your early consideration and advise me promptly whether or not you care to have your pro rata share of the stock which is proposed to sell, and if so, send to the undersigned a certified check payable to Arkansas Diamond Corporation of Virginia to cover payment of same at rate of 25 cents per share, so it will reach me on or before Saturday the 23d of June, 1928. In case there is not sufficient interest to raise the money to consummate the sale, your check will be returned to you."

DIAMOND COMPANY PLANS EXPLAINED

Stockholders' Committee Issues Letter on Proposal to Save Properties.

Gazette 6/3/28
Explanation of the plan to prevent a foreclosure sale of Arkansas Diamond Company properties in Pike county by order of federal court is contained in a letter from the Stockholders' Committee. All stockholders are advised that they may purchase for 25 cents a share 49 shares of stock in the Arkansas Diamond Corporation of Virginia for each 50 shares in the older concern. Following is the letter:

"As stockholders in the Arkansas Diamond Corporation you have received from S. W. Reyburn, president, advice of the recent foreclosure proceedings which were instituted for the purpose of satisfying mortgage indebtedness on the property, the date of sale under such foreclosure having been set for some time in August.

"You also received from J. C. Pinnix, Murfreesboro, Ark., advice on this subject, following which a meeting was held in Little Rock by a number of interested stockholders to discuss the status of the corporation and what action, if any, should be taken. It was the sense of those present that further tests of this property were advisable, provided funds were made available for that purpose. A number of the stockholders in Little Rock and elsewhere felt they would like to make a further effort to do something with the property rather than see it sold under foreclosure, and, accordingly, in the interest of all stockholders made a proposal to the corporation for the purchase of the treasury stock amounting to 491,147 shares at the price of 25 cents per share, carrying with it, of course, control of the corporation. This proposal has been accepted by the Arkansas Diamond Corporation, and you are now offered the privilege of participating in the purchase of these 491,147 shares of stock on the basis of 49 shares of stock for each 50 shares which you now hold, and at the price mentioned of 25 cents per share. The money received from the sale of the 491,147 shares of treasury stock will be entirely consumed in paying the debts of the company, and any further operations or tests of the property will have to be financed in addition to the purchase of this treasury stock.

"It is the intention of the persons interested in this movement to make further tests of the property. The most feasible way of accomplishing this seems to be through a lease to another company on a royalty basis and with a proper guarantee of a certain amount of work to be done each year the lease is in effect. You will be given an opportunity of subscribing to the shares of the operating company if you so desire.

"If you care to exercise your right of purchase of additional shares in the Arkansas Diamond Corporation as above outlined, kindly mail your check for the amount of your participation at 25 cents per share to S. W. Reyburn, 434 Fifth avenue, New York, N. Y. (Check to reach Mr. Reyburn prior to

June 25, 1928) with proper advice of your wishes in the matter.

The group of stockholders who are taking this action with reference to this property have no information in regard to it that has not been imparted to you, but feel that rather than lose the property under foreclosure they are willing to spend some more money for a further effort to develop it and to give the minority stockholders a further chance on their investments, whether or not they take additional stock in the corporation."

Diamond Company Files Incorporation

Gazette 8/16/28
The American Diamond Corporation, with head offices at Murfreesboro, and capitalized at \$100,000 for the purpose of developing the diamond fields of Pike county and engaging in other mining operations in that section filed articles of incorporation with Jim B. Higgins, secretary of state, Friday. The company begins operations with a paid up capital stock of \$300.

W. F. Hintze, Murfreesboro, is president and Senator Claude A. Rankin is secretary of the company.

Diamond Mining Firm Asks for Right to Sell Stock.

Gazette 9/7/28
The Securities Division of the Arkansas Railroad Commission yesterday received an application from the American Diamond Corporation of Murfreesboro for a permit to sell \$25,000 worth of common stock of the company in this state. W. F. Hintze of Murfreesboro is president; J. N. Hipp, vice president, and Senator Claude A. Rankin, secretary-treasurer.

The Securities Division issued an agent's license yesterday to George M. Dunn, authorizing him to sell stock for the Little Rock Refining Company.

Diamond Mine Corporation To Be Probed Government Charging Fraud, Places Two Under Arrest.

Texarkana, Dec. 5.—(P)—Two men were in custody at Dallas, Tex., and a third awaited a hearing before a United States Commissioner in Texas Federal court here, on charges of using the mails to defraud in connection with stock selling operations of the Arkansas Diamond Corporation, carried on from here several months ago.

The company has no connection with the American Diamond Corporation, Murfreesboro, Ark., but has a tract of land near Murfreesboro, however, adjoining that of the older company.

Those arrested were Walter F. Heintze, Dallas, president of the corporation, and W. I. Brashears, promotion man, said to have served a Federal term from Fort Worth on a similar charge. A woman who acted as secretary to Heintze also was being sought.

Walter J. Mauney, Murfreesboro, who, with his wife and five fellow heirs owns the 10-acre tract on which the prospective diamond mine is located, was scheduled for a hearing before Mrs. E. S. Hughes, United States commissioner, Friday. He is a candidate for county judge of Pike county.

Hugh Wallace, United States post-office inspector, the man who followed the notorious Jess Newton to Mexico on the \$2,000,000 Chicago postal robbery case and inveigled him over the United States line to ride a wild horse in a specially staged rodeo, on which the United States government cleared \$400, investigated the diamond company.

Fraud orders already have been issued by the postmaster general against the diamond corporation and against Brashears and S. E. Nash, the woman secretary.

Wallace said literature sent out by Brashears was misleading and based on false hopes, though no positive guaranties of returns were made. Prospects of the company, based on the reports of engineers from the South African diamond fields, were negligible he said, whereas hopes to investors were held out of making returns up to 15,000 per cent on their money.

Brashears and Heintze will be returned here on a removal order for trial the third Monday in March.

W. J. MAUNEY TO FACE U. S. CHARGE

Pike County Political Candidate Accused of Fraudulent Use of Mails.

TO POST \$2,500 BOND

Literature Concerning His Proposed Diamond Mining Operations Declared Misleading.

Gazette 12-6-29

Texarkana, Ark., Dec. 5.—(P)—The president and chief promoter of the American Diamond Corporation, in custody at Dallas, Tex., on charges of using the mails to defraud, Walter J. Mauney, Murfreesboro, Ark., business man, and candidate for county judge of Pike county, was arranging here tonight to post a \$2,500 bond for preliminary hearing schedule tomorrow on a similar charge.

Mauney is said to be one of the owners of a tract of land near Murfreesboro owned by the corporation, and adjoining the properties of the Arkansas Diamond Corporation. The two concerns have no connection.

Walter J. Heintze, president of the corporation, and W. I. Brashears, promotion agent, were held in custody at Dallas. Brashears is said by federal authorities to have served a federal term in Fort Worth on a similar charge.

Should Mauney request an examining hearing before the United States commissioner, postponement of his preliminary hearing will be necessary pending gathering of government witnesses. Postal Inspector Wallace, who made the investigation, said charges had been filed against Mauney, but that he had not been arrested.

The American Diamond Corporation was incorporated in Arkansas, but staged some of its operations in Texas. It was capitalized at \$100,000 and stock sales were said to have run into thousands of dollars.

Although no positive guaranties were

reported to have been made in the company's promotion literature sent from here last summer, Inspector Wallace contended that it was misleading in view of the dividends alleged by the company.

Fraud orders have been issued by the postmaster general against the corporations and Brashears, and also against an E. S. Nash, a woman whose name is alleged to have been used by Brashears in business dealings here.

Hugh Wallace, the young postal inspector who has conducted the investigation, is widely known for his successful capturing of the notorious Jess Newton in the \$3,000,000 Chicago postal robbery case. Wallace, posing as a dentist, succeeded in luring Newton out of Mexico into Texas on the strength of a wager that he could not ride a horse at a specially conducted government rodeo. The government arrested Newton upon his appearance and is said to have made \$400 from the rodeo.

office yesterday:

1-30
Diamond Mining and Engineering Company of Arkansas, Little Rock, certificate of incorporation, capital stock, 10,000 shares of no par value stock; W. C. Ribenack and others, incorporators.

Producers Produce Company, Springfield, Mo., notice of entry into Arkansas with a branch office at Mammoth

July 13, 1930

Arkansas Diamond Company, Little Rock, notice of surrender of charter, the company having sold its property to another corporation.

Special to the Gazette. 5-20-31
Texarkana, May 19.—William I. Brashears of Dallas, Tex., who pleaded not guilty in Texas Federal Court yesterday to a charge of using the mails to defraud, changed his plea to guilty today and was sentenced to serve 15 months in the federal penitentiary at Leavenworth.

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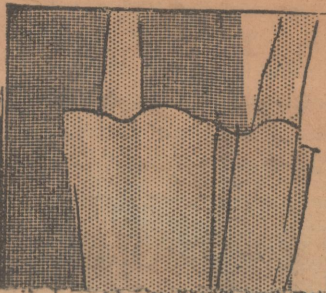
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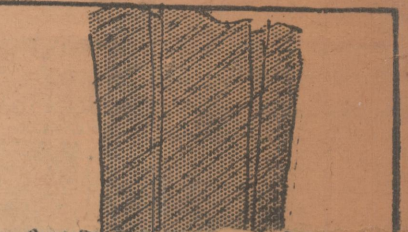
Hintze was president of the American Diamond Corporation, located in Pike county, Arkansas, two years ago, and Brashears was promoter. Mauney, who lived in Pike county, supplied the 10-acre tract which the company is alleged to have advertised as a rich diamond field, promising fabulous returns to all who invested in its stock. The government alleged the Mauney tract was not in the diamond district and consequently offered no returns to investors. The charges against all the defendants grew out of their connection with this company.

rel as being so "charmed" by a rattlesnake that it allowed the snake to swallow it before it was dead, the argument would have been just as fierce and prolonged. If the word "charm" is interdicted by science, one may at least say that the rattlesnake at times exerts a horrible influence upon man as well as upon animals. That the human beings so affected are possessed of an unusual imagination does not disprove the theory of snake fascination. C. B. Ruggles described to me an experience he had as a child. While he was hunting sheep some one day, wandering ahead of some other children, he became conscious of a rattlesnake not more than three feet in front of him. The snake was not rattling, but was swaying his head very slowly and gently. Ruggles felt tick. He was on his hands and knees, and only by stiffening his arms and exerting great will power could he resist the tendency to go forward. Some of the other children saw him and thought he was "tummy." One of them kicked him. At the kick his head dropped and, thus "released" from the snake's gaze, he backed away. Years after he was a grown man, Ruggles observed a blackbird that was on a limb only a few feet from the ground, acting in a most peculiar manner. Its feathers were disheveled, its wings drooping and its claws clutching a twig as if in agonized desperation. Looking about, Ruggles saw a noiseless ratter in the grass below the bird, swaying his head. He had a six-shooter, and, needless to say, he shot the head off. A Mexican whom I have known all my life and would trust with everything I have, told me how a rattlesnake once almost charmed him. He saw it in a thicket of dresses. A dress of white-colored velvet had a panel of sky blue satin, while a panel of black velvet was used in a gown of white brocade. A favorite color combination was light blue with bottle green. This was noticeable in evening dresses with contrasting tops. Black and white were outstanding in the collection with quantities of black velvet used with ermine trimmings. One evening dress had little bows of black moire on a band of ermine that outlined the décolletage. A lame frock had a three-inch band of ermine outlining a drop shoulder. Day clothes were considerably more re-

waiting, it is a most successful method of drawing attention to small wrists. EARLY AUTUMN MILLINERY. Feather trimmings are stressed on fall hats. Whether the model be one inspired by the ambitious Empress Eugenie or a derby sailor the hat must have a feather. The much-talked-of Rembrandt crown has a bright-colored contrasting feather stuck through it. The less dressy and modified cloche with a soft brim has a side ornament of feathers. A pretty gesture is the lifting of brims at the back, where clusters of tiny ostrich tips nestle.



High-necked sweater of Air-Can brown brushed wool. The skirt, illustrated with it, is of brown flannel.



The new type of sports sweater for schoolgirls is long and has wide armholes. The one above is knitted of moss-green yarn and belted with white, braided linen string. A skirt of brown diagonal tweed is worn with it.

each snake was actually beginning to swallow itself. I sat there on my horse watching them maybe fifteen minutes, and all the time the hoop they made was getting smaller and snaller. After a while I got down and killed them. I have always regretted that I did not let them finish swallowing and then bring them in to preserve in alcohol. They would be quite a curiosity. Personally I have no doubt that they would have gone on swallowing until nothing but the heads were left and the circle had been reduced to a dot. Any of the higher mathematicians that figure on in-sanity can understand the proposition. Why it is Einsteinism applied to rattlesnakes. I told the old rancher that his observation reminded me of the two wild cats fighting. Every time one of them jumped on the other the one under jumped out and exchanged positions that way, they kept getting higher and higher until a man would have watching lost sight of them and would have doubted that they were still fighting. If he had not noticed an occasional bit of fur falling at his feet. There are many accounts of combats between rattlesnakes, and as these creatures are no better-tempered than men or other animals, I can well believe that they do fight. But whether such a combat, as it is claimed, inevitably brings death to victor and vanquished alike, I do not know. It is agreed that the rattlers attempt to bite each other and generally succeed, but there has been much controversy as to whether rattlesnake poison is deadly to a rattlesnake itself. Everybody has heard the story of the wagon tongue bitten by a rattlesnake. Presently it began to swell and in water

TEXARKANA WOMAN ACCUSED OF FRAUD

Arrested at Cincinnati in Arkansas Diamond Mine Case. July 30, 1932

THREE MEN IMPLICATED

Walter F. Hintz, President of Company, Pleads Guilty, Then Asks Jury Trial.

Cincinnati, O., Nov. 19.—(AP)—Sue E. Nash of Texarkana, Tex., was arrested here today on a federal warrant charging use of the mails to defraud in connection with operations of the American Diamond Mine Corporation of Arkansas. She was secretary of the company, investigation of which caused one man to be sentenced to 15 months imprisonment, another to be fined and a third to be indicted. Walter F. Hintz, president of the company, pleaded guilty to using the mails to defraud and after being sentenced to a year and a day in prison withdrew his plea and asked permission to stand trial. Walter J. Mauney, owner of a tract of land leased by the company in Pike county, Arkansas, was given a suspended fine of \$750, and William I. Brashears, a promoter, pleaded guilty and was sentenced to 15 months. Miss Nash had worked in a department store here, but was married recently to a Cincinnati school teacher.

Murfreesboro Diamond Mines In Operation Again.

Special to the Gazette. 5-24-32
Nashville, May 24.—The diamond mines at Murfreesboro have been reopened after a shutdown of several months.

Plans to Start Development of Diamond Mine.

Special to the Gazette: 6-11-32
Arkadelphia, June 10.—A company represented by E. B. Byrd of California expects soon to start development of diamond holdings in Pike county near the Arkansas Diamond Mining Company. Byrd told A. J. Hunter, editor of the Amity Owl. Mr. Byrd said he found several diamonds on properties near Murfreesboro and displayed a fine black diamond.

He said his company also is interested in cinnabar ore in Pike and Clark counties. At least a dozen companies are prospecting and some have small refineries. Part of the cinnabar area is in Clark county and extends into Pike county.

COMPANY IS TO START WORK IN DIAMOND FIELD

ARKADELPHIA, Ark.—A company represented by E. B. Byrd of California expects soon to start development of its diamond holdings in Pike county which are near the Arkansas Diamond Mining Company, he told A. J. Hunter, editor of the Amity Owl. Byrd said he had found a number of real diamonds on the properties near Murfreesboro and displays a fine black diamond which is one of them. The Murfreesboro field contains diamonds of several colors, including the pure white. The Californian said his company also was interested in the cinnabar ore being found in considerable quantities in Pike and Clark counties. One cinnabar company recently obtained 1500 pounds of quicksilver from the ore worked in one week. Quicksilver is worth a dollar a pound. At least a dozen companies are prospecting and most of them have small refineries. A considerable part of the cinnabar area is in this county and it extends deep into Pike county.

MAN WHO IDENTIFIED ARKANSAS GEMS DIES

New York, June 30.—(AP)—Dr. George F. Kunz, aged 76, called America's greatest expert on gems, is dead. Dr. Kunz, vice president of Tiffany & Co. since 1879, died of a cerebral hemorrhage yesterday. July 1-1932
Dr. Kunz was the first authority on gems to identify and classify diamonds found in Pike county, Arkansas, it was said last night by George C. Branner, state geologist. Diamonds were discovered in Pike county August 1, 1906. Mr. Branner said, and specimens were sent to the Chas. S. Stiff Company of Little Rock, which forwarded samples to Dr. Kunz, who identified them as diamonds and declared that in quality they were equal to the best gems found in Africa. Dr. Kunz later came to Arkansas and inspected the diamond field with the late Charles S. Stiff. Gazette

Arkansas Diamond Firm Incorporated

Articles of Incorporation for the Arkansas Diamond Corporation, 114 Scott street, were filed Friday at the secretary of state's office. John P. Baird is designated as agent for service of the company which was organized for promotion of the Pike county diamond fields near Murfreesboro. The incorporators are Roy L. Thompson, president; Justin Matthews, vice president; John P. Baird, secretary; Alfred G. Kahn, treasurer; J. G. Leigh, Robert Caldwell and J. C. Murray.

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Empire of Diamonds

In the Heart of the Impenetrable African Jungle a Huge New Diamond Field Has Been Opened and Gangs of Naked Natives Are Digging for Gems

Gazette Aug. 23, 1931

By William Leon Smyser, F. R. G. S.

A thousand miles north of Kimberley, where the Congo-Kassal cuts through gravels that only now are beginning to yield up their untold wealth, gangs of naked Negroes are splashing in the mire—shoveling for diamonds. Regardless of world-wide depressions, regardless of booms or slumps in the demand, regardless of whether the price of cut stones falls or rises in New York and Antwerp, the hunt for gems goes on.

The will of the diamond hunters to penetrate a promising and almost unknown country, to test its ultimate resources, is stronger than any passing economic embarrassment. And the Congo-Kassal is Africa's new big diamond field. Already it is turning out stones which support the whole colonial budget of such great colonies as Portuguese Angola and Belgian Congo.

Until bluff and skill beat down the native resistance less than 20 years ago there was a black man's wall about inner Kassal. Its diamond lands were closed.

The tribes along the Lubilash, eastward from the Kassal, were cannibals. The hemp-smoking sects to the westward were headhunters. Between them lay inviolate the Kassal empire, secret as Tibet, inaccessible as Lhasa. Considering their rudimentary bows and arrows, their loose discipline, and their lack of commissary and transport, the natives who built up the empire had done a mammoth work. Their conquests extended across the Central plateau and down into Kassal basin, embracing a territory larger than Pennsylvania, and fitting into the great northward curve of the Congo like the star in the crescent on a Turkish flag. It grew through slow migrations and sudden raids. It was defended by threats.

Even David Livingstone, when he crossed the southern headstreams of the Kassal on his way from Lake Dilolo to the West coast, dared not push through to visit its paramount soba. Friendly natives warned him that the Baluba were inhospitable. So long was their river that one might follow it for months and find no end. So far away were their principal cities, Mai and Luba, that 40 days barely measured the distance. The Baluba would rob him of everything and take his men as slaves.

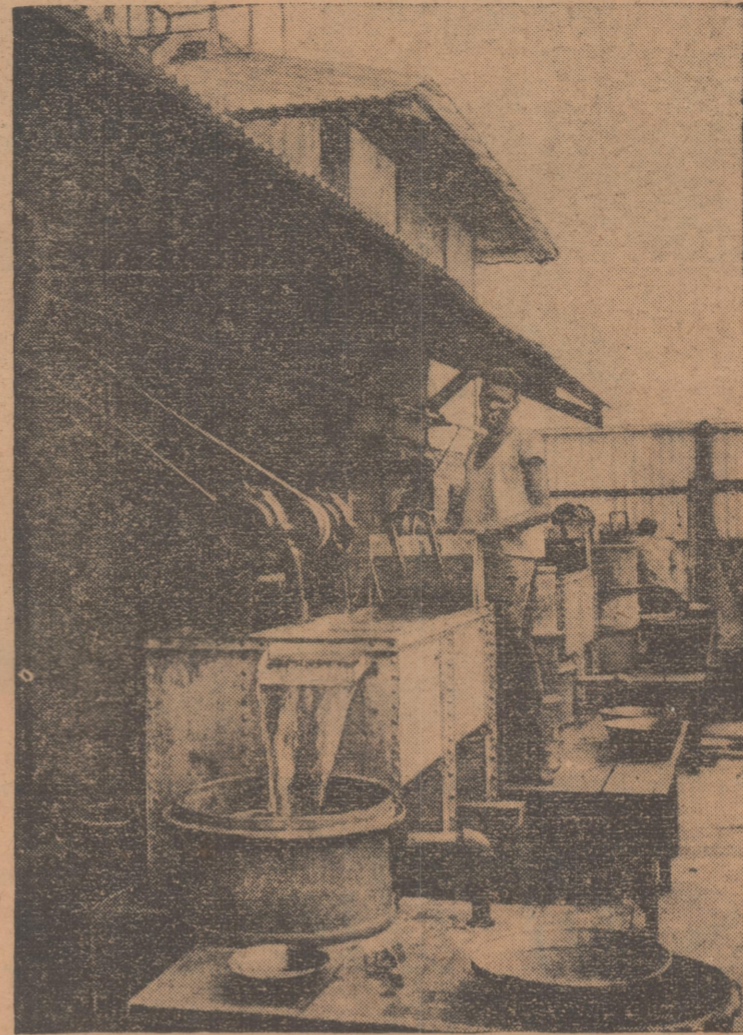
"The chief of the Luba discourages all improvements, and refuses to admit even guns into his country."

A Chinese wall defended Kassal. Had not diamonds been discovered on the Lubilash, the same front which it opposed to Livingstone might still today hold out all foreigners. Until the diamonds were known the region had little to recommend it. There was no lure of ivory, for elephants had disappeared. There was no lure of slaves, for slave hunting had become unfashionable and dangerous, and in Kassal empire wars kept the population too depleted for profitable exploitation. Indeed, there were no enough Baluba to justify the conquest of the region as a first step toward recruiting laborers. A tropical climate repelled invasion. The natives, attached to the place because its streams held fish and its fields were fairly fertile, were known to be belligerent. Until the end of the World war the Kassal held its secret.

Diamonds have a way of cropping out at hazard. On one of the Southwest Africa diggings a hunter first surmised their presence when he found some carat stones in a gizzard of an ostrich. On the Lubilash they were first found by men who, in trenching to keep floods from their camp, saw something sparkle in the wet gravel.

Quartz and many other crystals which flash in the air lose their brilliance under water, but uncut diamonds do not. They betray themselves with a flash when immersed. The diamonds in that Lubilash drain ditch spelt destruction to the black man's wall around the Kassal.

The Kassal diamond region was not in-



Diamonds Going Through the Jigger Machine

augurated by spectacular claim rushes. There were no mounted troopers to hold a line of eager men in order, no popping pistols to announce that the race was on,

tance, tropic heat and high humidity discouraged single adventurers. To make a Kassal penetration really effective world syndicates had to work together. The "Diamong" was formed, backed by English, American, Portuguese and Belgian capital. Cunning agents were sent to deal with the sobas. Government troops accomplished what guile could not. From the first a monopoly dominated the Kassal. Thus, as the black man's wall came down, a white man's wall was set up in its place.

Isolated, hundreds of miles from the nearest white settlements, the Kassal enjoyed unique advantages as a diamond country. The natives of the old Kassal empire were soon at work on the mines, scooping away the overburden so that the diamond bearing gravel might be handled, shoveling this "pay dirt" into barrows and wheeling it to the machines, or, at the picking stations, separating from other heavy pebbles the little crystals which sparkle in water. And at first Kassal natives were unable to appreciate the stuff they toiled over.

"When I sent in the diamonds from my mine to the central station at Dundu," one foreman in the Kassal told me, "I gave them to one of my black boys to carry in a little tin box. He had no idea of their value. Sometimes he'd meet other boys and leave his treasure unguarded in the middle of the path while he ran off with them to splash in the river. When the fun was over he'd come back and look for the box. Once a boy forgot where he'd left it and we had to organize a search. Another time the boy found no one in the general office, so he just left the box on the window sill and walked away."

The native does not know why the white man's automobile runs, he does not know why the white man's telephone speaks, he does not know why the white man's dia-

monds excite avarice. He regards all such phenomena as equally inexplicable and bizarre. He only knows that working to recover diamonds from the earth he himself is not sufficient to pay his head tax.

It was the "I. D. B." who introduced a cult of the diamond to the Kassal native. The "I. D. B." is the illicit diamond buyer who sooner or later worms his way into all regions of the world where precious stones may be found or purchased without benefit of law. He flourishes in Angola and in the Belgian Congo. Arriving mysteriously on a coastal steamer, he sets out for the interior with as fey men and boxes as possible. Some months later he reappears, still traveling light. Possibly he has shot a giant sable, or fixed upon some other trophy to explain his presence in such an out-of-the-way section of the globe. Quietly he slips aboard the next outgoing steamer, and some flurry on the exchange at Antwerp six weeks later indicates what has become of him and his hub rosa purchases.

The "I. D. B." brings anemia to the gravel pits. One knows that he is about when "pay dirt" which should yield one carat to the cubic yard drops suddenly to sub roca purchases.

"Are you black men eating stones?" the native workers are asked.

"Kassal boys are not stupid," comes back the naive answer. "We go find the white man who comes out of the forest. He pays twice as much for every stone we bring him as we could earn in picking station during whole week. All the big stones go to the man in the forest. You get only the leavings."

Theft is constitutional with the black man who has come into contact with white morals. Whatever his tribal ethics may be, he regards the conquering European as his prey. When I first entered the Kassal I was told that of the two principal native races one was fairly honest, while the other stole indiscriminately. Five minutes after this warning had been given me I forgot.

Under the inclement sun we stood and let him compare our faces with the faces of our passports. It was with manifest reluctance that he let us through. The suspicion, the hostility, the timidity of his attitude prepared us, however, for the reception we were to receive, as outsiders, all through the end of the diamond. Only the men whose posts relieved them of responsibility in case we should suddenly change into "I. D. B.'s" and make off with would afford to act normally.

which race was which. Never, in the course of all my subsequent experience with them, could I reconstruct the distinction. Both stole indifferently. They stole shoes and trousers, helmets and umbrellas, tobacco and cuff links, hair tonic and sweets. During their first years of service for the diamond miners they left scrupulously alone the little crystals for which they saw no practicable employ. When, however, the "I. D. B." came, even diamonds took on an interest. The black man is essentially utilitarian. When he finds some one to pay him for something which he considers useless he will leap to make the bargain, especially if the object to be sold is none of his property.

Compounding, to keep the natives out of temptation, just as they are kept out of temptation in South Africa, was the Kassal miner's only weapon against the "I. D. B." Yet even compounding presented its difficulties. When penned up the natives began to fight among themselves. Other natives passing along the road outside the compound always took up the argument, and hot words and missiles flew back and forth between the "ins" and the "outs." But now this state of mimic warfare has been stopped. One day a controller noticed that the natives on the outside, who often caught and threw back the sticks and mudballs thrown at them, were leaving the field with several reserve shots still in their hands. He investigated, and found that every mudball had a diamond for a core.

In the end not merely the native workers but the whole of the inner Kassal had to be compounded. Imagine an island nearly as big as Britain surrounded not by seas but by impenetrable jungles. Just as it once was possible, in the heroic days of smuggling, to slip into Cornwall unobserved, so it is possible today to force an entrance into the Kassal. Yet the "I. D. B." who attempts to smuggle himself into the Kassal must brave more than angry seas. He must cross the innumerable side streams and swamps which parallel the Kassal, ridden with fever and infested with tsetse. He must deal with strange, unsubjected tribes that have taken refuge in the inhospitable jungle. He must find his living in a region where everybody is against him.

Two doors, and only two, give legitimate and comfortable access to the inner Kassal. Mai Munene is the village of which men spoke to Livingstone. It lies to the north of the diamond country, where it commands the head of practicable navigation on the Kassal at the point where one transfers from the Congo river steamer to the trails. Beyond, all is forbidden territory. The closed land of the monopoly stretches "40 days" to the south, to where the Kassal, near its head, is but a narrow stream cutting its valley out of the central plateau. Saurimo guards the headstream and its tributaries. It is here that Livingstone turned back. Nowadays the Benguela railroad passes less than 200 miles to the south, and a narrow gauge line from Loanda comes almost as near to the west. Traffic from both lines must pass Saurimo. It is the Kassal's second door.

The empire of fetish has simply passed on its prerogatives to the empire of "Diamong." "Diamong" issues its visa like a sovereign state. En route to the diamond country one's passport is demanded at Loanda, Malange, Saurimo and Camissombo. Once within the closed country one must report to the local administrator or be ejected. In the old days ivory traders, missionaries, slave hunters, and even the Arab caravans from distant Zanzibar were kept out of the Kassal by the Baluba. Now travelers and hunters are kept out by the "Diamong" for fear they might take away some stones as souvenirs, might undermine the company's authority.

There is no place in the diamond country. (Continued on Page 12.)

Civilized man has never stood out in sharper contrast to raw, luxuriant nature than at Dundu, the heart of the diamond country. Passing its last barrier one enters the inner Kassal along mere wagon tracks beside which the tall African grasses grow higher than the top of an automobile. Scorpions, worms and a profusion of dazzling purple, red and orange grasshoppers rain in on one as the car brushes aside the heavy grass crests. Gradually, however, the grass becomes less tall,

Empire of Diamonds

(Continued from Page 3.)

try for outsiders. The Baron de Caters and I are two out of possibly 20 independent observers who have seen the place. One of my seven visas for the region is numbered "19!" Our path was made less difficult by letters of introduction, yet we were submitted to cross-examination wherever we met the white officials who have supplanted the sobas.

Palaver is still necessary on the Kassal before one is given his guide and his safe conduct.

Unshaven, unwashed and undoubtedly unshriven, the underling who happened to be in charge of Camissombo in the absence of the regular commandant barked at us:

"Take your hats off here! You are in the presence of an

A New Arkansas Traveler



By George M. Moreland

It has been 20 years this summer since announcement was made to the world that diamonds had been discovered in the Ozark foothills in Southwestern Arkansas. Probably now nearly everybody who keeps in touch with the progress of America are aware of the existence of diamonds in Arkansas. But many do not know exactly why and how diamonds were discovered in Pike County, Ark.

Many years ago the State Geologist of Arkansas was a man named Dr. John C. Branner, one of the greatest geologists who ever lived. Although the Arkansas Legislature made little appropriations for the making of geological sur-

veys, Dr. Branner used that which was appropriated most wisely and it was he who made the first accurate survey of the great resources of this State, which have not yet been properly exploited.

It was during this period when Dr. Branner was making closest examination of the geological formations in Arkansas that he made the statement that diamonds probably existed in the foothills contiguous to the village of Murfreesboro, the county town of Pike County. Little attention was given by the world to this statement of the great geologist. His statement was half forgotten.

But one old farmer down at Murfreesboro did not forget. John Wesley Huddleston owned some land in the foothills near Murfreesboro where he had seen Dr. Branner making his inspections. This land was not very fertile. It was located upon a hillside in what appeared to be a queer extinct crater. Although John Wesley Huddleston was a poor man he probably had dreams when he wandered over his arid acres. It was on Aug. 1, 1906, that this farmer rambled over the hillside and sat down beneath the shade of a scrubby pine bush to rest. While he sat there he noticed a small piece of what was apparently glass upon the ground near him. He picked it up and took it home with him. This bit of glass interested him. He sent it up to Little Rock to a noted jeweler. This jeweler, in turn, became interested and sent the queer bit of glass to New York for expert examination. It proved to be a perfect specimen of blue white diamond of two carats.

Murfreesboro, for generations a sleepy old county courthouse town with never any greater excitement than the periodical assembling of the county courts to break the monotony, was thrown in a frenzy of excitement. A corporation was hastily formed for the purpose of purchasing Huddleston's arid acres. They paid him \$36,500 for his land. This did not include the first diamond found which Huddleston keeps to this day. It has never been cut, but is preserved in the rough as a memento of the greatest excitement that ever visited Pike County.

Two mining companies were organized, each acquiring certain areas in the vicinity of Murfreesboro. Both became actively engaged in the unique work of diamond mining in Arkansas. Since the mines have been in operation diamonds to the amount of 10,000 carats have been found. The average size of the diamonds recovered range all the way from one-eighth of a carat to 20 carats, although one was found which weighed 40 carats. The famous Sultan diamond, one of the largest in the world, weighs 187 carats. By this comparison my readers can judge of the size of the Arkansas diamonds.

A visit to this diamond field is most interesting. It is far off the beaten trail of tourists and not many people visit it, although those operating the mines always accord visitors a royal Arkansas welcome. The diamonds are found near the surface of the earth. The area in which they are found is not large. It comprises only a few acres. The hillside has the appearance of having once been probably the crater of some cavern. Likely an upheaval in bygone days turned the diamonds from the bowels of the earth. Little grass grows in the vicinity. The trees are dwarfed. The earth is apparently quite sterile. The loose earth is of the color of dull slate when dry. When wet it is of a bluish gray and as sticky as beeswax.

This earth is lifted with shove upon wooden troughs. By slushing water through these troughs gravity carries the slush with the water down the hillside to the machinery which adeptly separates the diamonds from the peridotite, which is the technical name for the earth in which diamonds are found.

The men who operate the mines are hill people who have lived all their lives in the vicinity of Murfreesboro. One would think that there would be great precautions taken by the operators against theft. I was very much surprised when I was informed that the men who work in the diamond mines are never searched, are required to make no bond, and during the 20 years of constant operation not one of them have ever been suspected of theft. The men are eager to report any "find" they make.

Those tourists who contemplate visiting this section of America this year would be well repair to detour by way of Murfreesboro and visit the only diamond mines in North America. Not only are the diamond mines novel and interesting but the country around Murfreesboro is one of the most picturesque in all Arkansas, a country noted for its natural beauty.

Divers Puzzles and Pasti

Democratic Pike County Craters Idle as Working of Entire Area Is Made Impossible Oct 20 1935

By BOB THOMASSON.

Murfreesboro — We are so often asked the question, "Why is it that the diamond bearing craters in Pike county, Arkansas, are lying idle and not being worked?"

The shortest answer is. Diverse ownership of the craters' area. Located within two miles of Murfreesboro are two volcanic craters that are filled with the identical volcanic mineral known as Kimberlite, which is the matrix of the diamond both in South Africa as well as in America. This mineral is weathered on the surface of the crater for a depth of twenty to forty feet into a yellowish green earthy substance and below this disintegration it becomes a soft bluish green brecciated rock called "Blue ground." Both the yellow and blue ground contains genuine diamonds.

The size of the Prairie Creek crater, which is located one and one-half miles south of Murfreesboro, is given by the U. S. Geological Survey as containing 73 acres which makes it the second largest diamond mine in the world, being only surpassed in size by the great Premier Mine of South Africa containing 78 acres.

Discovered in 1907.
Diamonds were first discovered in August, 1907, in the Prairie Creek crater by John Huddleston, who picked up two on the surface of the ground. These two stones were sent to America's leading gem expert, Dr. George Kun of New York, who pronounced them genuine diamonds.

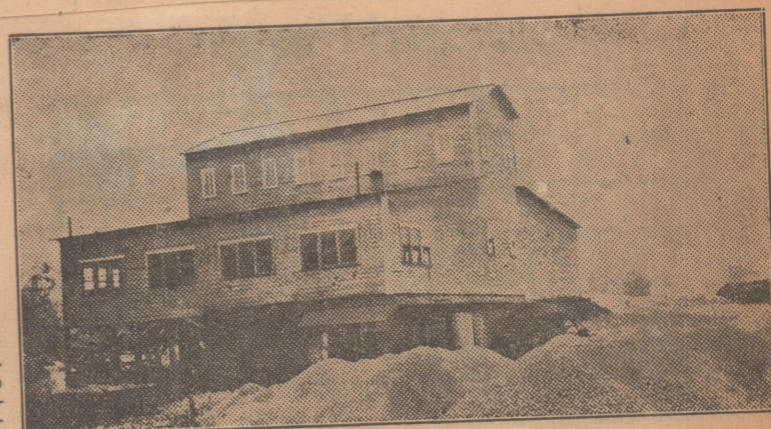
When the news of the discovery of diamonds near Murfreesboro got out, engineers, geologists, miners, capitalists and adventurers began to

flock into the little quiet county seat of Pike county. But the finding of diamonds is restricted to crater area, which was almost immediately bought up by a few interests and over \$75,000 in cash was paid to farm owners in the area. Huddleston received \$36,000 for the part of the crater on which his original find of two stones was made.

After a few years of prospecting the field quieted down to development. In 1912 the first two diamond washing plants were erected, one for the Ozark Mine and the other for the Mauney Mine. Operations of these two properties were made in a careful and scientific way to ascertain the yield in diamonds in terms of carats per load of material washed, and the determination of the value of the diamonds recovered. Unfortunately these plants were destroyed by fire at the close of the war period, but many fine diamonds were recovered.

Plant Abandoned.
Shortly afterwards, Eastern interests in 1920 constructed a much larger plant on the original Huddleston tract, using untried methods and machinery, which were unsuccessful as they lost more diamonds by inefficient work than were recovered. Afterwards works on a small scale by sluicing the surface, very similar to placer gold washing was started on this same property and many fine diamonds were recovered inclusive of the largest diamond that has been found in Arkansas, a beautiful white gem of over forty carats, that was valued at \$20,000.

The very nature of the Kimberlite mineral which is the matrix of the



Here is a picture of the first diamond washing plant of the Kimberley type erected in America. This plant was built near Murfreesboro in 1912 and began operation in 1913. It burned in 1919.

diamond in both Arkansas and Africa precludes the mining of portions of the crater's area, leaving the other portion untouched, for reason that it disintegrates very rapidly and caves readily, thus making mining operation dangerous. This trouble was experienced in the early workings of the Kimberley mines of South Africa and the caving of claims in the craters caused abandonment of the richest diamond mines in the world until an American mining engineer, the late Gardner F. Williams, and the late Sir Cecil Rhodes, combined all interests in the Kimberley field into the De Beers Consolidated Mines Ltd., which have produced most of the world's diamonds.

Thus diverse ownership in the Arkansas diamond mines halts its successful development, as it is necessary to work from wall to wall of the crater by correct mining methods on a commercial scale similar to those employed in South Africa to make it a success.

50,000 Diamonds Found.
As to the diamonds recovered in Arkansas since John Huddleston picked up the first two stones, it has been estimated that more than 50,000 diamonds have been recovered and taken from the craters,

whose surfaces are now hardly scratched. They are found in wonderfully crystallized stones of the isometric system of crystallization, in all sizes, shapes and colors, the sizes ranging from minute fractions of a carat upwards to forty carats in weight. The colors range from the purest of gem white, which is the most valuable, through the shades of yellow into brown to almost black. Some are very pure, while others are imperfect and distorted in shape. All diamonds are classified into two general classes. Gems or the jewel grade, and the industrial diamonds, and in both of these grades Arkansas diamonds have been proven to rank with the best. From tests made they show a superior hardness and brilliance to most African diamonds. Industrial diamonds are now used in a great many industries where grinding or cutting of hard substances is necessary and where precision methods are required. The automobile industry is one of the large consumers. Also electrical work and wire drawing is done through diamonds. The American market consumes a large percentage of this important class of diamonds and it is the hope that Arkansas can supply this trade with needed diamonds.

Five companies hold land in the 80-acre diamond field near Murfreesboro, but the Arkansas Diamond Corporation controls most of the acreage. Diamonds first were discovered there in 1906. The news brought eager fortune hunters from all over the world and the town of Kimberly, named after the great diamond producing area in South Africa, was founded.

The boom was dissipated when it became generally known that all the diamonds to be found were in the one small field.

Diamond Corporation's Directors Re-Elected

Richmond, Va. (AP)—Directors of the Arkansas Diamond Corporation were re-elected here yesterday by proxy votes through Eppa Hunton IV, Richmond lawyer.

No mention was made of any possible resumption of operations at the Arkansas mine, which is the only diamond mine in America. A number of stones had been taken from the mine in the past.

Directors were named again by the corporation's stockholders are: Dr. Robert Caldwell, James Hammond, J. McMurry, S. J. Newcomb, J. Gilbert Leigh, Alfred G. Kahn, John P. Baird, Justin Mathews, Roy L. Thompson, Hogan Oliver and J. C. Pennix.

Diamond Mines May Be Reopened Gazette 11-1-36

Arkansas's diamond mines in Pike county, inactive since 1930, may be operating again in a few months.

Alfred G. Kahn, Little Rock banker and official in the Arkansas Diamond Corporation, said yesterday that plans for reopening are being discussed and that a decision probably would be reached during the winter. He explained that the shutdown was caused by the marked decline in diamond prices, which came with the depression.

Another official of the company said that the business could be run again at a profit, as it was for several years, if suitable arrangements for reopening could be made. He said that Arkansas diamonds are harder than those from Africa and bring equal prices.

Topics of the day

Ensign's commission in 1896 he was assigned to a relief expedition in the arctic. There he had two years of the most hazardous life a Coast Guard man can experience—the rescuing of stricken whaling-ships.

With the United States naval force at Brest in 1918, he did more rescue work. Once in a heavy sea which threatened to dash the boat under his command against a sinking destroyer, his maneuvers were skilful enough to save all forty-seven lives on the distressed ship. Since 1932 he has served as Commandant of the United States Coast Guard.

As Secretary of Labor Frances Perkins announced this week that peace talks would begin once more, there were further repercussions from the explosions which Bridges, Curran and Co. had set off.

Secretary of State Hull, sailing for the Pan-American Peace Conference at Buenos Aires, was delayed for nine hours while his ship dug substitutes for six striking seamen.

The Chamber of Commerce in Fairbanks, Alaska, shocked the town with the news that its food supply would be gone within thirty days unless coastwise shipping were resumed.

DIAMOND FINDS: New Capital Obtained to Reopen Mine in Arkansas Ghost Town

1900-14, 1936
"And speaking of diamonds," James Buchanan Brady used to say, "I've got a few you might like to see. They're my hobby, you know."

Eleven years before this same gem specialist, "Diamond" Jim Brady, died in 1917, a farmer, John Wesley Huddleston, was walking slowly over a treeless, volcanic rock sector on his property near Murfreesboro, Arkansas. Two bright stones attracted his attention. Hurrying into town, he sought advice. The stones were sent to Dr. George Kun, New York gem expert.

Yes—they were diamonds: the larger,

two and a half carats; the smaller, one and a half.

Neighbors made a rush, got options on the tract surrounding Prairie Creek Crater, site of the find.

Enthusiasm provoked a boom for Murfreesboro. Engineers, geologists, miners, capitalists and adventurers arrived, doubled the population.

Millions Sunk—A corporation was founded, with banker Samuel Wallace Reyburn at the head, to operate the Arkansas Diamond Company. Bankrupting tests closed the initial plant in 1908. Eastern capital arrived and the mine opened and closed several times. By 1912 two washing-plants were erected and operations went on slowly, with interruptions, until 1930. Then diamond prices decreased, enthusiasm waned, the Arkansas field virtually closed. A couple of million dollars had been sunk in the sundry ventures.

Now the Arkansas Diamond and Engineering Company, leasing from the Arkansas Diamond Corporation, is planning to reopen America's only diamond-mine.

The field consists of 700 acres of a high plateau in Pike County, sixty of which are of the peridotite, diamond-containing soil. As far back as 1842, geologists have known this type existed in Arkansas and in 1890 one investigating scientist found the soil much like the kimberlite at South African mines. The tract was on the crater of an old volcano, extinguished by flood many centuries ago.

Five separate companies have worked their way into ownership of various parts of the field. Led by Roy Thompson, heavy-set, jovial Little Rock printer, the principal owners are ready to put up \$400,000 to resume operations. Better times and a rise in the diamond market are actuating them.

Yield—Once expected to furnish annual profits of \$1,200,000, the Arkansas mines in twenty-five years of operation have yielded about \$100,000 worth of diamonds. State Geologist George C. Branner said information available to his Department



Better times and a rise in the diamond market bring Arkansas mines to life again

Diamond Rush Ghost Village May Be Boomed Again

KIMBERLY, Ark., Nov. 7 (A.P.)—Here is this ghost-village where old-timers recall the Arkansas "diamond rush" of 1906, they are talking of new operations at the Pike county surface mines, only producing diamond field in North America. Better times prompt the talk—the depression virtually closed the field in 1930.

The principal owners, mostly business men successful in other lines, are scanning market indices and laying plans for a resumption of activity in the workings, sporadically operated over a 20-year period. Five separate companies hold acreage in the field.

"We shut down with the decline in diamond prices which came with the depression, but discussions of opening up again on a large scale are being held and a decision probably will be reached this winter," Alfred G. Kahn, Little Rock banker and an official of the Arkansas Diamond corporation, controlling most of the field, said today.

Never on Large Scale

An associate, Roy L. Thompson, president of a Little Rock printing company, said previous operations had never been on a large scale.

"But we did operate at a profit for years," he said, "and it can be done again in normal times. The Arkansas diamonds are harder than those from Africa and they bring prices just as good."

A United States geological survey bulletin published in 1925 described the Pike county mines as "the only such mines on the North

American continent." It said the field's largest "finds" were a 40.23-carat stone picked up in the summer of 1924, another of 20.25 carats found in 1921, and a third of 17.86 carats taken from the workings in 1917.

"The number of diamonds that have been found near Murfreesboro, Ark. (Kimberly's trading center), since their discovery in 1906, is known only in part, for the mining companies have withheld from publication the figures showing complete production," the survey commented.

State Geologist George C. Branner said, however, that information available to his department showed 48,000 diamonds, aggregating 12,000 carats, had been mined in the Murfreesboro-Kimberly producing area, a treeless, 80-acre tract of volcanic rock.

Sub-surface operations never have been attempted. All mining has been in shallow, open cuts and the hydraulic method has been used to "wash out" the crumbled rock. But most of the stones have been removed by hand, after plowing up the soil.

When John W. Huddleston of Murfreesboro (folks still call him "Diamond John") picked up two diamonds on his property 30 years ago, and told about it, he started a get-rich-quick rush into southeastern Arkansas.

People came from far and near, quitting jobs and home-ties to share in a new bonanza.

State Land Commissioner George

W. Neal, a resident of Murfreesboro in those days, tells the story:

Town Over-Night

"Excitement was high. People swarmed into Pike county from everywhere. Most of them had little money and no equipment for mining. They didn't care—they had come to gather diamonds. But the land where the gems were discovered was quickly taken up by corporations.

"Undeterred, the amateur prospectors continued to rush in. The town of Kimberly sprang up overnight. It had business houses, a bank, and hastily-thrown-together residences.

"Then came disillusionment. The newcomers' money gave out; productive land had been leased to the corporations, which closely guarded it. Hopes dashed, the wealth-seekers started back to their homes."

Kimberly is now a ghost-village. The buildings are still there, but it has fewer than 60 residents.

Neal recalled that land-holders in the area staged "candlelight diamond hunts" at night.

"They used to advertise these hunts widely and people came from miles around," he said. "Everyone brought a candle and started out after paying a fee of \$1. The only ones who made any money out of it, so far as I know, were the sponsors."

Dr. Branner said the Arkansas diamond is found "in dikes of volcanic rock known as peridotite, which closely resembles the material in which diamonds are found in South Africa." He said the strata were probably brought to the surface by explosions within the earth.