

Prelude to Sutter's Mill and the Klondike: The First Mining of Gold in the United States, 1799-1896

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History is full of ironies. For example, we are told how, in 1896 on Rabbit Creek in Canada's Yukon Territory, George Carmack, Tagish Charlie, and Skookum Jim pulled from between "flaky slabs of rock like cheese in a sandwich" enough small gold nuggets to fill a Winchester cartridge.¹ In the same year, thousands of miles southeast in North Carolina, the Reed Gold Mine yielded a 22-pounder, one of many large nuggets dug up there since 1799.² While the thumb-size lumps recovered in the Klondike set off the most spectacular gold rush in history, North Carolina's large nugget (a cast of which is preserved in the Smithsonian Institution) represented the last gasp of the first documented site of gold discovery north of Mexico.

Let's start at the beginning. Deserting a Hessian regiment hired by King George III to fight on American soil during the Revolution, Johannes Rieth made his way from Savannah, Georgia, to a rural North Carolina community already settled by fellow Germans.³ There in Mecklenburg (now Cabarrus) County, he Anglicized his name to John Reed, married Sarah Kiser, started a family, purchased a tract of land and several slaves, and began the life of a small farmer. One Sunday in 1799, while John and Sarah were at church, their 12-year-old son Conrad amused his siblings by spearing fish in Little Meadow Creek with a bow and arrow. Attracted by a shiny object in the creekbed, Conrad struggled to pick up and lug home the smoothing-iron-size hunk. His frugal father, returning from church, was just curious enough about the heavy object to put it to practical use as a doorstep.

Visitors to the humble Reed home expressed varying opinions of the 17-pound yellow chunk, but not until 1802 was the uneducated German immigrant persuaded to take it to Fayetteville for examination by a silver-

smith, who agreed to flux it and determine its metallic content. When Reed returned, he was shown a handsome bar of gold. Struggling with the English language and having no idea of the value of gold, the German gladly accepted \$3.50 in return for the bar. When the farmer arrived home, neighbors chided Reed for his gullibility, and back he went to Fayetteville for a more acceptable settlement, rumored to be \$1,200, still less than its true value. Meanwhile, the notion that there must be more gold in the creekbed and along the banks led Reed to devote spare time of himself, his family, and his slaves to the search. In 1803 he took in three local men as partners, and before the end of the year Peter, one of the slaves, dug up a 28-pound nugget.⁴

North America's first gold rush was now on, for, though the Reed partnership limited its search to his real estate, neighbors began digging along streambeds on their own property. The fever spread all the way to Washington, where the architect of the Capitol, William Thornton, rushed to charter the North Carolina Gold-Mine Company with the object of buying up land in the vicinity of the Reed property.⁵ Despite an illustrious board of directors, of which both the Treasurer of the United States and the President of the Bank of the United States were members, this commercial venture failed, largely because individual neighbors for miles around preferred to hold onto and mine their own property. Still farmers at heart, they paid first attention to their fields and then spent their spare time looking for gold.

Even so, until 1829 all of the native gold minted by the United States Mint came from North Carolina. By 1835, the Reed property alone had recorded 115 pounds of concentrated gold in pieces weighing one pound or more each.⁶ Two years earlier Samuel Griswold Goodrich's *The First Book of History for Children and Youth* reported that men from as far away as New England had come to dig gold in North Carolina.⁷ Earlier, *Niles' Register* had estimated—no doubt exaggeratedly—that 20,000 men, including Europeans speaking thirteen languages, were at work in the gold fields.⁸

During the first three decades of the nineteenth century, streambed and placer mining—the plucking of loose chunks clearly exhibiting gold content—was the norm but, in 1825, Matthias Barringer, puzzled by the absence of gold upcreek of a rocky ledge, spied a vein of gold-bearing quartz extending into the bank. Thus began vein mining; and by 1831, shafts were being sunk deep into the hills. Together with more

sophisticated means to separate the gold, underground mining required more capital than most farmers could afford, and many gold mining companies were chartered.⁹ That the Reed was prospering in 1834 was indicated by the formation of a larger family partnership. Unfortunately, an argument developed over whether a teenager was an appropriate substitute when one of the partners was ill, and the mine was closed for several years while the case went all the way to the State Supreme Court.¹⁰

Meanwhile, North Carolina gold production attracted another German, Christopher Bechtler, who settled his family in Rutherford County and established America's first private mint.¹¹ The popularity of Bechtler, who produced the nation's first gold dollar, did not escape attention of the United States Mint, whose coins were less generous in gold content. Consequently, through Congressional action, a government branch mint was built at Charlotte, North Carolina, and Dahlonega, Georgia, for by then gold had been found also in South Carolina and Georgia. In 1843, John H. Wheeler, former State Treasurer of North Carolina and then Superintendent of the Charlotte Mint, estimated the production in North Carolina since 1799 at \$10,000,000—roughly a third of the total being coined at U.S. Mints, a third in coins and bullion passing through Bechtler, and a third being sold directly to speculators.¹² Thus North Carolina retained its title as the "Golden State" until the 1848 strike at Sutter's Mill in California dwarfed all previous gold production.

Although some eastern gold-seekers rushed to California, others renewed their efforts in the Carolina Piedmont. In the 1850s *Harper's New Monthly Magazine* sent its artist/reporter David Hunter Strother, under the pen name Porte Crayon, to record the feverish activity at Gold Hill, only a score or so miles from the Reed Mine.¹³ There shafts hundreds of feet deep were worked until the Civil War by a combination of Cornish immigrants, local whites, and slaves.

John Reed died in 1845, leaving a much-enlarged plantation.¹⁴ Within a few years, it was sold to a company that invested heavily with mediocre returns.¹⁵ These ups and downs continued until the 1890s when members of the Kelly family of Kelly-Springfield Tire Company fame purchased the property and invested in new and more sophisticated mining equipment and techniques.¹⁶ That was when Jacob Shinn, digging a couple of feet below the surface in a meadow called the "potato patch" because it had disgorged so many nuggets for nearly a century, turned up his

heavy golden potato.¹⁷ But the excitement over this recovery soon wore thin, for no more large nuggets were uncovered, and gold extraction from the “quartz gangue” of the underground stopes was disappointing. Furthermore, the 20 July 1897 issue of the *Raleigh News and Observer* carried a headline, “Gold Fever Is Raging,” followed by reports of fabulous gold strikes in a far-off place called the Klondike in a far-off land called the Yukon. The Canadian Northwest Mounted Police was quoted as reporting that 5,000 men were needed at wages in the mines of \$15 a day and at the saw mills at \$10 a day—rates unheard of in the United States.¹⁸ Of the thousands who braved the elements and terrain to reach the Klondike, some had worked the gold veins in North Carolina. Others, like young Bruce Cotten, sought their fortune by starting out for the Klondike, only to be disillusioned before reaching the gold region.¹⁹ Now, gradually the memory of the “bull of gold mines,” as the Reed Mine was called because of its production of large hunks, faded through future generations. North Carolina’s gold history, already shaded by Sutter’s Mill and other western mining, was now overshadowed by discoveries in western Canada and Alaska. Except for several small efforts in the twentieth century—including some panning by desperate men during the Great Depression—the Reed property lay dormant. Happily, however, the Kelly heirs did not need money, and the absentee-owners held onto the 800+-acre property as an occasional rural retreat. One can imagine their breaking the monotony of Ohio life by yawning and saying, “Let’s take a ride down to our gold mine in North Carolina.”

In 1970, as Director of the North Carolina Department of Archives and History, I for the first time walked over the Reed property and became obsessed with its preservation.²⁰ By then most of the structures and equipment were gone and the shafts were half filled with water and debris, concealing their depth and danger. By a remarkable coincidence, my contact with the Kelly heirs was made just as they were considering an offer by a Charlotte real estate agent to buy the property and develop it into exclusive “Gold Mine Estates.” Representatives of the family warmed immediately to our interest in acquiring the property and developing it into a state historic site. They generously donated to the state seventy acres encompassing the historic mine site, and for a very modest price they sold the remaining acreage, thus keeping intact the entire farm well over a century after it had gone out of the Reed family ownership.

I knew little about gold and its history, and there was relatively little literature on North Carolina's reign as the "Golden State." It was necessary for me to take a crash course, and I made repeated visits to gold-mining areas of the Northwest and Yukon Territories and Alaska to learn more. (These trips to the north, incidentally, also infected me with an Arctic fever that has consumed all of my vacations for the past quarter century and led to my current interest in the Inuit and their art.) Back home, with the help of the National Park Service (which declared the site a National Historic Landmark), we conducted a feasibility and planning study, then obtained state funding for development.²¹ In the past fifteen years Reed Gold Mine State Historic Site has attracted more than a million visitors, who study exhibits of North Carolina's gold mining history in a modern museum/visitor center, the exterior of which represents my memory of a building at the Giant Yellowknife Gold Mine. Then they may explore the underground workings of the mine, observing equipment utilized throughout its history, and view the foundations of above-ground gold-extracting facilities. Down the hill visitors may view the workings of the 1890s stamp mill (manufactured in nearby Charlotte) and watch the separation of gold on a concentration table used until the 1960s at a nearby mine. Gold may still be found at the Reed, and, although digging for nuggets is frowned upon, visitors may pan ore that is seeded with bits of gold from other North Carolina mines. Finally, the walk along Little Meadow Creek back to the visitor center allows the imagination to evoke the scene of 1799 when young Conrad Reed strained to carry home a 17-pound nugget that marked the first documented discovery of gold north of Mexico.²²

In 1999, we will be celebrating the bicentennial of that event, and I hope that many of you can join us in North Carolina.

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Endnotes

1. Pierre Berton, *The Klondike Fever. The Life and Death of the Last Great Gold Rush* (New York: Alfred A. Knopf, 1958), p. 47.
2. *Concord Times*, 16 April 1896.
3. For more on John Reed and his life before the discovery of gold on his property, see M. A. Schwalm, *A Hessian Immigrant Finds Gold: The Story of John Reed* (Stanfield, NC: Reed Gold Mine, 1996). The story of the first discovery was told in an affidavit written in January 1848 by George Barnhardt (son-in-law of John Reed, brother-in-law of Conrad Reed, and sometime partner in the operation of the Reed Mine) and printed in John H. Wheeler, *Historical Sketches of North Carolina, from 1584 to 1851* (2 vols. in 1; Philadelphia: Lippincott, Grambo and Co., 1851), Vol. 2, pp. 63-64. This account was republished, not entirely correctly, in Porte Crayon [pseud. of David Hunter Strother], "North Carolina Illustrated, IV.—The Gold Region," in *Harper's New Monthly Magazine* 15 (August 1857), 289. See also "Native Gold Discovered in North Carolina," in *Medical Repository* 7 (1804), 307. The most reliable secondary account of the Reed Mine is Richard F. Knapp, *Golden Promise in the Piedmont: The Story of John Reed's Mine* (Raleigh: North Carolina Division of Archives and History, 1975). An earlier but still useful account of gold mining in North Carolina is Fletcher M. Green, "Gold Mining. A Forgotten Industry of Ante-Bellum North Carolina," in *North Carolina Historical Review* 14 (January and April 1937), 1-19, 133-155.
4. Wheeler, *Historical Sketches*, p. 64; J. F. Shinn, "Discovery of Gold in North Carolina," in *Trinity Archive* 6 (May 1893), 336; Denison Olmsted, "Report on the Geology of North Carolina. . .," in *Southern Review* 1 (February 1828), 251-252.
5. [William Thornton], *North Carolina Gold-Mine Company* ([Washington, DC]: N.p., 1806), pp. 1-20.
6. Wheeler, *Historical Sketches*, p. 64. According to Denison Olmsted, then the chemistry and mineralogy professor at the University of North Carolina, the greatest part of the gold collected in the area was "bought up by the country merchants at 90 or 91 cents a pennyweight. They carry it to the market towns, as Fayetteville, Cheraw, Charleston, and New-York. Much of this is bought up by jewellers; some remains in the banks; and a considerable quantity has been received at the mint of the United States." Olmsted also observed that "The precious metal is a most favourite acquisition, and constitutes the common currency. Almost every man carries about with him a goose quill or two of it, and a small pair of scales in a box like a spectacle case. The value as in patriarchal times, is ascertained by weight, which, from the dexterity acquired by practice, is a less troublesome mode of counting money than one would imagine. I saw a pint of whiskey paid for by weighing off three and a half grains

of gold." Denison Olmsted, "On the Gold Mines of North Carolina," in *American Journal of Science and Arts* 9 (June 1825), 12-13.

7. Samuel Griswold Goodrich, *The First Book of History for Children and Youth* (Boston: Carter, Hendee, and Co., 1833), p. 75.
8. "The Southern Gold Mines," in *Niles' Register*, 21 May 1831, pp. 205-206. The writer of this article commented that "The chief miners (I mean laborers) are foreigners—Germans, Swiss, Swedes, Spaniards, English, Welch, Scotch, &c. There are no less than *thirteen* different languages spoken at the mines in this state! And men are flocking to the mines from all parts, and find ready employment. Hundreds of land owners and renters, work the mines on their grounds on a small scale, not being able to encounter the expense of much machinery." In a philosophical vein, the writer continued, "I am pained to learn that the *morals* of these miners is deplorably bad. Indeed, I can hardly conceive of a more immoral community than exists around these mines. Drunkenness, gambling, fighting, lewdness, and every other vice, exist here to an awful extent. Many of the men, by working three days in a week, make several dollars, and then devote the remaining four to every species of vice. The colored people—slaves—are generally the most moral." He added, however, "Several of the miners who were imported from Cornwall are excellent men, belonging to the Methodist church, and one or two of them preach, if not with success among the miners, yet quite so among the country people around "
9. *Niles' Weekly Register*, 26 March 1825; United States Congress, House of Representatives, *Assay Offices, Gold Districts, North Carolina, Georgia, &c.* (Washington: Government Printing Office [House Report 39 to Accompany HR 84, 22d Cong., 1st Sess.], 1831, pp. 12-13. See also *Raleigh Register*, 5 April 1825, and C. C. Verplanck, "Gold Districts," in *American Quarterly Review* (March 1832), 82. Gold was still being extracted on the Reed property by primitive means as late as 1825. Denison Olmsted described a cradle, "a semi-cylinder laid on its side (like a barrel bisected longitudinally and laid flat-wise) and made to rock like a cradle on two parallel poles of wood," in which ore was washed. "The cradle is now set to rocking, the gravel being occasionally stirred with an iron rake, until the coarse stones are entirely freed from the blue mud. . . ." This procedure was repeated until "nothing remains but a fine sand, chiefly ferruginous, and the particles of gold for which the whole labour has been performed. These are frequently no larger than a pin's head, but vary in size from mere dust to pieces weighing one or two pennyweights. Large pieces, when they occur, are usually picked out at a previous stage of the process." Olmsted, "On the Gold Mines of North Carolina," p. 8. A writer for the *New York Observer*, quoted in *Niles' Register*, 21 May 1831, called attention to differences in mining methods between the Burke-Rutherford County region, where gold was "obtained by washing away the sand," and those of the Piedmont area, where the counties of Mecklenburg, Rowan, Davidson, and Cabarrus "are the richest in what may be

properly called gold *mines*,—that is, where the gold is found in *ore*, and not distinguishable by the eye, and which is separated by smelting, using quicksilver for the purpose of detaching the gold from the gross earthy substances. This is done by first pounding the ore, (what the miners call stamping it), then grinding it, mixed with the quicksilver, to a fine powder, (like flour), and afterwards distilling the whole in an alembic, which separates the quicksilver from the gold." The writer seems to have been unaware that at least on John Reed's property heavy nuggets had continued to be found only a short distance from the underground workings. A useful article on placer mining in the foothills of the Blue Ridge is Edward W. Phifer, "Champagne at Brindletown: The Story of the Burke County Gold Rush, 1829-1833," in *North Carolina Historical Review* 40 (October 1963), 489-500.

10. *George Reid v. George Barnhart and others*, 54 N.C. (1 Jones Eq.) 142 (1853) See also North Carolina Supreme Court Original Cases, Case 3633, State Archives
11. "Notice to Gold Miners & Others. C. Bechtler, informs all interested in the gold mines and in assaying and bringing the gold of the mines into ingots or pieces of a standard value that he is now prepared to assay and stamp gold, to any amount, to a standard of 20 carats, making it into pieces of \$2.50 and \$5.00 value." *North Carolina Spectator and Western Advertiser* (Rutherfordton), 2 July 1831. Later Bechtler coined America's first gold one-dollar piece. See Rodney Barfield and Keith Strawn, *The Bechtlers and Their Coinage: North Carolina Mint Masters of Pioneer Gold* (Raleigh: North Carolina Division of Archives and History, 1980).
12. This estimate is based on figures in "The Gold Mines of North Carolina," in *The Merchants' Magazine* 11 (July 1844), 62-65. The unidentified writer lamented the sale of the many individual nuggets found at the Reed Mine: "We regret that these earlier and splendid specimens of the mineral wealth of the county, were carried abroad to decorate the museums and cabinets of other nations. They should have found a safe depository at home."
13. Porte Crayon, "North Carolina Illustrated. IV.—The Gold Region," in *Harper's New Monthly Magazine* 15 (August 1857), 289-299. For the story of the Gold Hill mines, see Brent D. Glass, "'Poor Men with Rude Machinery': The Formative Years of the Gold Hill Mining District, 1842-1853," in *North Carolina Historical Review* 61 (January 1984), 1-35, and "The Miner's World: Life and Labor at Gold Hill," in *NCHR* 62 (October 1985), 420-447.
14. After Reed's death, the farm was advertised, "A Valuable Gold-Mine For Sale," in the *Carolina Watchman* (Salisbury), 6 September 1845. The ad, over the names of son John Reed and son-in-law George Barnhardt, executors of the estate, boasted that "Some of the rarest specimens of pure gold have been found at this Mine that have ever been found in the United States; and with one or two exceptions, the largest mass of pure gold was found here that we have any history of: it weighed twenty-eight pounds, avoirdupois weight; a number of other large pieces have been found, weighing sixteen, thirteen, eleven, and

eight pounds, and so on, to the smallest particles." Even so, John Reed's executors added, "Although this is one of the oldest mines in the Country, it has as yet been but partially explored, the late proprietor never would permit any persons out of his own family to work the Mine, and they never were permitted to enter the lands he cultivated."

15. August Partz, "Examinations and Explorations of the Gold-Bearing Belts of the Atlantic States: The Reid Mines, North Carolina," in *Mining Magazine* 3 (August 1854)
16. J. F. Pardee and C. F. Park, Jr., *Gold Deposits of the Southern Piedmont* (Washington: Government Printing Office [U.S. Geological Survey Professional Paper 213], 1948), p. 69.
17. "A 22-Pound Gold Nugget," in *Concord Times*, 16 April 1896. Reports of the weight of the Shinn nugget ranged from 22 to 24 pounds, and the reports did not always differentiate between avoirdupois and troy weight.
18. "Gold Fever Is Raging," in *The News and Observer* (Raleigh), 20 July 1897.
19. Bruce Cotten, *An Adventure in Alaska During the Gold Excitement of 1897-1898 (A Personal Experience)* (Baltimore: Sun Printing Office for Author, 1922), pp. 1-107.
20. The remarkable coincidences that led to state acquisition of the Reed property are recorded in three letters now in the Records of the Director, North Carolina Department of Archives and History: Bruce Roberts to Governor Robert W. Scott, 12 January 1970; H. G. Jones to Governor Scott, 19 January 1970; and Governor Scott to Bruce Roberts, 20 January 1970. Subsequent letters and reports are also preserved in the Records of the Director. The interest of Roberts, later chief photographer for *Southern Living*, led to his publication of *The Carolina Gold Rush* (Charlotte: McNally and Loftin, 1971).
21. The illustrated study was published in 1972 by the National Park Service for the North Carolina Department of Archives and History under the title *The First Gold Rush* (69 pages).
22. A brochure on the Reed Gold Mine is available free from the Reed Gold Mine State Historic Site, 9621 Reed Mine Road, Stanfield, North Carolina 28163 (telephone 704-786-8337). The site, open daily except Monday, is located south-east of Concord and northeast of Charlotte in the rural community of Georgeville on State Road 1000 between NC 200 and NC 24/27