

CERRO GORDO AND PANAMINT CITY - THE SILVER CITIES OF INYO

by Paul Fretheim

After the discovery of the Mother Lode in the Sutter's Mill country along the American River in the late 1840s and the Comstock mining district at Virginia City in the early 1860s, every prospector in the west was looking for the next big bonanza.

In eastern California, in the Death Valley country, first there was Cerro Gordo and, as Cerro Gordo was winding down, silver was discovered high in the Panamint mountains, and Panamint City soon became the next boom town.

These two silver boom towns were the impetus for the first large settlements by whites in Inyo County.

Cerro Gordo (Spanish for "fat hill") was the first of the two, and produced the most silver, by quite a margin. The silver deposits high in the Inyo mountains above Owens lake were first discovered by some Mexican prospectors in 1865. They had trouble with the local Native population, and never were able to exploit their find to any great extent.⁽¹⁾



THERE WERE OFTEN TRANSPORTATION PROBLEMS GETTING SUPPLIES INTO AND SILVER BULLION OUT FROM THE REMOTE LOCATION IN THE INYO MOUNTAINS WHERE CERRO GORDO AND ITS MINES WERE LOCATED. MINERS SOMETIMES BUILT SHACKS OUT OF BARS OF SILVER BULLION LIKE THESE WHEN TENS OF THOUSANDS OF THE BARS ACCUMULATED IN KEELER, WAITING TO BE SHIPPED TO LOS ANGELES VIA MULE TRAIN AND FERRY.

In May of 1867 a prospector bought samples of Cerro Gordo ore to Virginia City, Nevada, the boomtown that had grown up around the silver mines of the Comstock. Word got out and the rush was on to Cerro Gordo.

One of the first men on the scene, and a man that was to mean more to the development of Cerro Gordo than anyone else was one Mortimer W. Belshaw, a mining engineer from San Francisco. Belshaw recognized the potential of Cerro Gordo immediately

upon his arrival in April of 1868, and set about right away to control the entire mountain's reserves.⁽²⁾

After successfully obtaining financial backing from the San Francisco banking

community, Belshaw returned to Cerro Gordo with A. B. Elder, who had been Belshaw's partner in some earlier work in the silver mines of Mexico.



MORTIMER W. BELSHAW,
SILVER SULTAN OF CERRO GORDO.

One of the first steps to developing the deposits was the construction of a road to the site so supplies and building materials could be brought in and ore and bullion freighted out. Belshaw and his associates had a road graded to the site in July of 1868. The toll road was named the "Yellow Grade" for some deposits of yellow rock it passed through on the way up to the remote site of the ore deposits, near 9,000 feet above the sea, just below the crest of the Inyo range, along the slopes of what was then Buena Vista peak, which is today designated Cerro Gordo peak on modern maps.⁽³⁾ The toll for travel was \$1 for wagons and 25¢ for a horse and rider.⁽⁴⁾

After finishing the road the next thing to build was a smelter to refine bullion from the silver ore. Belshaw's first smelter was built at Swansea on the shore of Owens lake, and went into operation in September of 1868. The first shipments of silver bullion were shipped in December of 1868. The bullion was shipped by 14 mule team wagons to Los Angeles where it was loaded on steamships and transported to San Francisco.⁽⁵⁾

The freighting by mule team was done by the company of Remi Nadeu. The Remi Nadeu who wrote City Makers, which was referenced to write this article, is the great great grandson of the man of the same name whose freight company was so important to

the early development of southern California.

Cerro Gordo became to the Pueblo of Los Angeles, and its growth and development, what the Comstock had been to San Francisco. By 1870 there was a second player on the scene in Cerro Gordo, a French Canadian named Victor Beaudry. Beaudry was a storekeeper in Independence. Through extending liberal credit to the Mexicans who held many of the original claims at Cerro Gordo, and then taking those claims in trade to settle outstanding debts, Beaudry came to own a half interest in the Union, one of the three great mines of Cerro Gordo, the others being the Santa Maria and the San Felipe.

Beaudry built his own smelter, and though it was smaller than Belshaw's, it began production one month before the Belshaw mill in August of 1868.

Rather than develop a rivalry, Belshaw and Beaudry joined hands to monopolize Cerro Gordo silver. By 1870, their biggest problem was how to get their output of 130 tons a month of bullion to market. Today we are most familiar with the twenty mule teams of the Harmony Borax works of Francis Marion Smith and William T. Coleman that ran from Death Valley to Dagget and Mojave in the 1880s, but those teams were not the first, nor the largest in the southland. Remi Nadeau had thirty-two twelve mule teams at work in 1870 hauling silver bullion from Cerro Gordo to Los Angeles and hauling hay and barley and other supplies back the other way from the Pueblo.

On the passes they often hitched two fourteen mule teams together, creating twenty-eight mule teams, to pull the heavily loaded trains of wagons over the steep grades. The Yellow Grade toll road was so steep that it was necessary to hitch the team behind the wagon to pull against the grade and to chain one set of wheels fixed to prevent the wagons from racing out of control on the down grade to Owens lake from Cerro Gordo.⁽⁶⁾



CERRO GORDO DURING ITS HEYDAY. NOTE THE AMERICAN HOTEL, THE LARGE BUILDING ON THE LEFT. IT IS STILL STANDING TODAY AND IS OPERATED AS A BED AND BREAKFAST.

It is amazing to us today to learn that in the 1870s the businessmen of Los Angeles depended for their very survival on the little known ghost town of Cerro Gordo. Of course, in the 1870s, Cerro Gordo was far from a ghost town. It had a population of 3,000, which was greater than the population of any other town in southern California,

Los Angeles in those days having a population of less than 5,000 citizens.

When the Los Angeles Chamber of Commerce was formed in 1873, its first formal action and first order of business after electing the first chairman, was to plan and promote the stock issuance to fund a railroad between Los Angeles and Inyo county. That railroad was to be named the Los Angeles, Inyo and Independence railroad. The matter of the railroad to Inyo was considered, "The most important meeting concerning the actual interests and property of Los Angeles which ever assembled," Los Angeles Daily Express, Aug. 1, 1873.⁽⁷⁾

The trade was so essential to Los Angeles because the mule teams of Remi Nadeau consumed great quantities of barley and hay and it was this market that supported the prices for the products of the Los Angeles valley farmers, the mainstay of the economy in those days.

Despite Nadeau's best efforts, his mule teams were only able to transport about 1/2 of the 130 tons of bullion per month that was churning out of the Cerro Gordo smelters. The bullion bars began to pile up by the tens of thousands at Swansea at the foot of the Yellow Grade road. At one point, miners were building and living in solid silver shacks made from stacking the bullion ingots like bricks.

At its peak, Cerro Gordo had several saloons, two dance halls, two large hotels, and a large hall occupied by the Cerro Gordo Social Union, a literary and debating club. The American Hotel, built in 1871, still stands today, and is operated as a bed and breakfast.

Two ferry boats plied the blue waters of Owens lake during the height of the Cerro Gordo boom.



CERRO GORDO IN 1998. THE LARGE FRAME BUILDING IS THE AMERICAN HOTEL.

PHOTO PAUL FRETHEIM

One, the Bessie Brady, was built by James Brady and D. H. Fergeson to transport bullion. By freighting the bullion on the steamer across the lake instead of mule wagon on the rough road around the lake, three to five days could be saved on the overall journey to Los Angeles.

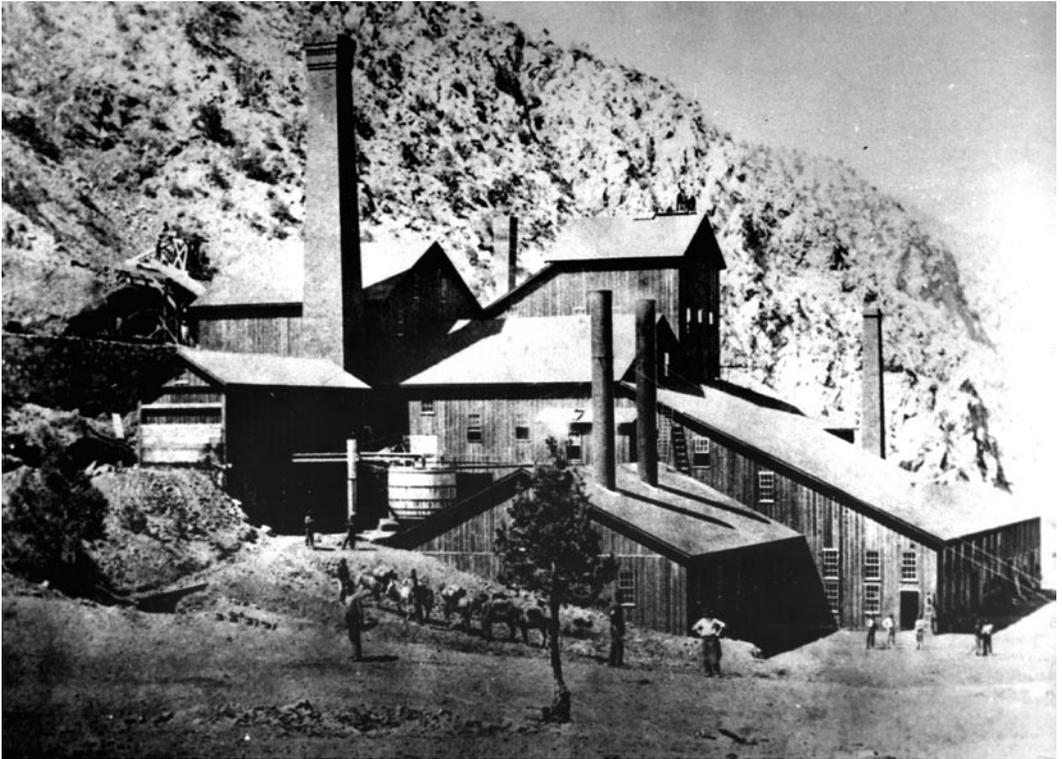
The Inyos are a desert range, and the few trees that grow there are widely spaced pinyon pine, a small, low growing species. By the early 70s, the Inyos had been pretty much cut bare of timber to feed the hungry smelters. An enterprising entrepreneur, Col Sherman Stevens, came up with a plan to build a sawmill high in the Sierras, across Owens lake from Keeler. In the spring of 1873 he built a steam powered sawmill high in the Sierra at the head of Cottonwood canyon. Using lumber from his mill, his company constructed a long flume from the timberline down to the mouth of the canyon, where it was loaded on wagons and hauled the last three miles to the ferry dock at Cartago for transshipment by ferry to Keeler. Keeler had become the freighting point on the north side of the lake due to a dispute over the maintenance and tolls on Belshaw's Yellow Grade road which resulted in a disgruntled Belshaw grading a new road to the townsite of Keeler, 6 miles south of Swansea.

Although the boom at Cerro Gordo was winding down by 1877, in that year Col. Stevens built the second ferry to transport goods across Owens lake, the Mollie Stevens, which operated for a few years transporting charcoal and lumber to the east side of the lake, bound for the smelters in Darwin.⁽⁸⁾

Over the decade 1868 - 1878, some \$20,000,000 (1875 dollars) in silver was extracted from the deposits at Cerro Gordo.⁽⁹⁾

Panamint City

In 1872 a couple of stagecoach robbers, were using Surprise Canyon, in the Panamints as their hideout. While holing up in the area they did a bit of prospecting, and in December, 1872, the two robbers, William L. Kennedy and Robert P. Stewart, discovered promising deposits of silver ore. Not long after, the Panamint City boom was on.



THE STEAM POWERED 25 STAMP MILL AT PANAMINT CITY
PHOTO COURTESY NPS, FURNACE CREEK.

At the beginning, there was a small complication. The men with the claims were outlaws, and there were warrants out for their arrest. A certain matter of a \$12,000 robbery from Wells Fargo had to be settled before the men could arrange for a buyout.



PANAMINT CITY, 1998

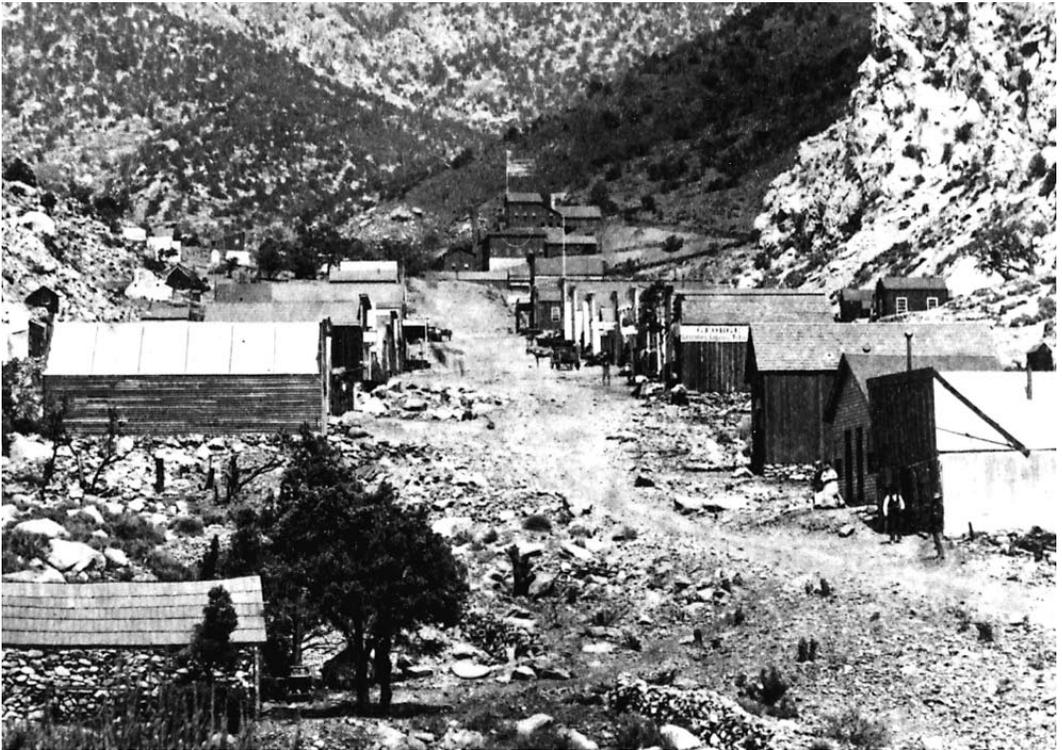
PHOTO PAUL FRETHEIM.

They went to Senator John P. Jones of Nevada with a plan. The senator would arrange for the “problem” with Wells Fargo to be settled, and they would sell their claim to the



LOOKING DOWN THE MAIN STREET OF PANAMINT CITY, PROBABLY LATE IN 1875
PHOTO COURTESY NPS, FURNACE CREEK.

senator and give him the whereabouts of the source of the rich ore samples they were displaying to prove the truth of their claim.



LOOKING UP THE MAIN STREET OF PANAMINT CITY, PROBABLY LATE IN 1875

PHOTO COURTESY NPS, FURNACE CREEK.

Arrangements were made, and the Panamint silver deposits in Surprise Canyon were soon located and the Panamint Mining District was formed in the February of 1873. Senator Jones and his fellow colleague from Nevada, Senator William M. Stewart, collectively known as the “Silver Senators,” because of their wide ranging investments



LOOKING UP TOWARD THE PANAMINT MILL IN THE FALL OF 1998.

PHOTO PAUL FRETHEIM

in silver in the Comstock, organized the Surprise Valley Mill and Water Company with a capital stock of \$1,000,000 in September of 1874. News that the two Nevada senators had purchased the Panamint mines sparked the largest rush that the Death Valley country was to see for the remainder of the 19th century.

Perhaps because of the deal with the stage robbers, Wells Fargo refused to open an

express office in Panamint City. The bandits who had sold the claims to the senators did so with the plan that they would let the senators do all the work, and then they would just steal the bullion when it was shipped out to the coast. They were out smarted, however, by a simple, yet effective idea the senators came up with for shipping out their bullion.

The bullion was cast into large cannon balls, about the size of a basketball, that weighed in excess of 400 pounds. No bandit could escape while attempting to transport such a massive object, and in fact, the cannon balls could not possibly be carried by a single mounted horseman. The story goes that they confronted Senator Stewart, complaining that the huge ingots, “weren’t fair.”

“You don’t expect me to feel sorry for you, do you?” was the senator’s reported response.⁽¹⁰⁾

The big ingots grew and grew with the retelling. There are some books that relate stories of 6,000 pound cannon balls that were shipped simply by “rolling them down the canyon,” replete with tales of entire mule trains flattened in their path.

Panamint City was known as the rip snorting “wonder of the world.” It was also known as a place where the lead flew freely and a place where there was often “a man for breakfast,” which was the miners’ term for the latest victim of the previous evening’s shooting scrapes.

Like Cerro Gordo, the Panamint silver veins pinched out sooner than anyone expected, and by the end of the 1870s, the excitement at Panamint was over too, and the buildings and mill were left to crumble with the passing years. The big brick chimney of the Stewart mill that was constructed in 1875 still stands. It is an eerie sight in its isolated setting,

and makes the hike to the old townsite at the head of Surprise canyon one of the most interesting in the park.

In the fall of 1998 I hiked up to Panamint City to take the pictures that appear on this CD, and on the way down I stepped or nearly stepped on a very big Panamint rattler. It was the biggest one I have ever seen!

As I was hiking down the canyon along the outflow from one of the large springs that flow in Surprise Canyon, a quail exploded up about 2 feet away on my right, scaring the hell out of me. I jerked left away from the surprise noise and then noticed a big rattler right next to my right foot, just inches away, as it was recoiling from just striking in my direction, with its rattles up and buzzing away. I then realized that part of the noise I heard was the hissing and striking of the snake. A big snake that close gets all your attention right away!

I don't know if they use quail as a food source, but it seems that the rattler may have been stalking the bird when I came along. A spring flows out and covers the trail at that point, and I was walking in ice water that was about 1 centimeter deep, so I can't quite figure where the snake was as I came by, but I know I got a real good look at it once I realized it was there. . . It got away and slithered beneath the brush beside the trail before I could get the telephoto lens on my camera to get a good picture of it.

So, when you hike Surprise Canyon, be aware that some very big rattlesnakes make their home there!

(1) U. S. Department of the Interior. *A History of the Lands Added to Death Valley National Monument by the California Desert Protection Act of 1994, Special History Study by Harlan D. Unrau*, (Denver Service Center, Sept. 1997), p 49.

(2) Nadeau, Remi, *City Makers*, Trans-Anglo Books, Los Angeles, CA, 1965, pp. 29-30.

(3) Likes, Robert C., and Day, Glenn R., *From This Mountain - Cerro Gordo*, Chalfant Press, Bishop, CA, 1975, p 12.

(4) U. S. Department of the Interior. *A History of the Lands Added to Death Valley National Monument by the California Desert Protection Act of 1994, Special History Study by Harlan D. Unrau*, p 50.

(5) Nadeau, Remi, *City Makers*, pp. 30-31.

(6) Nadeau, Remi, *City Makers*, p, 33.

(7) Nadeau, Remi, *City Makers*, pp. 70-71.

(8) Likes, Robert C., and Day, Glenn R., *From This Mountain - Cerro Gordo*, pp. 40-41.

(9) Nadeau, Remi, *City Makers*, p. 153.

(10) Nadeau, Remi, *City Makers*, p. 111.