

"THE QUARTZBURG WATER COMPANY,"

Incorporated March 1st, 1851,

FOR THE

DEVELOPMENT

OF THE

PERMANENT RESOURCES

OF

MARIPOSA COUNTY.

P. CADELL, JR.,
AGENT FOR THE COMPANY.

QUARTZBURG, MARIPOSA CO., CAL.,
MAY, 1851.

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PREFACE

THERE is a period in the history of every business which is attended with an almost certainty of success; it is more than probable, therefore, if we judge from precedents, that California Gold Mining has arrived at that period. Extraordinary resources, accompanied with earnest application, brought to bear on any subject emerging from obscurity, very soon places that subject in an entirely different position; it is not, however, during the drudgery of application to undecided operations that a uniformity of successful results can be expected, because this is the period occupied with the development of first impressions, which requires some time to accomplish. We had no reason to expect therefore uniform success from mining operations in California during the first few years of its existence, and must not therefore condemn those whose endeavors have not been attended with success. There is now, however, the most matured system of mining operations, concerning which there is only one opinion entertained by practical men, which will soon become known to the world, so that no questionable undertaking can be forced upon the public without being immediately detected. Aware of those facts, the following undertaking has been scrutinized by the most experienced men, who have pronounced the system of operations adopted by the Company, sufficiently matured and comprehensive to be carried into immediate effect. Depending, therefore, entirely on the merits of the undertaking, no particular reference will be made except through the general information of the day, accompanied with the following observations bearing upon the favorable position of the undertaking in California, which are presented in a particular manner to the United States and Europe; because in a country where the wealthy individuals can employ their capital as to produce immediate

returns of from 5 to 10 per cent. a month, as opportunities present themselves, it is not therefore from the California Capitalist that the Company expect to realize the large cash capital which they require, as the probable period of 18 months or more which would elapse before productive operations could be commenced, places such descriptions of speculation out of their usual sphere of operation, although the Company can hold out a certain prospect of realizing returns which will exceed those of the most productive water works which are already in operation in California, and which have paid upwards of 10 per cent. per month on the capital advanced, from the rent derived from the water used in placer mining alone. Capital for operation in California has seldom been brought to bear directly on the development of the permanent resources of the country, so that this important subject has been left entirely to the energy of the practical miners, from capital accumulated through the medium of their own exertions in the mines, from which the California wealth has emanated, and which constitutes the best practical proof that they have pursued the proper course towards successful operations. Those principles which govern individual enterprise will be therefore taken advantage of by the Quartzburg Water Company, which will undoubtedly lead to the same and even more favorable results, when all the advantages to be derived from the additional experience and capital are brought to bear on the subject.

The Mariposa Chronicle, of date May 19th, 1854, when noticing a rich discovery lately made at Quartzburg, remarks thus:

“In any rich section of mining country in California, individual enterprise appears to be attended with extraordinary uniformity of success, even more so at the present period than during the working of the extra rich deposits in the early history of California mining. The California Placers may be now therefore considered without doubt to be, not what was generally supposed a mere temporary excitement, but the source of permanent production. The necessities of the working man in a strange country without funds, has enforced a simple prospecting from place to place for gold, which compels him to go at once to work, with a pickaxe and shovel, and is the chief cause of the many rich discoveries made in California.”

"daily presented to our notice, and as one instance of the
 "extraordinary success of individuals without any scientific
 "guidance for mining, further than the ability to go to
 "work. We notice a rich quartz discovery which Messrs.
 "Johnston, Summerford & Vandevener made when en-
 "gaged placer mining on the Bar on Burns' Creek, imme-
 "diately below the town of Quartzburg. The rock taken
 "out exhibits indications of extraordinary richness; one
 "piece of the ledge, weighing about 50 pounds, is consid-
 "ered worth over one thousand dollars, and the gold
 "appears to be generally diffused throughout that portion
 "of the ledge which has been uncovered. This discovery,
 "however, is only a fractional part of the many discoveries
 "which have been lately made in this section of Mariposa
 "county, the development of which will take place on an
 "extensive scale so soon as the operations of the Quartz-
 "burg Water Company (which are expected to commence
 "forthwith) are completed; an undertaking which com-
 "prehends a system of operations organized on the most
 "respectable scale, for the entire development of the per-
 "manent resources of the county, by the introduction of
 "large supplies of water for Placer mining, water power
 "for Quartz operations, and the means of conveying lum-
 "ber by the water en route for those purposes from the
 "lumber region to the immediate neighborhood of the
 "mines. This undertaking appears to be extraordinary
 "popular both in California and abroad, as the public
 "presume that it will lead to a permanent system of
 "operations throughout the whole country."

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Garrosta has now been placed in a very respectable mining position with reference to permanent production, from the successful results of the numerous Water Companies which have been established for some time, affording supplies of water to the Placers at a distance from the permanent water courses; the companies referred to have all been organized and conducted by practical Miners engaged in the placers, and now constitute the most successful practical experiment of the day, by proving to the world that the placer gold exists in even greater abundance in the deposits formed subsequent to the first great wash. The mining ground which remains untouched is, therefore, of such an extent, as to warrant the investment of large capitals to be expended in constructing aqueducts from the head waters of the various rivers, to put those mines into productive operation. The only portions of the placers which have been partially exhausted, are those which contained the extra rich deposits from the first great wash, such as the banks and beds of rivers, creeks and ravines; also, a few flats which were of easy access from their proximity to water. Such is the present position of that department of the Gold business which has kept in advance of Quartz-mining, because the operations on the Quartz veins have been limited to the prospecting scale, caused chiefly from that description of mining property having been held almost exclusively for speculative purposes, as the mere reports of extraordinary prospects produced for a short period the same effect as if returns had been in reality realized; hence the present reaction, even the controlling parties of Mining Companies of character have been afraid to act, indicating a want of confidence which could not prove otherwise than fatal to success. So soon, however, as we have water power, and a more extensive system of mining operations introduced, under economical arrangements, extraordinary permanent returns will be realized from operations connected with quartz-mining in addition to the large sum realized from the placers. The Quartzburg Water Company has been, therefore, organized on a respectable scale, with the view of affording those facilities in their most perfect form for mining purposes in Mariposa county. The practical information which we are now in possession of, connected with gold mining, is of a very different character from that which existed several years ago, having from practice arrived at the knowledge of those facts which point out the precise course for wealthy mining companies to pursue towards productive operations. Hence the advantageous position of the above named Company, which renders it superfluous to take advantage of the usual routine of recommendations to facilitate its introduction to the notice of the public particularly as the undertaking at once exhibits the only system of operations through which the permanent resources of the country can be successfully and rapidly developed. The introduction of large supplies of water for placer mining, water power for quartz operations, and the conveying of lumber by the water en route for those purposes from the timber region to the immediate neighborhood of the mines, constitute the system of operation which the undertaking comprehends; which opens up an unlimited field of operations for the working miners, and the investment of small capitals either through the medium of private companies or individual enterprise, in both placer and quartz-mining.

The company have resolved not to invest in any description of mining which will interfere with individual enterprise; but as it is still questionable whether or not the operations connected with quartz-mining is a prudent investment of small capitals through individual enterprise, the company have determined, therefore, to operate extensively, with the view of producing power, accompanied with the most economical arrangements, with the view of producing

the public the extraordinary value of those resources when capital can be brought to bear on such with the large scale of operations.

The great extent of timber country through which the aqueducts of the Quartzburg Water Company must of necessity pass, affords the company not only an opportunity of constructing their works in the most substantial and economical manner possible, but will also enable the company to supply the large quantity of lumber, at a low price, which will be required to put both the placers and quartz-mines into productive operation, — the tare and wear on which will be the source of a regular consumption of lumber, which the company will also provide for, not with the view of making a large profit from that department of the business, but to secure the most economical arrangements for the permanent working of the mines; also repairs, alterations and improvements, connected with the company's works.

The farming lands throughout the Gold region which are at present unoccupied, can be brought into successful cultivation by using the water for irrigation after being employed for mining purposes, which the Company will dispose of under certain regulations for the encouragement of agriculture, which will prove to be of considerable advantage to the mining population.

As a decided proof that the undertaking is a practical subject, I may state that the services of all the Company's officers, down to the chief workmen employed, can be discharged with Company's scrip; which arrangement will probably be taken advantage of with the view of guaranteeing the most complete system of superintendence connected with the various departments of the Company's works, and as the parties connected with the organization of the Quartzburg Water Company hold no stock for speculative purposes, but have associated themselves with no other immediate object in view, than to constitute a practical staff to assist capitalists in making their operations productive in California, with all the advantage of a State incorporated company. I shall be very brief, and confine myself entirely to facts, and avoid the usual details of rich discoveries and extraordinary prospects which have never been discussed without exaggeration. With reference to the popularity of the undertaking, I may state that the importance of such to capitalists and others interested in the development of the permanent resources of California, (even although they do not hold Company's stock,) will make its progress towards completion as much the object for their solicitation as it is for the Company themselves. Our friends abroad may rest assured, therefore, that the citizens of California will confer extraordinary privileges with the view of forwarding the undertaking.

We have ascertained from the experience of the various Water Companies which have been in operation in the Northern mines on a tolerable large scale, that it will prove ultimately more economical to construct the Company's aqueducts with timber throughout the main routes, the loss of water being so great when a canal is cut in the ground, which has been the cause of several undertakings of considerable magnitude proving of little value at the commencement of mining operations; the Company's aqueducts will be, therefore, built of selected timber, from the source to the terminus, without any interruption to the floating of lumber from the timber country to the mining region.

With the view of providing every facility to individuals taking up mining claims, the Company will make a proper survey of all the mining ground in the county, and furnish charts on a very large scale; one set of which will exhibit the routes of the branch aqueducts, and the claims located so soon as they are registered, which will be open for the inspection of strangers at all the Company's offices throughout the county, where the registers for claims will be kept open.

The mining grounds in this county have been less operated upon than those of any other mining county of importance in California, from the difficulty of working in the neighborhood of the numerous dry gulches, ravines and the chief placer ground, and which in this county is more Northern, in consequence of being less extensive, more extensively diffused throughout the county, and an extraordinary amount of mining ground

for extensive operations sufficient to give permanent employment to a large population.

It certainly would have been extraordinary if the events of four years connected with California mining in this progressive age, had not furnished materials for improving the position of Gold Mining Companies. Upwards of fifteen millions of dollars have been expended prospecting both the Placer and Quartz mines which are as yet comparatively untouched, producing results of importance without parallel; and the chief reason why these results have not been made more public, or otherwise more generally taken advantage of, is because few have taken the trouble to compare them.

We do not expect that capitalists in either England or Europe will at once at this particular period (notorious in the history of gold mining, from the exposure of upwards of sixty fictitious Gold Mining Companies organized in London, representing a capital of upwards of three millions sterling,) place perfect confidence in any project emanating from California, and which is one cause why the Quartzburg Water Company have deviated from the regular routine adopted by other companies connected with gold mining when introducing their undertakings to the notice of the public, and substituted a thorough practical course, concerning which there is no doubt whatever, which the practical proofs we are now in possession of warrants us in asserting.

The unprecedented popularity of the Quartzburg Water Company in California, with practical men, have enabled the Trustees to appropriate \$500,000 for the payment of labor, &c., (which may be considered arranged for conditionally, and subsequently to take effect provided such arrangements will not interfere with the economy of the estimates,) without being converted into money, and the remaining one Million Dollars has been disposed of to George Hudson, Esq., of Newby Park, Yorkshire, England, who has been appointed Treasurer and Representative of the Company in England and Europe; and although the extent of this transaction is trifling compared with the large amounts Mr. H. has been accustomed to negotiate in England, it may lead to similar undertakings beyond the resources of private companies or individual enterprise from our more northern counties. It is of essential importance to the world, as well as California, that the whole country should be brought under a similar system of operations to that adopted by the Quartzburg Water Company, with the least possible delay, to keep up the extraordinary production of gold as long as possible, particularly when such can be accomplished at the present period with such certainty of realizing extraordinary returns on the capital invested, besides conferring such advantages on the great masses of productive laborers who are now in the country.

Capitalists of the present day have no apology whatever to allow California mining to retrograde. There is no country in the world which affords such facilities for the distribution of its waters for mining purposes, nor can there be a more ample reservoir than the perpetual snow which covers the adjacent range of the mountains stretching hundreds of miles parallel with the gold region, affording an ample supply of water, during the summer months, from the melting of the snow; nor has any country in the world given such ample proofs of its being a permanent gold-producing country; and although the capital which has been brought to bear on quartz operations has not proved productive, there is no difficulty in pointing out the cause of its non-production, which may be simply stated to be, the want of experience connected with the subject; because, if that capital had been employed in furnishing supplies of water and other economical arrangements for mining purposes a very different result would have been produced; placer mining would have been yielding larger returns, and quartz operations instead of being comparatively silent would have been in a healthy condition; hence, the objects of the Quartzburg Water Company, incorporated the first day of March, 1854. The Articles of Incorporation are as follows;

transfer of stock, shall give bonds, to be approved of by the Trustees, for the faithful performance of their duties, and the compensation of all officers and agents of the Company shall be fixed by the board of Trustees.

ART. 9. A Committee of Finance, consisting of five Trustees, shall be elected by the Board, whose duty it shall be to examine the "estimates" and make appropriations for the same; also, to cheque the books and accounts of the Company monthly, or oftener if required by the order of the Treasurer or any two of the Trustees: vacancies occurring in the Committee shall be filled as in case of vacancies in other offices.

ART. 10. No stock shall be transferable until after the completing of the main trunk aqueducts, but parties holding stock who have been put in possession of such by the Company, as compensation for labor, personal services, or other such description of value received, shall be entitled to a temporary advance from the Company (which must, however, be approved of by the Committee on Finance) until the completion of the works, when the Company shall be open to purchase the stock at the market price.

ART. 11. The annual report of the affairs of the Company shall state the amount of capital stock, together with the proportion actually paid: also, the debts and accounts, which shall be made by the Committee on Finance at the first meeting of Trustees after the annual election of the officers.

ART. 12. In the event of non-payment of installments assessed and due on the stock, the Trustees shall cause such stock to be sold in the manner prescribed by law.

ART. 13. Dividends of the profits of the Company shall be declared semi-annually, in the months of October and April, but no dividends will be declared which shall diminish the capital stock.

ART. 14. The stated meetings of the Board of Trustees shall be on the second Wednesday of every month.

In conclusion it is necessary to add a copy of Mr. Hudson's credentials, as a rapid movement must be made towards the commencement of practical work, which leaves no time for corresponding direct with California. The power granted to Mr. Hudson, by the Quartzburg Water Company, is as follows:

STATE OF CALIFORNIA, } Know all men by these presents, that we,
 MARIPOSA COUNTY: } James Gaines, J. P.; D. M. Pool, Geo. M.
 Hirdwick, Jacob Y. Jones and P. Cadell, Jr.,
 Trustees for the Quartzburg Water Company, incorporated the first day of
 March, One Thousand Eight Hundred and Fifty-four, county of Mariposa,
 and State of California, have made constituted and appointed, and by these
 presents do make, constitute and appoint in our place and stead, put and de-
 pute George Hudson, Esq., of Newby Park, Yorkshire, England, our true and
 lawful representative in Great Britain and Europe. for us, and in our names to
 supervise the financial arrangements of said Company in London on the most
 reputable scale, with full power to procure the printing of the Company's
 scrip, and with power also to set his hand and seal, as Treasurer of the Quartz-
 burg Water Company, to the whole of the scrip or capital stock amounting to
 seventeen thousand five hundred shares, of one hundred dollars each; and
 further, to dispose of ten thousand shares, at par, in one or more lots to suit
 his convenience and the necessities of the Company. The said George Hud-
 son Esq., is authorized also to demand, sue for, recover and receive all sums of
 money, and other demands whatsoever, which may be due or owing to the
 said Company.

And generally all and every act or acts, thing or things, whatsoever needful and necessary to be done in and about the premises; for us, and in our names, to do, execute and perform as fully, largely and amply, to all intents and purposes, as we ourselves might or could do if personally present: Hereby ratifying, allowing all and whatsoever our said representative shall lawfully do in and about the premises aforesaid, by virtue hereof.

In witness whereof we have hereunto set our hands and seals, the tenth day of March, in the year of our Lord One Thousand Eight Hundred and Fifty-four.

Signed— <i>Trustees for the Quartz- burg Water Company, constituting the Finance Committee.</i>	{ JAMES GAINES, J. P., <i>Ch'm.</i> [L. S.] { GEO. M. HARDWICK, [L. S.] { J. Y. JONES, [L. S.] { D. M. POOL, [L. S.] { P. CADELL, Jr., <i>Gen'l Agent.</i> [L. S.]
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U. S. OF AMERICA, STATE OF CALIFORNIA: <i>County of Mariposa:</i> and P. Cadell, Jr., to me known to be the persons described in the within instrument, and who acknowledged to each that they executed the same freely and voluntarily, and for the uses and purposes therein stated.	} Personally appeared before me the subscriber, a Notary Public in and for the State and county aforesaid, 10th day of March, 1854, James Gaines, G. M. Hardwick, J. Y. Jones, D. M. Pool, and P. Cadell, Jr., to me known to be the persons described in the within instrument, and who acknowledged to each that they executed the same freely and voluntarily, and for the uses and purposes therein stated.
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In witness whereof, I have hereunto set my hand, and affixed my seal of office, this the day and year above written.

[L. S.]

SAMUEL H. P. ROSS,
Not. Pub. Mar. Co.

As it is not generally known what constitutes the great improvement in placer mining, which guarantees productive operations from the comparatively poor mining grounds, I may state that the improvement comprehends the formation of artificial gulches down the slopes of the mountains by an operation which the miners call "ground-slucing," which is accomplished by using large supplies of water from aqueducts constructed along elevated positions of the mountains. The introduction of this improvement on the extensive scale has proved these facts, that not only the partially exhausted placers, but that the new mining ground which exists almost without limit, can be brought into productive operation; and as repeated washings are required before the ground can be so far exhausted that it will not yield a fair remuneration for labor, these resources, including operations connected with quartz mining, may be, therefore, considered permanent, with a certain prospect of increased production so soon as sufficient capital is brought to bear on the subject according to the system adopted by the Company.

QUARTZBURG, Mariposa County, Cal., May 20th, 1854.

COPY OF ARTICLES OF INCORPORATION.

THIS IS TO CERTIFY, That the subscribers, the majority of whom are citizens of the State of California, pursuant to the provisions of an Act of the Legislature of California, approved April 14th, 1853, entitled "An Act to provide for the formation of corporations for certain purposes," do hereby organize themselves into a Corporation, and do declare as follows:

I. The corporate name of said Association shall be "The Quartzburg Water Company."

II. The object for which said company is formed, shall be the construction of one, or more, aqueducts from the head waters of the Merced and San Joaquin Rivers, to the various mining sections of Mariposa county, for the purpose of affording a permanent supply of water for placer mining, water-power for quartz operations, and the means of conveying lumber by the water in routes for these purposes; also, for the purpose of irrigating the farming land over which the water may be caused to flow after being used for the above purposes. The said Company shall be also permanently engaged in cutting and sawing lumber, on the routes of the aqueducts, with the view of introducing water-power for quartz operations, they will pursue the various departments of the gold business connected with quartz mining.

III. The said Corporation will continue for the term of fifty years unless sooner discontinued or dis-incorporated according to the provisions of the Act of Legislature of California aforesaid.

IV. The capital stock of said Company shall be one million, seven hundred and fifty thousand dollars, divided into seventeen thousand five hundred shares of one hundred dollars each.

V. The number of Trustees who shall manage the Company for the first three months, shall be nine, and shall consist of the Hon. Joseph A. Tivey, M. L.; Thos. Thorn, James Gaines, J. P.; D. M. Pool, John A. White, Jacob Y. Jones, Geo. M. Hardwick, B. F. Ross, and P. Cadell, Jr.

VI. Quartzburg shall be the principal place of business of said Company.

In witness whereof the subscribers hereunto set their respective hands and seals, this first day of March, One Thousand Eight Hundred and Fifty-Four, at Quartzburg, State of California.

Signed—

JOSEPH A. TIVEY, (M. L.)	[L. S.]
THOS. THORN,	[L. S.]
JAMES GAINES, (J. P.)	[L. S.]
D. M. POOL,	[L. S.]
JOHN A. WHITE,	[L. S.]
JACOB Y. JONES,	[L. S.]
GEO. M. HARDWICK,	[L. S.]
B. F. ROSS,	[L. S.]
P. CADELL, Jr.,	[L. S.]
G. H. MURRAY.	[L. S.]

STATE OF CALIFORNIA, }
 MARIPOSA COUNTY: }
 BE IT REMEMBERED, That on this second day of March, One Thousand Eight Hundred and Fifty-four, personally appeared before me Samuel H. P. Ross, a Notary Public and Justice of the Peace duly commissioned, acting in and for the county aforesaid, Joseph A. Tivey, M. L.; Thos. Thorn, James Gaines, J. P.; D. M. Pool, John A. White, Jacob Y.

Jones, Geo. M. Hadwick, B. F. Ross,¹ P. Cadell Jr., and G. H. Murray, the parties to the foregoing Articles of Incorporation, and as such known to me, who severally acknowledge that they executed the same for the objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my Notarial Seal of office, the day and year before written, at Quartzberg.

L. S.

Signed— SAML. H. P. ROSS,
Not. Pub. Mar. Co.

The following By-Laws of the Company are exhibited not with the view of pointing out a complete system of government, but to afford interested parties an opportunity of making improvements upon the system thus presented. Parties advancing a large capital may wish to introduce new laws, or, amend those already made particularly connected with the financial arrangements, so that any alterations or additions to the laws, which may be required, will meet with prompt attention. The parties are desirous that the public should be perfectly satisfied that there will be no transaction entered into concerning which the slightest doubt can be entertained; the present position of the Company admits of all the arrangements for future operations being made without any reserve whatever.

ARTICLE 1. The annual meeting of Stockholders for the election of Trustees, shall be held on the first of June, annually, except when the same shall fall on Sunday the election will be held on the Saturday preceding, at the office of the Company, in Quartzberg.

ART. 2. The election of Trustees shall be decided by ballot, each stockholder, either by himself or proxy, being entitled to as many votes as shares of which he is owner in the Company. Those receiving the largest number of votes shall be declared Trustees until their successors shall be chosen, and all vacancies occurring shall be filled by the Trustees.

ART. 3. The officers of the Company shall consist of a Treasurer, Sub-Treasurer, and General Agent; also, such other essential officers as the Company may deem necessary.

ART. 4. The Treasurer, Sub-Treasurer and General Agent shall be elected by the Trustees, a majority of whom shall be necessary for their election.

ART. 5. It shall be the duty of the Treasurer, assisted by the Sub-Treasurer and General Agent, to supervise the business of the Company, which will be under their control.

ART. 6. It shall be the duty of the General Agent to call all regular meetings of the Board of Trustees, or to call a meeting of the Board by the order of the Treasurer, Sub-Treasurer, or of any two Trustees; to keep correct record of the proceedings of the same, which shall be open at all times to the inspection of Stockholders; and to register the transfer of stock.

ART. 7. It shall be the duty of the Treasurer to receive all monies belonging to the Company, and to disburse the same only upon the draft or order of the Sub-Treasurer or General Agent countersigned by the Chairman of the meeting, for the appropriation of the sums ordered.

ART. 8. The Treasurer, Sub-Treasurer and General Agent, and all officers of the Company holding any pecuniary trust, or charged with the regular