Discovery at Sutter’s Mill

One January day in 1848, a worker named James Marshall spotted some shiny bits in the gravel of the American River at Coloma, California. He showed them to his boss, the owner of Sutter’s Mill lumber company. When tests proved that it was gold, Sutter tried to keep the discovery secret. But news spread. His workers left the lumber mill, squatters took his land, and his business failed.

The ’49ers Come to California

By 1849, California’s population exploded with gold seekers. Some newcomers came overland from the East Coast in wagon trains. Others braved long sea voyages around Cape Horn at the tip of South America to reach San Francisco. By the end of 1849, the population of San Francisco was 100,000, as compared to 800 in the beginning of 1848.
Mining gold was backbreaking, dirty, dangerous, and sometimes violent. Some miners worked by hand. They used picks, shovels, and pans to sift gold-bearing sand and gravel from rivers and streams. Hard-rock mining required machinery, high-pressure hoses, and water to crush and move huge quantities of rock. Deep holes scarred valuable farmland.

Miners “staked a claim” to specific land where they looked for gold. But claim jumpers frequently took over other miners’ claims. And thieves stole their finds. Some miners camped inside their hillside tunnels to protect their claims.

Miners took their gold dust, flakes, and nuggets to people called assayers. They weighed and tested it for purity. Some who thought they had gold learned it was worthless iron pyrite.

Why is gold valuable?
It’s beautiful, rare, useful, and durable, and it doesn’t rust or tarnish. Gold can be cast, carved, pressed, rolled, polished, and hammered thinner than any other metal. Most important, though, people worldwide believe it has value.

A sluice is a long box for rinsing gravel and ore to sift out gold.

Gold miners in a miners’ camp

Miners needed tools, food, and clothing to survive. Storekeepers gladly provided supplies at sky-high prices. They demanded payment in gold. Many businessmen became far richer than even the luckiest miners. Peddler Levi Strauss is a good example. He sold tent canvas. But then he made more money selling rugged denim work overalls. He later founded a company that manufactured blue jeans. (And you know what they’re called today!)

Gold Rush miners were also called prospectors, gold-seekers, Argonauts (after the gold-seekers of Greek mythology), or forty-niners (after the year 1849).

Miner’s handbooks were created to guide gold seekers. According to the Guide to Pike’s Peak, “There appears to be a regular deposit of gold. This is true of every creek coming out of the mountains, and of every canon and valley from Pike’s Peak to Laramie Plains.”
Lasting Impact of the Gold Rush

Machinery and lumber suppliers did well, too. Two men who exchanged miners’ gold for dollars established what is today one of America’s largest banks. Sea and land transportation improved. Hotels, entertainment halls, and gambling houses flourished.

Not everything was “golden,” however. As veins of gold-bearing rock played out, many miners ended up penniless and left.

The Gold Rush lasted only a few years, but it changed California from frontier territory to a prosperous statehood. In September 1850, California became the 31st state in the United States, entering as a free state where slavery was prohibited. Today, abandoned mine tunnels and rock and gravel piles left from dredging are silent reminders of this history-making period.

You can pan for gold in the gold country today. The winter snowmelt makes rivers flow strongest in April, and they carry lots of material to sift.

Population of California Before and After the Gold Rush

![Population Chart]

During the Gold Rush, gold seekers flocked to California in large numbers. As a result, Native Americans were often forced off their land.
The Discovery at Sutter’s Mill

John Augustus Sutter was a wealthy landowner in California in 1848. After his foreman, James W. Marshall, reported his discovery of gold while working at the mill stream, the men agreed to keep the news secret. They knew that news of the discovery would bring gold seekers to the Sutter lands. In the following account, Marshall describes the discovery that changed America's history.

From James W. Marshall’s Account, 1848

One morning in January in 1848, it was a clear cold morning; I shall never forget that morning, as I was taking my usual walk along the race, after shutting off the water, my eye was caught by a glimpse of something in the bottom of the ditch. There was about a foot of water running there. I reached my hand down and picked it up; it made my heart thump for I felt certain it was gold. The piece was about half the size and shape of a pea. Then I saw another piece in the water. After taking it out, I sat down and began to think right hard. I thought it was gold, and yet it did not seem to be of the right color; all the gold coin I had seen was of a reddish tinge; this looked to me like brass. I recalled to mind all of the metals I had ever seen or heard of, but I could find none to resemble this. Suddenly the idea flashed across my mind that it might be iron pyrites. I trembled to think of it! This question could soon be determined. Putting one of the pieces on hard river stone, I took another and commenced hammering it. It was soft and didn’t break; it therefore must be gold.

James Marshall standing in front of Sutter’s sawmill, in Coloma, California, where he discovered gold.
About a week’s time after the discovery I had to take another trip to the fort; and to gain what information I could respecting the real value of this metal, took all we had collected with me and showed it to Mr. Sutter, who at once declared it was gold, but thought with me, it was greatly mixed with other metal. . . . After hunting over the whole fort and borrowing from some other men, we got three dollars and a half in silver, and with a small pair of scales we soon cyphered it out that there was no silver nor copper in the gold, but that it was entirely pure.

This fact being ascertained, we thought it our best policy to keep it as quiet as possible til we should have finished our mill, but there was a great number of soldiers in and about the fort, and when they came to hear of it, why, it just spread like wildfire, and soon the whole country was in a bustle.

So there, stranger, is the entire history of the gold discovery in California—a discovery that hasn’t as yet been of much benefit to me.