

1941: How lumber became big regional business

History

EDITOR'S NOTE: *The Sentinel* is celebrating its 150th year in 2006 by reaching into our archives to republish some of the noteworthy stories out of the past. The following column, titled "Tom McHugh tells early history at time Isaac Graham built mill," was printed in the *Santa Cruz Sentinel* on Feb. 28, 1941.

By TOM MCHUGH

As today the course of history of the United States is making rapid strides, so a century ago did the same thing obtain; although the causes were somewhat different and the effects purely local in nature.

Back in 1841 the people of the United States, then settled in that area ranging from the Atlantic coastline to the Mississippi river, were just beginning to realize the value of the vast area stretching from the Mississippi delta to Puget Sound which has been acquired from Napoleon

Bonaparte in the Louisiana Purchase.

The westward trend of migration was receiving a shot in the arm through the tales of trappers, explorers, adventurers and priests in letters back home, newspaper articles, books and other forms of literature. The expression "Fifty-four forty or fight" was a terse challenge from the United States to the British crown; a challenge in dictating the awareness of this nation to the need for the extension of empire to the Pacific Coast.

In California, then a department of the United States of Mexico, the manifest destiny of the United States was being seen in another light by the handful of Americans, mountain men and sailors, who had found a welcome haven in a dreamy lotus land after years of wandering.

Out of the industry and the intrigues of these latter half-fellows-well-met-but-gouge-their-eyes-out-fighters came the impetus for the Bear Flag revolt, designed to add California and the Mexi-

can departments of New Mexico to the land area of the United States.

That the Bear Flag revolt did not accomplish this was due probably to the fact that the Mexican War of 1846 was declared by the United States a few weeks before the revolt. Certainty it was not due to any of the admitted faults of Captain Isaac Graham. For one of his faults was not forgetfulness. And as early as the winter of 1835 he had a plan for California — a plan which would make it a part of the United States.

When he arrived at Natividad in the Salinas Valley foothills that winter, Graham talked at some length about his plan. When in 1936 a young Monterey revenue collector named Juan Buatisa Alvarado found fault with Mexico appointed authorities at Monterey and left that town under threat of arrest, Graham provided shelter and advice for the fugitive. In the fall of 1836, backed by 50 American riflers and twice as many young

rancho princes of the Monterey-San Juan-San Jose-Santa Cruz region, Graham captained a revolt for Alvarado. Alvarado became governor of the department and Graham remained in his service for two years as commander of the army.

Whatever promises Alvarado made Graham (Graham said California was to be independent of Mexico under the agreement, but Alvarado denied this) were not kept. In 1839 Graham planned to go east to return with settlers, but the weather handicapped him and in April of 1840 he with 46 others, American and British, were arrested and sent to Mexico as plotters against the government. A year later he was back again, absolved of the charges and possessing a claim for \$39,000 in indemnities for the injustices and property losses suffered, smarting with rage and indignation at the chicanery of the despised "var-

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mint" in Monterey officialdom.

The Mexicans, so they thought, had stripped him of everything. His gold, his stock of goods, his papers, his land and cattle and alembic at Natividad had been confiscated or destroyed; and the Mexican government had no intention of paying the claim for indemnity.

But Graham fooled them. A few days before his arrest he had secured possession of Rancho Zayante in the Santa Cruz Mountains through Joseph L. C. Mejoys, a former companion-in-arms in

Rocky Mountain trapping expeditions and now a naturalized Mexican citizen, husband of one of the daughters of the large and influential family of Castro.

Possession had to be kept secret, for the laws of Mexico provided that only Mexican citizens could own grants and Graham refused to give up the citizenship and ideals for which his father had fought in the revolutionary war.

But he had been stripped of his livestock, gold and goods, and until such time as he had money with which to replenish the losses some other means of making a living has to be devised.

Men were whip sawing lumber in what was called "the red-

woods" (now Corralitos) and on the pueblo lands of Villa Branciforte (now Rancho Rincon). Perhaps Graham was above such menial labor.

Perhaps he had more foresight.

Perhaps he was Santa Cruz county's first promoter, as some of his other exploits seem to indicate.

At any rate he could see no reason way timber had to be reduced to lumber in the same tedious fashion as that employed by the ancients. He had timber, he had water. So he put them to work.

Not being a mill wright himself, he had to find someone to do that job for him. Nor did he take long in accomplishing this

end. He found two, one a Swede, the other a German, immigrants newly arrived. One, Peter Lassen, left his name for all times in a peak and a county of California. The other was Frederick Hoegal, of whom little was known.

On September 11, 1841, Lassen, Hoegal, Majors (as owner of the rancho) and Graham entered into a contract for the construction of a sawmill on Zayante Creek near its confluence with the San Lorenzo River. Graham was to pay \$1,000 plus a percentage of the first lumber cut for the job. There is no information available today as to when that mill was completed. All of the transactions were handled through Majors and continued to be until the Ameri-

can occupation. Probably Majors destroyed the papers, if any were made out. Graham was operating the mill in 1842 and in 1843 had paid off the indebtedness.

Erection of the mill dates the first manufacturing industry in the Mexican department of the Californias.

It was quickly followed by schooner construction, tanning, lime and cement, gunpowder, fuse, glass and furniture manufacturing, as well as a multitude of allied industries almost all of which were carried on in the San Lorenzo Valley.

In its hey-day, Santa Cruz was second only to San Francisco as a manufacturing and shipping center.