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Thomas Oliver Larkin, pioneer merchant of California, 1832-1846.

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THOMAS OLIVER LARKIN
PIONEER MERCHANT OF CALIFORNIA
1832 - 1846



BAKER - 1959

THOMAS OLIVER LARKIN

PIONEER MERCHANT OF CALIFORNIA

1832 - 1846

by

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requirements for the degree of Master of Arts.

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FOREWORD

California in the 1830's offered unlimited economic possibilities. Mexican independence had brought Spanish ownership to an end, but Mexico's control over the province was no more than tenuous. Californians welcomed the benefits which foreign traders brought them, but had neither the inclination nor the energy to develop the economic potential of their area. It was mainly American merchants who seized the opportunity to fill this vacuum. Their exploitation of California's resources did more than build individual fortunes. It was largely through their activities that the United States awakened to the desirability of acquiring this rich province. Thus, the economic development achieved during the period of Mexican Rule, 1822 to 1846, has significance in the history of the westward expansion of the United States. It is from this viewpoint that this study of the Larkin Papers has been made.

Thomas Oliver Larkin was an important figure in the history of California. The large manuscript collection, composed chiefly of letters to and from Larkin, indicates that he was one of the leading businessmen of the day as well as the key diplomatic official for the United States in Monterey. In addition to detailed information concerning local and international trade and the development of numerous business enterprises, these papers contain interesting data about

other aspects of the history of this general area: local political events involving revolutions against Mexican governors, the Isaac Graham affair, and the untimely seizure of Monterey by Commander Thomas Ap Catesby Jones in 1842. News of Hawaiian politics and economics as described by friends and business contacts in the Islands, merchants' reactions in Hawaii, Chile, and California to political events in the United States, and even manners and morals of California are included. Furthermore, Larkin's consular correspondence sheds light on the disorganized nature of the American diplomatic service of the time and on peculiar needs for this service in California.

Larkin is generally known for his diplomatic career as United States Consul from 1843 to 1846 and as the Confidential Agent of President Polk in 1846. This paper, however, is limited to an examination of his role in the economic development of California before the Mexican War, specifically 1832 to 1846. This is partly because his papers have been published only through the year 1846, but primarily because it was only as he became a successful businessman in this earlier period that he acquired the stature and influence which enabled him to serve effectively in the political and diplomatic drama prior to the Mexican War.

One purpose of this monograph is to describe the business career of Larkin and to determine the chief factors which led to his success. To achieve a fuller understanding of this, a study of the available material about his early

life has been included as well as a chapter of background material concerning the economic conditions of the California to which he came. Ten years of varying success as merchant and lumberman in North Carolina had tempered, but not destroyed, his enthusiasm and vision. Within a few years after his arrival in Monterey in 1832, he had built up a thriving local and foreign trade, introduced lumbering operations on a large and profitable basis, established a soap factory, invested in real estate at strategic locations, and had become the most prominent financier on the West Coast. Conditions in California favored such a career. It was, however, Larkin's techniques and vision which enabled him to capitalize on the opportunities presented. He established contacts for advertising and for evaluating existing and potential markets. Careful accounting, industry, and Yankee shrewdness were applied effectively in his business transactions. His personal relationships with government officials, Californians, and merchants of Hawaii and of the East and West Coast contributed to his successful career. But the most important factors were his ability to see beyond the confines of the existing business activities, and his energy and determination to take calculated risks by venturing into new fields.

The second purpose is to assess Larkin's role in the economic development of California as a contributing influence in winning over the area for the United States. He awakened the interest of Americans by publicizing California as a land with a promising future. This was accomplished in part by

correspondence with newspapers, merchants, and the State Department. But most significantly, it was the acquisition of a fortune which testified to the claims he made for California--a fortune which became more widely envied as Larkin contributed to the expansion of the volume of trade with Hawaii, Mexico, and the United States. In this age of Manifest Destiny, he struck a responsive chord which culminated in the extension of United States' boundaries to the California coast.

In the preparation of this monograph, I am indebted to Mary Baxter, Sumner M. Greenfield, and Catherine D. Silver for their translation of Spanish manuscripts, to George Goodwin, Jr., and Robert A. Potash for their valuable suggestions, and finally, to William A. Davis, whose patience and guidance made this thesis possible.

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CHAPTER I

EARLY LIFE IN THE EAST

The Boston area, at the opening of the nineteenth century, was oriented toward the sea, as it had been from the time of its settlement. Commerce was its life-line and the reputation for "Yankee enterprise" derived largely from the ventures which originated from the Port of Boston. Ever on the alert for new fields for profit and adventure, Boston ship owners developed far-flung trade areas in the Atlantic and Pacific Oceans. The China and India trade, the Pacific sea-otter fields, as well as European markets, were explored and utilized by Boston traders. It is not surprising, perhaps, that inhabitants in some of the out-of-the-way places in the world (California, for example) thought that "Boston" and "United States" were synonymous names.

Boston had also another aspect--pride in its cultural and intellectual heritage. In Massachusetts Bay Colony days, when general education was emphasized as a religious need, the intellectual tone was set. The educated blacksmith, the radical writers and conservative thinkers of the Revolutionary period form part of the basis of the semi-mythical position of Bostonian intellectual superiority with which every school-child is familiar.

Into this dual atmosphere of commerce and culture,

Thomas Oliver Larkin was born in Charlestown, Massachusetts, on September 16, 1802. As a member of a long-established family,¹ it was natural that both commerce and culture entered his early life, though in different degrees. His earliest career was related more to the intellectual atmosphere than to commerce; but very little intellectualism rubbed off on him. In October, 1817, Larkin went to Boston to learn the book-making trade. He found it a "poor business" and chafed at having to take orders from a superior. He changed his place of employment in 1819; this seemed even worse and in October, 1821, he left Boston and book-making.² The only noticeable effects of this four-year occupation were his awareness of the dearth of books and lack of interest in them in the South and in California, and his subsequent efforts to be self-employed rather than at the command of an employer.³

¹"A Chapter in the Life of Thomas Oliver Larkin," Robert J. Parker, ed. of "My Itinerary: U. S. America," California Historical Society Quarterly, XVI (March & June, 1937), 3. (The journal, itself, hereafter referred to as "Itinerary.") Larkin's family roots in Massachusetts went back to 1638, when his great-grandfather, Edward Larkin settled in Charlestown as a freeman. His grandfather, Ebenezer Larkin, fought in the Battle of Bunker Hill.

²"Itinerary," 169: "Left my place for another 1819, in Boston. Found I had jumped from the pan into the coals. My collar began to chafe me. As I grew up saw the halter plainer, thought it might grow too strong. Left my trade, and Boston too"

³Ibid., 159: "I saw no Book Store, or Auction here [Camden, South Carolina]. A Southern City must be very large to support the former. They think they have no time to read much. There are but few planters read much. Some of them have a small library. The latter is more common in S. C. than N. C."

Larkin's decision to leave Massachusetts to try his luck in North Carolina was influenced not only by his distaste for the book-making trade, but also by the lack of close family ties. When he was six years old, his father, Thomas Oliver Larkin, died. Five years later, in 1813, the family moved to Lynn, Massachusetts, where his mother, Ann Rogers Cooper Larkin, died in 1818. Apparently, this loss was to him the end of childhood security and the beginning of the realities of adult life, for he commented, "There went the last of my peace and innocence" ⁴ Other than one brother, William, there was no one left in his immediate family with whom he was closely associated. He was destined to lose this tie, too, before many years.

Held to his native state by neither family nor career, Larkin set out for North Carolina with his friend, F. G. Thurston, on the schooner, "Maria," which sailed from Boston on October 17, 1821. When they arrived at Wilmington, eight days later, knowing no one except the other five passengers of the "Maria," they found the town practically deserted because of a yellow fever epidemic. ⁵ Larkin felt the loneliness and insecurity of his position acutely--no friends, little money, and no job. But after two weeks, he

⁴Ibid., 169.

⁵Ibid., 11: "Not an acquaintance in the State excepting my fellow passingers, one of whom left the humours and reverses of fortune with me. We had started for the south to rise or fall together, and at the South, we now found ourselves, in a town without inhabitants enough to make a funeral."

determined to stay and secured employment as a clerk.⁶

In the process of determining what future North Carolina might offer him, Larkin recorded descriptions of and comments on Southern economic life which revealed a good deal of business acumen for one so young and inexperienced. Although he made extensive notes of the production processes of turpentine, tar, and cotton, he was much more interested in commercial aspects.⁷ Thus, he commented on the few who made "Princely fortunes" by speculating in the cotton market,⁸ but saw also the poor business sense of the North Carolinian who spent five days taking two barrels of turpentine to town to sell for corn which didn't pay for the journey.⁹ This lack of enterprise and efficiency seemed more typical of the South than shrewd speculation did. He found it again in the failure of Wilmington to achieve improved river navigation even though twenty thousand dollars was appropriated for the project.¹⁰ He was amazed at the practice of importing every manufactured item from the

⁶Ibid., 170: "Did not know one Soul in the place, had no friends, no business, and not much money. Thought all day on the subject, and dreamt on the same at Night. Stood it out."

⁷Ibid., 11-15.

⁸Ibid., 15. These speculative adventures seemed to him too uncertain to be worth the risk and effort involved. He was appalled at one example of a speculator who was so eager and heartless that he allowed a driver to kill two horses in an attempt to get cotton to market before his competitors became aware of the rise in price. Larkin recorded, almost with pleasure, that the cotton arrived too late.

⁹Ibid., 23-24.

¹⁰Ibid., 15: "Navigation is not much attended to in N. C. They make a great noise about it, but do nothing." The

North;¹¹ but though he could not understand the lack of energy which this indicated to him, the dearth of industry meant enhanced business prospects for the importer. Here was a possible field of enterprise which seemed even more promising when he observed the ignorance of Northern merchants, who shipped goods without knowing the demands of the market.¹² He noted the fluctuation of prices, sometimes for no apparent reason,¹³ and saw the advantages of the lack of competition in Camden, as compared with Charleston, Columbia, or Wilmington.¹⁴ It was in Camden, also, that he found a store, which, because of its orderliness, was different from most Southern establishments.¹⁵ This neatness and logical

man who received the contract to clear the river below Wilmington left it in worse condition than it was before he started; but the assembly, having appropriated the money, seemed to feel that their obligation was finished, and were unconcerned about the result.

¹¹Ibid., 11-12.

¹²Ibid., 156: "Merchants ship goods to the South without knowing thing of the nature of the Market. Great care should be taking in every place to know what goods is wanted before they ship.

"Stationary and fancy articles are often shipd to the South. Sold at auction at a 1000 pr ct less than cost and ship'd back again, on consignment."

¹³Ibid., 15.

¹⁴Ibid., 161. It is possible that Larkin rejected Camden for his own enterprise because of the effect of the climate on his health, for he commented that his visit there left him ". . . no better in my complaints"

¹⁵Ibid., 158: "Not like most of the stores at the South where everything is all mix'd up together, boards for Coffins, Mills for Coffee, fiddle strings, and boat Cables, the best of Bacon, for they are a judge of that, and the worsed of Callicoos. They are no judge of these."

arrangement of goods impressed him enough to influence his own set-up when he established stores, both in North Carolina and in California. In fact, the acuteness of his observations in general were to serve him well in his subsequent business careers on the East and West Coasts.

Likewise, Larkin provided an insight into the social life of the day, in his journal, and in so doing, revealed elements of his own personality. His sense of humor was apparent in his amusing description of electioneering, in which the military muster to hear the political orations resulted in the militia going to sleep on the corn hills until it was time for the free beverage.¹⁶ His intolerance of Jews, whom, he felt, ". . . must be scatter'd about among Christians, where they can cheat to their hearts' delight" revealed also his sense of New England superiority, for he indicated that while the Jews could outwit the Southerners, they didn't do well in the North.¹⁷ He recognized the deepness of the roots of slavery, and predicted a misunderstanding between South and North, slave and free.¹⁸ He was shocked to find gambling in Charleston, South Carolina, on Sunday,¹⁹ but delighted with the Spanish dance in fashion there.²⁰ His appreciation of North Carolina revolved

¹⁶Ibid., 15-16.

¹⁷Ibid., 157.

¹⁸Ibid., 26-28.

¹⁹Ibid., 157.

²⁰Ibid., 159: "At two or three balls I saw this fascinating dance. The fastidious may condemn it, but I am not one of those to do so. I thought while I was a Spectator

mainly around the kindness and warm friendship which he experienced;²¹ but it was not enough, finally, to compensate for the sense of unfulfillment in his economic life.

His first employment in North Carolina, as a business clerk, failed to satisfy his desire for independence, as his book-making apprenticeship had earlier. In February, 1822, he contracted for a trip to Bermuda, as supercargo of the "Susan," for twenty dollars a month plus two and one-half per cent of the cargo sale. He never received this, nor any return on the small amount he had invested in the cargo, because of the drunkenness and dishonesty of the captain.²² This cured him of any desire to participate in future ventures of this nature. He turned to merchandising and, on borrowed capital, opened a store in partnership with his friend, Thurston, in June, 1822.²³

in the hall that I should never learn it. Those that are its votaries join in it at every opportunity, and I soon became one. Having engaged a partner I join'd in the next dance. At first its Whirling motion made me giddy. I soon understood, and to a partner for Every Waltz." Although certainly not the determining factor in Larkin's move to California, this taste of Spanish entertainment may have added a bit of romantic lure.

²¹Ibid., 25: "But in spite of their faults, and what nation are free of them, their singular oddities, & inconsistency, I shall always remember their friendship & kindness. I have spent many a pleasant time with them. I always found a hearty welcome and always made myself at home among them."

²²Ibid., 144.

²³Ibid., 144. This store and partnership lasted until 1824. Larkin summarized it as a pleasant experience: "From perfect Strangers we rec'd about \$1800 worth of goods and began to play our part among men. Our path we found

Following this first experience in operating a store, Larkin engaged in a number of business activities during his last six years in North Carolina. He and his brother William brought goods worth five thousand dollars from the North in the fall of 1824,²⁴ and started a new store in Wilmington.²⁵ Before the business was well underway, his former partner, Thurston, tried to ruin his credit by communicating misgivings about Larkin's reliability to three Boston firms with whom Larkin did business.²⁶ Larkin was able to prove the falsity of these charges and indicated, in recording the affair, that, at least in comparison with Thurston's activities, his new store was doing fairly well.²⁷ But the death of his brother on September 4, 1825, led to a change. His

easy and Smooth. At the end of two years we dissolved, with no profits, but considerable experience to go upon in the future." The lack of profit is one possible clue to a reason for the termination of the association.

²⁴Ibid., 153: "The Vessel [the brig "Columbia," under Captain Hibbert] was so old that the underwriters hesitated about insuring her."

²⁵Ibid., 154.

²⁶Ibid., 162-63. Not only did Thurston spread rumors about Larkin's financial condition, but on a subsequent trip to Massachusetts, he enlarged his stories to include physical and moral depravity. Since Larkin's relatives believed these tales and wrote remonstrative letters, which arrived shortly after his brother William's death, it is probable that the whole mess encouraged Larkin's move from Wilmington, and, at the same time, made him feel more isolated from Massachusetts.

²⁷Ibid., 162: "Where I owed a dollar he [Thurston] owed five. Where I had owed one month, he had three, if not more."

loss had a tremendous impact on Larkin and gave him little zest for continuing the venture which his brother had shared with him.²⁸ Accordingly, he moved from Wilmington to Rockfish, in Duplin County, North Carolina, where he opened a store.²⁹

It was during his residence in Duplin County, that Larkin had his first experiences in government office. Late in 1825, he was appointed Justice of the Peace of the County Court of Pleas and Quarter Sessions--as far as he knew, the only Northerner to have received that distinction in North Carolina.³⁰ On September 14, 1826, he received a post

²⁸Ibid., 163: "If I never grieved before, I now did"; ibid., 170. Later, he commented: "Thought I had had distress before and drank its dregs. At this time [when William died] found I had never tasted of it before"

²⁹Ibid., 164-65. Larkin indicated an additional motive (see footnote 26) for this move to ". . . a pleasant place for one fond of solitude. For the sake of the latter, I left W. My old complaint render'd it necessary for me to leave a place of much company, and settle in a Neighborhood, where every person would soon know me, and where it would occasion less distress to me in town."; Parker, "A Chapter in the Life of Thomas Oliver Larkin," Introduction to "Itinerary," 8. Parker hazarded a guess that this illness might have been asthma or rheumatism.

Ibid., 166. In addition to merchandizing, Larkin purchased a two-hundred-and-eighty-acre plantation in 1825, including a house, outhouses, and stables. Other than recording the purchase, Larkin made no further reference to this venture in his journal.

Parker, "A Chapter in the Life of Thomas Oliver Larkin," Introduction to "Itinerary," 9. While in Rockfish, Larkin also tried a sawmill business which failed. There is nothing in the journal to indicate the reasons for this failure. The significance of the enterprise lies in the fact that lumbering was one of his earliest (and successful) activities after his arrival in California.

³⁰"Itinerary," 165: "It caused some stir in the county, partly for this cause [his youthful age of twenty-

office commission and the Rockfish post office was set up in his store.³¹ The fact that neither of these positions took precedence, in his mind, over his own affairs indicates that his main interests lay in his business.³² This was true later as well, when he was appointed United States Consul in California, and also makes more understandable his decision to leave North Carolina before the results of the election of Inspector, for which he was a candidate, were known.³³

Larkin's reasons for leaving North Carolina tied in closely with his going to California. The future, as he saw

three years] but mostly on a/c of my being a 'Yankee.' I am the only Northerner in the State that's a Justice, to my Knowledge It was said it was very strange that there was not men enough that belong'd to the County . . . without appointing a Stranger In time this died away like every other stir or noise. It made me carry a bold and stedfast cause, show no partiality but Justice to the rich or poor Thus far I have run well I believe."; ibid., 166. Larkin noted with satisfaction that there were only two appeals made from his decisions.

³¹Ibid., 167: "The proceeds of this office must be very small, still it will be of much use to me in my own letters, for often I wish to send but a few lines, and these on some subject of little consequence, to some ditant acquaintance, but postage interferes."

³²Ibid., 167: "The Post Office takes up but little time, the office of Justice I never let intrude on my other affairs. If a case should happen to come before me, it must be very urgent for me to neglect my own affairs. When I am at leisure I attend to all cases with pleasure and patience."

³³Larkin to E. L. Childs, August 22, 1831, "California Bound: Larkin in 1831," Robert J. Parker, ed., Pacific Historical Review, VII (1939), 365: "I did not receive the office of Inspector as I had offer'd for it. I let the nomination go on, and before the day of voting, had engaged my passage for this State [Massachusetts]. Therefore I did not spend any money treating as others did."

it in 1831, held three possibilities, of which the West Coast venture was the last.³⁴ Although his storekeeping was mildly successful,³⁵ the failure of his sawmill business left him a debtor, in a relatively small way.³⁶ Life in North Carolina apparently offered opportunities on too small a scale to satisfy Larkin, and although he enjoyed Southern friendliness, he wrote, "I have no ties that need keep me here"³⁷

It was almost by default that he went to California. But the report that his half-brother, John Bautista Rogers Cooper, could pay two farmers as much as four hundred dollars each on his farm in Monterey indicated to Larkin that there were possibilities for success there. At the same time, he mused, ". . . it looks like going to the jumping off place of the world to go to Monterey."³⁸

³⁴Larkin to Childs, May 11, 1831, Robert J. Parker, ed., California Historical Society Quarterly, XVI (September, 1937), 267-69. Larkin indicated that, as first choice, he would marry a cousin in Massachusetts provided she had adequate funds and would have him, and if, when he met her, he felt he could get along with her. His second choice was employment in the Post Office department in Washington, if Childs could find a position for him there. Neither materialized.

³⁵"Itinerary," 154. In connection with the store opened in Wilmington in 1824, Larkin wrote: "Found Business pretty good during the Winter."

³⁶Larkin to Childs, May 11, 1831, California Historical Society Quarterly, XVI, 267: "My debts are a trifle. \$1500 at most may pay them, and if I have justice done me here by some person, less than that will do it."

³⁷Ibid., 265.

³⁸Ibid.

Perhaps a return to Massachusetts would have appealed to him more if his family associations had been strong. But the opposite was true. On a return visit in 1824, he was overwhelmed by a realization that his existence was of little importance to anyone there, and was startled by the fact that relatives and acquaintances did not recognize him.³⁹ In 1831, when he wrote of his decision to go to California, he gave indication of feeling that he was, in reality, homeless.⁴⁰ His attitude was not that of the exuberant adventurer seeking new fields of conquest, but

³⁹"Itinerary," 149-50: "Charlestown my natal town, I saw The very grave yard of my forefathers I saw, and could almost point out my Father's white grave stone. All this did not overpower me, but it made me turn away my head to other views. Mentally I exclaimed what am I. Why was I created, and for what must I go on. Chase every pleasure, pass my time as I can, or forever ponder on the loss of relations. I have many. Every year one drops off. Shall I pause and lament his loss, or mind none but myself, I thought. Amid Boston and her million houses, can there be one that waits my coming and 'whose eye will brighten when I come.' Who will expect more pleasure and happiness this summer, while I am here than they had had before. No there is none My presence will not enhance their pleasures, nor my absence lessen it. An inward cry, exclaimed be and think for yourself, on your own exertions and resources depend, be happy while you can, think not of others only while with them. As the door shuts them from your sight, so shut them from your memory The next day, I call'd on my old employer. He did not know me. In the streets I passed and jostled my very relations, without their recognizing me. I call'd at their houses, and before night was tired of telling my own Name. Strange that a few years could alter me so much, but it had." His tone also suggests that in spite of his changed appearance, he felt he would have been recognized if anyone ever gave him a thought.

⁴⁰Larkin to Childs, August 22, 1831, Pacific Historical Review, VII, 365: "You may be again surprised to hear that I expect to leave my home, my native State and still more my country by the 1st of Sept. As to my home, I could with propriety have left that out, for where is it. Echo, answers where is it."

rather that of one who rather sadly resigns himself to the fact that there seems to be no niche for him in his home country.⁴¹

At the close of his "Itinerary," however, he also indicated that although fate had been unkind to him, he was not ready to give up all his standards, nor all his pleasures, to gain the wealth he would like so much to have.⁴² California might offer him wealth on his own terms, he thought, and therefore, as a last resort, he decided to try it. He was not excited about starting this new life; but he had not given up hope when, on borrowed money, he took passage in the "Newcastle," which left Boston on September 5, 1831, and arrived in Monterey, April 13, 1832, by

⁴¹Larkin to Childs, May 11, 1831, California Historical Society Quarterly, XVI, 267: "My onset in life is over-
through, my first prospects are blasted, my warmest antici-
pations are given up, my youngest days gone by, and with
them, a thousand sweet thoughts, a thousand fond ideas, and
all my young and fond expectations. All, all are gone,
blasted, withered forever. All I have done is undone. All
I have accumul[ul]ated has gone to the winds The
world is still before me 'tis true, and I am not old. But
to go to Mexico, to stay there, far from all I hold most
dear, . . . then if it [is] ever so to be, at what age shall
I be when I return, or must I never return now I must
seek another people, another Nation, unlearn my native lan-
guage, forget my Mother tongue, and learn a language spoke
by a people that I always despised and detested. Think you
I will not do much to avoid all this. Yet if I can not [do]
better I will do all this."

⁴²"Itinerary," 167: "I have long seen things as
they are not. It is now time I should view them as they are
. . . . Why thought I, was I not born with a fortune. I
can spend like a nabob, am as careless of fate as anyone, am
indifferent to all and Every thing. I asked not the smile,
fear not the frown, of man. I am neither humble or arrogant
to him Why then am I deem'd to lead the life I do.
But it 'tis so, its fates unalterable decree To gain
Wealth Shall I lay aside all that's noble in my nature,
stoop to any means and measures to gain it, give up all that
makes life agreeable, and pass my time solely in acquiring
it. no!"

way of the Sandwich Islands and San Francisco.⁴³

In spite of Larkin's "last resort" approach to life in California, his indebtedness, and his discouragement with the lack of achievement in his life to this point, he arrived equipped with both the experience and the ability to attain marked success. His direct knowledge of both shipping, as a supercargo, and merchandising, as a store-keeper and importer, gave him a good start in his Monterey trading. Whatever the failings in the North Carolina saw-mill business, they were evidently of educational benefit for lumbering was profitable for him in California. He had learned the value of contacts, had travelled and observed the need to appeal to the desires and tastes of his customers. He had seen the value of an orderly, well-run establishment, and through the bitter experience of Thurston's betrayal, had known the pitfalls of human relations and the value of an established and honest credit. His appreciation of the Southerners' friendliness and their recognition of Larkin as a desirable guest and a respected public official were preludes to the position he would establish for himself among the Californians.

In addition to the benefits which his own personality and experience gave him, his arrival in California was most

⁴³George P. Hammond, Introduction to The Larkin Papers, Personal, Business, and Official Correspondence of Thomas Oliver Larkin, Merchant and United States Consul in California (Berkeley, 1951), I, viii. Hereafter referred to as Larkin Papers.

opportunely timed for the beginning of a commercial business. About a decade earlier, the Spanish bonds had been broken, but the new pattern of political life had not yet been set. Though foreign traders were interested in California and contacts had been made, the possibilities for commerce had not been fully developed. The Spanish influences still existed; the Mexican Republic was not yet aware of the potential value of its northern province; but California was stirring and ready to awake to the enterprising activities of men like Larkin.

CHAPTER II

ECONOMIC AND POLITICAL CONDITIONS IN CALIFORNIA

The environment into which Larkin entered in 1831 was conditioned by California's history, not only during the Mexican period, but also during its earlier rule by Spain. The Spanish undertook the settlement of California in the same way in which they settled other border areas in the Americas, through such typical institutions as presidios, pueblos, and missions. Of these, the missions were the predominant economic force. They were the richest institutions, had the lion's share of the best land,¹ the most livestock, and were the main areas of agricultural development. Operating on the theory that a savage could not become Christian until he became civilized, the missionaries used their vast land grants from the crown to develop civilization in the wilderness. In the process, they engaged in farming,²

¹Hubert Howe Bancroft, California Pastoral (The Works of Hubert Howe Bancroft), XXIII (San Francisco, 1888), 222. "The lands of each mission joined those of other missions on either side, so that all were connected, or, in other words, the missionaries occupied all the land along the coast, except the presidios, the three pueblos and their lands, and a few ranchos which were held by virtue of grants from the King of Spain The missionaries objected to any settlements in the country but the missions; the presidios they regarded as a necessary evil."

²Rockwell D. Hunt and Nellie Van de Drift Sanchez, A Short History of California (New York, 1929), 287. The experiments of the missions with grains and seeds, wine,

manufacturing of soap, tallow, rough cloth, wine and some leather, trading, inn-keeping, and an embryonic type of banking. It is not surprising, therefore, that the missions were the chief centers for the hide and tallow trade when it became the main economic activity after 1810. Foreign ships, principally American whalers and fur-trading vessels,³ could count on finding the best available supply of hides, in both quantity and quality, at the missions, which received, in return, cloth and liquors superior to their own. The fact that the trade was illegal did not bother either the missionaries or the officials of the presidios, who counted on receiving some of these supplies after 1810, when the regular visits of supply vessels from San Blas stopped.⁴ Thus, some time before Larkin arrived in California, the religious and military institutions which were intended to protect this area from foreign infiltration became factors which actually encouraged contact with the outside world.

The California missions reached the peak of their influence, both spiritual and economic, in the first decade of Mexican independence.⁵ Their domination of the economic

brandy, cattle, olive oil, and fruits were the beginnings of the most important agricultural pursuits in California.

³John Frost, History of the State of California from the Period of Conquest to Her Occupation by the United States of America (New York, 1857), 24-25.

⁴Charles E. Chapman, A History of California: The Spanish Period (New York, 1938), 385-91.

⁵Robert Glass Cleland, From Wilderness to Empire, A History of California, 1542-1900 (New York, 1944), 126.

life in the 1820's meant that, among other things, they were the chief customers for foreign vessels and served also as middlemen in reselling China and Boston goods to rancheros. But their success was their undoing, for their wealth created envy,⁶ and gave impetus to the feeling that autocratic mission rule was incompatible with Mexican republicanism.⁷ Californians began to demand that the mission lands be made available to private ownership. In 1826, Governor Echeandía announced a plan for transforming the missions into pueblos with civil governments. Major steps were not taken, however, until 1834, when Governor José Figueroa began to execute the Act of Secularization, passed by the Mexican Congress in 1833. This law was aimed at gradual change; but, in practice, it resulted in a rapid disintegration of the missions and in the degradation of the Indian neophytes.⁸

An immediate economic effect of secularization was that, as the missionaries became convinced that their institutions were doomed (especially in 1834), they lost interest in maintaining them and sought to cash in on the assets. Thus, notably at San Luis Rey, San Gabriel, and Purísima, outsiders received contracts for slaughtering cattle in return for delivering half of the hides to the padres.⁹ In

⁶Ibid., 128.

⁷Hunt and Sanchez, Short History of California, 252-53.

⁸Robert Glass Cleland, The Cattle on a Thousand Hills (San Marino, 1941), 28-32.

⁹Hubert Howe Bancroft, History of California, V (The Works of Hubert Howe Bancroft, XX (San Francisco, 1886), 348-49.

addition, the government contracted to have cattle on nationalized land killed; and, in 1836, Juan Bautista Alvarado, the new governor, began to lend mission cattle to his cronies, who felt little, if any, obligation to return them.¹⁰

The most significant result of secularization grew out of the liberal land policy which accompanied it. The system of encouraging settlement in communities for defense and maintenance of order meant that only twenty private land grants were made during Spanish rule, chiefly to retired presidial officers.¹¹ After the passage of the 1833 law, the Mexican government abandoned this conservative policy. The law provided for the conversion of missions into parishes and for the replacement of the padres by secular clergy; but there was no legal regulation made concerning the disposition of the mission property.¹² This gave the Mexican governors a free hand, and during the brief period between the passage of the Secularization Act and American occupation in 1846, over five hundred grants were made.¹³ The generosity with which the national domain was turned

¹⁰Bancroft, California Pastoral, 244.

¹¹Chapman, History: Spanish Period, 392.

¹²Bancroft, History of California, V, 336-37.

¹³Hunt and Sanchez, Short History of California, 260: "Some efforts were made by Alvarado and Micheltorena . . . to restore the missions to their former glory, but the day of restoration was gone By 1846, all the mission lands were in private hands."

over to private individuals and the enormous size of the grants were such that the ranch soon replaced the mission as the dominant social and economic institution in California.¹⁴

The resultant social change was not so great as might be supposed. The California ranch during the Mexican period had a strong resemblance to a feudal barony. It was largely self-sustaining, except for the goods obtained from trading vessels, and the rancheros held a position similar to that of a medieval lord.¹⁵ Socially, this was not a revolution, but rather a change from domination by the padre over the mission to lordship of the ranchero over his estate.

Furthermore, although the solvency of the government suffered from its lavish gifts, the size of the grants showed more recognition of the needs of California cattle raising than the Homestead Act of 1862 showed for the needs of farming and ranching on the Great Plains.¹⁶ This meant that, although there was a great shift in land ownership, the hide and tallow trade was not hindered in its development. The traders now received the bulk of their hides from private ranches rather than from the missions.¹⁷ The importance to Larkin was that it presented an opportunity for the businessman to replace the missionary as hide-collecting agent.

¹⁴Cleland, Cattle, 32-33.

¹⁵Ibid., 42-43.

¹⁶Ibid., 87; John Walton Caughey, History of the Pacific Coast of North America (New York, 1938), 166.

¹⁷Robert Glass Cleland, A History of California, The American Period (New York, 1922), 42.

California land and climate were well suited to cattle raising, which was started in the 18th century. The industry fitted the Californian's desire for a somewhat adventurous life without too much consistent labor.¹⁸ Most native Californians owned herds of cattle and horses on one or more ranches.¹⁹ Since cattle were not raised primarily for food until after 1840, when immigrants began to arrive in appreciable numbers,²⁰ the quality of the beef and the improvement of the stock was of little concern. The herds, therefore, were allowed to roam at will until slaughtering season, when males (at least three years old) were killed for hides and tallow, the only marketable cattle products.²¹

¹⁸Cleland, Cattle, 37-38: "The Californian, like his ancestors in Mexico, was a cattle raiser by inheritance and temperament Because of the natural aptitude of the Californian for the business, and suitable natural conditions which prevailed, cattle raising became almost the sole industry of the province, and virtually its only source of wealth."

¹⁹Bancroft, California Pastoral, 357.

²⁰Ibid., 336: ". . . for a time anyone might kill cattle at pleasure for food so long as the hide was placed within easy reach of the owner. But later, when immigration set in, values began to be set on cattle." Actually the price of beef did not rise until after the '49 Gold Rush brought great numbers into California and created a real demand for food. See Cleland, Cattle, 138-56, for a description of the cattle boom, 1849-1856.

Cleland, Wilderness to Empire, 134-35. Although the population was not large enough to make beef an important article of trade, it was the principle item in the Californian's diet. What little meat was saved from each animal was generally cut into strips and sun-dried.

²¹Cleland, History, American Period, 40-41: "The best of the [tallow] . . . was used by the native women for cooking, and in making soap and candles. The rest was melted in large pots, generally obtained from the whaling ships,

Although, as mentioned earlier, some trade was carried on through the missions during the Spanish period, the real beginnings of the hide and tallow trade came with Mexican independence in 1822. In that year, Hugh McCulloch and William Hartnell, of John Begg and Company, an English house in Lima, Peru, obtained a three-year contract with missions; and William Gale arrived as permanent California agent for Bryant and Sturgis of Boston.²² The greater freedom of trade allowed by Mexico after 1828 and the growth of the cattle ranches after 1834 meant that many rancheros became wealthy through the hide and tallow trade.²³ Throughout the Mexican period, this commerce provided the main contact between California and the outside world. As with whaling and the California fur trade earlier, the main volume of hide trade was handled by American vessels. Most of the hides were shipped

and run into rawhide bags capable of holding nearly half a ton apiece

"The hides were cured (after a fashion) by pegging them out in the sun. A number of holes were cut in each skin through which stakes were driven to keep the hides from curling. As no great care was taken in the process of skinning, particles of flesh adhered to the hides, which even the California sun could not then make odorless. Most . . . were stored until disposed of to a foreign vessel. A few were kept for local use. Some leather was tanned by the missions and an occasional rancher; but for the most part the skins, after having been made into rawhide, found a wide variety of uses without further treatment. This rawhide, indeed, was as indispensable to the Californian of the early days as baling wire became to the rancher of later years."

²²Cleland, Wilderness to Empire, 135.

²³Chapman, History: Spanish Period, 392.

directly to Boston to supply the New England shoe factories.²⁴

Two other livestock products, though significant, were not so important as hides and tallow. Horses, in the 1820's, were the main articles shipped to Hawaii; but this was more an indication of the small quantity of trade in general between California and Hawaii during this period than of the importance of the horses.²⁵ The second, soap, had been produced in the missions, particularly at San Gabriel. As ranches replaced missions, more soap was made by private individuals for local use and in foreign trade.²⁶ Good soap was used as a medium for exchange, when in demand;

²⁴Caughey, History of the Pacific Coast, 249. Comparatively few hides were used in the China trade since New England offered the best market; China Trade Days in California, Selected Letters from the Thompson Papers, 1832-1863, D. Mackenzie Brown, ed. (Berkeley, 1947), 11-12, John Coffin Jones, San Diego, to Alpheus B. Thompson, November 7, 1833. Jones' letter indicated, in addition, the decline of California's interest in Far Eastern goods: "Hides are plenty in the Pueblo, and no goods in the market, if you can get there before any vessel, you can sell your cargo off immediately. Calico and cottons will bring any price asked. Canton goods of every description a mere drug."

²⁵Ralph S. Kuykendall, "Early Hawaiian Commercial Development," Pacific Historical Review, III (1934), 381; Richard Henry Dana, Two Years Before the Mast (New York, 1947), 102. By 1834, Dana commented on how little value horses had: "Horses are the cheapest thing in California; very fair ones not being worth more than ten dollars apiece, and the poorer being often sold for three and four. In taking a day's ride, you pay for the use of the saddle, and for the labor and trouble of catching the horses. -- If you bring the saddle back safe, they care but little what becomes of the horse."

²⁶Bancroft, California Pastoral, 448-49: "Salvador Vallejo had a large soap factory at his Napa rancho, which brought him in several thousand dollars a year. Larkin and Fitch also made good profits on soap."

but cash or hides were preferred. Dairy products were found only in limited quantity. The milch cows were wild enough to be hard to milk, and hardly any cheese or butter was made.²⁷ Forbes commented both on the scarcity of butter and on the fact that the small amount available was gray, unpalatable, and became rancid quickly.²⁸

Other livestock did not become important until after American occupation. About 1834, the number of sheep in Upper California was estimated at one hundred fifty-three thousand.²⁹ The wool was coarse and the meat was not considered desirable. Not until the Civil War created a demand for wool, did sheep-raising (centered around Monterey) become a very profitable business.³⁰ There were some hogs in California; but they were thought to be good only for soap.³¹

²⁷Ibid., 347.

²⁸Alexander Forbes, California, A History of Upper and Lower California from Their Discovery to the Present Time, Comprising an Account of the Climate, Soil, Natural Productions, Agriculture, Commerce, &c. A Full View of the Missionary Establishments and Condition of the Free & Domesticated Indians, With an Appendix relating to Steam-Navigation in the Pacific (London, 1839; reprint, San Francisco, 1919), 266.

²⁹Ibid., 277; Bancroft, California Pastoral, 336: "Bidwell affirms that in 1842 there were many sheep in some places. On the rancho of Livermore were 6,000, and Sutter had 1,000."

³⁰Cleland, Cattle, 189.

³¹Bancroft, California Pastoral, 336. Indians and Californians alike disdained the eating of pork, even more than mutton; Walter Colton, Three Years in California (New York, 1852), 40. Colton indicated not only the exclusive position of beef in the Californian's diet, but also suggests that part of the reason was that it was linked with the love

Although soil-cultivation was one of the mission occupations, it was continued by the ranches only on a very limited scale.³² The Californian concentrated on cattle raising and grew just enough maize, wheat, and vegetables for his own needs, and occasionally a little fruit.³³ Barley,

of life on horseback: "The only meat consumed here to any extent is beef. It is beef for breakfast, beef for dinner, and beef for supper. A pig is quite a rarity; and as for chickens, they are reserved for the sick."; *ibid.*, 34-35: "Our bay is full of the finest fish, and yet it is rare to meet one on the table. There is not a boat here in which one can safely trust himself a cable's length from land. And if there was, there would be no Californians to row it. Could they go to sea on their horses, and fish from their saddles, they would often be seen dashing through the surf; but to sit quietly in a boat and bob a line, is entirely too tame a business."

³²Bancroft, *California Pastoral*, 350-51. In commenting on the decline of agriculture, Bancroft wrote: "The various inventories of missions from 1834 to 1846 show a gradual abandonment of field-work--broken down fences, useless ploughs, etc., fill the record--here and there is an announcement of a small patch of grain. Orchards and vineyards are also half if not wholly ruined." The extent of production before 1834 is indicated by the following statistics:

Product	Amount (quarter fanegas)	Estimated Value
Wheat	7,857 $\frac{1}{2}$	\$ 49,114.25
Maize	3,414 $\frac{1}{2}$	21,340.00
Frijoles	514	
Barley	2,314	11,570.00
Beans, garvanzas, pease	338	4,260.00
Total	14,438	\$ 86,284.25

Since Bancroft indicated that the peak harvest of 145,000 fanegas came in 1834, the decline did not begin, apparently, until the end of that year. (A fanega is equal to 2 $\frac{1}{2}$ English bushels.)

³³*Ibid.*, 357, 449.

not oats, was used for horse-feed and grass was seldom cut for fodder; the Californian let his live-stock find their own food.³⁴ No real effort was made during the Mexican period to develop the agricultural products which were well-suited to the California climate and soil. This was due, in part, to the sparseness of the population, which meant a small local demand; but more important, perhaps, the Californian temperament did not lend itself to energetic enterprise.³⁵

Viticulture was only a partial exception to this lack of development of agricultural industries. Vineyards were fairly extensive and wine was produced; but the possibilities of expansion in quantity and improvement in quality were not pursued. In 1831, Governor Victoria expressed the feeling that eventually wine would become the most important export; but in the period between the decline of mission activity and the beginning of American production, little progress was made.³⁶ Brandy was also distilled by the

³⁴Ibid., 347.

³⁵Ibid., 349-51. Olive oil from California olives had been shown to equal the Spanish product; but little was done in this field. Tobacco grew well, although it was not so good as the American product. Flax and hemp had been developed by the missionaries; but these, too, were pretty much ignored after the mission decline. Cotton was not tried until the Americans arrived, when it proved to grow well and was considered better than the cotton from Acapulco, Mexico. Fruit growing had been jealously guarded as a mission activity; but even when the disintegration of the missions gave the opportunity for private development, relatively little fruit was grown.

³⁶Ibid., 349; 371-72.

missions, and later, to some extent, by private individuals for use in local trade.³⁷

The lumber and shipbuilding industries were not greatly developed before the arrival of American settlers. A Mexican forest law allowed the cutting of wood for ship repair; but the export of lumber was forbidden and, in theory, even shipment from one port to another required a permit. Lumbering activities by Americans began in the 1830's and, by 1839, had increased enough to call forth a government dispatch from San Francisco stating that foreigners were destroying the forests. The only result of this warning was a recommendation by the local Monterey authority that conservation measures be taken and that a revenue tax be placed on timber cut. Shipbuilding was virtually non-existent, the lumber cut being used for spars, other ship equipment, and later, shingles. During Alvarado's governorship, a few small boats for coastal trade were built; but there was little, if any, other activity in this line before 1840.³⁸ California, like the rest of Mexico, was not sea-minded.

Although the sea otter trade was not a vital part of California's economy after the War of 1812, it deserves special mention. It was responsible for awakening American

³⁷Cleland, Cattle, 192. The significant element in the development of viticulture was the Gold Rush. Soon after 1850, grapes began to be cultivated extensively for wines, brandies, and for shipment as fruit to northern areas.

³⁸Bancroft, California Pastoral, 439-41.

interest in the economic possibilities of California, which eventually led many, including Larkin, to try their fortunes there. The Spaniards attempted to build up the sea otter trade; but for various reasons they failed.³⁹ Nevertheless, the Spanish recognition of the value of the sea otter made Californians realize its marketability and they were prepared to welcome foreign fur traders when they came, in disregard of Spanish mercantile restrictions.⁴⁰ American interest in the sea otter trade began with the arrival of the first American vessel at Monterey on October 29, 1795,⁴¹ but the trade was not significant before 1800.⁴² Thereafter, the enterprise brought tremendous profit and became an integral

³⁹Ibid., 460. Bancroft blames the failure of Spanish fur trade on the acquisition of fewer skins than expected, the inferior quality of the southern sea otter skins as compared with those of the Northwest Coast, the lack of satisfaction of the royal fur traders with a fair profit, and finally, the lack of knowledge of how to prepare the skins or conduct the business.

⁴⁰Adele Ogden, The California Sea Otter Trade, 1748-1848 (H. E. Bolton, G. H. Guttridge, F. L. Paxson, eds., University of California Publications in History, XXVI (Berkeley, 1941), 31.

⁴¹Robert Glass Cleland, "The Early Sentiment for the Annexation of California; an Account of the Growth of American Interest in California from 1835 to 1846," Southwestern Historical Quarterly, XVIII, Nos. 1, 2, 3 (1914-1915), Reprint, Texas State Historical Association (n. d.), 3; Cardinal Goodwin, The Trans-Mississippi West (1803-1853), A History of Its Acquisition and Settlement (New York, 1922), 424-25. Goodwin explained that the enforcement of the Spanish prohibition of trade was impossible due to distance, the Californian's desire to trade with Americans, and the fact that officials, even when conscientious, were not equipped with the boats necessary for pursuit of the contrabandists.

⁴²Cleland, Wilderness to Empire, 105.

part of the Boston-China trade.⁴³ For about a decade, beginning in 1803, Yankees worked in contract with the Russian settlements in Alaska. The Russians provided the Aleuts to catch the sea otter in return for one-half of the profit.⁴⁴ This was combined with a transport by Americans of California meat, beans and grain and of Boston and China goods to Alaska.⁴⁵ This system partially solved the problem of Spanish prohibitions against foreign trade, for hunting could be done out of reach of the authorities. At the same time, it added the Russian settlements as a new market.⁴⁶

The War of 1812 marked a turning point in the sea otter trade. Never again would it provide such astounding profits. Old trade routes during the war were unsafe. But at the same time, the Mexican Revolution cut off the supplies from Mexico and therefore, increased the Californian's desire and need for American trade. With the end of the Russian contracts in 1815, Yankee traders continued to obtain skins through smuggling operations on the California coast, where they found a great demand for the goods they brought.⁴⁷ Between 1832 and 1835, the efforts to obtain California skins were increased both because the northern otter was becoming scarce and was more jealously guarded by the Russians, and

⁴³Robert Glass Cleland, Foreword: China Trade Days, vii.

⁴⁴Cleland, Wilderness to Empire, 108-09.

⁴⁵Cleland, History, American Period, 12.

⁴⁶Ogden, Sea Otter Trade, 57.

⁴⁷Ibid., 66-76.

because an economic crisis created in Hawaii by the decline in the sandalwood trade tended to concentrate more attention on California's possibilities.⁴⁸ During the 1820's and 1830's, there were attempts of varying degrees to enforce the regulations against this trade. With the increased number of foreign traders, several types of evasions were worked out. It became quite common for a Mexican to sublet his license or for the American to become a naturalized citizen to escape the restrictions against foreigners.⁴⁹ These practices did not eliminate contraband activity, which lasted as long as the supply of sea otters.⁵⁰

By 1835, various factors had combined to destroy the extraordinary profit in the sea otter trade. While the increased competition among traders had decreased the number of otters and forced the California price up, the price obtainable in China had dropped too low to make an exclusive concentration on otter skins worth-while.⁵¹ The hunting

⁴⁸Ibid., 86-94. ". . . a new foreign movement for California otters had been set in force. The great trade circle of the Pacific, rather than passing to northern waters, swung from the Hawaiian Islands toward and down the Pacific Coast of Spanish America and back to the mid-ocean entrepôt"

"When rancho products took first place among exports, the new China trade continued but changed. It was the same circular route, but because of the increased competition they came no longer exclusively for otter skins. Nevertheless, California furs continued to go to China By making use of the same Hawaiian stream of vessels, the first Boston hide-and-tallow firm had also continued in the fur business," (ibid., 94).

⁴⁹Ibid., 113-19.

⁵⁰Ibid., 132.

⁵¹Ibid., 146-48. The California price per pelt went from \$30 to as much as \$40, while, between 1831 and 1834, the

continued until 1849, but on a different and more limited basis.⁵² With its decline, the New England vessels, accustomed to the California area, turned to the new opportunities offered by the hide and tallow trade. As the otters became more and more scarce, the trader tended increasingly to operate mainly between California and the East Coast, and thus the trade became separated from the China trade, except for incidental connections at the Hawaiian Islands.

The land fur trade was never so spectacular as the sea otter trade at its peak. But it, too, had an indirect effect on Larkin's career. When Jedediah Smith, on a beaver-hunting expedition, came overland to San Gabriel Mission in 1826, he took the first step in opening the land routes over which many American immigrants from the western states came. Between 1826 and 1832, six or more trails were made by fur trappers.⁵³ Many of these trappers made their homes in

price in China dropped from \$55 to \$30; China Trade Days, 27, Stephen Reynolds, Oahu, to A. B. Thompson, Santa Barbara, September 26, 1837. Reynolds wrote: "Inclosed I send you account of Sales of Furs in Canton last season by which you will perceive the State of the Market to be against California prices."

⁵²Ogden, Sea Otter Trade, 132.

⁵³Cleland, Wilderness to Empire, 150-62. The most notable of these routes were: from the Columbia basin into the Sacramento Valley; from Santa Fé to the Green and Platte Rivers and then along Smith's first route into California; from Santa Fé to Albuquerque and Santa Rita, then along the Gila River to the Colorado, across the Imperial Valley to the Mission of San Luis Rey and to San Diego; and finally, Walker's route, taken in 1833-34, from the Great Salt Lake to the Humboldt River, across the Sierras into California by way of the San Joaquin River and Monterey.

California, especially around Los Angeles. Even more significant, American interest in California was greatly stimulated (particularly in the western states which had not been connected with the mercantile interest on the Pacific Coast) by the overland trade thus established and by the stories which the trappers brought back with them. The net result of this interest was immigration large enough to make the Mexican government justifiably concerned about the security of the province.⁵⁴ Like their Spanish predecessors, they had failed to maintain California's isolation.

In spite of restrictions against foreign trade, the Spanish had failed to initiate any California trade of their own except in furs.⁵⁵ Even this one attempt was not successful.⁵⁶ Foreign countries managed to evade Spanish regulations

⁵⁴Cleland, History, American Period, 87-88; Larkin Papers, IV, 315, Thomas O. Larkin, "Description of California," April 20, 1846. Larkin was also an important source of propaganda about the wide variety of economic potentialities in California as the following excerpt from his "Description of California" shows: "Under a better state of affairs, with a thriving race of Inhabitants, Upper California could supply all the 'Polynesian' Islands, San Blas, Mazatlan, Acapulco, and the North West Coast, with Wheat, Beans, Peas, Flour, Fat, Tallow, Butter, Cheese, Pork, Beef, Bacon, Salmon, Sardines, Horses, Mules, Spars, Boards, Shingles, Staves and Vessels! and with sufficient Capital and labourers, will have from her own mines Gold, Silver, Lead, Sulphur, Coal, and Slate, and has perhaps the largest Quick Silver Mines in the world"

⁵⁵Bancroft, California Pastoral, 460-61.

⁵⁶See page 28, footnote 39, for the reasons for the failure of the Spanish fur trade. Ibid., 459-60. Barter of furs for quicksilver, begun in 1785, was to be regulated into a rigid pattern. The Indians were to obtain the furs and deliver them to the missionaries, who were to sell them to a

and capitalize on the fur trade, which became part of the China trade-route pattern, as explained earlier. The Americans were the most energetic interlopers although two other countries, Russia and England, threatened this illegal monopoly. Spain had long feared Russian penetration from the north; but when Fort Ross was established on Bodega Bay in 1811, Spain was too involved with European wars and American revolutions to do anything about it.⁵⁷ It was, rather, British and American concern which led to the 1824 treaty, by which Russia agreed to stay north of 54°40'. The Russian American Fur Company continued their establishment on Bodega Bay for some time after 1824, trading with Californians, raising livestock and grain to send to Sitka, but concentrating on furs and on trade with the Indians.⁵⁸ By 1840, however, the expense had become too great for the Russian company, and since there was no longer a political advantage connected with maintaining it, Fort Ross was sold to John Sutter in 1841.⁵⁹ This ended any Russian challenge to the predominance of the Yankee trader in California trade.

government agent at a set price, ranging from \$2.50 to \$10 depending on the size and color of the skin. Private individuals were not allowed to purchase furs, so this was to be another mission monopoly, a fact which delighted the padres. In five years, the number of skins obtained in this way by the government was only 9,729, at a total cost of \$87,669.

⁵⁷Cleland, Wilderness to Empire, 110.

⁵⁸Caughey, History of the Pacific Coast, 183-84.

⁵⁹Cleland, History, American Period, 33-34.

England was the other nation which made a competitive bid for this trade area. Before Mexican independence, English ships had cruised along California shores en route to Hawaii or to the Columbia River. The rapidity with which Begg and Company of Glasgow sent an agent to obtain a trading contract when Mexico became independent is indicative of the interests which some English merchants had in California. The subsequent establishment of a Hudson's Bay Company post at Yerba Buena alarmed Americans such as Larkin, who were concerned about the economic competition and suspected that this might be part of a movement for British acquisition of California.⁶⁰ Though English traders ranked second to the Americans, they were never numerous enough to persuade the British government to acquire California.

The first American contacts grew out of the use which China trade vessels made of the California bays for repairing ships and resting their crews before the long voyage home around the Horn.⁶¹ Early in the nineteenth century,

⁶⁰Larkin Papers, I, 77-78. Ethan Estabrook wrote to Larkin, on January 29, 1841, of his feeling that the Hudson's Bay Company was "playing the Devil with the California Cattle, if not with California itself."; ibid., III, 266. Larkin expressed his concern in a letter to Secretary of State, James Buchanan, July 10, 1845: ". . . the Boston Super cargoes in California have most cause of apprehension of this gigantic company. The [English] Consul has presented to the New Government of California, a bill, for lances, powder and lead, supplied to the people by the Agent of the Hudson's Bay Company when they rose against General Micheltoarena. The present Commandant General, told me he would pay it as soon as possible, saying the late Agent, was much his friend."

⁶¹Caughey, History of the Pacific Coast, 247-48.

Yankee traders, using the need of supplies as an excuse, carried on an illicit trade with Californians.⁶² In this early stage, the area of foreign trade was actually more extensive than in the later, but larger, trade. As long as the sea otter was plentiful in California waters and would bring a high price in China, California was one link in this world-wide trade.⁶³ When hides and tallow replaced otter skins as the chief economic resource in California, foreign trade areas decreased at the same time that the numbers of vessels involved increased. During the 1830's, Hawaii changed from the midway stop in the China-California trade to a mid-ocean link between California and the East Coast. Rather than goods from China, traders brought items purchased on the Atlantic Coast. This change answered the desires of the Californians, who wanted "Boston goods"--clothes, shoes, furniture, plows, iron, hardware, and notions.⁶⁴ It also answered the purposes of the hide traders, whose best market was the New England boot factories.⁶⁵

⁶²Bancroft, California Pastoral, 461-62.

⁶³Cleland, Foreword: China Trade Days, 1-2.

⁶⁴Forbes, History, 284-85; Allan Nevins, Frémont, The West's Greatest Adventurer (New York, 1928), II, 192.

⁶⁵Ruben Lukens Underhill, From Cowhides to Golden Fleece, A Narrative of California, 1832-1858, Based Upon Unpublished Correspondence of Thomas Oliver Larkin of Monterey, Trader, Developer, Promoter, and Only American Consul (Stanford University, 1939), 25-26: "During this period Boston was the focal point for California trade, the eastern terminus for California's maritime affairs, and the banking center for California finances. New York shipping

By comparison with Boston, other areas outside California were of minor importance before 1830. Horses and live cattle were shipped to Hawaii; but it was not until American annexation that California became the main trading port for the Honolulu-centered commerce.⁶⁶ Agricultural products found a market, for a time, at the Hudson's Bay Company establishment on the Columbia River and at the Russian settlements in Alaska. There was also some trade with San Blas and a little with Mazatlan when Larkin came to California; but this Mexican trade had not yet achieved very great importance.⁶⁷

Local trade, as well as trade with Mexico, was carried on primarily by water because California trails and the two land routes to Mexico were slow and extremely difficult. In absence of either a Mexican or a local maritime fleet, the foreign vessels provided the means of local traffic as well as that with Mexico.⁶⁸ This coasting trade brought

interests seemed indifferent to the trade ships and hides. It is rare to find a cargo that cleared from Monterey for any American port but Boston."

⁶⁶H. W. Bradley, "California and the Hawaiian Islands, 1846-1852," Pacific Historical Review, XVI (1947), 19-20.

⁶⁷Forbes, History, 281-84.

⁶⁸Cleland, History, American Period, 159: "Only three routes between California and Mexico were available, and all of these were inconceivably tedious and full of hardship. The voyage from San Blas or Mazatlan to Monterey required many weeks, and was nearly always attended by storm and sickness. Mexican vessels were scarce; and the foreign traders commonly lengthened the voyage by running from the

goods to outlying ports and enabled the collection of hides from a wider area. With the relaxation of Mexican restrictions on foreign trade, Monterey became the starting point for legal coasting trade. It was centrally located, had an adequate harbor, and was the only port of entry in California.⁶⁹

Several factors made California trade complex, even in its early stages. Because of the scarcity of money, most trade had to be carried on by barter. When hides became the most important export, it was natural that they should also become the most common medium of exchange, and thus earn the name of "California bank notes."⁷⁰ Because coin was often unavailable and hides were too bulky to be used in the same way, barter became more complicated. Thus, John Temple sent brandy from Los Angeles to Monterey, and asked that Larkin

west coast of Mexico to the Sandwich Islands before touching at a California port." The oldest land route was opened by Garcés and Anna and ran from Mexico City to Sinaloa and Sener, then to the Gila River, to the Colorado River, and then across the Imperial Valley to the coast. Lack of grass, heavy sand, and hostile Indians made this route practically impossible and seldom used. The other, from San Gabriel to Santa Fé, was also difficult, and of course, Santa Fé was still a long way from Mexico City.

⁶⁹Lansford W. Hastings, Emigrants' Guide to Oregon and California (Cincinnati, 1845), 80. The chief ports participating in this trade were Monterey, Yerba Buena, San Pedro (port for Los Angeles), Santa Cruz, and Santa Barbara.

⁷⁰Cleland, Wilderness to Empire, 136-37; Dana, Two Years Before the Mast, 70. Hides fluctuated in value from \$1 to \$3, but were usually worth from \$1.50 to \$2.

deliver hides and tallow to José Aguierre, to whom Temple was in debt.⁷¹ A debt was repayable almost universally in cash or hides; but if stated in the contract (or if payment possibilities became uncertain) soap, wheat, lumber, or any marketable goods might be accepted. Legal fines were levied in commodities also.⁷² It was necessary, frequently, to carry a debt for a long time, waiting either for the slaughtering season or for a vessel which could transport the article of payment.⁷³ Accounts sometimes ran for years with Californians of good standing.⁷⁴

Other problems, in addition to the necessity of long-term and multilateral transactions, faced the trader in California. The seemingly small matter of containers for goods could be the determining factor in the completion of a sale. A merchant might have goods to sell, a market which would buy them, and nothing in which to make a shipment. Owners of soap boxes, wine casks, and flour barrels were, therefore, very particular about their return.⁷⁵

⁷¹Larkin Papers, I, 28, John Temple to Larkin, Sept. 9, 1839.

⁷²Cleland, Cattle, 44.

⁷³Larkin Papers, III, 213, Larkin to Parrott & Co., May 30, 1845: "In Californian if our Debtors begin in 12 and end in 18 months paying our demands we are satisfied The drafts for money due you left my hands by last January. I flattered myself I had done pretty well in paying up. 'Tis one thng to get moeny here and then another to find a proper conveyance of it to your port."

⁷⁴Underhill, Cowhides to Golden Fleece, 22.

⁷⁵Larkin Papers, I, 10, John Temple, Los Angeles, to Larkin, May 5, 1839: "The barrils and casks must"

Inadequate communications presented other hazards. When goods began to pile up in Hawaii, for example, because of an economic crisis, news of this might not reach California until more goods had been shipped to the already flooded market. Even if word of a decline in price was received from Hawaii, Mexico or Boston, there was usually no assurance that the situation would not change before the contemplated cargo reached its destination.⁷⁶ Gathering a cargo of hides took two to three years,⁷⁷ and meanwhile, the

be return'd to me or others in their room."; ibid., 14. Temple wrote to Larkin again on June 20, 1839: "I wish you to send me the casks the aguarte was in as part of them were borrow'd."; ibid., 17. Isaac Williams wrote frantically to Larkin on July 31, 1839: "I wish you to Send me . . . all of the barell you Can procre."

⁷⁶Larkin Papers, I, 128-29, an example of repeated glutting of a market is seen in a letter from Stephen Reynolds, Oahu, to Larkin, October 17, 1841: "Business is very dull at Oahu. Never, since I have been here, have, have I found it so dull I have two years stock of Cotton goods on hand for which there is no demand now The Brig Joseph Peabody arrived this morning Ship California Arthur sailed July 20th for Sandwich Islands and California, Capt. Clapp Supercargo. Capt. Carter expected to sail this fall in a small vessel, a Brig to sail in all Sepr for Sandh Islands Every Store, Nook & Corner is full of goods now--what they will be when all the above arrive, is too much to [th]ink of, besides the Lausanne by way of Valparaise & Society Islands."

⁷⁷Caughey, History of the Pacific Coast, 249-50; Dana, Two Years Before the Mast, 242: By 1836, two years after the arrival of the "Alert" on the coast, Dana saw the cargo of hides, horns, some beaver and otter skins, and a small amount of gold dust, completed; China Trade Days, 16, Francis A. Thompson, San Diego, to Alpheus B. Thompson, Santa Barbara, May 5, 1836. F. A. Thompson, Captain of the "Alert," wrote of this cargo: "The Alert takes 39,000 hides, 31,000 horns, between 7 & 800 lbs. of Beaver & is not deep! What do you think of that for a California Cargo? If I can deliver it in good order in Boston & make a good passage, is the height of my ambition at present. But that remains to be seen."

hide market in Boston could change several times.

Mexican restrictions on trade presented occasional difficulty; but this was not an insurmountable problem. The tariff, paid at Monterey, was high, running from \$5,000 to \$25,000 per vessel; but once the duty was paid, the vessels could engage in coastal trade for about as long as was necessary to dispose of their cargo,⁷⁸ which could be sold for as much as a three hundred per cent mark-up.⁷⁹ In addition, cargoes were often replenished by smugglers, who brought goods from Hawaii and transferred them to the licensed vessels behind one of the small islands along the coast.⁸⁰

⁷⁸Cleland, History, American Period, 42.

⁷⁹Dana, Two Years Before the Mast, 67-68. Dana was amazed at the prices the natives were willing to pay. "The Californians are an idle, thriftless people, and can make nothing for themselves. The country abounds in grapes, yet they buy, at a great price, bad wine made in Boston and brought round by us, and retail it among themselves at a real (12½ cents) by the small wine-glass. Their hides, too, which they value at two dollars in money, they barter for something which costs seventy-five cents in Boston; and buy shoes (as like as not made of their own hides, which have been carried twice around Cape Horn) at three and four dollars, and 'chicken-skin boots' at fifteen dollars a pair. Things sell, on an average, at an advance of nearly three hundred per cent upon the Boston prices."; Bancroft, California Pastoral, 470: "Sutter says when he first came to California, 'articles on trading vessels were so high that he who went on board with \$100 in money or hides, could carry away his purchases in a pocket handkerchief.'"

⁸⁰Dana, Two Years Before the Mast, 210. Dana described the activities of a smuggling vessel from the Sandwich Islands: "Her armament was because of her being a contrabandista. The otter are very numerous among these islands, and, being of great value, the government require a heavy sum for a license to hunt them, and lay a high duty upon every one shot or carried out of the country. This vessel had no license, and paid no duty, besides being

Governor Chico, in 1836, tried to prohibit retail trading on board ship, but his regulation was virtually ignored,⁸¹ and his administration was cut short by a revolution after only three months in office. Other regulations in regard to conduct in port were likewise ignored, except for the relatively short period of time when an honest official was present, or when, infrequently, an officer of the port could not be bribed.⁸² The Californians, themselves, were interested

engaged in smuggling goods on board other vessels trading on the coast, and belonging to the same owners in Oahu These vessels frequently remain on the coast for years, without making port, except at the islands for wood and water, and an occasional visit to Oahu for a new outfit."

Indication of another technique in avoiding duties laid on goods by the central Mexican government is shown in the following: Larkin Papers, I, 36, Henry Delano Fitch, Mazatlan, to Larkin, March 24, 1840: "I am in hopes that you will not take the news of the new 15 pr cent law to Cala with you, for my part I shall try and keep it secret." Sometimes, poor communications could be an aid rather than a hindrance!

⁸¹Bancroft, History of California, V, 424.

⁸²Caughey, History of the Pacific Coast, 249. Some captains paid duty; others bribed the officials. Customs duties amounted to no more than seventy-five thousand dollars a year even though there were as many as forty to fifty vessels on the coast; Dana, Two Years Before the Mast, 66. Dana explained how the "Alert" handled regulations: "The Mexican revenue laws are very strict, and require the whole cargo to be landed, examined, and taken on board again; but our agent had succeeded in compounding for the last two vessels, and saving the trouble of taking the cargo ashore."; ibid., 227. In regard to ballast disposal regulations at San Diego, Dana recorded: "A regulation of the port forbids any ballast to be thrown overboard When any people from the presidio were on board, the boat was hauled up and the ballast thrown in; but when the coast was clear, she was dropped astern again, and the ballast fell overboard. This is one of those petty frauds which many vessels practice in ports of inferior foreign nations, and which are lost sight of among the deeds of greater weight which are hardly less common."

enough in trade with foreign ships to be ready to ignore the restrictions. The provincial government, in contrast to the central Mexican government, showed interest, at times, in encouraging foreign trade, as Figueroa's report of commerce in 1834 showed.⁸³ Although the California governors' views did not effect a change in Mexican policy, this recognition of the advantage of foreign trade to California decreased the effort toward strict local enforcement of the regulations.

Problems of trade were not always man-made. Nature could sometimes play havoc with the well-laid plans of a hiding vessel. California was occasionally plagued with drought, which meant the death of a large number of cattle, since feed for livestock was seldom stored. This might suddenly increase the supply of hides, but many of them would be of smaller size, and the annihilation of the herds meant a meagre supply in the future.⁸⁴

With all the problems and complications, trade was still profitable enough to encourage its growth. The willingness of the Californians to pay exorbitant prices for

⁸³Bancroft, History of California, V, 373-74. Figueroa recommended opening Monterey to unrestricted foreign trade, the building of a regular custom house there, and the encouraging of coasting trade in other ports.

⁸⁴Alfred Robinson, Life in California, 149, requoted in China Trade Days, 36, in reference to the drought of 1833: "The year was nearly at a close. The season for rain had set in, but as yet none had fallen. The hills and fields were parched by the heat of the sun, and all vegetation seemed partially destroyed. Everyone cried for rain!"

goods and the high profit obtainable on hides in Boston⁸⁵ outweighed the expenses and risks, as well as the uncertainties, which grew out of the political instability in California.⁸⁶

The country to which Larkin came was only nominally a part of Mexico. The Mexican Republic, like Spain earlier, had failed to make California an integral part of the state.⁸⁷ The distance from Mexico proper and the inadequate transportation and communications, described earlier, were serious obstacles to the development of harmony and unity of purpose of either regime. During the Spanish period, the governor of California was the political and military head of the province, subject, in theory, to the viceroy in Mexico. The remoteness of the province meant that, in

⁸⁵Dana, Two Years Before the Mast, 176: In 1835, hides brought 12½ cents per pound.

⁸⁶Bancroft, History of California, V, 363-67. The profit from legal trade alone was sufficient to result in an increase of vessels registered at Monterey from nineteen in 1831, to thirty-two in 1834.

⁸⁷Ibid., 235. The failure is perhaps more abysmal when compared to the stated aims of Mexico as revealed in the instructions given to José Figueroa as governor. He was ". . . to work for the perfect restoration of tranquility and to inspire confidence in the national government by explaining the causes which had led to certain changes in the system of republican administration He was to give much attention to the neophytes, with a view to improving their condition and fit them for a change in the mission system. To give an impulse to trade, he must favor the exportation of surplus products and induce the missions to build small vessels. Colonization and distributions of lands . . . were to be encouraged in accordance with the laws . . . as were active efforts to extend settlement toward 42° in the north"

reality, he was restrained by no superior.⁸⁸ This early lack of identification with Mexico is revealed in the fact that during the revolt against Spain, California was hardly disturbed.⁸⁹ After the Spanish were ousted, distance continued to influence the feeling of separation. The Californians were allowed to have representation in the Mexican Congress; but communications and transportation between California and Mexico were so slow that the representative not only did little representing, but also exerted very little influence toward extending control of Mexico over California.⁹⁰

Inability to overcome this isolation was due partially to the instability of the central Mexican government, but even more to the nature of its California branch and the attitude of the Californians toward their government. The general political atmosphere in California was one of turmoil during most of the Mexican period.⁹¹ From the Solis

⁸⁸Chapman, History: Spanish Period, 394.

⁸⁹Cleland, Wilderness to Empire, 113.

⁹⁰Dana, Two Years Before the Mast, 149: "They pass through the form of sending representatives to the congress at Mexico, but as it is several months to go and return, and there is very little communication between the capital and this distant province, a member usually stays there as a permanent member, knowing very well that there will be a revolution at home before he can write and receive an answer."

⁹¹Chapman, History: Spanish Period, 455. There were twelve changes in government in sixteen years, as a result of this turbulence. The governors were: Manuel Victoria (1831-1832), Pío Pico (1832, for twenty days), Jose

revolt in 1825 to American annexation, the political history of California was dominated by a series of revolts. Actually, Mexico had relatively little control over California and largely ignored this outlying province. The ineptness of most of the Mexican-appointed governors reinforced the conviction of the Californians that they were neglected through indifference. They treated most of these governors with contempt, eventually rebelled against them, sent them back to Mexico, and formed their own government until a new

Maria Echeandía (1832-1833, in the south only), Zamarano (1832-1833, in the north), José Figueroa (1833-1835), José Castro (1835-1836), Nicolas Gutierrez (1836, for four months), Mariano Chico (1836, for three months), Gutierrez, again (1836, for three months), Juan Bautista Alvarado (1836-1842), Manuel Micheltoarena (1842-1845), Pío Pico (1845-1846), José Maria Flores (1846-1847). In addition, Mariano Guadalupe Vallejo was military commandante from 1838 to 1842, and Castro held that position from 1846 to 1847. This meant that they were virtually co-governors. The number of changes in government is significant not only in showing that the Californians were not long enamoured with any government, but also in revealing the impossibility of extensive constructive development under government auspices. Governors were in office for too brief a period to accomplish major improvements, and the very tenuous nature of their position offered little incentive to initiate significant projects.

By way of contrast, Larkin's view of Micheltoarena's accomplishments is worth noting, although as the merchant with whom Micheltoarena had most of his business dealings, Larkin could not be considered an unbiased witness. Larkin Papers, III, 328-29, Larkin, Statement regarding the Administration of Manuel Micheltoarena, August, 1845?: "The chief benefit this part of California has derived from General Micheltoarena's administration, was, his establishing schools for both sexes, his settling in a satisfactory manner the vexatious question respecting the trading of whalers. The benefit expected from his placing an establishment at the Tulares, to prevent the robbing of horses, did not take place. During these two years Farmers have found a better market for their produce, and the Merchants a greater circulation of money."

official was sent.⁹²

One of the main problems a California governor faced in maintaining his position was the chronic lack of funds. What little revenue he received came principally from customs duties and port charges.⁹³ There were practically no direct taxes on Californians,⁹⁴ and the promise of funds with

⁹²Cleland, Wilderness to Empire, 115: ". . . a succession of conspiracies, pronunciamientos, and small-scale wars, most of which were barren of historical significance, became the order of the day. Such disorders were due in large part to the characters of the governors sent from Mexico, most of whom were arrogant, tactless, self-seeking, and incompetent. The Californians naturally resented such appointments, and having little to fear in the way of reprisals from the distant federal capital, usually revolted against each new arrival and sent him post-haste back to Mexico."; Larkin Papers, III, 202, Larkin to Moses Yale Beach, May 28, 1845. Larkin made the following comments on one of these changes: "In Nov 1844, the Californians rose their fourth time . . . against the rule of Mexicans each time succeeding They have now again taken possession of the archives Govt property, and made a fair divission among themsefs of all the offices of profet, those of pure fame or honor, not being very much in fashion here.

"They have no doubt but Mexico will in 2 or 3 years send another Gen here with troops, take away their places of profet & pardon them. In 2 or 3 years afterwards, some of the new soldiers will run away for want of pay, some of the officers will marry California girls, who are prettier than you think for, and the Natives will again rise, and again ship them away from the country."

⁹³Cleland, Cattle, 157; the following not only illustrates a grievance of the Californians, but also may help to account for the Mexican lack of enthusiasm for California. Deficits are seldom cherished. Forbes, History, 307. Forbes cited a specific illustration of the inadequate income for governmental needs in 1831: the expenses were \$131,000, but the net revenue was no more than \$32,000. This meant a deficit of approximately \$100,000, which, in theory, the Mexican government had to bear. The assumption of expenses was never made by Mexico, however, so that California was left to absorb it.

⁹⁴Bancroft, History of California, V, 379-80. The only tax which Californians had to pay was that levied on

which governors were sent to California never materialized. Micheltorena, governor from 1842 to 1845, had the most obvious difficulty in this way, although every governor had financial problems. Micheltorena had been equipped with a band of second-rate troops. Without funds to pay them, he found it impossible to prevent depredations by his soldiers.⁹⁵ The revolt against him was due as much to the irritation his disorderly men caused as to the general Californian resentment of a Mexican as governor. In addition to the difficulty in paying government employees, the shortage of funds also prevented the development of much-needed public works.⁹⁶

The period following the death of José Figueria in 1835 was particularly unsettled. He was of higher calibre than the usual Mexican appointee, had a talent for governing, was able to win over the recent rebels of 1831-1832 by an immediate proclamation of amnesty, and enlisted fairly wide support, or at least acceptance, by his liberal policies.⁹⁷ Nevertheless, his rule was only an interim in the general trend of California away from Mexico, a trend which came

the sale of liquor, which was more in the nature of a tariff than a direct tax.

⁹⁵Chapman, History: Spanish Period, 481.

⁹⁶Bancroft, California Pastoral, 441-42. Figueria's report in 1839 emphasized the need for many public works. The first of these, a wharf at Monterey, was built, finally, in 1845, through a contract given to Larkin. Little other progress was made.

⁹⁷Hunt and Sanchez, Short History of California, 249-50.

nearer its culmination with each new government.

Another important factor in the political instability during the Mexican period was the jealousy and rivalry among Californians themselves. There was competition not only between political personalities, but also between the northern and southern sections of Upper California.⁹⁹ More than once, this led to a divided government when the Californians were in control. Furthermore, it created more unrest, and encouraged the feeling of independence at the same time that it aided the continuation of Mexican ownership by dividing the opposition. That is, the revolts were frequent, but were more in the nature of objections to individuals and a general resentment against Mexicans than they were a concerted drive for separation.¹⁰⁰

Lack of governmental unity and continuity had ramifications in the relations with foreigners and in the attitudes toward immigration. The official policy, as indicated by the Mexican Minister at Washington, prohibited any immigration into California, except by Mexicans; but at the same time, local officials did not prevent entrance and granted

⁹⁸Caughey, History of the Pacific Coast, 163-64.

⁹⁹Hunt and Sanchez, Short History of California, 246-47. The division of power between Echeandia in the south and Zamarano in the north was surprisingly successful; Cleland, Wilderness to Empire, 116. Cleland has indicated, however, that successful division of power was not typical: "The revolts were not only against Mexico but against each other, faction against faction; the North against the South; defenders of Monterey, as the provincial capital, against the upstart champions of Los Angeles."

¹⁰⁰Cleland, Early Sentiment for Annexation, 18-19.

land quite freely to newcomers.¹⁰¹ This local attitude was an outgrowth of lack of interest in enforcing Mexican-made regulations, of an inability to prevent immigration because of political instability and military weakness, and, finally, of the desire for the commercial advantages brought by foreigners, especially Americans.¹⁰² It was this last factor which thwarted the Mexican aim of controlling California by isolating her from the outside world. Californians were eager to obtain goods which foreigners could supply and in effect, refused to exist solely on California beef or to wear only home-woven cloth.¹⁰³ Even the governors sent from Mexico adopted a friendly attitude toward foreigners. Micheltoarena, for example, ignored his instructions and made land-grants to Americans.¹⁰⁴ Aware of the insecurity of their position, many officials granted favors to foreigners with the knowledge that their help in the event of a revolt would not be unwelcome. Americans were often neutral in these conflicts, but they tended to favor the side which seemed to promise the order and stability which would best suit their business interests.¹⁰⁵ At the same time, American merchants

¹⁰¹Hunt and Sanchez, Short History of California, 324.

¹⁰²Bancroft, History of California, V, 397.

¹⁰³Cleland, History, American Period, 21.

¹⁰⁴Hunt and Sanchez, Short History of California, 274.

¹⁰⁵Bancroft, History of California, V, 221. When Pío Pico and Echeandía were challenging Governor Victoria in 1832, foreigners were more sympathetic with Victoria because

and landholders along the coast were sympathetic with the Californians, into whose families they had married and with whom they had business contacts.¹⁰⁶ They were apt to remain neutral because, on one hand, they did not approve of the disturbance of peaceful conditions, while, on the other hand, they did not wish to support law and order in a fight against the Californians.

But the immigrants from the western and southwestern states, especially those who settled in the Sacramento Valley, had a different viewpoint. Many of them came with their families and were engaged in farming which necessitated little contact or trade with the California rancheros. These Americans tended to be suspicious of anything with a Spanish flavor, including the natives, and feared that the government might eventually succeed either in ejecting them or in

he emphasized strict order. They felt none of the California concern at his ". . . sins against the spirit of Mexican institutions As a rule, they . . . were opposed to all revolutions not directly in line with their own interests, and deemed their business prospects threatened" In this instance, they formed a compania extranjera for the defense of Monterey; Hunt and Sanchez, Short History of California, 245-46: "Although they were not called upon to strike a blow in the ensuing troubles, the affair is noteworthy as being the first time that foreigners took a hand in any of the revolutions that occurred in California."

¹⁰⁶ Although his half-brother, John Bautista Rogers Cooper, had married into the prominent Vallejo family, Larkin was one of the few who did not succumb to the charms of California women. Larkin Papers, I, Introduction, viii. On June 10, 1833, Larkin was married to Rachel Hobson Holmes, who is believed to have been the first American woman to settle in California. The ceremony was performed on the vessel, "Volunteer," by its owner, the United States Consul at Honolulu, John Coffin Jones.

gaining dictatorial control over them. It was this group, particularly the adventurers among them, who were more likely to participate in the revolutions.¹⁰⁷

Occasionally, the local government did become concerned with the influx of outsiders. The fear of foreign interference led Alvarado to arrest Isaac Graham and others, even though Graham had aided him earlier in the revolt against Gutierrez.¹⁰⁸ Figueroa, in April of 1833, charged foreigners with entering California illegally under the guise of hunters and of preparing to seize the province.¹⁰⁹ But attempts to stop immigration or intimidate foreigners were limited, for the most part, to rare pronunciamientos. Indeed, the California government never had the force and only rarely the inclination to do more.

As has been seen, the province had only a remote connection with the Mexican government; and, until Larkin was made United States Consul in 1844, the American government had little direct connection with California. There was official interest, however, in obtaining some of the California coast, notably San Francisco Bay, as early as the 1830's. The United States Minister to Mexico, Anthony Butler, suggested to the State Department that bribery might be successful in persuading Mexico to sell this Pacific harbor.

¹⁰⁷Cleland, History, American Period, 190-91.

¹⁰⁸Cleland, Wilderness to Empire, 120-22.

¹⁰⁹Bancroft, History of California, V, 399.

President Jackson felt the need to include a Pacific harbor in Texas, in the event of annexation, in order to pacify Atlantic Coast commercial interests.¹¹⁰ Since Jackson saw California only as a minor aspect of the Texas question, his final avoidance of the annexation problem meant that California was dropped along with Texas.¹¹¹ Although nothing came of these early negotiations, they show a good deal of interest in the commercial advantages of an American harbor in California, --an interest which Larkin did much to encourage later, both as United States Consul and as correspondent for eastern newspapers.

This, then, was the California which Larkin found. Not only did the province seem ripe for a radical political change, but economic activities were developed just enough to make effective exploitation possible. The failure of Mexico to make Californians feel they had an important role in the Republic turned their interest toward more outside contact. Their taste for imported goods had been developed over a long period of time, but was not yet adequately satisfied. Lumbering activities were needed, but not actively pursued. The hide and tallow trade had become important only

¹¹⁰Cleland, Early Sentiment for Annexation, 13-17.

¹¹¹Ibid., 27-30. It was not until 1841-1842, when Waddy Thompson became United States Minister to Mexico, that a definite movement toward purchasing California was begun. At that time, there was a sense of urgency because of the suspicion that England was interested in acquisition. When Commander Thomas Ap Jones seized Monterey in 1842, however, the resultant hostility of the Mexican government precluded any possibility of purchase.

a few years before; the demand of the New England booteries for leather was still greater than the supply. The Californian government, itself, offered commercial possibilities for one who knew how to handle delicate diplomatic relations. Trade, though not fully developed, was already complex and attractive enough to intrigue and challenge the Yankee ingenuity of Larkin. His natural shrewdness and his experiences in North Carolina enabled him to meet the challenge successfully.

CHAPTER III

CALIFORNIA BUSINESSMAN

When Larkin arrived in California, in 1832, he began his career much as he had in North Carolina--as a clerk, this time for his half-brother, John Cooper.¹ And, as in Wilmington earlier, he soon became his own employer by opening a store in Monterey.² The enterprise was successful from the beginning, partly because of his past experience in storekeeping and partly because, as yet, the commercial potential of the area had been exploited by relatively few New Englanders.³ He increased his fortune more than five hundred per cent in the first two years, and, at the end of 1842, estimated his estate at \$37,958.⁴ In supplying both the vessels which came into Monterey and the inhabitants of

¹Rayner Wickersham Kelsey, The United States Consulate in California (Publications of the Academy of Pacific Coast History, I, no. 5 (Berkeley, 1910), 88.

²Underhill, Cowhides to Golden Fleece, 11. The store was opened in 1833, with five hundred dollars in borrowed capital.

³Larkin Papers, I, Introduction, xii. The New Englanders in California when Larkin arrived were: A. B. Thompson, Abel Stearns, John Temple, Nathan Spear, Henry Fitch, Alfred Robinson, and Larkin's half-brother, John Bautista Rogers Cooper.

⁴Ibid., ix.

California, Larkin became a middleman of importance to both groups. His store, from the first, was not only a shop serving the Monterey area, but also a center for coastwise and foreign trade.

Larkin carried a wide variety of goods for the local trade. As his business increased, so, too, did his stock of goods and the number of concerns from which he made purchases. By supplying the ranches with cotton-print goods, liquor, molasses, sugar, lumber, tools, and sundries, he obtained not only the beans, peas, corn, and flour (which he often had baked into bread) to supply ships before they left for Hawaii, Alaska or the East Coast, but also soap, tallow, and most important, hides for the foreign trade. In this way, he became one of the chief replacements for the missions as collecting agent in the hide and tallow trade. In contrast to the irregular means of supply from vessels which appeared on the coast, there was a constant opportunity to purchase goods at his store. This encouraged the growth of a clientele which depended on him and, in turn, meant that he could obtain large quantities of their produce in a short period of time, when an unexpected occasion demanded it.⁵

⁵Ibid., III, 66, John Paty to Larkin, March 12, 1845. When Paty contracted to transport General Micheltorena and his troops to San Blas, he turned to Larkin for ". . . 1000 lbs of good Ship Bread . . . and some Butter."; ibid., V, 273, John B. Montgomery to Larkin, November 11, 1846. When the Navy needed food for its vessels during the war, Larkin contracted to supply it; ibid., 287. By November 25, 1846, twelve thousand pounds had been delivered.

Within a few years, he expanded this shopping center to include a blacksmith's shop, a bakery, and warehouses for storage service.⁶

When his store was well established in Monterey, he sought to increase his merchandising area. In 1842, he sent his agent, Talbot H. Green,⁷ to Gilroy's ranch, about fifty miles from Monterey, to set up a branch store. The main aim of this venture seems to have been to divert some of the ranch owners' business away from San Francisco. Green supplied the neighborhood with goods from the Monterey store in return for soap, hides, and produce.⁸ The project was profitable for a while;⁹ but it was given up when the supply of hides in the area gave out and when what little purchasing power remained brought in nothing but a small

⁶Ibid., III, 345-46. Larkin contracted to have Nicholas Gordon serve as a blacksmith in his shop for one year (with a five-day vacation). Larkin agreed to pay him six hundred dollars and to furnish his board, lodging, and tools; ibid., V, 250; ibid., IV, 213.

⁷Ibid., I, xii-xiii. Green and Josiah Belden, who managed Larkin's Santa Cruz store, both arrived in California in 1841, with the Bidwell-Bartleson party.

⁸Ibid., I, Green to William T. Faxon, clerk in the Monterey store, August 1, 1842. In the absence of complete stock inventories, the goods which Green requested gives significant information about the variety handled by Larkin. The list includes red flannel, black velvet, striped calico, cambric, butcher knives, brandy, striped shirts, scissors, buttons, hooks and eyes, walnuts, "faussit and tin measures for Retailing aguardent," white chalk, and "10 lbs of chockolate"; ibid., 287, Green to Larkin, September 9, 1842. As at Santa Cruz, there was a sizeable demand for brandy, molasses, and sugar.

⁹Ibid., 265, Green to Larkin, August 10, 1842. In one month, Green had sold \$499 worth of goods.

supply of soap.¹⁰

In the same year, Larkin started a much more successful store at Santa Cruz, in connection with his lumber business. On February 3, 1842, he sent \$2,188.50 worth of goods to stock the store, which was managed by Josiah Belden. As with the list of goods sent to Gilroy, this invoice illustrates both the type of goods in demand and the wide variety of merchandise which Larkin could provide. Not only was there a large quantity of yard goods, but there was a great deal of choice in color and type of material.¹¹ There was an equal variety in belt ribbon. The feminine clientele were to be lured by "false jewelry" and fine beads, ladies' work boxes, stockings, looking glasses, shawls, white cambric handkerchiefs, and horn side-combs. The men's love of finery was not overlooked: silk or bright-colored cotton handkerchiefs, white or black hats, ornaments for the hats, and filigree buttons were available. There were foodstuffs,

¹⁰Ibid., 246, Green to Larkin, July 12, 1842: ". . . as yet I have been offerd nothing but soap; the most of them think that soap ought to be the only currency."; ibid., 286, Green to Larkin, September 10, 1842: "As to soap there will not be as much made as will pay there debts. You will have the soap trade nearly all in your hands." A soap monopoly was not necessarily an advantage as the supply frequently exceeded the demand. Green also indicated in this letter that, although he had been assured that people would buy more in the winter than in summer, he could not see what they would have to offer in payment. His feeling that the venture had reached the end of its profitability undoubtedly influenced Larkin's decision to abandon the store.

¹¹Ibid., 161. Santa Cruz customers could select plain brown, white, or blue sheeting, print gingham, muslin, "furniture print," red flannel, or brown linen.

brandy, tobacco, and such sundry items as sewing needs, brass tacks, spoons, and tumblers.¹² In contrast to the ignorance of the market which he had seen New York merchants demonstrate in North Carolina, Larkin carefully studied the needs of the area before he began this venture and, in replenishing the stock, he relied on Belden's reports of the specific demands received.¹³

In return for these goods, Belden received, at a good profit, lumber, hides and tallow, farm products which were sold at the Monterey store, and service, mainly in the form of hauling lumber to the beach or, occasionally, to Monterey. Thus the Santa Cruz store was tied in with supplies for the main store as well as with Larkin's lumber

¹²Ibid., 161-63, "Feb 3, 1842. Invoice of Goods Sent to Santa Cruz by Thomas O. Larkin for Sale under Care of Josiah Belden."

¹³Ibid., 184, Belden to Larkin, March 28, 1842: ". . . I wish that you would send some brown Sugar or panoche as I am nearly out and that is the most salable and necessary article I have. Send also some more shirts some mens shoes some narrow col'd ribbon green or blue some scissors some raso as the spaniards call it for making womens shoes and some fish hooks. If you can send some soap it would be well as this is nearly gone."; ibid., 228. By May 29, 1842, Belden wrote that the fancy prints which hadn't sold well in Monterey had sold better than any other yard goods in Santa Cruz. Here was an opportunity to move goods to the best market; ibid., 249. Accordingly, six pieces were sent, along with replenishments for other goods, plus nails, raisins, and two barrels of Spanish brandy, on July 17, 1842; ibid., 251, Belden to Larkin, July 20, 1842. The liquor which Larkin sent caused some conflict between Belden and the local alcalde in regard to duties. Belden felt that no further payment was necessary since Larkin had paid duty in Monterey. In connection with the brandy sent on July 17th, he wrote: "The 2 Blls liquor you sent I believe the alcalde knows nothing about as yet and I shall not let him know that I have it if I can help it. If he does I think I can mix it up so as to make it pass for country Liquor."

business and the hide and tallow trade. It was a successful combination. Less than two months after the opening of the store, Belden reported the sale of \$1,250 worth of goods, slightly more than half of the amount of the original inventory. His account of receipts in return--115,000 feet of lumber, 4,000 shingles, 120 hides and \$75 in cash--is indicative of the enormous profit in this trade.¹⁴

The Santa Cruz merchandising project did not have completely smooth sailing, however. There was one robbery, which resulted in the loss of goods apparently never recovered.¹⁵ By the end of April, Belden indicated that his competitor, Carmichael,¹⁶ had acquired a "tolerable good

¹⁴Ibid., 182-83; ibid., 227, Belden to Larkin, May 29, 1842. Belden gave further evidence of the mark-up on goods: "I had to pay . . . 2\$ duties on that muscat wine I paid hime goods at 100 per cent profit so it did not amount to much."

¹⁵Ibid., 228, Belden to Larkin, May 29, 1842. Belden felt sure that the local priest was the culprit and offered plausible reasons for this conclusion. He wrote: "If you think best I will go to the alcalde and get a search warrant to search his house and I think some of the things may be found there yet." The fact that Larkin did not pursue the matter is significant. The influence of the local padre might either aid or hinder the business. It is likely that Larkin decided against any action for fear that it might injure his good will in the area.

¹⁶Bancroft, History of California, IV, 18. Lawrence Carmichael was an Englishman who came to California in 1833 and was among those arrested by Governor Alvarado in the Graham Affair in 1840; Larkin Papers, I, 75, Carmichael, Tepic, to Larkin, January 18, 1841: "It is the general opinion of the Foreigners in this place, that you have gon to Mexico on secret business, business against us that were of late prisoners in this place. As for my part I beleive nothing of the kind. At all events if you should be able to do nothing for us, please try and do nothing against us. In case you were to do anything against us, it would be made

assortment." Belden hoped to end the competition by keeping the trade away from his rival, and wrote that ". . . if there is only one shop here I think it will pay verry well."¹⁷ Whether he was successful in freezing out Carmichael is not evident from the records; it is possible that competition eventually hampered the business enough to decrease Larkin's enthusiasm for continuing the enterprise. Two other factors were involved, however. There was a certain lack of harmony between Belden and his employer. Belden did not always follow instructions. This would have been particularly irritating to Larkin when it involved the extension of credit, about which he was very careful. In addition, Larkin felt that his storekeeper was too casual in his record keeping.¹⁸ The other, more decisive factor was a fire involving considerable loss, after which the store was discontinued.¹⁹ The Gilroy

known in the course of time, and as you are doing business in Monterrey, it would cause you to be very unpopular by the Foreign population in that Country." In spite of his statement of faith in Larkin, the veiled threat reveals a certain uneasiness.

¹⁷Ibid., 208, Belden to Larkin, April 28, 1842.

¹⁸Ibid., 183; ibid., 250, Belden to Larkin, July 20, 1842: "The reason I sent no account of the lumber shipped by the California and Bolivar was that the captains gave me no chance of doing so."; ibid., 271-72, Larkin to Belden, August 18, 1842: "Soon as you get your Books posted up to August 1, draw off your lumber book and give each man credit for all he has delivered you. It will be a good plan to draw off this way once a month You will find keeping your Books clear, & perfect as possible, the life of business."

¹⁹Bancroft, History of California, IV, 706: ". . . an incendiary fire destroying \$6,000 worth of lumber in '43 made this part of his business [the Santa Cruz store]

and Santa Cruz stores made Larkin, for a time, the owner of the first and only chain stores in California. Perhaps the basic reason why neither was continued for any length of time was that the population was not yet great enough for merchandising on this scale. Larkin could reap larger profits in coastal and foreign trade.

Larkin's development of a thriving trade both in California and with foreign markets was closely related to the operation of his Monterey store. From Santa Barbara and Los Angeles in the south to Yerba Buena and New Helvetia in the north, he operated as middleman, not only providing foreign goods for Californians, but serving also as an agent for transferring native products from one area to another. In the process, he obtained those items which whaling ships and hiding vessels sought--hides, tallow, and supplies for their voyages.

By extending his contacts to every settled part of California, he could tap all the resources then developed.

unprofitable."; Larkin Papers, II, 21, Nicholas Dawson, Statement Regarding Lumber Fire, June 19, 1843. Dawson estimated that a total of 12,000 pesos' worth of lumber was exposed to the fire, of which 6,000 to 7,000 pesos' worth belonged to Larkin. He stated: ". . . if the Alcalde had wanted to send his neighbors I could have saved between two and three thousand pesos of what was burned." He estimated that over 6,000 pesos' worth actually burned, and indicated that he felt that the Alcalde had done nothing either about the fire or in investigating the cause; ibid., III, 89, John H. Everett, Boston, to Larkin, March 23, 1845: "They all with true New England curiosity wanted to know how much money you had made during your long absence. I told them I could not say with certainty but I guessed you had thirty or forty thousand dollars & I put down your loss by the fire at Santa Cruz at some ten or twelve thousand." There is no other reference in the Larkin Papers to the amount lost.

Native liquors and fruits from the south were retailed from his store or used to obtain hides and goods from other coastal areas.²⁰ Though the sea otter trade had diminished

a great deal by the time Larkin arrived on the West Coast, he was able to locate some of these valuable and increasingly rare skins in Santa Barbara.²¹ Yerba Buena was a source of agricultural produce and, on occasion, of manufactured goods purchased from vessels in San Francisco Bay. Largely inspired by Larkin's own successful lumbering operations, men at Red Woods and Santa Cruz produced lumber which Larkin purchased. And in every port along the coast, he sought, and found, that most important article of trade--
hides.²²

²⁰Ibid., I, 133, 156, 229; ibid., IV, 192. Nicholas Den, of Santa Barbara, for example, sent brandy and wine to Larkin to pay for soap and lumber. The payment was delayed in 1842, because Den didn't have containers in which to ship liquor, and was not completely settled until 1846, when to avoid a lawsuit, he made arrangements to pay Larkin in hides and tallow.

Figs were one of the fruits sent to Monterey from the south. Ibid., III, 13, H. D. Fitch, San Diego, to T. H. Green, January 12, 1845: "I have made arrangements with Capt. Vioget to deliver you two bales of figs . . . when we meet we will have a settlement."

²¹Ibid., I, 136, Jones to Larkin, November 20, 1841: "I understand you have written Mr. Burton that you will give him more for his skins than any person, he has about 105 and his price is 37 Dollars!!!"; ibid., 98. Jones indicated the scarcity of otter skins by 1841 in his letter to Larkin, July 21, 1841: "The price of otter I understood in cash is 35 dollars when there are any to be sold."

²²James McKinlay served as Larkin's hide-collecting agent for a time. One of the places where he obtained a good many hides was San Luis Obispo. Ibid., 109, McKinlay, Santa Barbara, to Larkin, August 17, 1841: "Yours of the 5th was duly received in which you write mi to recover

In return, he found in southern towns a good market for soap, lumber, and flour. In addition to the above-mentioned products, northern areas bought southern liquors and fruit. Every California community wanted a variety of manufactured goods, and Larkin became known as the chief merchant who could provide them. Thus, he not only sold to individuals, but also provided a good deal of the stock of smaller stores, such as Nathan Spear's in Yerba Buena.²³ In some instances, Larkin sold goods through an agent, as in the summer of 1846, when he sent William Leidesdorff, at Yerba Buena, six bales of cotton goods and some chairs. Typically, he left as little as possible to Leidesdorff's judgment, by sending a list of prices to be charged and careful instructions to restrict credit to those known for their reliability.²⁴

seventy five hides from Villa and forty six from Linares. Both has agreed to do so on my returne to San Luis. The said hides are in the possession of Vicente Cane where they ar to be left till my returne."

In the north, San Jose was one of the good sources of hides. Ibid., III, 190, Charles Maria Weber, San Jose, to T. H. Green, May 22, 1845: "Including you find the Receipt of 27 Hides by Mr. Wm. Howard"; ibid., 239. A month later, in June, 1845, Weber sent Green a receipt for one hundred hides.

²³Ibid., I, 16, 21, 70-71, 105, 285. Between July 7, 1839, and September 8, 1842, Larkin sent William Garner in Red Woods, knives, compasses, cloth and clothing accessories, rice, sugar, and flour. The lumberman's needs were not so extensive as those of Yerba Buena residents; ibid., I, 97, 139, 144; ibid., II, 88, 210; ibid., IV, 188, 335-36. Typical of the items sent to Yerba Buena were: house paper, jewelry, merino and bolting cloth, furniture, pumps, iron, butter, shingles, and soap.

²⁴Ibid., IV, 16, 128, 149-50.

The New Helvetia trade deserves special mention. When John Sutter settled here in 1841, a new market area became available. Sutter turned to Larkin for supplies of many kinds and eventually did most of his purchasing from the Monterey merchant.²⁵ Although Sutter's dreams of empire were not related to his true situation and although his optimism about acquiring a handsome fortune was not justified, Larkin accepted the risk involved in Sutter's long-standing debts because there were other benefits to be gained. Sutter's encouragement of immigration to and settlement in the Sacramento Valley increased the numbers of customers, while Sutter's feeling that Larkin was ". . . the only person in this Country who assist and encourage enterprise,"²⁶ meant that he recommended Larkin to new

²⁵Larkin sent Sutter soap, (*ibid.*, 159); coffee and sugar, (*ibid.*, III, 12); cotton seed, (*ibid.*, 347); trimmings for his hat factory, (*ibid.*, 365); and office books, (*ibid.*, IV, 218); *ibid.*, III, 283-84, Sutter to Larkin, July 22, 1845. When he prepared for a great expansion of his establishment, Sutter sent a long list of requests, including: saws, files, hatchets, and axes for his sawmill, iron for plows and wagons, steel, an anvil and vice, Borax, shoemaking equipment, building materials, knives, fish hooks, wool cards, ammunition, ". . . 200 lb of white and red Beads . . .," various types of cloth, clothing, paint and brushes, oil, rosin, and lampblack ". . . for the tannyard . . .," and tin.

Ibid., 284. Sutter wrote: "I wish to have one house which furnishes me whit every what I need the whole year round, and to pay the others all of so soon as possible."

From 1842 to 1846, Sutter wrote periodically and optimistically about expecting to be able to settle his accounts soon. *Ibid.*, 218. Eventually, he wrote to Larkin, on March 2, 1846: "I wish you would be so good and send me our acct. Current. Mr. Williams has received till at present the Amount of \$1626.56. I wish to settle our old account entirely."; *ibid.*, I, 115. One of the items with which Sutter intended to pay his debts was beaver fur.

²⁶*Ibid.*, 282.

arrivals.²⁷ Thus, in New Helvetia as elsewhere, Larkin's intra-California trade was linked with his importing and exporting business.

Hawaii was the best source of goods for the California trade when Larkin began importing. Hawaiian sweet potatoes, coconuts, and sugar were welcomed by Californians as savory additions to their monotonous diet of beef. More important, because almost every trading vessel in the Pacific stopped at these islands, Larkin was able to purchase a wide variety of English and American manufactured goods--cotton prints for the Monterey store, hardware, equipment for the blacksmith and lumberman, and many small luxuries and necessities which found a ready market in a remote area like California.²⁸

The large profit which Larkin made in this trade is evident in the fact that he was willing to pay the shipper fifty per cent of the value of the cargo, as well as assume all duties.²⁹

²⁷Ibid., II, 36, Charles William Flügge to Larkin, August 15, 1843: "Through conversing with Mr. Dicky I have been informed that leather trowsers do find good sale at Monterey and that you, as having business connections with almost every individual would be the proper person, to whome to sell the lot" This not only shows Larkin's prominence in New Helvetia but also suggests a similar reputation in Monterey.

²⁸Ibid., I, 235, June 8, 1842. An illustrative invoice is that which described the cargo which John Cooper brought to Larkin in the "California": salt, dark sugar, sugar cane syrup, tin plates, blankets, fishing wire, glass beads, cotton handkerchiefs, shoes, boots, liquor, cognac, sarsaparilla, castor oil (a small amount), brooms, rifles, muskets, hand saws, sets of nails, cider, beer, painters' brushes, velveteen (or corduroy), cotton stockings, cotton fabric, and linen.

²⁹Ibid., 207.

Two other factors encouraged pursuit of this trade. Hawaii was a good market for soap, lumber, and for hides-- the most consistently profitable item.³⁰ Therefore, Larkin could pay for goods in those items which he was best able to obtain through his own enterprises and through his contacts in California. As with his local trade, Larkin sought out the information which would enable him to send the most marketable items. Through his agents in Hawaii, he obtained detailed information about the demand for soap, horses, and the most desired types of lumber and the prices they would bring.³¹ In addition, transportation was facilitated by the number of hiding and whaling vessels which made fairly frequent trips between the two places. Larkin, therefore, was able to import from Hawaii by using these vessels long before he was well enough established to handle the shipping himself. By late 1846, however, his volume of business and

³⁰The hide trade is illustrated by the following. Ibid., 157, H. A. Pierce to Larkin, January 24, 1842. The Hawaiian firm of Pierce & Brewer purchased hides from Larkin at \$2 each, with \$.25 deducted for freight. This particular transaction was for 898 hides; ibid., 345-46, Larkin to Pierce & Brewer, December 19, 1842. Larkin sent an account of 2,063 hides which he had sent to the Hawaiian firm. The letter is of additional interest because it reveals the link between Larkin's Hawaiian and Mexican trade. The hides were not only to pay for \$2,842.25 worth of goods purchased from Pierce & Brewer, but also as reimbursement for \$5,368.64 which H. A. Pierce had paid in Mazatlan for goods which Larkin had obtained there.

³¹Ibid., 176. The Hawaiian firm, Marshall & Johnson, for example, indicated in March, 1842, that there was a good market for red cedar logs, at five to ten dollars each, because the carpenters preferred this wood, and a less certain market for pine masts and spars.

his capital were large enough to permit him to charter a vessel to go to the Islands and return immediately with a cargo.³²

Mexico and South America were less important sources for goods than Hawaii when Larkin began his business. He sensed the possibilities of trading potential in these areas and kept in contact with a number of ports for several years, looking for the right set of circumstances for profitable exploitation. He had correspondence with Callao, but established no regular trade there.³³ He visited Acapulco and San Blas, where he purchased some goods and sent some small shipments.³⁴ Between 1841 and 1846, his friend, Faxon Dean Atherton, tried to lure him into the Valparaiso market. Although Atherton assured him that goods were cheaper in Chile, Larkin did not become interested in this trade. Since the Valparaiso price for lumber (forty-five dollars per thousand feet) was less than the California price, Larkin's lack of enthusiasm is understandable.³⁵

It was with Mazatlan that he developed his chief Mexican contacts. By 1844, he was involved in a sizable trade with several firms there. Spirits, cotton goods, iron, steel, clothing, and sugar were among those articles which

³²Ibid., V, 272.

³³Ibid., II, 264; ibid., IV, 226.

³⁴Ibid., I, 70; ibid., II, 99.

³⁵Ibid., I, 94; ibid., IV, 225.

he received, partly in exchange for agricultural products, soap, and lumber.³⁶ Because he did not sell as much there as he purchased, he paid for a considerable amount in drafts and cash. In January and February of 1845, for example, he sent \$7,624.81 to five Mazatlan firms from which he had purchased goods.³⁷ Thus, Larkin continued the already established trade with Hawaii and, at the same time, built up the Mexican trade to a point beyond anything his predecessors had thought possible.

Larkin developed direct contacts with Hawaii and Mexico before he did with the East Coast because these markets were more accessible. Many of the goods which he obtained, however, came originally from the United States, and, therefore, he was alert to any opportunity for a direct route of supply. As long as hides brought a good profit on the East Coast, Boston vessels appeared with some regularity in California waters with a cargo of goods which they hoped to trade for hides. Frequently, Larkin was informed in advance of these voyages and ordered goods to be brought out.³⁸

³⁶Ibid., II, 154-55; ibid., III, 38, 196; ibid., IV, 14, 122-24, 313.

³⁷Ibid., III, 14, 25, 42. The concerns to which this money was sent were: Uhde & Pini, William Scarborough & Co., Copman & Lomer, Ernest Henchfield, and Parrott & Co.

³⁸Ibid., II, 159, Alfred Robinson to Larkin, June 30, 1844: "Your kind letter dated in April last & forwarded pr Sch. California has been received & I am now busily occupied in getting together your orders. We have purchased the Barque Tasso & intend to get her away as early as the 1st of August so that she will arrive on the Coast as early as all

Until 1844, he relied more on purchasing English and American goods from the vessels when they arrived and on his contacts in Hawaii and Mexico, where he could go himself, occasionally.³⁹ Engaging directly in importing from the East Coast on the scale he felt necessary required a large amount of capital--too large for him to consider in his earlier years in California, and an unnecessary venture as long as the hide trade was booming. During this time, Larkin contented himself with sending hides to Boston to be sold in his name and in investing some of his surplus capital in eastern enterprises.⁴⁰

However, as the price of hides in Boston began to drop, early in 1845, Larkin recognized the need for a change of tactics. When the owners of hiding vessels became more reluctant to risk a voyage which might result in a cargo of unsaleable hides, he saw the opportunity for shifting the

December. By her you may expect to receive the articles desired & rest assured that they shall be of a good quality."

³⁹Ibid., 99, Larkin to Secretary of State, April 20, 1844: "To carry on my business as I formerly have, I may be obliged once in every two or three years to go to the Sandwich Islands, or some of the Mexican Ports as far south as Acapulco, voyages of two to five months duration."

⁴⁰The following letter from his Boston agent, William M. Rogers, gives specific examples of Larkin's eastern investments. Ibid., III, 188, Rogers to Larkin, May 19, 1845: "I have invested your money in 2 shares of Old. Col. Rail Road, which has since risen to \$107 pr. sh. paid for them par \$100 per sh. and in 7 shares of the Tremont Bank at \$99 pr. sh. So that on striking balance of ac/t with you I hold of your property 10 shs. Granite Bank--950. 7 Tr. Bk--\$693. 2 Sh. O.C.R.R.--\$200. Cash on hand. \$42.25. The Tot.--\$1885.25. The Granite Stock has risen \$5 pr. sh. above cost so that I am satisfied the investment of your money is judicious."

initiative to California.⁴¹ With the influx of more immigrants each year, the demand for manufactured goods was increasing. Larkin saw that if one concern could gain a monopoly of this market, there would be tremendous possibilities for profit in California and, at the same time, the number of hides shipped to the East could be controlled to avoid flooding the market. Thinking along these lines, he proposed an ambitious joint venture with Benjamin T. Reed of Boston. On June 18, 1845, he wrote to Reed:

Should you get up a voyage next fall for California, and consign the ship to Mr Howard you will advance funds for me at six per cent, and put it in the Ship & Cargo in my name, as far as you see proper to ten thousand dollars

Mr Howard is under the idea that Messrs Appleton & Co. may decline continue the California trade. Mr

⁴¹Ibid., 352, John H. Everett, Boston, to Larkin, September 15, 1845: "The Barnstable hides have been sold recently at 10 cts (abt 9½ cash) with a large disc't for cash. They only averaged 24½ pounds & of course that voyage will not prove very profitable. She takes out now a small cargo & my impression is, that, that concern will gradually wind up their trade on the coast."; ibid., 174. As early as May 6, 1845, Larkin gave indication of feeling that the right cargo brought for sale in California, by the right man, would make the voyage pay, even though the hide market was deteriorating: "Mr Howard, during the time the two vessels laid here on entering sold much more than Mr P. and much higher I believe Should Mr H. continue to have cargoes sent out to him, I think he will obtain a very large share of the California trade."

The following letter from Samuel J. Hastings indicates why Larkin felt that the profit of trade did not have to depend on the price of hides in Boston. Ibid., IV, 93, Hastings to Larkin, November 9, 1845: ". . . I know that traders could afford to pay a handsome freight & then sell your goods 100% up than you now buy them from the ships & make a handsome profit. I do not want this to be known here or by Mellus or Howard. But those among you who have capital could club together send an agent on to Boston purchase goods & ship them direct to Monterey or St Diego & the next ship could get a freight home of the proceeds."

Robinson writes word that he shall do so after 1846. I therefor think that a company with 120 to 150 000 funds, may by sending out a ship yearly occupy most all the trade of California.⁴²

Reed was as reluctant, apparently, as other shippers to continue investing in California voyages and declined Larkin's proposal for an even greater investment. Undaunted, Larkin determined to initiate the venture by himself.

On June 18, 1846, he wrote to his agent, Rogers, of his decision to put all his Boston funds, including the proceeds from a shipment of 2,251 hides then en route to the East, into this new concern. He indicated that he was making up detailed instructions for fitting out vessels and for an invoice of goods. Larkin wanted John Everett to be his supercargo because of Everett's outstanding industriousness in that capacity on a past voyage. The supercargo was to have a good, not-too-young clerk, who spoke Spanish, an active captain, and a well-chosen cargo. A second vessel had to follow in twelve months, and a third, later, if the voyage of the first proved successful. Everett was to invest in the cargo and any others who were interested might do likewise; but no one was to have a separate cargo on the ship.⁴³

Before any action could be taken, the war with Mexico

⁴²Ibid., III, 243-44.

⁴³Ibid., V, 44-49; ibid., 161, Larkin to Rogers, July 24, 1846. After Sloat had taken California, Larkin was eager to hurry the proposed voyage. The only change he made in his instructions was in regard to the ability of the clerk to speak Spanish. He wrote, "Now it matters not. The English language, and a strange Supercargo will do."

intervened. But the magnitude of the investment and the scope of the trade envisioned indicate Larkin's imaginative business sense.

At the same time that he was pursuing this project, he made other moves toward cornering a major portion of the California trade. In 1846, he purchased the entire cargo of iron, sugar, cotton goods, and other items of a Salem vessel, when it arrived on the Coast. Purchasing on this scale had never been done before.⁴⁴ With this large addition to his stock, he initiated a new trading technique. Rather than waiting until orders were received from various ports, he chartered vessels to carry goods to customers

⁴⁴Ibid., 48, Larkin to Everett, June 17, 1846: "Last week arrived here Salem Bark Angola She had been selling cargo at the Islands, had a 10,000 left at prin cost consisting of N. E. Domestic Iron & Soap Sugar. I bot the whole--payable in Santa Cruz & Monterey about 4000\$ lumber Shingles & Soap, 2000, draft on Boston, ballance put next June in U. S. Duties 18,000 to 19,000\$."; ibid., 11-13, Manifest of Cargo of the "Angola," June 10, 1846: the list consisted of 60,784 yards of white, blue, and unbleached manta, 11,918 $\frac{1}{4}$ yards of grogram, 6,618- $\frac{3}{4}$ yards of printed calico, 1,202 $\frac{1}{2}$ yards of white cambric, 98 dozen handkerchiefs, 6,650 pounds of fine sugar, 2,000 pounds of rice, 660 pounds of red pepper, 3,000 pounds of iron, 5 dozen sedan (cane bottom) chairs, 2 barrels of linseed oil, 1 bale of Pita (120 pounds), 700 pounds of cable rope, 950 pounds of codfish, and 180 pounds of tobacco. Since there is no mention of soap in the Manifest, it seems likely that Larkin made an error in his letter, quoted above. It was apparently written in a hurry for its grammatical errors and misspellings were even more numerous than usual. It does not seem likely that he would buy soap and pay for it with soap.

Ibid., 52, Larkin to Mott Talbot & Co., June 18, 1846. Larkin indicated the uniqueness of this purchase: "I this week purchased the first cargo of goods ever sold at one time in California."

along the coast.⁴⁵ Thus, while he was waiting for the completion of the grander plan of importing directly and regularly from Boston, he began a similar type of trading with the Salem cargo. In this way, intra-California trade and his importing and exporting business became even more closely related. Business of this magnitude was possible only because of the extent to which he had built up his reputation and his capital.⁴⁶ His success in the mercantile business was an important source of his wealth, but not the only one. Throughout his career in California, he engaged in several other enterprises.

For a time, Larkin pursued the development of soap production, one of his earliest, but not his most profitable, ventures. Soap did not guarantee a regular return since the demand fluctuated. Hawaii absorbed a good deal; but even there, it did not always sell.⁴⁷ Ships often used it to

⁴⁵Ibid., 66, Larkin to Captain William D. Phelps, of the American Barque, "Moscow," June 22, 1846. The letter included an invoice of goods from the "Angola," which Phelps was to sell for hides and ". . . proceeds . . .," to be sent to William Rogers in Boston. It was from this cargo, also, that Larkin supplied Nathan Spear and William Leidesdorff with goods. (See Chapter III, footnote 26.)

⁴⁶See reference to amount of Larkin's annual earnings in Chapter IV, footnote 37.

⁴⁷Larkin Papers, II, 13, Marshall & Johnson, Honolulu, to Larkin, April 28, 1843. The Hawaiian firm indicated that twenty cases of soap which they had received from Larkin had been sold for \$344.45, but only after nine months' storage; ibid., I, 215, Stephen Reynolds to Larkin, April 30, 1845. Reynolds' letter indicated that he had sent a small invoice of goods for Larkin to sell and that he was willing to be paid in ". . . anything Merchantable but Soap and xxxxxxxx!!"

fill out their cargoes,⁴⁸ but if other products were available, the soap was apt to be ignored. Both Sutter, at New Helvetia, and Belden, at Santa Cruz, ordered a good deal. One way in which Larkin arranged for soap production was by sending T. H. Green to Gilroy's as his agent, in 1842, to contract for soap-making in that area.⁴⁹ In 1845, Larkin established a soap factory on the Salinas River, in conjunction with José María Sánchez, an indication that soap still could be profitable.⁵⁰ His own production and the

⁴⁸Ibid., I, 119, Henry Delano Fitch to Larkin, September 12, 1841: "I told Makenlay to receive three hundred dollars of the Soap that I purchased of you last July."; ibid., 306, Fitch to Larkin, November 3, 1842: ". . . am in hopes that you will have my soap ready as I wish to take it to the leeward."; ibid., III, 311, John Paty to Larkin, August 14, 1845: "I shall probably be at monterey in about 1 month, and I expect that your Soap will be ready, and all the hides you have to Spare."

⁴⁹Ibid., I, 278-79, Green to Larkin, August 26, 1842. Green reported that Gilroy had soap ready to cut as soon as boxes were obtained; ibid., 291, Green to Larkin, September 26, 1842. Green sent an account of 2,369 pounds of soap made by John Gilroy for Larkin.

⁵⁰Ibid., III, 152-53. Thomas Oliver Larkin and José María Sánchez. Contract to Make Soap, April 24, 1845. In this contract, it was agreed: (1) To establish a soap factory on the ranch of Sánchez, who was to build the plant, install the equipment, take care of the soap production, and supervise the laborers. (2) The cost of the factory and the raw materials was to be shared equally, except that Sánchez was to make no charge for the use of materials, carts, or oxen, which he already had on hand. Larkin was to make the necessary funds available for the construction of the factory. (3) Sánchez was to devote full time to the factory and to make soap only for the mutual benefit of himself and Larkin. (4) Larkin was to solicit sales, on the best possible terms, of all the soap brought to Monterey, and to charge no commission for this. He was also to render an exact account of inventory and earnings once a year. (5) The contract was to last for five years. If, at the end of

encouragement he gave to other producers served an additional function by providing a greater need for containers, which Larkin made as part of his more extensive and significant lumber business.⁵¹

One of the earliest production activities in which Larkin engaged was lumbering. In so doing, he not only acquired considerable wealth himself, but also, by introducing a new industry, contributed to the development of California's economy.⁵² Before the 1830's, timber was not considered an article of California trade, but was used mainly for vessel repair. Undoubtedly, Larkin's earlier experience with the industry in North Carolina increased his awareness of its potential on the West Coast. There was no such thing

that period, it was not renewed, the property was to be sold for the mutual benefit of the contracting parties.

The following contract indicates that Larkin hired the labor for the soap factory. Ibid., IV, 204-05. William Anderson and Thomas Oliver Larkin, Contract, February 21, 1846. By this contract, Larkin agreed to pay Anderson four hundred dollars for working ". . . in the Soap Factory on the Farm of Jose Maria Sanches," for one year, payable half in cash and half in goods from ships with which Larkin had an account. ". . . the said Anderson to dedicate his whole time and attention to the Soap making business, and not to leave off until the expiration of one year, under forfeit of one half of his wages"

⁵¹Ibid., I, 291, Green to Larkin, September 26, 1842: "You will determin which is cheapest for you to send boxes . . . or let these boys go to Santa Cruz for 1000 feet more boards & I will make the boxes here. . . ."; ibid., III, 269, James McKinlay to Larkin, July 12, 1845: "I understand from Capt Fitch that your charges for soap boxes is twelve reals per box. I wish you to have all the soap that I have at your store boxed up."

⁵²Underhill, Cowhides to Golden Fleece, 52: ". . . Larkin had been for some time engaged in the first recorded timber operations of the province."

as a sawmill in California when he arrived, so he started operations by hiring men to cut and fashion timber by hand. Red Woods provided a source of hard timber close enough to Monterey to make transportation possible. Between 1835 and 1842, Larkin purchased a large quantity of lumber in this area, through an agent who sought out the labor necessary to produce it.⁵³ Santa Cruz was the scene of Larkin's most extensive enterprise, however. Large amounts of lumber were involved. Between March 28 and August 7, 1842, 528,497 feet of lumber were shipped from Santa Cruz, and on August 15, 1842, Belden estimated that one hundred thousand feet of lumber would be ready for shipment in a month.⁵⁴ Lumber was cut by contract and payment was often made in goods from the Santa Cruz store.⁵⁵ Transportation was easier here than at

⁵³Ibid., 233, Garner to Larkin, June 5, 1842. This account of the delivery of \$2,206.04 worth of all types of lumber was one of several such accounts which Garner sent to Larkin.

Ibid., 21, 261. The lumber was transported to Monterey from Red Woods in carts. Occasionally, it was a problem to find carts or Indians willing to drive them. Garner suggested, on at least one occasion, that Larkin send his own carts.

Ibid., 21, 70-71, 155. Larkin provided equipment for those who were cutting timber for him, and, in addition, sold some equipment to Garner and others, in return for lumber.

⁵⁴Ibid., 183, 227, 250-51, 263, 268.

⁵⁵Ibid., 99, Thomas Oliver Larkin, William Trevethan, and William Brander. Contract, July 21, 1841. By this contract, Trevethan and Brander agreed to ". . . cut & hew in the woods of the Ex Mission of Santa Cruz one Hundred thousand feet of Red wood Timber for said Larkin, at ten Dollars pr one thousand English feet, the whole to be delivered in a good & workmanship manner, within five months from this date, and withen three miles from said Ex Mission." The

Red Woods. Boards were hauled by carts to the beach,⁵⁶
 where vessels picked them up to deliver to other parts of
 California or to Hawaii.⁵⁷

One of the interesting aspects of this early industry

agreement stipulated that the size be convenient for hauling by three yoke of oxen and that the lumber be cut where no new roads would have to be made in order to haul the lumber to the beach.

Ibid., 182-83. Belden explained that he had followed Larkin's instructions to give credit to certain men so that they would saw lumber and buy goods from him rather than from Carmichael. He commented: "I see the sawyers are a pretty obstinate set of fellows and it requires some policy to manage them."

⁵⁶There were difficulties in hauling lumber to the beach, on occasion, as the following letters indicate. Ibid., 188, Belden to Larkin, April 5, 1842: "The water has been so high and the roads so bad that it has been impossible to haul a stick to the beach"; ibid., 190, Belden to Larkin, April 13, 1842: "The men who are hauling want to haul to Rafael Castros beach because the road to M Lodge's is worse than there but I am afraid the vessel could not take off from there well."; ibid., 255, Belden to Larkin, July 31, 1842: "Sor Arana say you are obligated to give him all the lumber to haul that you have and he wanted to quarrel with me the other day because I gave some to others who were owing you. I told him I should give it to those who were in debt when I could get them to haul it and if he did not like it he could go to Monterey. He said in such case he should claim damages of you but I think he has more talk than sense. Please write me what trade you made with him."

Ibid., II, 221. The cost of hauling, in 1844, was \$1 per thousand feet.

Ibid., I, 268-69, Belden to Larkin, August 15, 1842. Belden suggested sending the lumber to Monterey by raft; ibid., 271, Larkin to Belden, August 18, 1842: "I have always believed that lumber could be brought over in a Raft, but do not care about setting the example. I have opened the door for many trades in C but not Rafting."

⁵⁷Vessels were glad to have lumber to fill their ships, frequently, as the following letter shows. Ibid., 45, A. B. Thompson to Larkin, June 18, 1840: ". . . the Boards I must have to fill the Ship &c."; ibid., 57; ibid., II, 269. Sometimes, however, a vessel had no room or could not pick up lumber because the season made it hazardous.

is the fact that so many types of lumber were produced-- spars, masts, building materials, including large beams and joists, boards, and shingles. All were produced by hand until Larkin obtained a small sawmill from the East.⁵⁸ Lumber, though a new product, was immediately incorporated into the mercantile business. Hawaii was an excellent market from the beginning,⁵⁹ and Larkin demonstrated new uses for wood in California, which increased the local demand.⁶⁰

Although a major portion of Larkin's career as a building constructor began in 1847, he did some building as early as 1841. The first projects were an outgrowth of his mercantile and lumbering interests. In 1841, he received a contract to build a new custom house at Monterey.⁶¹ Gradually, he acquired land around the custom house, on which he built shops, warehouses, and his own house.⁶² In 1845, he

⁵⁸Underhill, Cowhides to Golden Fleece, 53.

⁵⁹Larkin Papers, I, 37-38, Levi Chamberlain to Larkin, April 25, 1840. Chamberlain ordered lumber for a Hawaiian meeting house and indicated the willingness of the purchaser to pay as high as \$60 dollars per thousand feet. Considering the fact that the cost to Larkin for cutting and hauling to the beach was as low as \$11 dollars per thousand feet (See footnote 56.), this gave him a considerable profit.

⁶⁰Underhill, Cowhides to Golden Fleece, 53. Larkin built the first two-story house in Upper California and was soon followed by Alvarado. The heavy redwood beams were necessary to support this type of building. He also used lumber to make soap boxes, as explained earlier.

⁶¹Larkin Papers, I, 110. Larkin's estimate of expenses for rebuilding the custom house totaled \$2,301.

⁶²Ibid., IV, 147, John Tierney to Larkin, January 1, 1846. This bill for labor indicated the construction of a blacksmith's shop, or the repair of an existing one: "Door

was awarded a government contract to build a custom wharf, a definite need for commercial interests.⁶³ In 1846, Larkin started building wells on the beach to enable ships to obtain fresh water more easily, and thereby encourage them to use Monterey for trading and for laying in supplies.⁶⁴ As immigration began to increase, Larkin realized the possibilities for profit in supplying needed housing. He began this type of construction before the Mexican War, and after American annexation, in conjunction with Robert Semple, actually built a new city, Benica, on San Francisco Bay.⁶⁵ This last scheme did not materialize as anticipated, however, for Yerba Buena continued to be the center in the area. Larkin's real estate speculations elsewhere were more successful.

Larkin served as real-estate agent as early as 1839, finding renters for the property of others, collecting the

frain for the blacksmiths Shop \$2.4."; ibid., 213, Larkin to Secretary of State, February 27, 1846: "Larkin wrote that he ". . . has paid several hundred dollars within two years for boarding his Labourers and Workmen (building a Wharf and War Houses) at the rate of fifteen to eighteen dollars per month"

⁶³Ibid., 119; ibid., V, 257. On October 8, 1846, Larkin, Eliab Grimes, and William Heath Davis, as the Yerba Buena Wharf Company (capitalization: \$10,000), petitioned Commander Stockton for a strip of land on which to build a wharf in San Francisco Bay, as an aid to commerce.

⁶⁴Ibid., IV, 184, Larkin to Joel P. Dedmond, January 25, 1846: "My Well is 28 feet. I shall make it deeper this Summer prehaps 36 ft."; ibid., 350, Everett to Larkin, April 26, 1846: "How do your wells at the beach answer? Can you supply the shipping with water enough."

⁶⁵Ibid., V, 263, October 21, 1846. Isaac Goodwin and William Glover contracted to build a cellar for Larkin for \$1,686, indicating that Larkin was doing some building; Underhill, Cowhides to Golden Fleece, 167-77.

rent and directing work for the upkeep and improvements on the property.⁶⁶ Because of his contacts with the government, he was able, also to aid others in obtaining government approval of the purchase of land.⁶⁷ Evidence of his own investment in real estate is scattered throughout the Larkin correspondence. He purchased lots near the Monterey custom house in 1843, and later.⁶⁸ When it became apparent that New Helvetia would attract immigrants, he acquired considerable property in that area and found renters for it, as he did in Monterey.⁶⁹ The location of his lands indicates

⁶⁶Ibid., I, 19-20, 66, 100, 117, 132; ibid., III, 353. Larkin took charge of renting Nathan Spear's house in Monterey between 1839 and 1841. During this time, he supervised the addition of a wall to the house and of tiles on the roof. In September, 1841, Spear indicated the receipt of a \$240 note for house rent, and in September, 1845, he received \$328.20.

Ibid., 34. In 1840, Larkin was asked by William Hinckley to act as agent for renting his house in Monterey, and to see to whatever upkeep and improvements ". . . you think necessary."

⁶⁷Ibid., IV, 7, 105. In 1845, Larkin aided in obtaining government approval for ranches for Robert H. Thomas, Josiah Belden, Alberto G. Toomes, and Guillermo Chard.

⁶⁸Ibid., II, 3-4. On February 25, 1843, Larkin acquired ". . . forty varas in front and an equal number in depth, in a direct line with the house of the late Daniel Ferguson, and in front of the house of Don Olivier Delepagues, and near the Custom House." The cost to Larkin was ten dollars for duties to the government; ibid., IV, 99. On July 3, 1846, Larkin acquired another lot, this time, in back of the custom house.

⁶⁹Ibid., II, 325, John Bidwell, New Helvetia, to Larkin, December 13, 1844: "I will not forget to choose you a family to occupy your house, and also a man to serve you in the country."; ibid., IV, 10. Sutter wrote to Larkin, October 8, 1845, suggesting that Larkin give some of his land near New Helvetia to immigrants who had just arrived. There is no record in the Larkin correspondence of whether

purchase with an eye toward potential increase in value. Particularly was he alert to the tremendous change in land values which might come with American annexation and sought out land in strategic places.⁷⁰ As with his building construction, Larkin's ventures in this line were not spectacular until after 1846. But the success which he had on a smaller scale before 1847 foreshadowed the tremendous profits he would realize when the gold rush resulted in a mushrooming population.⁷¹

Perhaps the best indication of the over-all success of Larkin's business activities is found in his ability to

or not Larkin accepted this idea, but the letter from Sutter reveals that Larkin owned enough land there to provide farms for several families.

⁷⁰Ibid., IV, 307. In his "Description of California," April 20, 1846, Larkin made the following comments: "Many Foreigners now hold land under the expectation of being under the flag of the United States. This idea already enhances the value of land. No one league has yet brought one thousand dollars. On the Sacramento four fifths of the farms are unoccupied, and would bring two hundred dollars per league (five thousand seven hundred and sixty acres) A considerable portion of the Californians are well aware, that their land and property would increase value, by change of Flags!"

In addition to strategic sites in Monterey and the Sacramento Valley, Larkin was aware of the value of land elsewhere. Ibid., V, 243, Larkin to Jacob Primer Leese, September 21, 1846: "While at the Pueblo de los Angeles I wrote to Don Guadalupe to sell me a lot of land at Yerba Buena where he began a house. You will oblige me by mentioning this to him, as he may not have my letter. I am very anxious to have a front lot in Y. Buena and this lot suits me."

⁷¹Underhill, Cowhides to Golden Fleece, 229. Larkin's sale of lands brought him \$168,900. After the gold rush, 116 of his business lots at Benica sold for \$20,000 and one lot for \$1,500.

provide banking services of various types. As early as the 1830's, he was often asked to serve as debt collector,⁷² and, occasionally, to aid in bringing legal suit against a debtor.⁷³ At times, Larkin's opinion as to the reliability of a debtor was sufficient to reassure the creditor.⁷⁴

⁷²John Temple was one of those who made use of Larkin's services in collecting money owed. Ibid., I, 14: "I have the governors order on the Customhouse for 445\$ which was to have been paid out of the Californias duties but it was not done nor can I get an answer from the Govr. whether he will pay it out of the Monsoons or not. I would thank you to remind him of it."; ibid., 19, Larkin to Temple, July 22, 1839: "I have applied to Govt' about your order. You will be paid on board ship Monsoon, I was told, in full."; ibid., 26, Temple to Larkin, August 23, 1839: "I enclose you a note on Jose Z. Fernandez for \$15.4 rs. which I wish you to collect & hold it subject to my order."

⁷³Ibid., 29, Temple to Larkin, October 9, 1839: "You say you are suing Pico. I wish you to do the same for me."

⁷⁴Larkin's handling of A. B. Thompson's Mexican creditors illustrates his influence in this regard. Ibid., III, 166-68, Mott Talbot & Co. to Larkin, May 2, 1845. The Mazatlan firm wrote of their concern that the \$2,284.14 debt which Thompson owed them ". . . was in some danger of being sacrificed to the payment of his debts to other parties, or of being entirely lost." Larkin was asked to collect the debt for them or to furnish them with the necessary proof that Thompson was either unable or unwilling to make payment; ibid., 262-63, Larkin to Mott Talbot & Co., July 8, 1845. Larkin wrote, in reply: "I can not say that the situation of Mr. A. B. Thompson's business in California is so critical as to cause you any fear of losing the debt. (I myself lent him 300\$ in cash last month. This is the only account now between us.) . . . I think Mr T. owes no other debt on this coast, but to Mr Reed, yourself & Mr Parrott To conclude I do not believe that your debt is unsafe [?]. At the same time I must say that Mr T. is not noted for punctuaty even in C." Larkin agreed to obtain payment from Thompson; ibid., 304-05, Mott Talbot & Co. to Larkin, August 11, 1845: "We . . . beg to return our best thanks for the information you have the kindness to give us regarding Mr A. B. Thompson's affairs, which we are glad to notice are not in such a bad state as we had feared, and that you Consider our Claim against him as secure"; ibid., IV, 367-68, Mott

Anyone who held a note against the government and had difficulty in collecting it was apt to turn to Larkin for assistance because of his good relationship with government officials and his position as the source of many of the government's supplies and funds.⁷⁵ He purchased, at a discount, promissory notes and drafts on individuals and on the English, American, and Russian governments.⁷⁶ As time went on,

Talbot & Co. to Larkin, May 11, 1846: ". . . we desire to loose no oppy to return you our thanks for your kind attention in the Collecting of Mr Thompson's debt" On the basis of Larkin's reassurance, the Mazatlan concern had been willing to wait another ten months for payment, rather than start legal proceedings as they were ready to do in May, 1845.

⁷⁵Ibid., IV, 294, Larkin to Secretary of State Buchanan, April 17, 1846: "The undersigned gave up his commercial business in Monterey, the first of this year. As far as regards purchases and sales of merchandize, from the year 1837, he has supplied every Governor or General here with most of their Merchandize and Provisions, which business is yet carried on by the person who has taken the Store and business. Yet in loans, advances, and mony transacting still continues to be on intimate terms with the General and many different branches of the Californian Government, and has every reason to believe he is on friendly terms with them publickly and privately."

Larkin apparently lent more to Micheltorena than to any other governor. Ibid., II, Larkin to Green, May 25, 1843. Larkin gave instructions for delivering \$3,000 to Micheltorena; ibid., IV, 263-64, José Abrego, Certificate of indebtedness to Larkin, March 28, 1846, for a loan made to the Governor in 1844 for \$3,700, of which \$3,000 was to bear interest of one per cent a month. \$1,750 had been repaid by this date; ibid., III, 145, Parrott & Co. to Larkin, April 21, 1845. The Mazatlan concern wrote: "We return you enclosed the Dfts of the General Micheltorena on this Custom House for 20.000\$ We sent them to Mexico and have used our utmost exertion to collect them for you, but owing to the late political changes it has been impossible." This debt was never repaid.

⁷⁶Ibid., III, 13-14, Larkin to Uhde & Pini, Mazatlan, January 16, 1845. Larkin sent a draft on the Accountant General of the British Navy for "144 lbs. o.s. 11d.722\$ at

he became a sort of clearing house for various types of commercial paper.⁷⁷ As his capitalization increased, he made more loans in cash, the only type of credit on which interest was regularly charged.⁷⁸ Although the precise extent of

5\$ pr lb. Sterling," a draft on the Chief of the Topographical Bureau, Washington, D. C., from Frémont for \$1,000 and an order on Uhde & Pini for Captain Wolter for \$70, and indicated that he had sent earlier a draft for 200 Spanish dollars ". . . on the Directors of the Honbl Russian American Company in St Petersburg, by A. Etholen, Governor of the Russio American Colonie"; ibid., IV, 367, Mott Talbot & Co. to Larkin, May 11, 1846. An acknowledgement was given of the receipt of a draft on St. Petersburg for \$2,000. Since there is no record of Larkin's trading directly with the Russian American Company in Bodega Bay, he probably purchased the drafts or accepted them in payment from the original recipients. The following indicates that Larkin purchased paper when others shunned it. Ibid., III, 192, Jacob Primer Leese to Larkin, May 23, 1845: "The order taken up by yu on A. B. Thompson Esqr. in favor of Pedro Estrado I am indeed sorry to hear that my Creditt was so low as to hav it handed about Monterey and no one to purchase it." Larkin may have made this purchase because of his friendship with Leese; but it was not a financial loss for Leese assured him that it would be paid on sight in hides or tallow.

⁷⁷Ibid., IV, 104, Larkin to Francis Mellus, November 26, 1845. Larkin enclosed in this letter a bill on the United States Bank for one hundred dollars, which he had been asked to send to the United States to determine its value. Mellus was asked to take care of this on his return to the United States. There is no record of whether any payment was made, since the Bank was no longer in existence. The significance here is that Larkin was sought out as the person who would be able to take the necessary steps to determine the value of the paper.

⁷⁸The care with which Larkin made loans is indicated by the fact that the records show that they were made to the more successful men in the area, with the exception of Sutter, perhaps, as illustrated earlier. Ibid., I, 314. In 1842, John Paty borrowed \$500; ibid., III, Larkin made additional loans to Paty in 1845; ibid., IV, 300. Larkin lent William Reynolds, son of Stephen Reynolds, \$150 in 1846, at twenty-four per cent interest; ibid., V, 244. He held a note from Jacob Leese for \$3,000.

these activities is not evident from his papers, there is evidence that he was considered the "Master of Finance" of California.⁷⁹ The amount of money he handled and his exact profits are not so significant as his pre-eminent position as the man who could lend cash in a country where money was scarce and who had contacts in the East and in Mexico for determining the value of drafts on sources outside California.

The other activities in which Larkin engaged were indicative of his business imagination although the extent of each was not great enough, at least before 1846, to affect materially the California economy. He acquired the first double-gearred flour mill from the East and ground wheat to order.⁸⁰ He was interested in the development of agriculture and sent Sutter and Thomas Cordua cotton, rice, and flax seed to experiment with in the Sacramento Valley.⁸¹ When a rich quicksilver vein was discovered, Larkin invested in a mine, sent samples of the ore to the Secretary of State and used the presence of the metal as a publicity item in his letters to Eastern newspapers.⁸²

⁷⁹Ibid., IV, 350, Everett to Larkin, April 26, 1846: "Are you still the Baron Rothschild of California? Does the Govt of the time being use your purse as free as ever?"

⁸⁰Underhill, Cowhides to Golden Fleece, 57; Larkin Papers, I, 299.

⁸¹Ibid., II, 212-13; ibid., III, 347.

⁸²Ibid., V, 17; ibid., 78; ibid., 87, Larkin to Moses Yale Beach, June 30, 1846: "80 miles North of Mont. on in Sonoma on the bay of San Frano there have quick silver

In fourteen years, Larkin had become a prominent and successful merchant in both local and foreign trade and, in addition, had engaged in lumber and soap production, real estate and building activities, banking, and a variety of other enterprises. It is not surprising to find that he was considered a "fly about body."⁸³ The very extent of his interest, which led him into so many fields, accounts, in part, for his achievements. Equally important, however, were the methods he employed in conducting his business.

mines been opened. One of them is now occupied by a Native of Mass, another by a person from Mass."

⁸³Ibid., II, 330.

CHAPTER IV

AN EVALUATION

Monterey had the advantages of central location and of being the capital and only official port of entry, but it was not noticeably more developed than other California towns when Larkin arrived. His successful establishment of a permanent store was the beginning of a noteworthy contribution to the economic life of the area. The introduction of a bakery, blacksmith's shop, and a flour mill, the rebuilding of the custom house, the construction of a wharf and of wells on the beach provided facilities which attracted commerce and increased the predominant position of Monterey in Mexican California. In his Gilroy and Santa Cruz enterprises, Larkin extended the selling area of his store. Even after both branch outfits had been discontinued, the customers of these areas continued to deal with him at the main store. Perhaps his greatest influence in local economic activity consisted of linking it more closely to other parts of California and to foreign markets. By purchasing increasingly larger cargoes, he was able to supply Californians from Yerba Buena and New Helvetia to Los Angeles, and, in turn, encouraged shipping from foreign ports. Thus, from his first years in California, he strengthened the commercial contact with Hawaii and with Mexico. As we have seen, however, he was ready to alter this pattern and deal directly with the East

Coast when the need became apparent. His encouragement of trade in general served not only to increase the quantity of goods involved but, perhaps more important in the long run, to attract American interest in the economic possibilities of California.¹

In addition to his influence on the volume of trade, Larkin aided in the development of new goods. His lumber business was the outstanding example of this. It resulted in a new product at home and for shipment abroad, while the profits which he obtained encouraged others to enter the industry.² This ability to see new possibilities, evident in his introduction of new agricultural products and his encouragement of quicksilver mining, was partially responsible for his successful business career.

Another reason for his success was his recognition of the value of both advertising and publicity. He made use of every opportunity to employ both. In 1840, he was asked to be the California agent for a new Hawaiian newspaper. Not only did this bring him a small commission and the more

¹Ibid., II, 81; ibid., V, 317, 319. A Charlestown, South Carolina, man, who contemplated starting a ranch, and a Dundas, Ontario, mechanic, formerly from New York State, wrote Larkin for information and advice about moving to California. A New York City firm of commission merchants expressed the desire for contacts in California.

²Indication of subsequent development of lumber operations as far north as San Francisco Bay is found in the following letter. Ibid., I, 169, John Paty, San Francisco, to Larkin, February 29, 1842: "I can get a quantity of lumber here, and it is necessary for me to know . . . what prospect you have for Lumber at Sta. Cruz."

important flow of information about Hawaiian commerce, but it also gave him a chance to write California news for Hawaiian readers.³ When he recovered a boat belonging to the vessel of an eastern concern, he suggested that he be repaid by the insertion of an advertisement in a New Bedford, Massachusetts newspaper.⁴ By 1843, he was well enough known in whaling circles so that he was asked to be correspondent for a proposed Nantucket whaling list.⁵ With each communication to shippers or to shipping newspapers, he listed the advantages of Monterey for vessels and crews.⁶ The following

³Ibid., 42, James Jackson Jarves, Honolulu, to Larkin, June 8, 1840: "I take the liberty, at the advice of Mr. H. A. Pierce, to send you 10 copies of a newspaper established here. Should you be able to procure any subscribers, you will please make the Customary Charges, & send me the names & amt. of subscriptions, by the first oppor'y." It is significant to note that Pierce considered Larkin a prominent enough merchant to have the kind of contacts which would serve Jarves's interests; ibid., 64, Jarves to Larkin, December 8, 1840: "All the news or communications which you can gather on California will be very acceptable to the readers of the Polynesian An Account of Monterey would be very acceptable"

⁴Ibid., II, 189-90; ibid., III, 30, Pardon G. Seabury, New Bedford, to Larkin, February 3, 1845: "Your advertisement I have caused to be inserted in the daily Mercury published in this place to be continued three times per week for six months to come, which will bring it before the public here and the Captains who return to port during that time."

⁵Ibid., II, 4-5.

⁶The way in which Larkin utilized possibilities for new contacts is illustrated in the following letters. Ibid., 319-20, Larkin to Henry Lindsey, Editor, Whalemens Shipping List, New Bedford, December 11, 1844: "Meeting with one of your papers in this Port, I take the liberty of forwarding to you the enclosed law now issued in this Country in behalf of Whalers. It may be proper to say that although California is one of the Departments of Mexico, and duly bound to obey

advertisement shows how he combined a description of the services which he offered with publicity of the virtues of California:

Thomas O. Larkin, Monterey California

Dealer in foreign Merchandize and California produce. Whale ships supplied with provissions on the most reasonable terms of the country, for bills on the United States when the Captain may not have such goods as the government will allow him to sell.

The commerce of California is increasing, the farmers preparing to furnish provissions in more abundance, the port charges on a whale Ship but four dollars. Wood and water can be obtained with more ease than in former years as wells are being built near the beach to conduct the water to the boats. The climate is one of the best known it being very uncommon for a ship to go to sea with sick men. Her men can be recruited and provissions taken on board in twelve to fifteen days when in their season. Letters are sent to the U. S. in sixty to sixty five days via Mazatlan and Vera Cruz.⁷

Recognizing the commercial advantage inherent in a closer relation with the United States and, more particularly, in an

her laws, yet Such is not the case. Laws are often made in California to suit the place and the time even annulling portions of the Mexican Tariff and entering into the Custom House of Monterey many articles not allowed by Mexico As our Whalemens are now seaking the North West Coast the Ports of California offer many inducements to them to visit us in the months of September, October, November & December. In these months they are in general sure to find vegetables here and can find no better port in the Pacific as far as regards health."; ibid., IV, 114, N. & W. W. Billings, New London, to Larkin, December 1, 1845: "We have caused your card to be published in the New Bedford shipping list for Eight successive months We are very much gratified by the receipt of your letter & beg you to continue your advices at short intervals by mail or otherwise. We . . . still have it in contemplation to send a vessel to your waters with a cargo & to find employment whaling. We will thank you to give us your suggestions on the subject hoping that some thing beneficial to both yourself & us may grow out of it." It is evident that Larkin not only sent an advertisement, but also offered enough information to interest one concern in a joint venture.

⁷Ibid., II, 212, August 31, 1844.

increase of California population, he also advertised in an indirect way by serving as correspondent for the New York Sun and the New York Herald. In letters sent to eastern newspapers, Larkin emphasized the laxity in the execution of Mexican restrictions against foreigners, the lethargic attitude of the Californians, and the great potentials for development by more energetic people.⁸ This type of publicity found willing readers in the era of Manifest Destiny and influenced the desire of Americans to extend their country to the West Coast, as the following excerpt from A. E. Beach of the New York Sun indicated:

News from your quarter is looked for with deep interest here. Just now there are strong opinions that California will be joined to the United States and it is even said that a negotiator is now in Mexico to effect that object A letter which you wrote us some time since describing Monterey & harbor we think seemed to have acted strongly on the public mind, and owing to what we have since said, they now look with a longing eye towards California.⁹

Nonetheless, Larkin's contacts with newspapers had only limited value for his own advertising purposes and for

⁸Ibid., V, 6-8, ibid., III, 201-03, Larkin to Moses Yale Beach, May 28, 1845. In this letter, Larkin included a short advertisement which he hoped the New York Sun would print "some lought of time." Thus, he combined general publicity about California with direct advertisement of his own business.

⁹Ibid., IV, 129, Moses Yale Beach & Sons, per A. E. Beach, December 24, 1845. The feeling of the editors, expressed in this letter, that they, almost single-handedly, brought about the annexation of Texas indicates an overestimate of the influence of their paper. However, the approbation with which Larkin's communications were received by the readers of the New York Sun is significant.

his acquisition of the information he considered necessary for conducting his business. To achieve a thorough knowledge of the conditions of supply and demand, he utilized both agents in various trade areas and correspondence with friends. Supercargoes who collected hides, produce, and debts for Larkin as they travelled along the California coast also kept him informed of the state of the market in various ports and of the news they received about the arrival of vessels.¹⁰

Thus, Larkin knew when there was a dearth of soap and lumber in Santa Barbara and Los Angeles,¹¹ and also was forewarned

¹⁰Ibid., I, 122, Henry Mellus, Santa Barbara, to Larkin, September 29, 1841. Mellus indicated that he had received forty hides, one hundred dollars, and ten fanegas of beans for Larkin and added the information: "There is nothing new here"; ibid., III, 231, John Coffin Jones, Santa Barbara, to Larkin, June 10, 1845: "I have only a moment to say to you that the Schooner Julia Ann arrived here yesterday 30 days from San Blas and is now on her way to Monterey She has a cargo of 13000 Dollars Mexican goods to Don Manuel Dias who came in her."

In addition, correspondents notified Larkin of the arrival or expected arrival of immigrants. The following letter is an example of this. Ibid., IV, Lansford Warren Hastings, New Helvetia, to Larkin, March 3, 1846: "The emigration of this year to this country and Oregon, will not consist of less than twenty thousand human souls, a large majority of whom are destined to this country. Our friend Farnham, and many other highly respectable and intelligent gentlemen will accompany the emigration this year. Among them are also many wealthy gentlemen, and capitalists, who design to make large investments in California, in both agricultural and commercial pursuits." Although Hastings may have been overly optimistic about the actual numbers of immigrants, his contact with this movement enabled him to give a report which reflected the tide of opinion in the United States.

¹¹Ibid., I, 103, John W. Weed, Los Angeles, to Larkin, July 26, 1841: "It may perhaps serve you to know that there is little of either lumber or soap here or in Sta Ba. A few hundred Dollars of each would in my opinion do well. Business for the regular traders is worse here if possible than with you although all speak with confidence of the prospect for next year."

against investing in specific items at a time when they were being shipped to California by some other concern.¹² The news which his agency, Marshall and Johnson, sent from Hawaii was supplemented by letters from ship captains and Hawaiian residents. Contact with the Sandwich Islands was invaluable for information about the state of the market and about the movement of all types of vessels. Because most Pacific traffic stopped there, Larkin received advance notice of the arrival of Eastern whalers, hiding vessels, and United States Men-of-War as well as of ships engaged in Hawaii-to-California voyages.¹³ In keeping abreast of conditions in

¹²Ibid., 241, Henry Delano Fitch, San Pedro, to Larkin, June 10, 1842: "I am happy to inform you of my arrival at this Port in the Mexican Brig Trinidad The Brig has brought little els but Panocha and sugar." Fitch also wrote that he had sold his vessel in Mazatlan and that it would soon be arriving in Monterey with Micheltorena, the new California Governor, and five hundred soldiers. Suggesting that the troops would increase the demand for brandy, he offered to bring some for Larkin; ibid., 80, James McKinlay, Mazatlan, to Larkin, March 14, 1841: "I am sorry to enforam you there is a Brig about ready to sail from San Blas with a cargo of Mexican goods for the coast of California. She takes a learge quanty of panocha & sugar Sarapes Rebosos &c so if you have not mead much of a purchise of sugar & panocha it well for you to inveast your funds otherwise."

¹³Ibid., 95-96, 130, 304-05. Marshall and Johnson reported, among other things, the fact that the Hawaiian market was glutted with goods in 1841 and that, therefore, the prices were low, that a whaling fleet was in the harbor in July, 1841, and that, in November, 1841, the "U.S.S. Yorktown" and the "Julia Ann" were en route to California. (The detailed type of information about the Hawaiian lumber market which Marshall and Johnson sent Larkin is illustrated in Chapter III, footnote 31.)

Ibid., 53, 66, 117, 215, 248. Larkin also received letters from Stephen Reynolds, John Paty, Pierce and Brewer, Francis Johnson, and John Coffin Jones, which informed him of such items as the low price of Buenos Aires hides in

the East, Larkin relied most on men who, like Alfred Robinson, had lived or traded in California and who could combine their knowledge of the West Coast with what they observed in the East. Letters from these friends included the current price of hides in Boston as well as information about vessels which were leaving for Larkin's territory, what cargo they carried, and when he might expect their arrival.¹⁴ By combining the information he received, it is probable that he anticipated the arrival of all but a few vessels.

Boston, the unsaleability of land otter and beaver in Hawaii in April, 1842, the lack of China trade in 1840, and the departure of a United States squadron for the coast, after it had spent forty thousand dollars in the Islands.

In addition to other sources, the Mazatlan firms with which Larkin traded and Atherton, in Valparaiso, provided information about vessels and markets. Ibid., III, 35, Atherton to Larkin, February 11, 1845: "The 'Levant' is in Callao Commandore Sloat having arrived there via Panama. The Warren is likewise expected soon. The Releif is in Callao."; ibid., IV, 224-25, Atherton to Larkin, March 4, 1846: "The whole of the American squadron was in Mazatlan awaiting some definitive settlement of the difficulties between the U. S. & Mexico This market offers but little inducement for a shipment of your soap, although the quality is very good. It would probably net about 8\$ pr quintal if put up in cakes of about five ounces each."

¹⁴The reciprocal exchange of information between Larkin and Alfred Robinson is shown in the following. Ibid., II, 66-67, Robinson to Larkin, December 30, 1843: "Your kind letter dated at Monterey October 18th came to hand on the 22d inst. & I assure you the contents were very acceptable, not only to me, but to those concerned with me in California commerce According to your statement we shall have the California, Tasso & Barnstable close upon us in the course of the spring, & consequently a large number of hides will be thrown into the market at one time--at present they would bring from 11 to 12¢ and perhaps 13¢. . . . Two Ships fitted out by B. T. Reed & others & J. B. Eaton & Co. sailed from Boston during the month of October they go both consigned to Howard & are in competition If the Barnstable arrivs during the winter or Spring we may send her out, should circumstances permit."

Since he made a point of giving useful information to ship captains, they frequently notified him of their plans and of the plans of others. Among those with whom Larkin established such contact were officers of United States naval vessels. He provided them with supplies and entertained them in a manner that resulted in one officer recommending Larkin's services and hospitality to another.¹⁵ Larkin did such a profitable business with the United States Navy that news of it spread as far as Oahu.¹⁶ His reputation among the ships themselves was such that when his Exploration Squadron arrived in San Francisco Bay, Thomas W. Waldron communicated first with Larkin in Monterey about obtaining supplies even though Nathan Spear and William Hinckley were more immediately

¹⁵One illustration will serve to show the success with which Larkin supplied naval needs as well as the chain reaction of recommendations which brought him so much of the United States Navy's business. Ibid., I, 46, John Adams Bates, U. S. S. St. Louis, to Richard R. Waldron, Purser, U. S. S. Vincennes, July 4, 1840: "I take this occasion, learning that you are to visit this port, to introduce to your acquaintance Mr. Thomas O. Larkin formerly of Charlestown Massts & for the last eight years a resident of Monterey.

"Mr. Larkin has supplied our Ship with Bread and provisions during our stay and assisted me in procuring other supplies.

"I take leave to recommend him to you as an efficient assistant in the arduous duties of supplying your Squadron and you will find yourself relieved from much trouble and vexation by employing him to procure your supplies.

"The hospitality of Mr. Larkin's house only equals his attention to our interests."; ibid., 108-09. Richard Waldron passed on to his brother, T. W. Waldron, also of the Navy, a letter of introduction to Larkin.

¹⁶Ibid., 337, Joseph Oliver Carter, Oahu, to Larkin, December 7, 1842: "I am told that you have been doing a lucrative business with the Men of War"; ibid., II, 342-43. In December, 1844, Larkin received \$2,218.68 as payment for supplies sold to the "U. S. S. Savannah."

available.¹⁷ This commerce with the Navy undoubtedly led to the appointment of Larkin as United States Naval Agent in 1846.¹⁸

The other official contacts which were significant in his commercial and political careers were those which he maintained with California officials. It has been shown how Larkin's ability to establish relatively intimate contact with each successive governor of the province meant that he became their banker and their chief source of supply. Even more important for the development of California commerce was his ability to use his friendship in official circles to good advantage in obtaining revocation of a law which hampered whaling vessels and in encouraging just treatment of both ship captains and American residents in California.¹⁹ An indirect outgrowth of this relationship was that it increased Larkin's stature in the commercial world, thus facilitating

¹⁷Ibid., I, 108-09; ibid., 115-16, Larkin to T. W. Waldron, September 1, 1841. When Larkin answered Waldron's letter, he quoted some prices and indicated that he could provide wine, butter, potatoes, and soap. However, he referred Waldron to Spear and Hinckley and nearby rancheros and suggested that it might be wise to charter the "California" to go to Oahu for supplies because, contrary to most years, supplies in California were scarce and high in price.

¹⁸Ibid., V, 222.

¹⁹Ibid., II, 192, Larkin to Manuel Micheltoarena, Governor General of California, August 12, 1844. Larkin stated his reasons for objecting to a decree which, on six months' notice, prohibited whaling vessels from selling goods in California; ibid., 321-22, Larkin to John C. Calhoun, December 12, 1844. Larkin included in this letter a copy of a decree, issued by Micheltoarena ". . . allowing Captains of Whale Ships to sell sufficient goods to refit their ships."

his transactions by building up his reputation.²⁰

Because of his position in the business community and his careful checking of each shipment received, Larkin was able to insist on good quality in his purchases.²¹ The manner in which he arranged for making payments enabled him to get the most out of his investments. Whenever the opportunity presented itself, he sent payment in a less desirable commodity or in one which he held in over-supply. Likewise, he recognized the advantage of paying cash for valuable sea otter skins and, in order to receive preference, he made a general offer to pay more than anyone else. The fact that the resultant price was not much higher than the current rate indicates that sellers respected his knowledge and judgment and appreciated his cooperation. This approach was an effective one for it enabled him to obtain skins of high quality whenever they were available.²² In addition, he

²⁰Ibid., I, 55, Lewis Burton, Santa Barbara, to Larkin, September 7, 1840. Burton enclosed a letter which was directed to the governor and indicated that he had been advised to send it to Larkin for safe delivery, a suggestion of Larkin's reputation for reliability as well as an indication that his relationship with the governor was generally known.

²¹Ibid., 138-39. When, in 1841, Larkin received a box of rotted handkerchiefs from Mazatlan, he obtained affidavits from William Faxon, then in charge of his store, from the captain and mate of the schooner which brought the goods, and from two ". . . principle Merchants of this Port," to the effect that the handkerchiefs were worthless.

²²Evidence that those who received goods in payment from Larkin were not always satisfied is found in the following letter from Hawaii. Ibid., 32-33, Stephen Reynolds to Larkin, January 21, 1840: "I have to call your attention to the last lot of soap you sent me on account of Capt. Young. I think there must have been some mistake. I am well

made better bargains by purchasing from several different firms in Mazatlan and encouraged competition in that port by favoring new concerns.²³ In all this, he made his own decisions and allowed his clerks very little freedom. The directions which he gave them for buying, selling, and accounting were extensive and carefully detailed.²⁴ The result was a successful, unified policy in all his enterprises, which, in turn, increased his general success in the field of personal relationships.

As Navy pursers tended to seek out Larkin personally, so the customers at Gilroy's and Santa Cruz wanted, after a time, to deal directly with Larkin.²⁵ In the commercial life

satisfied there was more bulk in the last than in the first altho' charged more than fifty per cent higher. Persons on seeing a sample of this latter, say it is very small cakes!! Do as you would have done by--it is all can be asked."

For terms of the sea otter transactions, see Chapter III, footnote 22.

²³Larkin Papers, III, 263.

²⁴See Chapter III, footnote 18, for Larkin's instructions to Belden on bookkeeping; ibid., II, 15, Thomas O. Larkin and Talbot H. Green, Agreement, May 16, 1843. By this agreement, Green was to take charge of the ". . . store and ware house's in Monterey & all his [Larkin's] grain & provisions . . ." for one year, for which Green was to receive four hundred dollars plus five per cent of the profits. In return, Green agreed to run the store, ". . . to do all in his power in collecting debts . . ." He was to purchase more goods for the store when he could pay for them in produce. But he was to buy nothing on credit; ibid., 57. When, in May, 1843, Larkin left for a trip to Mazatlan, he wrote Green a letter which reiterated a good deal of what was included in the above agreement, and stated, emphatically: "Do no business on credit either buying or selling. When you can purchase any sutible goods for the store with any produce on hand (Excepting hides) do so." The letter also instructed Green to make an exact accounting of all Larkin's property and a complete list of debts due and owed to Larkin on the first of January.

²⁵Ibid., I, 168, 247-48.

of the day, customers were frequently competitors as well. Larkin seemed to have held a unique point of view among California traders toward this situation. Whereas Nathan Spear and John Temple complained about competition offered by whaling and hiding vessels, the Monterey merchant encouraged their business in order to benefit from selling them supplies.²⁶ His hospitality was extended to the officers of these vessels,²⁷ and when Parrott, from whom Larkin purchased goods in Mazatlan, became a competitor by bringing a vessel to the California coast, Larkin also entertained him as a guest in his home.²⁸ As a result, ship captains,

²⁶Ibid., 26, Temple to Larkin, August 23, 1839: "McKinley has pick'd up all the hides & Tallow about the place so the we poor devils on shore stand no chance."; ibid., 132, Spear to Larkin, November 3, 1841: "Some say that, that notice which appeared in the Oahu paper respecting the plentyfull supplies that whaleships might get here, induced them to come here, and they have been disappointed, and that you are the cause. I have tryed to make them understand that your statement was right, that necessary supplies can be had here in common seasons as cheap as at any other place this side of Cape Horn. Although they sell goods cheap, they take the money out of the country and in fact do us no good." Although Spear defended Larkin against the criticism of others, it is obvious that he did not approve of the encouragement that Larkin was giving to whalers. Earlier in this letter, he complained that ". . . the whale ships paid 1\$ in goods at very low prices and so spoilt my trade."

²⁷Ibid., 66, John Paty to Larkin, December 21, 1840: "I have always felt very greatfull to yourself & wife for the kind reception I have always found at your house"; ibid., 160, John W. Weed to Larkin, February 1, 1842: ". . . it will be a source of pride and gratification to me to prove that I appreciate your kind attentions and hospitality extended to me when a stranger and hope for a continuance of your friendship." (See this chapter, footnote 11, for evidence that he did find a way to repay the kindness shown him.)

²⁸The following excerpts indicate that, in this instance, Larkin's hospitality did not receive the same

like Navy pursers, gave letters of introduction to Larkin, and those who felt that Larkin had acted in their interest frequently reciprocated.²⁹ Larkin understood the principle of good will in economics even though he may not have estimated its value on his books. By the same token, once he had built up good relationships in a community, he was careful to preserve them--as, for example, when he decided to ignore the theft from the Santa Cruz store rather than jeopardize the good will he had established.³⁰

Larkin's personal relationships in business were not always profitable, however. When he occasionally used poor judgment in making a loan, he did not show any particular sympathy for the difficulties a recalcitrant debtor might be

appreciation as it did generally. This, apparently, was due to Parrott's feeling that Larkin had outsold him. Ibid., III, 357-58, Larkin to J. C. Jones, September 21, 1845: "Parrott has told me he never forgot or forgave those who crost his path. I suppose with Mrs L I crost his path. Is it not singular and sorryfull to see a man of his standing [Parrott was the United States Consul at Mazatlan] thus act. After stoping at my house months with Captain & Clerk to leave almost clandistinly, then to leave at my table for 3 months more his clerk and in my house & warehouse goods free of expense--with all this a letter of this class. In general I care but little how good or bad mankind are, but this case has sorely disappointed me. I had always took this person as quite the opposite, open liberal, hearty & generouse."; it is interesting to find that, when Parrott resumed contact, Larkin was willing to do business as requested. Ibid., IV, 139, Larkin to Parrott, May 22, 1846: "In your leavig here I supposed you expected no more business from me and I have continued in that believf untill the receipt of yours last. As you still expect I shall collect for you & I will endeavour to receive the amt from Mr T"

²⁹Ibid., I, 67.

³⁰See Chapter III, footnote 15.

having.³¹ On the other hand, in at least one instance, he postponed the payment of a rather large debt due him and thereby received more valuable goods in the final settlement than had been promised in the original agreement.³² He was outspoken about those whose conduct of business seemed objectionable to him.³³ But, there is evidence that he was particularly sensitive to criticisms of his own actions, and, in these circumstances, he spiritedly defended himself.³⁴

His dictatorial attitude toward those in his employment is illustrative of the close control which he kept over his business. When Josiah Belden purchased some goods from a vessel, without permission, and paid for them in hides,

³¹Larkin Papers, II, 14, Larkin to Francisco Perez Pacheco, April, 1843: "After keeping me waiting so long, you now send me only 200\$ worth of Soap and that very dirty In conclusion I have to say I do not intend to write any more to you for my own, and if you receive a letter from the Alcalde to appear in Monterey this month you must blame yourself and not me."

³²See Chapter III, footnote 20. Den's final settlement of his debt, in 1846, was in hides and tallow rather than in wine, as originally agreed.

³³Larkin Papers, 339.

³⁴Ibid., III, 113, James A. Forbes to Larkin, April 1, 1845. Forbes wrote that he was astonished to receive Larkin's letter in which ". . . you heap upon me a torrent invectives as if you had received an injury from me, entering into a long argument upon topics that have been most grossly misrepresented to you, or that you have misunderstood." The matters about which Larkin was upset were a reported conversation against him in the Hudson's Bay Company's house, a supposed criticism by Forbes of his entertaining ship captains and supercargoes, and Forbes' comment that Larkin's official communications to Americans seemed like orders to them and were therefore resented by the egalitarian frontiersmen.

Larkin was irate not only with Belden, but also with the ship captain, to whom he wrote: ". . . this Store Keeper is but a lumber dealer and no Supercargo ever thinks of trading with him for hides."³⁵ T. H. Green was apparently the only employee of Larkin's who managed to win his confidence enough to be allowed any real measure of responsibility. But even when Larkin turned the operation of his business over to Green in 1846 and asserted in several letters that he was withdrawing from the mercantile business, he still retained control over policy. This is evident from his subsequent letters in regard to establishing direct trading transactions with the East Coast.³⁶

Larkin's ethical standards involved observance of technical correctness in his business affairs, but, except in hospitality, he did not feel it necessary to achieve good will through excessive generosity. There is some specific evidence that he avoided underhanded dealing with both his competitors and the government.³⁷ However, he was not above

³⁵Ibid., I, 345.

³⁶Ibid., IV, 145-56; for policy decisions made by Larkin in 1846, see Chapter III, 71-73.

³⁷Ibid., I, 272, Larkin to Belden, August 15, 1842: "If Mr Carmichial claims the Potatoes they are his by right of first purchase."; ibid., III, 26, Larkin to Copmann & Lomar, January 25, 1845: "Gen. M Micheltoarena decree against bringing Foreign Goods must prevent me from going to Mazatlan at preset. I should not fear his taking the goods from me, but bing on very good terms and making many trades with him I do not wish to be the first to introduce goods." Larkin's motive for obeying the law seems to be that of recognizing

finding an occasional loophole in his transactions. This is seen in Pierce and Brewer's complaint that Larkin deducted the ten per cent allowed for prompt payment from a long unpaid debt, and in H. D. Fitch's objection to having old wheat bags returned to him in place of the good ones he had sent.³⁸ These are exceptions, however. The Temple transaction in which he refused to water brandy sent him shows that at least when it was to his advantage, he was scrupulously honest.³⁹ But more important and more conclusive, the very success of his business and the continuing trust shown by those who asked for his services are indications of his basic honesty.

The degree of success which Larkin attained during the period from 1832 to 1846 is partially illuminated by his account of his estate, as recorded at the end of that period. On January 1, 1846, he listed his fortune at \$66,644, a considerable accumulation in fourteen years.⁴⁰ Viewed from

the expediency of observing legal restrictions. Better evidence of his reliability is found in Hinckley's trust when he asked Larkin to make such improvements on his property as Larkin thought necessary. (See Chapter III, footnote 66.)

³⁸Ibid., III, 155, Pierce & Brewer to Larkin, April 28, 1845: ". . . as we believe Mr. P's account to be correct, the explanations are of course unsatisfactory--particularly where you take the credit of having paid promptly!! and deducted the 10%. We have also paid Mr Spence 5% comm. for collecting this note of yours!"; ibid., II, 329.

³⁹See Chapter III.

⁴⁰Bancroft, History of California, V, 706: "In his ledgers he [Larkin] has left careful memoranda of his wealth on Jan. 1st of each year as follows: '35, \$2,650; '36,

another standpoint, his career is equally impressive. Although he made no radical changes in the patterns of trade, he developed a thriving business in the existing ones. He provided new incentives to commerce and industry through his building construction and his promotion of new goods; and he increased American interest in California's economic potential through his publicity of it. The recognition of his economic success had ramifications in the political events of the time, for it was through his contacts and friendship with the prominent people in the area that he was able to function as United States Consul and later, as the President's Confidential Agent. Though success of the latter mission must be partially a matter of speculation since the Bear Flag Revolt changed the whole nature of the situation in California, the services which he offered as Consul were as well-executed as the inadequate machinery of the times allowed. Since Larkin's career did not end in 1846, but continued long enough to include participation in the California Constitutional Convention and to result in spectacular economic gains for himself through land speculation after the Gold Rush, the significance of his life in Mexican-held California is found both in the expansion of its economy and in the position of prominence he attained which enabled him to continue his career with comparable success after American annexation.

\$4,708; '37, \$5,626 (chiefly in house and mill, for he had spent all his money on the house and had no goods); '38, \$11,013; '39, \$13,788; '40, \$15,895; '41, \$21,493; '42, \$37,958; '43, \$49,147; '44, \$46,505; '45, \$60,175; '46, \$66,664."

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