MONEY DOES GROW ON TREES: A. B. HAMMOND AND THE AGE OF THE LUMBER BARON

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Abstract:
Money Does Grow on Trees: A. B. Hammond and the age the timber baron.

Two highly contrasting views inform our view of America's Industrial Era (1877-1920). The "captains of industry" thesis holds that America's industrial and economic might depended on creative capitalists freely pursuing individual wealth. The opposing "robber baron" perspective holds that the capitalist free-market system engendered a great disparity of wealth and resulted in social and environmental costs while accruing benefits to the few.

In seeking to understand the Industrial Era historians have traditionally looked toward the top echelon of American businessmen: Rockefeller, Gould, Morgan, and the like, largely ignoring the scores of second-tier capitalists. The era of "laissez-faire" capitalism, however, was not just the work of a few individuals, but rather hundreds of men of a type forged in the Protestant tradition.

In the American West, regional entrepreneurs, like Andrew B. Hammond were the primary agents of environmental change and had as a great, and perhaps greater, impact upon both the physical, social, and economic landscape than the top industrialists. For the West at least, the Rockefellers, Harrimans, and Morgans merely served as conduits of capital, while regional industrialists actually transformed the western landscape from one dominated by Native Americans to one fully integrated into the global capitalist system. Rather than a colony under the yolk of eastern capital, American West was exploited from within. Westerners themselves created the institutions, conditions, and opportunities that converted the nation's natural resources into private wealth.

As one of the region's premier lumberman Hammond was a significant agent of environmental change. As an individual, Hammond made choices that affected both the physical and economic landscape. While Hammond's actions were constrained by the structures of capitalism, he tailored it to fit his own needs, desires, and specific circumstances. In doing so, he also shaped the world around them.

Hammond offers a real life illustration of how the struggle over natural resources during the Industrial Era gave rise to the two most pervasive forces in modern American life – the federal government and the corporation. But rather than a triumph of one over the other, the conflict resulted in a huge increase in the power and ubiquity of both institutions and defined the increasingly close relationship between them.

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Note On Sources:

With little published material on A. B. Hammond specifically and lumbermen in general, I relied heavily on primary source material, using secondary sources to provide background context. Since Hammond's personal records were destroyed following his death, I had to pursue a rather sporadic and often very faint trail. When Georgia-Pacific bought the Hammond Lumber Company in 1956, it acquired all of its records. Despite repeated inquiries, Georgia-Pacific denied access to these records. Other Hammond source materials are scattered throughout the country, many in unprocessed collections, presenting an additional challenge. Fortunately, the Charles Herbert McLeod collection at the University of Montana contains forty years of correspondence between Hammond and his business partner and close friend, "Herb" McLeod. In addition to their personal and business communications, Hammond sent copies of his correspondence with government officials, newspapers, and other businessmen. Contrary to Hammond's requests to destroy their correspondence, McLeod meticulously preserved nearly everything, providing a treasure trove of material.

I conducted research at many other institutions, from large repositories to small historical societies. At the Montana Historical Society, I found the T. C. Power and Samuel Hauser collections most helpful. The Oregon Historical Society contains a large, and unfortunately, unprocessed collection of the records of the Portland office of the Hammond Lumber Company. Wading through these boxes, however, proved quite productive. Likewise, I found extensive materials regarding Hammond's redwood operations at the Humboldt State University archives. The Huntington Library contained

substantial correspondence between Henry Huntington and Hammond. While the Bancroft Library lacked any direct Hammond correspondence, I found the records of Hammond's competitors, including those of the Dobleer and Carson and the Elk River lumber companies, revealing. At the Provincial Archives of New Brunswick, I was able to piece together Hammond's ancestry. I also visited county museums, public libraries, and local historical societies. Those that provided useful information included the Missoula Public Library, Astoria Public Library, Clatsop County Historical Society, Tillamook Historical Museum, Fort Missoula Historical Museum, Van Buren (Maine) District Library, Grand Falls (New Brunswick) Museum, and the Humboldt County Historical Society. I also made use of copied material from the Forest History Society and the National Archives.

Serendipity played an immeasurable part of my research. Stopping in a tiny roadside museum in Maine, I encountered Guy Dubay, who had spent much of his adult life researching the region's lumber industry. Dubay graciously allowed me access to his vast collection of historical records and manuscripts. Similarly, in Humboldt County, I ran into Susie Van Kirk, an independent historical researcher who had culled all the material from local newspapers that pertained to Samoa and who was most helpful. Also in Humboldt, the Timber Heritage Association had recently uncovered the Little River Redwood Company (LRRC) files. The LRRC was a competitor of the Hammond Lumber Company, but then merged with Hammond's company in 1932. Although the files are not open to the public, the Timber Heritage Association allowed me access, and I spent many hours crouched in the attic of the Samoa Cookhouse. As near as I could gather,

these were the most extensive collection of any redwood lumber company and provided a valuable window into the industry.

For Hammond's Montana years, I was most fortunate to have the assistance of Dale Johnson, former archivist at the Mansfield Library, University of Montana. Johnson's unpublished dissertation, "Andrew B. Hammond, the Education of a Frontier Capitalist" (1976), provided a starting point for my research and a useful chronological reference. Johnson relied heavily on newspaper accounts and limited his research to the thirty years Hammond spent in Montana. Over the ensuing 30 thirty years, several archival collections that shed more light on Hammond have appeared, thus I was able to supplement Johnson's pathbreaking work. Furthermore, by researching Hammond's family background, childhood, and the remaining forty years of his life after he left Montana, I placed his Montana activities in a larger context. I also took a more critical view of newspaper accounts as source material than Johnson did. Newspapers occasionally conflicted with common sense and secondary sources. Many secondary sources, especially those on Montana history, tended to repeat the same interpretation, ultimately relying upon a single newspaper article. Other sources, however, also proved problematic. In public statements Hammond often manipulated facts and, at times, lied outright. While he was more forthcoming in his personal correspondence, he was also prone to denial and self-aggrandizement. As much as possible, I tried to corroborate differing accounts or points of contention with as many sources as possible. Often this led me to pick bits and pieces from various sources and reconstruct what actually happened. Other times, I simply had to choose the most likely or most consistent version

of events. Overall, I tended to view newspapers, personal correspondence, and government reports more as a form of discourse than as definitive sources.

While Johnson and I differed on some of our interpretations, I found his documentation to be impeccable. By generously providing me with his research notes and files, Johnson greatly expedited my research. Since the *Missoulian* newspaper is not indexed, Johnson's files allowed me to go directly to the relevant articles. Johnson also provided a sounding board for my thoughts and ideas about Hammond and insight into his character, as well as valuable Missoula lore.

I was most fortunate to inherit the collections of three previous researchers of the Hammond Lumber Company. Dan Strite, an employee of the Hammond Lumber Company, unofficially served as the company's historian. Bill Stoddard intended to write a company history and produced a rough manuscript before he died. Jack Blanchard amassed a vast assortment of photographs and data on the HLC. All of their work is now complied into a single collection, which is in my possession.

In addition, I corresponded with and met with historians who were familiar with the topic. While most could not provide specifics, they were able to point me in the right direction and also helped clarify many of my thoughts. These personal communications included: Daniel Cornford, David Emmons, Michael Kazin, Lowell Mengel II, William Parenteau, and William Robbins.

Abbreviations used in footnotes:

D&C	Dobleer and Carson company files, Bancroft Library, Berkeley, CA.
FHS	Forest History Society, Durham, NC.
HEH	Henry Huntington Collection, Huntington Library, San Marino, CA.
HLC	Hammond Lumber Company files, Oregon Historical Society, Portland, OR.
LRRC	Little River Redwood Company files, Timber Heritage Association, Eureka, CA.
MHS	Montana Historical Society, Helena, MT.
PANB	Provincial Archives of New Brunswick, Fredericton, New Brunswick
UM	K. Ross Toole Archives, University of Montana, Missoula, MT.

Unless otherwise noted, all correspondence to/from A. B. Hammond is from the C. H.

McLeod collection Mss 001, University of Montana.

Introduction

> *The social structure and the state are continually evolving out of the life-process of definite individuals.*
> Karl Marx, *The German Ideology.* [1]

When eighty-five year-old timber baron A. B. Hammond died in 1934, a story quickly circulated among the lumbermen of San Francisco. According to legend, Hammond, with a shock of white hair, neatly trimmed goatee and impeccably dressed, just as he was in life, sat up in his coffin at the approach of the pallbearers. "Six pallbearers?" he thundered. "Fire two, and cut the wages of the others by ten percent."[2]

While apocryphal, the anecdote accurately reflects Hammond's hardnosed business reputation and the attitude of both his employees and fellow lumbermen toward him. Notoriously anti-labor, Hammond vigorously opposed collective bargaining, minimum wages, and the eight-hour day. He waged a thirty-year war against the unions of lumber workers, sailors and longshoremen, crushing every strike against his enterprises. For nearly forty years, Hammond attempted to consolidate the redwood lumber industry, buying up smaller mills, acquiring timberlands through nefarious means, browbeating his competitors into forming associations to control prices, then underselling everyone. Finally in 1931, taking advantage of the Depression, he negotiated the largest merger of his career, cementing the Hammond Lumber Company as the nation's top redwood lumber company.

With Hammond's death, the age of the timber baron came to an end. Born in the timber colony of New Brunswick, Andrew B. Hammond was the scion of generations of

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[1] Karl Marx, "The German Ideology" in Jon Elster, ed. *Karl Marx: A Reader* (Cambridge, Cambridge University Press, 1986).
[2] Gage McKinney, "A. B. Hammond, West Coast Lumberman," *Journal of Forest History* (October 1984): 196-202.

lumbermen. After an inauspicious start as a teenage lumberjack in Maine, in 1867 Hammond moved to Montana where his intelligence, ruthless determination, and Gilded Age opportunity thrust him to the fore of the region's nascent timber industry. Not content to be the economic and political powerhouse of western Montana, Hammond sought increased wealth and opportunity and relocated to California. Stitching together timberlands, sawmills, railroads, shipping lines, and retail yards, Hammond eventually amassed an empire of wood stretching from Puget Sound to Arizona. With sixty-five lumber yards throughout California, including the world's largest in Los Angeles, the Hammond Lumber Company name was ubiquitous across the Golden State for the first half of the twentieth century.

As one of the primary chefs of the "Great Barbeque" in which the nation's public domain was converted into private wealth, Hammond offers a real life illustration of how the struggle over natural resources during the late nineteenth and early twentieth century gave rise to the two most pervasive forces in modern American life – the federal government and the corporation. But rather than a triumph of one over the other, the conflict resulted in a huge increase in the power and ubiquity of both institutions and defined the increasingly close relationship between them.[3]

Jacob Burckhardt implores us to unearth the zeitgeist, or spirit of the times, in order to develop an understanding of history. He suggests that this is properly revealed in certain individuals who best mirror their age – archetypes of a culture, in other words. In seeking to understand the U.S. Industrial Age (approximately 1877-1920) historians have traditionally looked toward the top echelon of American businessmen: John D.

[3] Vernon Parrington applied the term "Great Barbeque" in *Main Currents in American Thought* to describe the late-nineteenth century pillage of natural resources.

Rockefeller, Jay Gould, James J. Hill, and the like, largely ignoring the scores of second-tier capitalists. The era of laissez-faire capitalism was not just the work of a few individuals, but rather hundreds of men of a type forged in the Protestant tradition who embodied principles of thrift and acquisition.[4]

In examining the American West, regional entrepreneurs were the primary agents of environmental change and had as a great, and perhaps greater, impact upon both the physical, social, and economic landscape than the top industrialists. For the West at least, the Rockefellers, Harrimans, and Morgans merely served as conduits of capital, while regional second-tier industrialists actually transformed the western landscape from one dominated by Native Americans to one fully integrated into the global capitalist system. Thus, rather than a colony under the yolk of eastern capital, American West was exploited from within. Westerners themselves created the institutions, conditions, and opportunities that converted the nation's natural resources into private wealth.

If this thesis holds true, then there should be hundreds of men to chose from who would capture the zeitgeist of the industrialization of the American West. Indeed, numerous studies exist on Western business leaders, from railroad builders, to mining magnates, to cattle kings. But nearly all of these focus on the relatively narrow window of the frontier era. A. B. Hammond, in contrast, because of his long and active life, spanned the era from the fur trade to the Great Depression, by which time the American West had become fully industrialized. Furthermore, Hammond engaged in nearly every possible western industry, including banking, railroads, shipping lines, fishing and

[4] See Max Weber, *The Protestant Ethic and the Spirit of Capitalism,* (New York: C. Scribner's Sons, 1930).

canning, livestock, mining, real estate, merchandising, land speculation, and most of all, lumbering.

In the Pacific Northwest (western Montana to northern California), the lumber industry was the single largest source of environmental change and until recently provided the region's economic – and consequently political and social – foundation. Hammond was arguably the region's premier lumberman and thus a significant agent of change.[5] As an individual, Hammond made choices that affected both the physical and economic landscape. His actions, however, were constrained by the structures of capitalism. But as the nature of capitalism changed, Hammond proved adept at changing along with it.

Although he began his career as a pioneer entrepreneur, Hammond, unlike many of his associates, successfully negotiated the transition to corporate businessman. A product of the frontier, Hammond embodied many nineteenth-century characteristics, notably his antipathy toward organized labor. Not only did he maintain a firm control over his labor force but also over his board of directors, which he appointed. In contrast to a modern corporation, where a board of directors separates owner-stockholders from managerial decisions, Hammond held majority stock in each of his enterprises and acted as president, CEO, and general manager of each of his companies, approving every major purchase and sale. Hammond thus serves as a transitional figure from nineteenth-century proprietary capitalism to the modern corporation. The Hammond Lumber Company provides a vivid illustration of how vertical integration gave rise to the modern corporation. Although lumber mill owners had long integrated backwards to access raw

[5] Frederick Weyerhaeuser was headquartered in St. Paul, and the Weyerhaeuser Timber Company of Portland was more a collection of multiple timber companies at the time than a single firm.

materials, Hammond pioneered total control of all aspects of the industry from raw materials to the retail sales of finished products. Moreover, a study of Hammond demonstrates the feedback loops created by capital accumulation, consumer demands, overproduction, liberal land laws, timber concentrations, and environmental destruction.

Hammond also sought control over his work force. Hammond built exclusive company towns for mill workers and was one of the first to establish year-round company-owned logging camps. His opposition to organized labor led him to employ his own stevedores, longshoremen, sailing and railroad crews, and retail merchants. But the first step in vertical integration was to insure a continuous supply of raw materials by gaining access to the spectacular forests of the Pacific Northwest.

The forests of the public domain were acquired by lumbermen who controlled both access to resources and the financial capital to convert those resources into commodities. For example, when Hammond received the contract to supply the Northern Pacific Railroad with lumber, he hired agents to patrol the forests against individual woodcutters, assuming de facto ownership over public resources. In Montana, Hammond thus controlled the forests themselves (raw material), owned the sawmills (the means of production), hired the loggers and mill workers (labor), owned the railroads and lumber yards (the means of distribution), and owned the newspaper (manipulating the public discourse).

By the turn-of-the-century, the nation's rapid industrialization led to an increasing demand for lumber, prompting the mechanization of sawmills. Mechanization required capital, which in turn demanded consistent and reliable production. To achieve dependable production, lumbermen believed they needed to secure control over raw

materials to insure future supply. To do this, they often resorted to fraudulent and illegal means. Once they acquired vast acreages of the public domain, bonded indebtedness necessitated rapid liquidation of those timberlands while new technologies made it possible. The resulting environmental consequences dramatically reshaped the landscape with repercussions that continue to the present day.

The history of the American West was, in large part, the unfolding conflict between different groups over access to and control over natural resources. Native American tribes battled each other for access to bison. White settlers, the federal government, and Indians disputed territories. Settlers and emerging corporations clashed over minerals and timber, and most especially, corporations and the federal government fought over access to and control of the nation's forests.

The ultimate source of Hammond's fortune was the forests of the Pacific Northwest. In Montana, he simply took the trees he wanted, regardless of ownership; in Oregon he engaged in land fraud, and in California he purchased timberlands outright. The Cleveland Administration singled him out for his egregious and unrepentant depredations of federal timber in Montana, as did the Roosevelt Administration for his role in the Oregon Land Frauds of the early twentieth century. Hammond, therefore, played a significant role as a catalyst in the creation of the U.S. Forest Service by supplying Progressive Era reformers with a primary reason for ending the privatization of forests. The conflict over natural recourses framed Hammond's entire life, suggesting that he did indeed mirror the spirit of the age.

A. B. Hammond embodied the mythological promise of the West: independence, prosperity, and optimism at the prospect of converting abundant natural resources into

private wealth. Both his contemporary and historical reputations, however, were generally negative, largely because of his anti-labor practices and his role in timber poaching on federal lands. Was Hammond a "robber baron" who stifled competition, exploited workers, monopolized industry, and appropriated public resources for his own wealth? Or was he one of the "crucial catalysts in the most profound transformation of civilization," who built railroads, developed the Pacific Northwest timber industry, helped rebuild San Francisco after the 1906 earthquake, and aided in the growth of southern California?[6]

Whether men like Hammond were robber barons or captains of industry has stirred much historical examination, from the dawn of the Gilded Age itself continuing unabated to the present day. The publication of two books in 2007 attests to the vitality of this debate. Jack Beatty's *Age of Betrayal* views the power of industrial capitalists as antithetical to democracy, while Maury Klein's *The Genesis of Industrial America, 1870-1920*, argues that individual diligence and ambition were requisite for transforming "the wilderness into an economic powerhouse."[7]

Historians generally agree that industrialization was one of the most profound changes in American history. Exactly *how* it occurred and to what end, however, has also spawned endless debate. Business historians focus on changes in organizational structure that were stimulated by technological advances, which increased production. Others, however, point to legal and social institutions of power. An analysis of A. B. Hammond's rise to prominence suggests a dynamic interplay between all these forces, illustrating that industrialization proceeded through alternative pathways of historical

[6]Quote from Maury Klein, *The Change Makers* (New York: Henry Holt, 2003): xiii.
[7] Maury Klein, *The Genesis of Industrial America, 1870-1920* (New York: Cambridge University Press, 2007): 6.

contingency. While individuals operated within the structures of capitalism, they also molded the institutions that guided this process, tailoring it to fit their own needs, desires, and specific circumstances. In doing so, they also shaped the world around them.

Critiques of industrialization began even while it was underway. Charles Francis Adams portrayed his fellow railroad tycoons as modern "pirates" (*Chapters of Eire and Other Essays*, 1871). Other contemporary social critics, such as Henry George (*Progress and Poverty*, 1879) and Henry Demarest Lloyd (*Wealth Against Commonwealth*, 1899) elaborated upon political corruption and the egregious accumulation of wealth and power by a handful of individuals. Statistics backed up their fears. By 1890 the top ten percent of the population held seventy-three percent of the nation's wealth. Although the size of the pie has increased substantially, one hundred years later, the top ten percent still owned sixty-eight percent of the wealth, underscoring the tenacity and durability of the power structure that arose during the Second Industrial Revolution.[8]

While industrial capitalists were "held up as marvels of success, as preeminent examples of thrift, enterprise and extraordinary ability," muckrakers such as Ida Tarbell, Lincoln Steffens, and Frank Norris exposed the shady business dealings and character flaws of the robber barons. Along similar lines, Gustavus Myers (*History of the Great American Fortunes*, 1910) concluded "the great fortunes are the natural, logical outcome of a system based upon factors the inevitable result of which is the utter despoilment of the many for the benefit of a few."[9]

Historians of the next generation continued to critique industrial capitalism and the rise of corporate power. Charles Beard (*The Rise of American Civilization*, 1927) and

[8] Janette Thomas Greenwood, *The Gilded Age: A History in Documents*, (New York: Oxford University Press, 2000).
[9] Gustavus Myers, *History of the Great American Fortune*s (Chicago: Charles H. Kerr and Co., 1910): iii.

Matthew Josephson (*Robber Barons*, 1934) regarded the era as a shift from a decentralized democracy to bureaucratic capitalism. This Progressive School of the 1920s and 30s viewed American history through the lens of economic self-interest on the part of those in power. These scholars, however, generally regarded the Progressive movement as a successful effort in reforming capitalism in a triumph of "the people" over "the interests."

While Josephson characterized the activities of Rockefeller, Gould, Morgan, and Harriman as exploitative and immoral, revisionist historians of the 1950s offered a new interpretation. Allan Nevins even replaced the term "Gilded Age" with "Heroic Age." In his biography of John D. Rockefeller, Nevins regarded his subject as "a creator of new ideas and systems" possessing "clarity of thought, keenness of foresight, and strength of purpose" who set about "an original pattern in the efficient organization of industry."[10] Nevins believed the development of industrial capitalism was inevitable, but admitted that for many caught in the industrial era, "its destructive and exploitative aspects seemed paramount." Ultimately, however, he maintained that, "The constructive aspects of the transformation were in the long run more important than the destructive."[11] Nevins posited, "had we not created so swiftly our powerful industrial units in steel, oil, textiles, chemicals, electricity, and the automotive vehicles, the free world might have lost the First World War and most certainly would have lost the Second."[12]

Despite Nevins' revisionism, works by Ray Ginger (*Age of Excess*, 1965), and Gabriel Kolko (*The Triumph of Conservatism*, 1963) marked the rise of the New Left.

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[10] Allan Nevins, *Study in Power: John D. Rockefeller, Industrialist and Philanthropist*, vol. 1(New York: Charles Scribner's Sons, 1953): 1.
[11] Nevins: viii.
[12] Ibid: ix.

Ginger suggests that industrial capitalism itself was directly to blame for crisis, misery, corruption, and conflict, while Kolko argues that corporate economic interests sought and designed political intervention by the federal government to secure their hold on wealth and power. Assuming a more Marxist approach, the New Left, thus, regards Progressive reforms as mere panacea for structural maladies.

Samuel P. Hays's landmark C*onservation and the Gospel of Efficiency* (1959) also illustrates the marriage between government and big business that occurred in the early twentieth century. Hays argues that this collaboration stemmed from the Progressive desire for a rational and efficient approach that would "replace competition with economic planning."[13] Ultimately, according to Hayes, "the gospel of efficiency subordinated the aesthetic to the utilitarian."[14]

Similarly, Robert Wiebe (*The Search for Order*, 1967) joins Hays in deviating from the New Left by developing this organizational synthesis. In contrast to Nevins, Wiebe argues that the industrial capitalists were not men of vision but "trapped by the present, scurrying where they appeared to stalk . . . Tacticians rather than strategists, they bought and sold, bargained and traded, as the requirements of a daily struggle dictated."[15]

Kenneth Cmiel suggests that a careful reading of *The Search for Order* shows the influence of "modernization theory" with its roots in Hegelianism. Hegel, Marx, and Wiebe (according to Cmiel) regards history as "rational and progressive," that is evolving

[13] Samuel P. Hays, *Conservation and The Gospel of Efficiency: The Progressive Conservation Movement, 1890-1920* (Cambridge: Harvard University Press, 1959): 226.
[14] Ibid: 127.
[15] Robert Wiebe, *The Search for Order: 1877-1920* (New York: Hill and Wang, 1967): 18. See Louis Galamos, "The Emerging Organizational Synthesis in Modern American History," *Business History Review*, vol. XLIV, no. 3 (Autumn, 1970).

by stages in a logical progression making the rise of industrial capitalism unavoidable.[16] This Hegelian inevitability becomes especially pronounced in the works of Alfred Chandler, Jr. (*Strategy and Structure*, 1962). Ignoring Marx's class struggle, Chandler and business historians who perhaps best exemplify the organizational synthesis, regard efficiency as the driver of industrialization. Chandler traces the rise of the modern corporation to the expanding railroad network, the development of national markets, technological innovations, and the vertical integration of industry, which required hierarchical structures.[17] All of these were predicated on railroads connecting the source of raw materials with urban markets.

Situated firmly in the organizational school, Glen Porter (*The Rise of Big Business*, 1973) argues that big business arose "because it was the most effective instrument to organize and coordinate large-scale, productive economic activities in a nation where material progress was emerging as the principal purpose of life."[18] However, William Roy (*Socializing Capital*, 1997), in combining Marx and Max Weber, maintains that "efficiency theory" is an insufficient explanation for the rise of corporations and instead proposes that examining issues of power provides a more accurate understanding. Roy uses changing property relationships to support his thesis, stating that property is a "historically constructed" social relationship enforced by the state.

Although a disciple of Chandler, Maury Klein (*Life and Legend of Jay Gould*, 1986) faults the organization synthesis for ignoring the role of individual actors. Rather

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[16] Kenneth Cmiel, "In Retrospect: Destiny and Amnesia: The Vision of Modernity in Robert Wiebe's *The Search for Order," Reviews in American History*, vol. 21, no. 2:352-368.
[17] Alfred D. Chandler, Jr., "The Beginnings of "Big Business in American Industry," *Business History Review*, vol. 33, no. 1:1-31.
[18] Glen Porter, *The Rise of Big Business* (Wheeling, Il: Harlan Davidson, 1973): 124.

than dwell upon this historical debate between human agency and historical process, Klein devoted his career to recasting Josephson's "robber barons," which he sees as "the most persistent and misleading cliché in American history"[19] Klein argues that the robber baron myth persists because "Americans have never found a comfortable way to resolve the clash between private ambition and public interest."[20] Klein, thus, presents himself as a consensus historian in viewing America as a monolithic whole, rather than a theater of competing interests and values. Following in the tradition of Nevins, Klein views industrial capitalists as artistic entrepreneurs who "created vastly more wealth for others—and for society—than they gained for themselves."[21] In opposition to the consensus historians like Klein, Alan Trachtenberg (*The Incorporation of America*, 1982) argues that "economic incorporation" developed by "contradiction and conflict." He states, "The incorporation of America did not happen without hindrance or resistance."[22]

Similarly, this biography of A. B. Hammond presents a wide-open America composed of a host of different actors often with very different and often competing values. While all of the historiography of the Industrial Age helps illuminate this study, I find Kolko, Tractenberg, and Roy the most useful points of departure in my interpretative analysis. Ultimately, however, it is Marx and Weber who provide the essential theoretical framework. Hammond, as a typical industrial capitalist, made his decisions based upon a particular cultural value system, one that was both informed by and reinforced the prevailing economic structure of capitalism.

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[19] Maury Klein, *The Life and Legend of Jay Gould* (Baltimore: Johns Hopkins Press, 1986): xii.
[20] Ibid.
[21] Klein, *The Change Makers*: xii.
[22] Alan Trachtenberg, *The Incorporation of America* (New York; Hill and Wang, 1982): 7.

The existing literature on the Industrial Age, including business histories, biographies, and labor histories, suggests that industrial development and conflict took place almost entirely east of the 100th meridian, and focused on the railroads, oil, and steel industries. The lumber industry, however, was one of the largest economic, social, and environmental forces in the U.S. for much of the past 200 years, yet has been largely overlooked in the national metanarrative. Nonetheless, a substantial body of documentation exists on the lumber industry, primarily in government reports and in forest policy.

John Ise (*The United States Forest Policy*, 1920) suggests that forest destruction was a result of poor public policy as lumbermen had no other option than to engage in illegal practices to acquire raw materials. Ise maintains that "speculation and fraud have always characterized the frontier" and that "those who seized natural resources were not infrequently regarded as doing most for the 'development of the West.'"[23] My research, however, indicates that lumbermen acquired the majority of timberlands by purchasing railroad grant lands and used fraudulent means less out of necessity and more out of speculation. Additionally, Hammond's story illustrates that lumbermen were often maligned rather than lionized for attempting to control forest resources.

In his exhaustive overview of the timber industry, Michael Williams (*Americans and Their Forests*, 1989) focuses on timber as a purely economic resource. Others, however, examine the industry in a more comprehensive manner and include ecological and sociological effects. William Robbins (*Colony and Empire*, 1994) explores the West Coast timber industry through the lens of capitalism. By illustrating the role of the federal government and eastern finance capital in the development of the lumber industry,

[23] John Ise, *The United States Forest Policy* (New Haven: Yale University Press, 1920): 372.

Robbins applies a Marxist critique to the industry's social impact (*Hard Times in Paradise*, 1988) and its political influences (*Lumberjacks and Legislators*, 1982). While Robbins highlights the economic, social and political aspects, I apply his theoretical framework to the ecological repercussions resulting from the privatization of timber, as well as Hammond's specific role in the political process.

Environmental historians Nancy Langston (*Forest Dreams, Forest Nightmares*, 1995) and Richard White (*Land Use, Environment and Social Change*, 1980) place the ecological changes wrought by industrial forestry in a historical context. Although these works are site specific and cannot be applied to the ecology of the Pacific Northwest, they do provide good models of infusing case studies with larger implications. Similarly, *Money Does Grow on Trees* explores how the corporate business model, and industrial working class, and capital intensive technologies converged to create industrial forestry and how this fundamentally transformed the forest ecosystem.

Labor histories of the timber industry provide important context from the worker's perspective. Carlos Schwantes (*Radical Heritage*, 1992) builds upon Vernon Jenson (*Lumber and Labor*, 1945) in examining the conflict between lumbermen and workers on the West Coast. Andrew Prouty documents the extensive human cost of industrial logging in *More Deadly Than War!* (1985) and James Allen includes the lumber industry in his study, *The Company Town in the American West* (1966). Two books on Pacific Coast logging employ a class analysis to examine the social and labor history of the industry. Daniel Cornford (*Workers and Dissent in the Redwood Empire*, 1987) provides a cogent and useful case study that explores the complex reasons why the labor movement in Humboldt County faltered despite a strong labor tradition.

Hammond, as that county's premier lumberman, figures prominently in suppressing Humboldt's labor movement. Richard Rajala takes a broader scope as well as a more Marxist perspective in *Clearcutting the Pacific Rainforest* (1998). Rajala views the forest as an arena where relationships between managers and labor occurred. He writes, "Timber capital sought domination over nature not as an end in itself, but to secure control over production."[24]

Despite this body of literature on the lumber industry and on individual industrial capitalists, no one has yet combined the two. There are no biographies of lumbermen, other than local histories. While Robert Ficken's *Lumber and Politics: The Career of Mark E. Reed* (1979) is indeed a biography of a lumberman turned politician, it is rather narrowly focused on the specific timber policies of Washington state. The overly celebratory *Timber and Men: The Weyerhaeuser Story* (1963) by Allan Nevins, Ralph Hidy and Frank Hill is more of a corporate history than biography. Although Fredrick Weyerhaeuser was indisputably an important figure in U.S. history, the Weyerhaeuser group, a consortium of lumber companies, was unique in its scale, scope and institutional structure. Hammond, on the other hand, is much more representative of the typical West Coast lumberman. Nevins, Hidy and Hill justified the business practices of Weyerhaeuser by contrasting him with Hammond's Montana Improvement Company. Rather than make such distinctions between "good" and "bad" lumbermen, I, like Robbins, examine the entire industry in the context of industrial capitalism.

Situating Hammond in this context allows me to move beyond previous histories and ask more probing questions. Although Nevins and K. Ross Toole (*Montana, An*

[24] Richard Rajala. *Clearcutting the Pacific Rain Forest* (Vancouver, University of British Columbia Press, 1989): 8.

Uncommon Land, 1959) dwell on opposite sides of the historiographic divide, both vilified Hammond and his ilk for poaching federal timber and acquiring immense blocks of timber land through illegal means. Others, such as business historian Lowell Mengel II ("A History of the Samoa Division of Louisiana-Pacific Corporation," 1974), view him as "the greatest redwood lumberman that ever lived."[25] Rather than praise or condemn Hammond, I hope to show that he operated within the context of the world in which he lived. Were Hammond's actions particularly egregious or exceptional, or was he engaging in standard business practices of the time? Perhaps more revealing questions are: What were the conditions that allowed and even encouraged such blatant disregard for laws and governmental attempts to curtail abuses? What was the role of the economic substructure? In what ways did the rise of corporate capitalism and technology converge to create industrial forestry, and what were the ecological repercussions?

Although lumbermen biographies are scarcer than spotted owls, there are, of course, a vast panoply of excellent biographies of other industrialists and seminal Westerners. Donald Worster's *A River Running West: The Life of John Wesley Powell*, stands out as excellent model. Not only does Worster place Powell within the larger context nineteenth-century America, he maintains that Powell was emblematic of his time. He writes, "Powell's life is also the story of the rising influence of the natural sciences." Likewise, Hammond's life is the story of the rising power of big business.

While most biographies typically focus on famous individuals and often take a celebratory tone, Robert Caro's, *Power Broker, Robert Moses and the Fall of New York*, illustrates the importance of lesser-known individuals, who nonetheless, shaped the world

[25] Lowell Mengel II, personal communication.

in which they lived. Caro also takes a very critical view of his subject, perhaps giving rise to a sub-genre – the pathography.

Following Worster's lead in assuming a broad scope, *Money Does Grow on Trees* places Hammond within the transnational context of the Industrial Era. Hammond's life provides a lens through which to view the dramatic transformation of the industrial age. Paralleling Hammond's life story, this book will also track the environmental effects of the lumber industry from the age of animal logging through the development of steam power and industrial logging. Most research on the environmental consequences of the lumber industry focuses on the latter half of the twentieth century, while characterizing nineteenth century logging as relatively benign. Using the latest forestry research, *Money Does Grow on Trees* documents the preindustrial environmental costs of river drives and bull team logging, as well as the impact of industrial forestry that led to clearcutting practices.

In sum, two highly contrasting views inform the historiography of the industrial era. The first holds that America's industrial and economic might depended on creative capitalists freely pursuing individual wealth. The opposing view holds that the capitalist free-market system engendered a great disparity of wealth and resulted in social and environmental costs while accruing benefits to the few. This conflict of values not only informs our interpretation of history but also shapes our current political and economic debate over issues such as globalization and free trade. This yin/yang of the industrial revolution underscores a fundamental divide in American culture and politics, one that had its genesis in the Industrial Age with the transformation from an agrarian to an industrial economy.

In the fall of 2008, the owners of Hammond's first sawmill at Bonner, Montana, built in 1886, announced it would close permanently, due to diminishing supply and plummeting lumber prices, bringing the timber era to a definitive end. In an otherwise prosperous region, the timber-dependent communities of the Pacific Northwest are now among the most impoverished in the U.S. Throughout Oregon, Montana, and California, the mills of the former Hammond Lumber Company are shuttered. Their roofs are collapsing, machinery is rusting, and weeds are reclaiming the tarmac. The houses of the company towns have fallen into disrepair and their residents are mostly retired, unemployed, or commute long distances to fading timber jobs.

The forests have fared no better. In Montana, a century of logging the ponderosa pine has led to an invasion of less fire-resistant Douglas fir, contributing to an increase in catastrophic forest fires. In Oregon, the logged-over lands of the Hammond Lumber Company went up in flames in the infamous Tillamook fire, while clearcutting has so restructured the forest that it verges on ecological collapse. In California, a century of heavy logging has all but eliminated the giant coastal redwood, and the cutover lands of Hammond's vast redwood empire are now tree farms featuring fast-growing Douglas fir. In all three areas, the activities of Hammond and other timber barons transformed the forests from functioning natural ecosystems into industrial landscapes.

One: Standing at the Crossroads

For hundreds, if not thousands, of years Native American tribes living west of the northern Rocky Mountains traveled the "road to buffalo" by following the Clark Fork River to the Continental Divide and over to the vast hunting grounds of the upper Missouri River. For as long as these intermountain tribes had journeyed to the Great Plains to hunt buffalo, the plains tribes had resented this intrusion and the battle over resources seesawed back and forth. At the eastern end of a broad valley, in what would become western Montana, twin promontories pinched the Clark Fork into a narrow canyon. On more than one occasion, the Blackfeet, who inhabited the buffalo country, ambushed the mountain-dwelling Salish at this point to prevent their passage on the road to buffalo. The bones and skulls littering the site caused French trappers to call the canyon, "*La Port d'Enfer*" (the gate of hell). English speaking fur traders then applied the name "Hell's Gate Ronde" to the wide valley that emerged from the canyon's mouth.[1]

Twelve thousand years earlier, Hell Gate Ronde lay beneath 2,000 feet of water as the immense Glacial Lake Missoula spread 200 miles to the west, making it larger than Lake Erie and Ontario combined. When the ice dam broke, the lake emptied in forty-eight hours, and the ensuing flood, at ten times the combined flow of all the world's rivers, carved out the Columbia River Gorge. The lake left behind a wide, flat, fertile valley surrounded by rolling hills. The hills yielded to forested mountains and ridges, behind which rose sharp, treeless peaks. Entering through Hell Gate Canyon, the Clark Fork River meandered across the valley floor, merging with the Bitterroot River flowing from the south. The Bitterroot, in turn, followed a long, narrow valley nestled between

[1] William Farr, "Going to Buffalo," *Montana, The Magazine of Western History* (Winter 2003): 3-24.

two parallel mountain ranges. Sheltered from the snow and cold, these low elevation bottomlands provided early spring grass for horses and abundant bitterroots, a dietary staple, and formed an ideal wintering ground for the Salish.[2]

White travelers also found the valley amenable. On their westward journey in 1805, Lewis and Clark rested their men and horses near the banks of the Bitterroot River before tackling the perilous mountain crossing. The following year, they greatly simplified their return by following the road to the buffalo back to the Missouri River country. Half a century passed before Lt. John Mullan attempted to link Missouri and Columbia watersheds by building a military road from Walla Walla, Washington, to Fort Benton on the Missouri River. For much of the route, Mullan simply followed the incised travois ruts of well-established Indian roads leading from the Columbia Plateau, along the Clark Fork, through Hell Gate and on to the Great Plains. By the 1860s traders recognized the geographical and economic advantages of establishing posts on these Indian thoroughfares. The Mullan Military Road replaced the road to buffalo, and before long it had become Front Street running through the booming frontier city of Missoula, Montana.[3]

One day in mid-October of 1891 the trajectory of the lives of two men intersected each other at that same junction. The first man, Andrew B. Hammond, was dressed in well-fitted suit with wide lapels, a four-in-hand tie, and stylish bowler. He walked with a slight limp as the chill air exacerbated his rheumatism. A thin, handsome man with sharp features, at 42 his close-cropped beard was just beginning to grey. As a frontier

[2] National Park Service Ice Age Floods Website,www.nps.gov/iceagefloods. See also, David Alt, *Glacial Lake Missoula and its Humungous Floods* (Missoula: Mountain Press, 2001).
[3] Frank Woody, *History of Missoula*, (mss., Missoula Public Library, 1897); Audra Browman, *Chronicle of Western Montana before 1864*, (mss., Missoula Public Library, 1964); *Missoula Gazette Holiday Edition*, Jan. 1, 1890.

capitalist, Hammond's star was ascending; in another ten years he would be one of the premier lumbermen on the West Coast. In riding the wave of American industrialization, Hammond would accumulate undreamed of wealth and power.

Industrialization, however, did not result in universal progress. In contrast to Hammond, Charlot, hereditary chief of the Flathead Salish, was sliding deeper into poverty and alienation. Nevertheless, on this day, he rode proudly on his horse. Charlot, broad and short with a round face and long hair streaming over his shoulders, wore buckskin leggings, a beaded sash over one shoulder with bracelets and anklets to match, a wool jacket over a red vest, and his signature plug hat.[4]

Standing at the crossroads of Front Street and Higgins Avenue, Hammond could survey his domain, which included the four largest buildings in town. Each building anchored a corner of the bustling intersection and formed the nucleus of his empire, as well as that of the region's five valleys. Hammond, no doubt, felt significant pride and a sense of accomplishment. When he arrived in 1870, Missoula was a frontier trading post consisting of a smattering of log cabins strung out along the old road to buffalo. Now, two decades years later, it was a thriving city of five thousand and the focal point of the region's economic and political life. As the town's most successful businessman and one of the new state's wealthiest individuals, Hammond was responsible for much of the change. His political and economic power extended throughout northern Idaho and western Montana and even into the nation's capital. Yet, his name would be purged from the city's history.

In 1891, however, Hammond's name was familiar in every corner of the valley, but it was not universally uttered with reverence. Although his business acumen was

[4] Photographs 88-8, 85-217, Special Collections, University of Montana (hereafter UM).

widely acknowledged, his ruthless practices and brusque manner won him few friends. In the 1889 election for town council, for example, he received one vote.[5] He was also under indictment by the U.S. government for timber poaching. Hammond's access to political power was such that the case would soon be dismissed. His power and wealth, however, soon spawned a Populist backlash.

In contrast to Hammond's wealth, Chief Charlot was destitute, despondent over the loss of territory and desperately trying to keep his people from starvation. Although each viewed the valley in which they lived very differently, both Hammond and Charlot were proud men and fiercely loyal to their followers. Hammond provided jobs and financial opportunities for his Protestant New Brunswick clan, while Charlot put aside his pride to feed his people.

Not only did their individual paths intersect on this day, so did the cultures, economies, and eras each inhabited. The process of transforming a predominantly natural environment peopled by hunter-gathers to an industrial landscape dominated by forces of capital took decades, even centuries in most of North America. However, Montana's geographic and economic isolation until late in the nineteenth century compressed this into just a few years. The last Indian bison hunt, for example, coincided with the arrival of the transcontinental railroad in 1883. Emblematic of this condensed process, the events of October 16, 1891 provide a vivid snapshot.

As president of the First National Bank of Missoula, Hammond had overseen construction of the new bank building the previous year. Securing the southeast corner of the main intersection, the First National Bank was the city's architectural masterpiece and the largest block in town. Rough-hewn granite composed the lower races and framed the

[5] Audra Browman files, UM.

entryway of the imposing four-story edifice. Built in a classical Queen Anne style, it boasted two roof cornices with round windows on each side. Heavy wooden doors opened into a circular foyer that rose into a turret, ninety-six feet high and towered above all else in town.[6]

Across the street, even newer and nearly as ornate, the Hammond Block also stood four stories high and had a castle-like rampart running the circumference of the roofline. Minarets sprouted from each end of the rampart, while a turret rose from the roofline corner. West on Front Street, past the Hammond building, were the Mascot Theater, the wood-frame saloons, gambling houses, Chinese laundries, and farther on, the rather euphemistically termed "female boarding houses."[7]

On the northwest corner of Higgins and Front sat Missoula's largest and most luxurious hotel, boasting steam heat and electric lights powered by its own power plant in the basement. Part of Missoula's recent building boom, the Florence Hotel (named after Hammond's wife) had opened three years previously. Even at $3 to $4 per night, the Florence's 200 rooms were nearly always full with land speculators, railroad executives, shoppers, merchants, masons, and investors from Helena, Butte, New York, and London. Bachelor bankers, such as Missoula's mayor, John Keith, also took lodging there.[8]

Although dwarfed by the other buildings in height, the Missoula Mercantile Company (MMC) spread out over an entire block on the northeast corner. Scores of windows framed in carved lintels lined the recently added second story of the largest department store between St. Paul and Portland. Red and white awnings shaded the

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[6] Descriptions of Missoula in 1891 based upon photographs 75-6053 and 83-50, UM; *Missoula Gazette Holiday Edition* Jan. 1, 1890; *Missoula Illustrated*, Missoula Board of Trade, 1890.
[7] Sanborn Maps, June 1891.
[8] *City Directory for Missoula*, 1891, Wright and Woodward; Kenneth Lottich, ed. "My Trip to Montana Territory, 1879," *Montana: Magazine of Western History*, Vol. 15, No. 1.

sidewalks. A passerby could examine the merchandise displayed behind the large plate glass windows separated by cast iron pillars. A fresh coat of bright red paint highlighted the large advertisement on the entire Higgins Street side of the store. Inside, shoppers could purchase clothing, hats, cloth, groceries, canned goods, fresh fruit and vegetables from the nearby Bitterroot Valley, furniture, beds, carpets, saddles, drugs, farm implements, hardware, guns, saddles, shoes and even carriages and wagons. Less impressive than Hammond's other buildings, the Merc, as it was known, nonetheless, served as the hub of the valley's activity. With branch stores across western Montana, the MMC dominated the region's commerce in both retail and wholesale markets. The grocery department alone accounted for one million dollars in sales a year. For the previous ten years, the company had been the county's largest employer.[9]

One block to the north stood the C. P. Higgins Western Bank, a smaller version of the First National Bank, also built in a Queen Anne style with corner turret. Although "Cap" Higgins had founded the First National Bank, Hammond had forced him out three years earlier. Cap died shortly after the building's completion, and now Hammond was embroiled in a dispute with Cap's son, Frank, over control of the Missoula Water Works and Milling Company as well as placement of the new bridge over the Clark Fork River. The Higgins Block also housed the D. J. Hennessy Mercantile Company, which had partnered with copper magnate Marcus Daly in an attempt to drive Hammond out of Montana.[10]

[9] *Missoula Gazette Holiday Edition* Jan. 1, 1890; *Helena Weekly Inter-Mountain* Jan 1, 1882.
[10] Dale Johnson, "Andrew B. Hammond: Education of a Capitalist on the Montana Frontier" (Ph.D. diss., University of Montana, 1976), 137; Shirley Jay Coon, "The Economic Development of Missoula, Montana," (Ph.D. diss., University of Chicago, 1926), 100.

Meanwhile, twenty miles to the south, Chief Charlot clutched an eagle feather in his right hand and bid farewell to his ancestral home with a large feast accompanied by singing, drumming and dancing. Charlot's band believed that abandoning the Bitterroot Valley would mean an end to starvation and hardship, as they would receive payment for their lands. By agreeing to move to the Flathead Reservation forty miles to the north, they would also be reunited with the rest of the tribe. Refusing to regard the relocation as a defeat, the Salish saw this as cause for celebration, or at least they wished to convey that image. Dressed in their finest, they wore colorful blankets, feathers, necklaces, leggings, bone breastplates, and freshly painted faces. The packs of well-tanned leather were colorfully decorated. Early the next morning of October 16, they loaded all their belongings onto wagons and horses, rolled up their teepees and lashed them to the long lodge poles the horses would drag.[11]

In high spirits, they traveled down the valley past the orchards, the apple and plum trees turning crimson. "The great mass of horses, wagons and people melted into a column, more than a mile in length, but in breadth varying according to the eccentric activities of the hundreds of loose ponies that shared the exodus," wrote General Henry Carrington, the aging Indian fighter who had been called up from retirement to oversee the ejection of Charlot's band. Occasionally a horse broke free and packs and teepee poles slipped loose. The horses and cows persisted in crossing the Bitterroot River at the deepest fords, spooking the occasional bald eagle from a riverside cottonwood.[12]

[11] Photographs: 85-217, 78-224, 78-225, 26-54, UM.
[12] General Henry B. Carrington provides an eyewitness account in his unpublished manuscript, "The Exodus of the Flathead Indians From Their Ancestral Home in the Garden Valley, Montana, to the Jocko Reservation, Montana," (UM): chapter XI, folio 4.

Larch trees, tinged with gold, highlighted the green forests of ponderosa pine and Douglas fir that marched up the flanks of the Bitterroot Mountains. Higher up, the previous night's snow dusted the jagged peaks that for eighty miles formed a nearly impenetrable barrier on the west side of the valley. Along the riparian bottomlands, cottonwoods and willows dropped their yellow leaves into the river and the musky fall smell of wet bark permeated the air. Dried cattails, their seed heads bursting, lined the marsh. Scattered along the draws that meandered across the valley, chokecherries and sumac blazed orange and red. Wild plums and rose hips hung heavy over the stream banks. Yet for the elders, the Bitterroot Valley was scarcely recognizable from bygone days.

Blocked from the winter snow by the mountains and blessed with good soil and abundant water, the valley had become an agricultural paradise for settlers, supporting vegetable gardens, orchards, and wheat and dairy farms. One farm in the Bitterroot boasted 50,000 fruit trees with fifty varieties of apples, as well as plums, cherries, strawberries, and raspberries. Nearly all this produce funneled into Missoula to feed the rapidly growing city and shipped to Butte and other mining centers too high and cold to support agriculture. The settlers built houses, stables, and stockyards. They fenced, irrigated, and grazed thousands of sheep, all on lands that the U.S. Government had granted to the Salish.[13]

Cattle and sheep had replaced the elk and deer. The clear flowing river was now choked with sediment and sawdust from Hammond's logging and milling operations. Loggers and miners swarmed over the forests and mountains, felling trees and evacuating

[13] Michael Leeson, ed. *History of Montana 1739-1885* (Chicago: Warner, Beers and Co,. 1885); *Missoula Illustrated,*22; Carrington.

earth. Where hundreds of teepees once stood, houses, stores, and barns dotted the valley. The incessant chugging and rattling of the Bitterroot Valley Railroad was never far from earshot, and telegraph poles punctuated the landscape.

Coming down the Bitterroot, the Flathead Salish entered the broad Missoula Valley. The grassy flats south of the Clark Fork River were mostly vacant except for Fort Missoula and Fischer's South Missoula Bridge Saloon. But off to the east, standing alone, was a brand new mansion built by Hammond's business partner, E. L. Bonner. All around the mansion (which had yet to be occupied), Hammond's South Missoula Land Company was busy laying out streets and building sites. Already, he had sold one of the blocks to Marcus Daly, and workers were digging the foundation for his mansion. Hammond had surveyed yet another block for his own manor on what would soon become "Millionaire's Row."[14]

The 250 members of Charlot's band, who were strung out in clusters for more than a mile, began to coalesce at the south end of the bridge over the Clark Fork River. In preparation for entering Missoula, the Salish paused and applied fresh face paint and cinched their loads. Mothers lifted infants from the wagons and strapped cradleboards to their saddle horns so they could see the great city. Children scrambled down from the travois they had been riding upon, while older boys on ponies herded the vast menagerie of dogs. Charlot wished to move through town as quickly as possible. He had eschewed a military escort from Fort Missoula, as he wished it to appear that they were leaving their home of their own accord and not being forced onto the reservation. He would

[14] *Missoula Gazette*, June 15, 1891. Although the newspaper reported that the residences would be completed by winter, the Panic of 1893 halted construction and neither Daly nor Hammond would finish the mansions they began.

remain bitter over the relocation for the rest of his life and would never forget the duplicity of the U.S. government that pushed him out of his beloved Bitterroot Valley.[15]

For twenty years, Charlot had clung to the treaty of 1855, even as it became increasingly anachronistic as white settlers poured into the fertile valley. The town of Stevensville was platted in the middle of Indian-owned tracts, and white settlers soon began to feel constricted by Indian tenure. In 1871 they petitioned President Grant to have Indians removed to the designated Flathead Reservation in the Jocko Valley. Opposing the move, Charlot produced a copy of the original 1855 treaty owned by his father, Victor, one of the signatories, as evidence of his claim that the Bitterroot was his birthright.[16]

Nonetheless, Grant complied with the settlers' request, and the next year Congress appointed James Garfield special commissioner to carry out the removal. After visiting both the Jocko and Bitterroot valleys, he submitted an agreement to Charlot, Arlee, and Adolph, the three Salish chiefs. Arlee and Adolph consented to the arrangement and they moved their bands to the Jocko, in exchange for $50,000. Charlot, on the other hand, repeatedly stated that he would kill himself rather than sign. Yet, when Garfield published the contract, he put Charlot's name first as primary chief and signed it with an X. The future president would later confess the forgery, saying he thought he was acting in the Indians' best interest.[17]

The publication of the agreement resulted in a flood of white immigrants into the valley, who believed Charlot's band would soon vacate. Incensed at the treachery,

[15] Carrington: chapter XII, folio 1-3; John Fahey, The *Flathead Indians* (Norman: University of Oklahoma Press, 1974), 254.
[16] Fahey, 161-166.
[17] Ibid; Carrington: chapter VII, folio 8.

Charlot became intransigent, repeatedly insisting he never signed the document. But in 1883, the Secretary of Interior ruled that any unoccupied land in the Bitterroot be open to homesteading. Montana delegate Major Maginnis visited Charlot to try to persuade him to move. Charlot told him, "Your Great Father put my name to a paper I never signed, and the renegade Nez Perce [Arlee] is now drawing money to which he has no right. How can I believe you, or any white man?"[18]

Settlers continued to clamor for Indian removal, and in 1884, Indian agent Peter Ronan took Charlot and five other chiefs to Washington to confer with President Chester Arthur and Interior Secretary Henry Teller. They offered Charlot more inducements including a $500 a year pension, but he refused to budge. While Charlot held out, his people suffered. "The Indians became listless, indolent, shiftless. They traded their grain and few furs for groceries, calicoes and blankets, but their dependant conditions and doubt as to the future was driving their young men to the saloons, demoralization and ruin," wrote General Carrington. "Removal of the Indians from the Valley had become equally necessary for all its inhabitants," he concluded.[19]

Hammond, meanwhile, was literally banking on Charlot's departure. In 1883 the long anticipated Northern Pacific Railroad had finally reached Missoula, linking western Montana to the rest of the nation. Cattle, wool, wheat, ore, and lumber, could now be shipped profitably to markets in the Midwest. Hammond began developing the Bitterroot Valley, buying, subdividing, and plating townsites in anticipation of his Bitterroot Valley Railroad that would connect with the Northern Pacific in Missoula, and integrate the Bitterroot into the national economy. To supply the settlers, the Missoula Mercantile

[18] Carrington: chapter VII, folio 8.
[19] Fahey: 234-235; Carrington: chapter V, folio 7.

Company established several branch stores in the valley. The Indians also traded furs and hides for groceries, guns, and ammunition at the stores. In 1887 Hammond completed the Bitterroot Railroad from Missoula to Grantsdale, fifty miles upriver. Not only did this encourage more settlement, it profoundly changed the character of the valley. The valley was now a short train ride from Missoula; farmers could send their wheat to Hammond's mills near the city, and ore could be shipped from Hammond's Curlew copper mine. But the primary cargo was timber.

Hammond established timber camps that busily converted the forests into logs to be shipped to his giant sawmill at Bonner, just east of Missoula. To expedite processing and meet local demand, Hammond also bought several sawmills in the valley. "Sawmills along the entire route were rapidly clearing off the best pine timber and ruining the trout streams by the clogging sawdust," reported Carrington.[20] In large part due to Hammond's commercial activities, the population of Missoula County, including the Bitterroot Valley, exploded from 2,554 in 1880 to 14,427 ten years later, excluding Indians. And none felt this pressure more than those who were excluded from the census.[21]

On March 2, 1889, President Cleveland had finally signed an act of Congress to remove Charlot's band from the Bitterroot to the Jocko Valley. A provision in the law recognized the validity of the Indian claims and provided for appraisal and payment to the families, conditional upon the U.S. receiving clear title. The lure of money for their individual allotments and the notion that the tribe would be reunited induced several people to sign. "Charlot himself insisted on the "literal execution of the Stevens treaty"

[20] Carrington: chapter V, folio 7.
[21] U.S. Census, 1880, 1890; Fahey, 256.

and reiterated his position that he never signed Garfield's agreement. At which point Carrington, in a brilliant stoke of diplomacy, produced the original document which indeed indicated a blank space next to Charlot's name.[22]

The next day Charlot, now publicly vindicated, finally acquiesced. The material condition of his people also factored greatly in his decision to relocate. Carrington noted upon his arrival, that "many of the Indians were aged or lame, and supplies from the Reservation were absolutely insufficient to prevent great suffering and extreme want." Charlot acknowledged that the young men often sold their game for alcohol and "followed the words of bad white men and stole what they wanted to eat without working for it." Although, Charlot was backed into a corner, Carrington had provided a way out while preserving the chief's dignity.[23]

Charlot, however insisted that they receive payment for their surveyed lands before leaving. In the meantime, Charlot's band, thinking they would be gone the next season, neglected to plant any crops, and they slipped even further into poverty so dismal that they were reduced to hanging around butcher shops begging for entrails and scraps. Peter Ronan wrote in 1890, "they are now helpless and poverty stricken on their land . . . They are now destitute of means." Ronan also reported they were selling their wagons, horses, farm implements and were living mainly on roots. To help fend off starvation, Ronan repeatedly provided the Bitterroot Indians with supplies from the agency at Jocko.[24]

Finally, in the fall of 1891, the lands were announced for sale. Yet, an economic downturn that presaged the Panic of 1893 reduced the demand for the Indian lands. The

[22] Carrington: chapter VII, folio 7-8.
[23] Carrington: chapter VIII, folio 2-3.
[24] Ronan to Commissioner of Indian Affairs in Fahey, 252

agreement provided that they receive no less than the assessed value of $29 per acre. Faced with the decision whether to wait until the lands were sold or leave before winter set in, Charlot set aside his pride and agreed to move to the Flathead Reservation north of Missoula."[25]

So on October 16, 1891, at the south end of the bridge over the Clark Fork, the Salish paused before entering Missoula. Crossing the bridge would bring them into a different world. While some of the young men often worked as laborers and construction workers and others frequented the saloons, the women and elders avoided the city. No doubt, stern-faced, intractable Charlot regarded it as a blot upon the landscape, for Missoula sat like a plug at the mouth of the canyon through which passed the road to the buffalo. Not quite ten years had passed since the Salish last passed this way on their annual bison hunt.[26]

On the other side of the bridge, the horse-drawn trolley that ran from the Florence Hotel to the Northern Pacific depot at the north edge of town carved deep furrows into the streets muddy from yesterday's rain. Men wearing dark suits and stovepipe hats picked their way through the mud, while women in long dresses with their hair drawn into tight buns and carrying umbrellas strolled the wooden sidewalks. Horse-drawn buggies trotted up and down the wide avenue. Older boys carried lard buckets sloshing full with beer from the saloons to the workers up and down Higgins to enjoy on their lunch break. They hurried past Chinese men dressed in baggy pants, loose-fitting silk

[25] Carrington: chapter X, folio 12.
[26] William Farr, "Going to Buffalo, part 2," *Montana, The Magazine of Western History* (Spring 2004):28-43.

shirts and wide-brimmed hats. At the sound of the roundhouse whistle, Central School let out and children filled the street on their way home for lunch.[27]

The children were the first to pause as they glanced south to the end of the Higgins Avenue Bridge. Gradually the trolley drew to a halt, and the carriages pulled off onto the side streets. The stores and businesses emptied out. The men and women abandoned the street and crowded onto the sidewalks to watch the procession.[28]

As the Salish passed under the bridge's steel girders, their mood changed dramatically. Instead of the celebratory tone punctuated with whoops and shouts, dogs and stock breaking loose, the group became quiet. They began the slow march across the entryway into the city. Below them, the river split into two channels, contouring around a large island. The island, owned by Hammond, of course, housed a shantytown of indigent workers and ne'er-do-wells. It also provided the city with a newly constructed wood-burning electrical plant. The wood smoke hung in the air, casting a grey pall over the valley.

Mounted on their finest horses, the young men of the tribe closed ranks and kept order as they moved through town. The warriors stood guard at each street corner, as much for protection against unruly whites as a perfunctory show of force. Charlot led the procession triumphantly carrying an American flag, symbolizing his sense of ownership of place, that he was an American, more American, in fact, than the recent immigrants inhabiting Missoula. Despite the tribe's near starvation conditions, the Salish proudly paraded through the city. General Carrington reported:

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[27] Claude Elder oral history, (UM).
[28] *The Missoulian*, Oct. 21, 1891. Arthur Stone provides personal recollections in *Following Old Trails* (Missoula, 1913).

> Never was there a Wild West Show so dramatic and, at times, pathetic in its slow and steady procession. The streets were lined and the windows were crowded with lookers on. To the casual observer, the silence of the march, the close order observed, the inquisitive glances of the Indians. . . . gave no hint that many were weeping and longing to get away from the gaze and criticism of the white observers. When actually clear of the town and its people, the spirits of all revived.[29]

In a few blocks, they would cross the railroad tracks and leave behind this city where a few decades earlier they had gathered to collect bitterroots, a food staple for generations. For many years thereafter, the Salish continued to set up tepees on the south side of the river to gather bitterroots, but Charlot, bitter and heartbroken, would never return. Within four years, Hammond, too, would move permanently from the valley, but in a very different direction and with very different prospects.

Aware of the burgeoning influence of large corporations and monopolies, by 1891, citizens of western Montana had begun to resent Hammond's near total domination of the region's economy and politics. In addition to the bank, the Florence Hotel, the Bonner Mill, the MMC and real estate development, Hammond also controlled the Missoula Street Railway and the power and water company. Locally, Hammond's most vociferous opponent was Harrison Spaulding, editor of the *Weekly Missoulian*. He unhesitatingly referred to Hammond and his associates as "The Missoula Mercantile Monopoly," or simply "The Monopoly," and portrayed Hammond as the "Missoula Octopus, that is undertaking to reach its slimy arms over the county and strangle the life out of it."[30]

[29] Carrington: chapter XII, folio 1-2.
[30] *Weekly Missoulian*, October, 28, 1891.

In the months prior to Charlot's relocation, the *Weekly Missoulian* and the *Missoula Gazette* (founded by Hammond and associates) engaged in a volley of spirited editorials over the proposed mill and the placement of a new bridge, a dispute that would spill over into the mayoral race. Politics in western Montana swirled around two nodes, the Protestant Republicans dominated by Hammond and his extensive clan versus the Irish Democrats supported by Marcus Daly and Cap Higgins. With liberal application of cash and whisky, the Hammond forces tended to deliver the Missoula County vote to the Republican Party. However, they did lose the mayoral race the next month to the popular Frank Higgins.

Local animosity toward Hammond went far beyond politics, however. Back in 1883 Hammond had acquired an exclusive contract to supply the Northern Pacific Railroad with all their provisions, clothing, blankets – everything they needed, save steel – for a 175-mile stretch across Montana. But it was the railroad's massive demand for construction lumber that proved the real bonanza and catapulted Hammond into the lumber business. Soon Hammond's firm was illegally logging government land, which led to a federal indictment of Hammond for timber trespass in 1886. Dragging on for thirty years these timber lawsuits brought to the forefront a national debate over control and ownership of the public forests.[31]

Although he began as a nineteenth-century proprietary entrepreneur, Hammond successfully transitioned into the emerging corporate structure. While the forests and people of western Montana and the opportunities therein had made him a millionaire, he longed for more. In 1894 Hammond began selling off his Montana investments and moved to the West Coast. With his departure from Missoula, the hegemony of "The

[31] *Weekly Missoulian*, August, 19, 1881; Coon, 98.

Monopoly" gradually waned. Nevertheless, the MMC continued to play a crucial role in western Montana's economic and political landscape for the next seven decades. The MMC, and indirectly the citizens of western Montana, also continued to provide much needed capital for Hammond's California enterprises.

The Missoula and Bitterroot Valleys provide a microcosm of the profound and cataclysmic changes that occurred throughout western North America at the close of the nineteenth century. In the space of a single decade, the arrival of the railroad, the conversion of forests into lumber, agricultural production, and pervasive mining activity transformed the landscape and marginalized the people who had inhabited it for thousands of years. Despite their resistance, Charlot and his people were caught in the cogs of an industrial juggernaut that was steamrolling across the country.

Unlike Charlot, Hammond felt little affection for the western landscape. He saw the land through the lens of capital and quickly converted the forests of Montana, Idaho, Oregon, and California into cash, leaving little behind but stumps. The Native inhabitants were impediments to the liquidation of forests and needed to be removed. Although Hammond he lacked the religious fervor that propelled the proponents of Manifest Destiny, he viewed the forests as a commodity in much the same way his ancestors had viewed his native New Brunswick – as a timber colony. Only this time the colonization came from within.

Although on the "road to buffalo," Missoula's modern economy was largely predicated upon its position as a mercantile, railroad, and lumbering center. All of which, in large part, were due to the business activities of A. B. Hammond. Yet in the city he largely built, his name is all but forgotten. A decade after his departure for California,

Hammond Street was renamed Gerald, after one of the Higgins boys. The Hammond block burned down during the Depression, never to be rebuilt. Although the Bitterroot town of Florence and the Florence Hotel still exist, few residents are aware of the namesake. On the other hand, Charlot's name lives on through his descendents, as a town on the Flathead Indian Reservation, and as an elementary school in Missoula. Furthermore, the story of his exodus remains firmly entrenched in community memory.[32]

In immortalizing Charlot and ignoring Hammond, we romanticize and isolate the past. While Charlot endures as a tragic and heroic figure, we often fail to recognize that the institutions that pushed him out of the Bitterroot still remain. To this day, the Salish continue to suffer from lack of access to resources – natural, political, and economic. At the same time, residents of Missoula, and much of the Pacific Northwest, enjoy a material and economic comfort through our participation in a capitalist economy based upon resource extraction, the very activities that we too easily condemn without acknowledging our own complicity.

[32] Lenora Koelbel, *Missoula: The Way It Was*. (Missoula: Pictorial Histories Publishing Co, 2004 revised ed.); Ty Robinson oral history, University of Montana.

Two: Paul Bunyan's Pancakes

On a winter night in 1864, sixteen-year old Andrew Hammond lay on his bunk. Outside the crudely constructed leanto, a Maine winter storm howled and blew through the logs where the moss chinking had fallen away. The wind entered the open hole in the roof that served as a chimney and blew the smoke from the open fire around the shelter. The other men in their bunks, arranged like spokes in a wheel around the fire, seemed not to mind as their heavy snoring nearly drowned out the storm. Stale tobacco smoke mixed with the stinking wet wool of socks and shirts hanging above the fire permeated the dank air. Exhausted from the day's work, Andrew tried not to think about the bedbugs and lice that infested his straw tick mattress. He rose at five am along with everyone else to the cook's announcement of breakfast, wolfed down a pile of *ployes* (buckwheat pancakes cooked on one side) laden with maple syrup and washed it down with tea heavily sweetened with molasses. The crew then trudged some three miles through the deep snow of Maine to the logging operation to begin their fourteen-hour day.[1]

Following the death of his grandfather, Andrew had left home to work in the logging camp. While this was the first time he had ever left Madawaska on the border of Maine and New Brunswick, he felt psychologically, if not physically, comfortable in his new surroundings. Not only did his older brother, George sleep nearby, but the chiding and exhortations of his fellow workers in both French and English provided a recognizable medley. The cultural milieu of New England Protestants and Acadian French-Catholics was as familiar as the physical surroundings of a logging camp.

[1] George B. McLeod, "The Story of the Hammond Lumber Company," oral history (Forest History Society: Durham, North Carolina), 2

Until now Andrew had lived his entire life in the tiny hamlet of St. Leonard's, named after Leonard Coombes, his maternal grandfather, the political and economic pillar of the upper St. John River Valley. The Hammonds and Coombes, however, were virtually the only Anglo-Protestant families in a region originally settled by Acadian descendents of French colonists. Although Andrew remained fairly secular, the legacy of religion shaped his values and education and determined the social position of his early life. A product of two cultures living side by side but separated by language and religion, Andrew, while thoroughly immersed in the Protestant tradition, maintained affinities toward the French language, history and Catholicism. In order to fully understand the man A. B. Hammond became we need to explore the physical, cultural, and economic environment that sculpted his young life.

When Hammond's Puritan ancestors were clearing land, planting crops, raising barns, and building towns throughout New England, immigrants from France began to settle in what would become Nova Scotia and New Brunswick. Ensconced along the marshlands of the Bay of Fundy, these Acadians fashioned a way of life oriented toward water. While fisheries and shipbuilding were important, it was the development of dikes and tidal drains that allowed the Acadians to cultivate the fertile lowlands, beginning the European transformation of Canada's Atlantic coast.

With England and France battling for control of Canada during the Seven Years War (1756-1763), the Acadians became trapped in the middle. Although they had proclaimed neutrality and allegiance to King George, they refused to take up arms against the French. Recognizing that the Acadians possessed the most fertile agricultural land,

Charles Lawrence, lieutenant governor of Nova Scotia, began a systematic campaign against them, burning villages, destroying livestock, and confiscating lands. This instigated the great diaspora that sent nearly 10,000 Acadians to France, Quebec, and south to other colonies, including Louisiana. A handful fled up the St. John River and dispersed into the wilderness.[2]

Although far removed from the action, Massachusetts firmly supported the British expulsion of the French Catholics from the colonies and sent troops to Nova Scotia. Indeed, the New England Rangers carried out some of the worst atrocities of the deportation, burning hundreds of houses, murdering and scalping women and children at Saint Anne's on the St. John River. To support the British effort, in 1759, the Massachusetts legislature initiated a draft, and twenty-one-year-old Archelaus Hammond, Andrew's great-grandfather, was conscripted as a private into His Majesty's Service.[3]

With the departure of the Acadians, Governor Lawrence invited Protestant New Englanders to take up the rich agricultural land, now vacant. Lawrence promised one hundred acres to the head of each family with fifty additional acres for every dependent. To sweeten the deal, Lawrence issued a proclamation exempting "Dissenters" (New England Puritans) from taxes that supported the Church of England. The population of New England, meanwhile, was burgeoning, and each successive generation sought new

[2] Roger Paradis, preface to *Papers of Prudent C. Mercure: Histoire du Madawaska* (Madawaska Historical Society, 1998), xii-xv; Canadian-American Center, University of Maine, www.umaine.edu/canam/ham/acadiansettlement.
[3] William O. Raymond, *The River St. John* (Sackville, N.B.: The Tribune Press, 1950), 110; Paul Dayton Kilburn, *Fathers and Mothers: History and Genealogy of Kilburn and Graham* (Arvada, CO: Kilburn Press, 2002), 62.

lands to colonize. Instead of returning home upon his discharge, Archelaus Hammond took up land in Cornwallis, a former Acadian village on the lower St. John River.[4]

In displacing the Acadians, who in turn had displaced the Indians, Archelaus was part of a lengthy historical trajectory of an expanding population competing for diminishing resources. Archealus' descendents continued this dislocation, pushing up the St. John into Madawaska. The same process culminated in the American West as his great grandson, Andrew Hammond developed the Bitterroot Valley prodding the Salish onto the reservation. In addition to population pressure, the rise of capitalism – through the differential relationship between the financial "core" and the hinterland "periphery' – greatly contributed to human displacement as the needs and desires of Europe prompted the extraction of natural resources in the hinterland of America.[5]

Wood was the one natural resource as ubiquitous and necessary in the early North Atlantic economy as it was for America's industrialization hundreds of years later. Wood provided fuel, shelter, transportation, and until the development of fossil fuels was the world's primary energy source. The vast timber resources of North America represent the best illustration of an exploited hinterland as the global economy emerged in the seventeenth century.

In Europe the rise of mercantile capitalism and imperial expansion stimulated shipbuilding and iron smelting that quickly depleted northern Europe's forests. By 1700 England's demand for wood had stripped Ireland of its trees and led to extensive deforestation in the Baltics. France, too, had depleted her forests so much that the

[4] Esther Clark Wright, *Planter and Pioneers: Nova Scotia 1749-1775* (Hantsport, N.S., 1982), 7; Lilan Maxwell, *The History of Central New Brunswick* (Fredericton: York-Sunbury Historical Society, 1984), 39; Kilburn: 62.
[5] See Immanuel Wallenstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1976).

shortage triggered peasant revolts in the 1730s. Europe's deforestation forced the imperial powers of England and France to turn their attention to the untapped resources of the American colonies. The towering white pines of the Atlantic coast were especially desirable as masts for sailing ships. By the mid-nineteenth century, the demands of the financial and industrial core had depleted the forests of northeastern U.S., and the industry shifted to the Great Lakes region. Once those "inexhaustible" forests were gone, the industry moved once more to the West Coast, and Andrew Hammond would move with it.[6]

In addition to resource exploitation, religion and politics played a major role in the dispersion of people across North America, and the legacy of the Puritan work ethic would infuse Andrew Hammond as well. Back in the 1630s, his ancestor, Elizabeth Penn Hammond had fled England along with 10,000 other Puritans to pursue their conservative brand of Protestantism. In scooting across the big pond, Elizabeth Hammond began her family's process of westward peregrinations that would last four centuries and fan across a continent. Orthodox in religious outlook, conservative in social interactions, financially prudent, and largely temperate, the Puritans would radically transform both the cultural and physical landscape of North America. Although many eventually intermarried with French Catholics, Scottish Episcopalians and others, the descendents of Elizabeth Hammond maintained a remarkable degree of homogeneity. Instead of integrating into American society, as did the French and Spanish, they would circumscribe the melting pot into which others should assimilate.[7]

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[6] Jason W. Moore, "The Modern World-System as environmental history? Ecology and the rise of capitalism," *Theory and Society* 32, 2003: 307-377.

[7] Samuel Eliot Morison, *The Oxford History of the American People* (New York: Oxford University Press, 1965), 61-65; Roland Hammond, *A History and Genealogy of William Hammond of London, England, and*

For the Puritans, religion and economics became inexorably intertwined. Sociologist Max Weber demonstrates how the Puritan notion of a calling combined with asceticism to foster the development of capitalism. Material wealth became a sign of salvation, while the repudiation of pleasure and luxuries channeled profits back into one's calling, creating the prerequisite of capital. Weber maintains that the religious foundations would eventually fall away, but this "ethic of Protestantism" would become embodied in the "spirit of capitalism" in a secular America. He suggests that this is best portrayed in Benjamin Franklin, who famously extolled the virtues of thrift, work, and profit. Franklin told his readers, "Waste neither time nor money, but make the best use of both. Without industry and frugality, nothing will do, and with them everything." Where Catholicism found piety in poverty, Protestantism found vice. Franklin declared "Poverty often deprives a man of all spirit and virtue; it is hard for an empty bag to stand upright."[8] Although, he was hardly pious, Andrew Hammond retained many of his ancestors' Puritan characteristics and embodied both Franklin's aphorisms and Weber's thesis. In doing so, he would play a significant role in radically transforming the North American landscape.

Although religious conflict brought the Hammonds to the colonies, the American Revolution prompted their removal to New Brunswick. The Revolution divided families and polarized communities, and the Hammond family was one of many that split into Loyalists and Patriots, cleaving the clan into two branches. Archelaus's numerous siblings and cousins who had remained in the Cape Cod region aligned with the rebel

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his wife Elizabeth Penn; through their Son Benjamin of Sandwich and Rochester, Mass. 1600-1894 (1894), 9; Kilburn,56-57.

[8] See: Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Charles Scribner's Sons, 1958). www.quotablefranklin.com

cause. Having relocated to Machias, Maine, Archelaus refused to take up arms on either side, but tried to hunker down and wait for the trouble to pass. In a society torn apart by revolution and war, however, there was no room for neutrality. Patriots regarded any lack of enthusiasm for their cause as treason. Patriots arrested and imprisoned Loyalists, confiscated their farms, and sold their property in public auction.[9]

Loyalists, on the other hand, formed militias and raided Patriot villages, burning homes and destroying livestock. In support of England's suppression of the rebellion, more than 20,000 Americans joined Loyalist regiments, many of which were organized and led by veterans of the Seven Years War. Armed and trained by British Army regulars, the largest of these Loyalist brigades was the New Jersey Volunteers. Second in command of its sixth battalion was Andrew Hammond's maternal great grandfather, Lieutenant John Coombes, an established farmer from Perth-Amboy who served as the unit's surgeon.[10]

The Revolution, a civil war, really, cut across class and geographical boundaries. The vast majority of Loyalists were not the colonial elite but farmers, laborers, merchants, and storekeepers. Rather than being blindly devoted to the King, Loyalists were generally conservative, feared social upheaval, and desired conciliation with England instead of a radical break. Although Coombes and Archelaus Hammond were both property owners, there is no evidence to suggest that they were part of the aristocracy fighting to preserve social and economic privilege. As with many others, it

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[9] Kilburn, 68.

[10] As the war dragged on, the Sixth suffered losses from deaths and desertions and was absorbed into the third battalion. Robert Dallison, *Hope Restored: The American Revolution and the Founding of New Brunswick* (Fredericton: Goose Lane, 2003), 30-31; On-line Institute for Advanced Loyalist Studies, www.royalprovincial.com; Jaques LaPointe, *Grande-Rivière: une page d'histoire Acadienne* (Moncton: Les Éditions D'Acadie, 1989):,37.

appears that they were compelled to take sides because of the polarized nature of the conflict.[11]

Geography played an important part in determining the Loyalist response. As a New Englander, Archelaus was in the clear political minority, and rather than actively joining the Loyalist cause, he professed neutrality, which was easier to maintain on the Maine coast than on Cape Cod. Yet by 1780, his position had become tenuous, and the family returned to Nova Scotia, relocating to Gagetown on the lower St. John.[12]

With George Washington's victory at Yorktown in October 1781, it was clear that the Loyalists had hitched their wagon to the wrong horse. Military defeat coupled with personal ruin caused Loyalist families to retreat to Long Island. Following the Treaty of Paris, British commander Sir Guy Carleton arranged for Loyalists to immigrate to Nova Scotia. The migration began in May 1783, and by October more than 5,000 had landed in St. John, overwhelming the small town and severely taxing the resources of the British government. Eventually some 35,000 refugees would arrive in Nova Scotia; among them was the family of John Coombes.[13]

In St. John, all was confusion on those cold and dreary autumn days. Huddled in tents, refugees debated where to go as winter was fast approaching. In a strategic move, Carleton opted to resettle the Loyalists along the St. John River to secure the newly-established boundary with the U.S. British officials believed that the Treaty of Paris was temporary and that hostilities could resume at any moment. Carleton hit upon the idea of dividing the valley into blocks allocated to each regiment. This would preserve the social

[11] William H. Nelson, *The American Tory* (London: Oxford University Press, 1961), 86, 90; Beatrice D. Pilon, "Settlement and Early Development of the Parish of Kingsclear, York County, New Brunswick, 1784-1840" (master's thesis, University of New Brunswick, 1966), 91.
[12] Kilburn, 68.
[13] W. S. MacNutt, *New Brunswick: A History 1784-1867* (Toronto: Macmillan, 1963), 16-21. Dallison, 71.

relations that the men had formed over the years within their own battalions and permit quick activation in case military need should arise. In this manner, Carleton granted the Maryland Loyalists land on the north side of the river, opposite the new settlement of Fredericton. The largest force, the second battalion of New Jersey Volunteers, received the prime agricultural land of the Acadian settlement of Saint Anne's on the south shore, which they would rename Kingsclear.[14]

In reality, men moved up the river with no oversight, canvassed the area and squatted on any unoccupied land that they found suitable. Schooners took the new settlers up the river from St. John, but because of low water, dropped them below Fredericton. From there the women and children boarded canoes while the men went overland to stake their claims up and down the river. When the Loyalists arrived at Saint Anne's, upstream from Fredericton, it had already begun to snow. They pitched their tents and covered them with spruce boughs. Cold, wet, and hungry, they were discouraged by the "gloomy prospect." Not even the flaming red maples in their autumnal glory could lift their spirits. The destruction of the Acadian livestock and trade systems with the Indians made the colonists dependent upon goods from England. They besieged the government for provisions, and Carleton ordered supplies, but the ship wrecked en route from England. In desperation, the settlers ate fiddlehead ferns and the seed potatoes they had brought with them. By mid-winter the snow was six feet deep, and many had died from exposure and malnutrition.[15]

Under the dull, leaden skies of April, the river ice broke, and a schooner appeared with corn meal and rye. The settlers began building log cabins and planting crops. As

[14] Peter Fisher, *History of New Brunswick* (St. John: Chubb and Sears, 1825), 125; Dallison, 23-28.
[15] Fisher, 2, 126-7.

the days warmed and snow melted, the St. John Valley took on a new aspect. The land no longer appeared quite as hostile. The wide, slow moving river was ideal for transportation and abounded with salmon and other fish. Replenished by the spring floods, the riparian bottomlands provided a rich, fertile soil for crops. From the river, the land rose gradually to level benches also suitable for farming, then to rolling hills covered in forests.[16]

The region, however, was not exactly unoccupied wilderness, and the arrival of the Loyalists had a cascading effect along the St. John River. Besides the Maliseet Indians who still roamed the forests and plied the river in birch bark canoes, some 500 settlers lived in the valley prior to the arrival of the Loyalists. Despite the Acadian diaspora years earlier, many had drifted back to their former village of Saint Anne's. Other pre-Loyalists, New England and British Protestants, lived in scattered villages along the river. None of these three groups was especially pleased with the large influx of newcomers. The Indians witnessed the depletion of fish and game, while the Acadians and many of the pre-Loyalists, like Archelaus Hammond, who had not yet received title for the land he had settled on, saw their land expropriated to make room for the Loyalists.[17]

To compensate for his loss, Archelaus petitioned Lieutenant Governor Thomas Carleton (brother of Guy Carleton) for land across the river from Gagetown. Hammond pointed out that he had a wife and ten children to support and had made "considerable improvements" to his land. Finally in 1787, he received a grant of 172 acres. Yet three years later, the family moved upriver to Kingsclear, buying a small lot and petitioning for

[16] Fisher, 129.
[17] Pilon, 5.

a much larger adjacent "vacant" lot. Here on a bend of the St. John River, after thirty years of being bumped up and down the North Atlantic coast, Archelaus had finally found the place to settle down. By now quite an accomplished carpenter, Archelaus built a humble but comfortable house, so durable that 120 years later it was still inhabited by his descendents. Archeluas's family was so prolific and established that the community eventually became known as "Hammondville."[18]

Some took advantage of the new arrivals, quickly locating prime land then selling it. John Coombes found a place that he liked on the lower St. John and purchased the parcel only to discover that the land actually belonged to someone else. After asking Carleton for compensation, Coombes received a tract in Kingsclear, usurping land from the Martins, an Acadian family. Francois Cyr, another Acadian, proved less compliant and filed a detailed complaint against Coombes upon his eviction. The government was clearly privileging the Protestant Loyalists above the Catholic Acadians. Lord Dorchester even protested to Carleton the injustice of settling Loyalists on land confiscated from the Acadians. Nonetheless, Coombes received 350 acres sandwiched between Hammond's two lots that he filed in the name of his young son, Leonard. This musical chair approach to land settlement indicates that, although the region was sparsely settled, quality farmland was in short supply.[19]

Apparently Carleton was receptive to Dorchester's appeal, for in 1788 the Martins and other Acadians in Kingsclear received compensation in the form of land grants 150 miles upriver in the remote region of Madawaska. This appeared to be a satisfactory

[18] Land Petitions of Archelaus Hammond, 1786 F1031, 1787 F16302, 1790, Provincial Archives of New Brunswick (PANB); Kilburn:,68-69; Jean Hammond, "Hammond Family History" MC 1, PANB.
[19] Land Petition of John Coombes, 1786, F1030, PANB; Crown Land Grant Map, no. 125, New Brunswick Dept. of Natural Resources; Jaques LaPointe, *Grande-Rivière: une page d'histoire Acadienne* (Moncton: Les Éditions D'Acadie, 1989), 38.

solution as it removed the Acadians from the lower St. John Valley, desired by the Loyalists, while the Acadians believed they would be secure from both Loyalist and government interference in Madawaska. As it turned out, the new region had better soil and growing conditions than the area around Fredericton from which they had been expelled.[20]

The Loyalist immigration increased the population tenfold, and the British decided to split the region into two – Nova Scotia and New Brunswick – as part of a design to create a new colony that would replace New England as the center of the North Atlantic trade. Immigrants, for their part, hoped to remake a new society so that the entire region "would become the property of themselves and their descendents."[21]

The Loyalist desire to forge a new society, however, quickly disintegrated along class lines, aided by government policy, geography, and religion. In Kingsclear, the officers received 2,000-3,000 acres, while members of the lower ranks only got 50-200 acres. With a view toward commercial possibilities, officers chose the lands closest to the new provincial capital of Fredericton. Ironically, these lands had the poorest soil while land near the old Acadian settlements was better suited for agriculture. Settlement also split along religious lines with the Anglican elites settling near Fredericton and the Baptists and Catholics in central Kingsclear. All told, the New Jersey Volunteers received 38,450 acres with 8,340 acres reserved as a common woodland. Transferred from New England, this notion of a common woodland would greatly aid in the Hammonds

[20] LaPointe, 38.
[21] MacNutt, 67.

prosperity, but would eventually fade away with the ascendency of an individualistic ideology.[22]

By 1799 only 25 of the original 144 grantees remained in Kingsclear, the others having sold or abandoned their claims. One of those who remained was Andrew Joslin, a Loyalist from Rhode Island. A sergeant in the New Jersey Volunteers, Joslin had received a 550 acre grant. Here, in the parish of Prince William, he built a large two-story house, a carriage house, and barn and grew corn, wheat, oats, potatoes, and livestock, eventually becoming quite prosperous. Andrew Joslin and Archelaus Hammond would soon combine business and religious interests into a new lineage.[23]

Although New Brunswick rejected both the Acadian settlers and their religion, it adopted the French system of settlement that divided land into long, thin rectangles that stretched back from the river. This allowed everyone river access, flat floodplain farmland, and woodlots toward the rear. It also had the advantage of permitting people to live in close proximity while owning substantial property. New Brunswick historian W. S. MacNutt, however, maintains that these large land grants, ranging from 200 to 1,000 acres, preempted community planning by allowing "the individual to dwell on his land almost wherever fancy pleased. Instead of living in communities, the majority of rural dwellers lived in the bush." MacNutt writes that the development of New England type villages "that thrust responsibility as well as privileges upon individuals, was completely absent in New Brunswick." He suggests that this "bred a spirit of individualism that ignored the rights of property . . . a general tendency to consider the country as a vast

[22] Raymond,134; Pilon: preface, 38; MacNutt:,37.
[23] Pilon, 7-13; Joslin family history, (mss, King's Landing, NB).

common."[24] Following MacNutt's thesis, the system of land distribution determined a cultural attitude toward forests that infused New Brunswick. Seeped in such a tradition, then, A. B. Hammond's timber poaching activities in Montana should come as no surprise.

MacNutt's argument also applies to the settlement of the American West, where the American system of land survey, as developed by Thomas Jefferson, was based upon a grid of 36 square miles divided into 640 acre sections of perfect squares. Although it is difficult to trace a direct causal relationship between settlement patterns and social attitudes, both New Brunswick and the American West developed a tradition of putting individuals above the community. Certainly, both regions displayed a flagrant disregard for government control over natural resources. Furthermore, in both regions, the traditional New England commons, which operated under prescribed and communally agreed-upon stipulations, yielded to open-access regimes in which natural resources were freely available for the taking. Not surprisingly, the vast majority of western lumbermen came from New Brunswick. These men, Andrew Hammond among them, regarded the western forests in the same way they did the forests of their homeland: available to the first to cut them down, regardless of ownership whether it be private, government, or communal.

Like other settlers on the St. John, Archelaus Hammond and John Coombes built their neighboring houses on the low bluffs overlooking the river, preserving the flat land for farming. But after many years, settlements on the lower St. John averaged only twelve acres of cleared land. The remaining several hundred acres remained in forest,

[24] MacNutt, 88.

which not only supplied construction lumber and wood for cooking and heating, but also contained scattered groves of valuable white pine, highly sought by the British for shipbuilding. Archelaus Hammond was quick to exploit the opportunity and in 1794, he and Joslin, petitioned the government for permission to build a sawmill.[25]

Recognizing the value of the timber resource and the need for rapid settlement, the provincial government often subsidized the building of sawmills. However, they denied the Hammond/Joslin petition. Archelaus, who remained rather bitter over his treatment by the Crown at Gagetown, went ahead and built a mill on Hammond Brook anyway. Operating for many years, the sawmill providing the expanding Hammond family with boards and planks for new houses and barns, as well as an important source of income by producing lumber for their neighbors.[26]

Although no reason was cited for the denial of the Hammond/Joslin sawmill petition, the two men were fundamentally at odds with the government in Fredericton over religion. While in Gagetown, Archeluas and his family had been captivated by the religious revival of Nova Scotia's Great Awakening, "one of the most significant social movements in the long history of the colony."[27] In Nova Scotia, the American Revolution had produced a spiritual upheaval rather than a political one. People desperately struggled for meaning and psychological fixture in a world where traditional relationships were falling apart. While many were indifferent to religion, others became deeply divided, with congregations bickering and disintegrating. Into this religious void stepped Henry Alline, a charismatic New England preacher whose anti-Calvinist "New Light"

[25] Joslin family history.
[26] Ibid.
[27] George Rawlyk, *Ravished by the Spirit: religious revivals, Baptists, and Henry Alline* (Montreal: McGill-Queen's University Press, 1984), 8.

movement appealed to spiritually-moribund New Englanders isolated from their home communities. Alline preached that in avoiding the war, the neutral Yankees had shown themselves to be "subjects of divine favor." In evoking their Puritan past, the scattered hamlets of Nova Scotia were to be the new "city on the hill" removed from the corrupting influences of New England.[28]

An itinerant preacher, Alline belonged to no church but swept through the countryside as the vanguard of a radical evangelical movement that was wildly individualistic, democratic, and openly hostile to authority. Emotionally charged and spontaneous, Alline conducted all-night revival meetings and employed sexual imagery in his descriptions of being "ravished" by God and his "marriage to Christ." Alline preached that man's sole concern should be his personal salvation and that rapture was open to all. Exhortation, extemporaneous prayer, and public confession of sin in lurid detail followed by an expression of profound Christian love, provided a sense of spiritual liberation for the "New Lights," as they soon became known. Youthful and charismatic, Alline and his disciples especially appealed to young women who would walk for miles to attend a revival.[29]

More of a pick and choose amalgamation than anything grounded in theology, the New Light "doctrine" held "that the body of a believer may get intoxicated and commit whoredom, but not the soul." On the other hand, New Light could also be highly pious, rejecting worldly adornments and acting as a Puritan revival in its rejection of ecclesiastical authority.[30]

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[28] Ibid., 10, 76; Maurice Armstrong, *The Great Awakening in Nova Scotia, 1776-1809* (Hartford: American Society of Church History, 1948), 54, quote p. 57.
[29] Rawlyk, 81, 129; Armstrong, 126.
[30] Armstrong, quote from Joshua Marsden, Wesleyan missionary in 1801, 124, 125

Although Alline died abruptly in 1783, his disciples continued the New Light movement advance across the region. One of these disciples was the young Lathrop Hammond, Archelaus' eldest son, who soon had his own following, a New Light sect called the "Hammondites." Itinerant preachers like Lathrop packed barns and kitchens. Religious feeling also burst out spontaneously not just in meeting halls, but on farms and in family gatherings. In the wake of the New Light, the Anglican Church lost a large part of its membership, and the Congregationalists all but vanished. Even New Light leaders became alarmed as the religious revival was carried to extremes of emotional fervor and fanaticism, and in the late 1790s they began to rein in their flocks. By 1800 the desire for some degree of order and formality had developed, and the Baptist church moved into the opening, subsuming the New Light sects.[31]

The practice of immersion captured the countryside. At Kingsclear, fourteen people waded into icy waters of the St. John for baptism, presumably by Lathrop Hammond as he had jumped on the Baptist bandwagon and founded the first such church in central New Brunswick. Andrew Joslin also become a "New Light" Baptist and threw his support behind the new endeavor, possibly providing the land for the nearby church. The Hammonds were thus obliged to make the ten-mile roundtrip to the neighboring parish by horse and buggy every Sunday.[32]

Although they had changed denominations, both Hammond and Joslin still subscribed to their old Calvinist background that extolled the virtues of thrift and hard work and equated salvation with material well-being. Business and religion brought the two families together, and marriage seemed the next logical step. Before long Andrew

[31] Ibid., 129, 119, 134.
[32] Ibid., 130; Joslin family history.

Joslin's fifteen-year-old daughter, Juanna (or Joanna), caught twenty-seven-year-old Simon Hammond's eye, and in February 1803, they married. Lathrop Hammond had already married Juanna's older sister, Bathsheba.

When Archelaus Hammond died in 1806, he left a bizarre and confusing will that his heirs understandably contested. Typically, in settler New Brunswick, one son, not necessarily the eldest, inherited the farm and provided a settlement, either in cash or property, to the others. Dividing land among many heirs diminished the value of the property as arable land was limited. Nevertheless, after recommending his "soul into the hands of Almighty God" and requesting a "decent Christian burial" so that he might be resurrected, Archelaus left his wife, Jershua, two cows, six sheep, a feather-bed, household furniture, and the south end of the house. His daughter, Elizabeth, received the upper side of the farm in a line running from the center of the front door and straight through the house and "use of one-quarter of the barn." Simon, the youngest son, received the remainder of the farm and three-fourths of the sawmill. The other four children split the original farm Archelaus had bought in 1790.[33]

Archelaus' sons and Joslin's daughters formed a tight network based upon religion and kinship that allowed them to overcome the division of the estate. Furthermore, they bought property from departing Acadians to start their own farms and eventually became quite well established in Kingsclear. Despite the modest soil quality, they raised wheat, oats, corn, livestock, and especially potatoes. In addition to being stalwarts of the Baptist Church, the Hammond brothers were also respected members of the community at large. The next generation, however, would be pulled away by religion, marriage, and property to form their own dynasty in a new area. Nonetheless, they would

[33] Maxwell, 157; Kilbrun, 69-70; Will of Archelaus Hammond, Probate Records, 1806, F11752, PANB.

retain the core tenets of Protestantism that promoted the "spirit of capitalism" in which the forests of New Brunswick played a crucial role.[34]

Back in the seventeenth century, Elizabeth Hammond had broken from the Church of England. Her dissenting religion had propelled her to undertake a perilous journey across the ocean to an unknown world. Four generations later, neither the land nor faith could be considered new. Population pressure had pushed Archelaus Hammond into another land where, in seeking a reconnection to his Puritan roots, he rejected the now venerable Congregational Church. But by the time his grandson, Andrew Hammond, Sr. (A. B. Hammond's father) came of age in the 1820s, the once radical Baptist Church had moved into the mainstream as the largest Protestant denomination in New Brunswick. For Andrew Hammond Sr., Protestantism had become subsumed within the greater world view of capitalism and acquisition, yet the rebellious roots of the New Light Baptists remained. The lack of arable land combined with population pressure, the desire for new economic opportunities, and a new religious orientation compelled Andrew Sr. to turn his attentions to new frontiers. In 1834 he married the granddaughter of John Coombes and a member of the Anglican Church. The Hammonds had come full circle.

[34] Pilon, 65-67; Kilburn, 70; Armstrong, 91.

Three: "War Against the Pines"

But the pine is no more lumber than man is, and to be made into boards and house is no more its truest and highest use than the truest use of a man is to be cut down and made into manure.

Henry David Thoreau.[1]

Eighteen forty-eight was a most inauspicious year for a future lumber baron to be born. Population pressures, disease, and famine fueled wave after wave of revolutions across Europe. The legacy of feudalism's concentration of land ownership spawned vast social inequities. In England, the working class Chartist Movement was gaining momentum, and Marx and Engels published the *Communist Manifesto*. Of more immediate concern to New Brunswick was the world-wide depression and Great Britain's reduction of protective timber tariffs that had insulated the colony's primary export from competition. The combination sent New Brunswick into an economic depression causing Andrew Hammond Sr., to declare bankruptcy. By the end of the year, however, U.S. President James Polk announced the discovery of gold in California. While each of these events was to have a profound impact on the fourth child of Andrew and Glorianna Hammond, it was the continuing territorial conflict over trees that defined his life more than anything else. This conflict, however, began long before Andrew's birth.

New Brunswick had long provided Great Britain's shipbuilding industry with masts and spars cut from the region's towering white pines, however the Baltic region contributed the bulk of England's timber. But early in the nineteenth century, Napoleon closed the Baltic ports to English exports, and suddenly demand shifted to the colonies. Prices doubled, tripled, and quadrupled, eliminating the cost disadvantage of transatlantic

[1] Henry David Thoreau, *The Maine Woods* (Princeton: Princeton University Press, 1972), 121.

shipment. By 1809 two-thirds of England's timber was coming from British North America. Geographer Graeme Wynn notes that the Napoleonic blockade increased New Brunswick's lumber production twentyfold, transforming "an undeveloped backwater of 25,000 people to a bustling colony of 190,000."[2] For the next forty years New Brunswick would be Great Britain's primary lumber supplier.

Despite Napoleon's defeat, colonial timber merchants convinced the English government to maintain duties on colonial timber, which offset shipping expenses. New Brunswick lumber thus sold in a protected market. With the explosion in the timber industry, colonial lumbermen quickly depleted the most accessible pines along the St. John and other major rivers. But the remote region of Madawaska on the border between the U.S. and New Brunswick remained untapped.[3]

Sparsely settled, but rich in valuable white pine timber, the upper St. John River drainage was a virtual no-man's land between the U.S., New Brunswick, and Quebec. As they filtered into the wide valley, Acadians and Québécois created a unique regional and cultural identity, and living in a disputed region with minimal government authority suited them just fine. But before long, Madawaskans found themselves in the center of an international confrontation over diminishing natural resources.[4]

Out of political expediency, the 1783 Treaty of Paris was deliberately vague in demarcating the northeastern most boundary between the U.S. and British possessions. While the New Brunswick authorities wished to rid the lower St. John of Acadians to

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[2] Graeme Wynn, *Timber Colony: A Historical Geography of Early Nineteenth Century New Brunswick*, (Toronto: University of Toronto Press, 1981), 29-30, quote 33.
[3] Ibid., 31.
[4] Because of the merging of both Acadians and Québécois or Canadians, I use the generic term "French" to indicate those who share a common language, religion, and culture and "English" to designate Anglo-Saxon Protestants rather than using the terms to refer to actual nationalities.

make room for Loyalists, they welcomed their settlement in the Madawaska region to keep the Americans at bay and establish de facto British possession. Although Lieutenant Governor Carleton authorized Acadian settlement in Madawaska, the uncertain boundary compelled him to suspend conveying any more deeds. Acadians, however, simply squatted on the land, cleared farms, built houses, and planted crops, all without formal land title.[5]

Encouraging Acadian relocation to Madawaska proved a prescient move on the part of Carleton, for shortly after the War of 1812, settlers from Maine arrived and began cutting timber. From 1824 to 1830, Madawaska's population jumped from 1,600 to 2,500, leading to increased friction between the U.S. and New Brunswick. On the north shore of the St. John, Maine settler John Baker celebrated the Fourth of July 1827 by raising the American flag and proclaiming the Republic of Madawaska. Although the Acadians and Québécois had shown no desire to become part of Maine, Baker's confused symbolism provoked the New Brunswick authorities. Baker's subsequent arrest and imprisonment set off an international crisis.[6]

Following the Baker incident, the provincial government in Fredericton realized the distance from the capital made it difficult to establish control in Madawaska. Concerned over Yankee annexation, New Brunswick encouraged English-speaking Protestants in the militia to resettle in Madawaska, but few responded. The government, therefore, designated two magistrates to watch over the region, report on American activity, and arrest agitators. One of these was Leonard Coombes, Andrew's maternal grandfather, who was stationed in Grand-Rivière at the lower end of the upper St. John

[5] Paradis, xxv-xxxi; MacNutt, 198, 80.
[6] Ibid., 61; Paradis, xxvii.

Valley.[7] For Andrew, Coombes not only served as a role model and father figure, but also provided the business model that he would transpose from the backwoods of New Brunswick to the wide-open frontier opportunities of the American West. Unquestionably A. B. Hammond was a product of the frontier that shaped his worldview, ethics, and business practices. But it was the frontier of New Brunswick rather than that of the American West.

At thirty-seven, Coombes was already a well-established gentleman farmer. An Anglican, fluent in French, and a "zealous" supporter of British authority over the region, Coombes was well suited as an emissary. Although he had just received a three hundred acre land grant in Kingsclear, Coombes packed up his family, except for his oldest daughter, who had just married Andrew Hammond, Sr. and remained in Kingsclear.[8]

While Carleton had encouraged Acadian settlement in the disputed region, government policy deliberately excluded French Catholics from government office. With Loyalist descendents dominating the government, commerce, and most of the resources of the province, officials required office holders to swear an oath, part of which derided Catholicism as idolatry. Despite the repeal of the oath requirement in 1830, the Acadian memory of deportation "reinforced their reluctance to get involved with public life."[9] While many Acadians in Madawaska were willing to have Coombes act as their intermediary, some in the community (composed of the very families, such as Martin and

[7] LaPonte,61; MacNutt, 211.
[8] Crown land grant records, Leonard Coombes, 1828, F 16313, PNABPANB; 1833 Census Report of James MacLauchlan, 243; Deane and Kavanagh Report on the inhabitants of Madawaska Settlements, July-August, 1831, reported that Coombes "holds commission under the British: zealous in his support of their usurpations." Census available at http://www.upperstjohn.com/aroostook/deane-kavnorth.htm.
[9] Shelia Andrew, *The Development of Elites in Acadian New Brunswick 1861-1881* (Montreal: McGill-Queen's University Press, 1997), 19.

Cyr, whom John Coombes had displaced in Kingslear) feared that the arrival of Leonard Coombes signified another diaspora.[10]

Newcomers to Madawaska relied upon extensive kinship networks for survival. With such a short growing season, farming in New Brunswick was a tenuous proposition, and the first years after settlement were the most precarious. Land needed to be cleared and planted and enough food produced to make it through the first few years. When Coombes arrived in Grand-Riviére in 1829, the region was almost entirely French Catholic and nearly all the land on both sides of the St. John River was already occupied. Unlike many of the French settlers, Coombes arrived with a modest degree of capital and purchased lands from the original Acadian grants on either side of the river and was soon was the largest landowner in Grand-Riviére.[11]

Within four years of his arrival Coombes had also become the region's top farmer. He owned a yoke of oxen, a team of horses, a dozen cows, and thirty sheep, and his farm was producing 150 bushels of wheat and 900 bushels of potatoes. In contrast, his neighbor, Louis Bijeau, an Acadian, only owned a handful of livestock and a farm that averaged 60 bushels of wheat and 150 of potatoes. The census year, 1833, marked a terrible harvest throughout New Brunswick with thirty-four percent of Madawaska households "requiring immediate assistance" as a result of the crop failure. Bijeau was one of the more fortunate, and although he harvested no wheat, he was able to grub 120 bushels of potatoes. Coombes's land, on the other hand, yielded 60 bushels of wheat and

[10] Ibid., 6; LaPointe, 38.
[11] Craig, "Agriculture and the Lumberman's Frontier": 125-137; Deane and Kavanagh Report; Andrew, 27-28.

400 of potatoes. Not only was Coombes able to out-produce all his neighbors in a good year, he harvested a surplus in a bad year as well.[12]

Like many men in such a position, Coombes channeled his official government role into one of social and financial status. As magistrate, he received payments for his services from recipients rather than the government. Lacking cash, locals often paid in farm produce or in labor. Not only was Coombes able to purchase the best agricultural land, he could also hire or barter farm labor to clear land and plant crops. Lumbering added another source of capital that could be reinvested in the farm. As one of the few in the region who was both bilingual and literate, Coombes was well positioned to exploit commercial opportunities as they arose. Here then was the essential lesson for young Andrew Hammond – lumbering and commerce supported farming, not the other way around.[13]

Coombes' position of magistrate in the hinterland of Madawaska was ostensibly one of nearly unconstrained authority. Coombes and Francis Rice, the other magistrate, comprised the entire government presence in the region. They were permitted to make arrests, try cases, impose sentences, notarize documents, and legalize land titles and marriages. Additionally, as a colonel in the militia, Coombes was in charge of the region's military.[14]

Much of this control, however, was illusory, for the Acadians were highly independent and looked toward the Catholic Church to fill the role of the state. The parish priests sanctified marriages, received tithes, settled disputes, and rendered judgments.

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[12] 1833 special census of Madawaska, Carleton County, www.upperstjohn.com; Report of James MacLauchlan, Dec. 1833 # 248. I am indebted to Guy Dubay for bringing this to my attention.
[13] Deane and Kavanugh. Andrew, 12.
[14] LaPointe, 38; William Baird, *Seventy Years of New Brunswick Life* (St. John, George Day, 1890), 94.

Furthermore, the refugee origins of the Madawaskans compounded with the jurisdictional quarrel to create a population that many considered lawless. In 1812, Bishop Plessis had noted, "The inhabitants of Madawaska, being a mixture of the outcasts of Acadia and Canada, form a badly united and intractable population . . . This ungovernable parish has exhausted the patience of several good priests."[15] Coombes, it seemed, would have his work cut out for him.

Rather than impose administrative control over Acadians, Coombes' primary concern became the establishment of British jurisdiction. In 1832, two years after his arrival, Maine attempted to annex 4,000 square miles of Madawaska by organizing an election on the south side of the St. John River to incorporate a township. Catching wind of the meeting, Rice and Coombes quickly broke it up and took credit for the residents rejecting the overture. When Maine advocates held a subsequent meeting the next month, Coombes and Rice arrested the four organizers but excused all the French in attendance, demonstrating both territorial jurisdiction and community diplomacy. By 1837 relations had deteriorated to the point where Maine was preparing to send troops into the disputed region. Yet Coombes and Rice continued to assert British authority, arresting and imprisoning an American census taker. While the two nations jockeyed for territory, the real issue was who would control the forests.[16]

While Coombes was busy attempting to assert British dominion in Madawaska, his son-in-law, Andrew Hammond Sr., was having troubles of his own in Kingsclear. In

[15] MacNutt, 80; Quote from Thomas Albert, "History of Madawaska, according to the historical researches of Patrick Therriault and the handwritten notes of Prudent Mercure," (mss., PANB (1920), 148.
[16] Richard G. Wood, *A History of Lumbering in Maine 1820-1861* (University of Maine Studies, Second Series, no. 33: 1935), 65; LaPointe, 40, 62; Paradis, ed., *Papers of Prudent C. Mercure: Histoire du Madawaska*, section II, 41, 47; The website, www.upperstjohn.com, provides a thoroughly documented account of the "Aroostook War."

1837, after giving birth to her second child, his young wife, Sarah, had died, as had his grandfather and namesake, Andrew Joslin. Joslin bequeathed Andrew Sr. his sawmill and back lot to be held jointly with his two brothers and two sisters, which ultimately proved an untenable situation. As a capstone to Hammond's troubles, the era of the independent lumber producer was drawing to a close.[17]

Although Andrew Hammond Sr., struggled financially, a multi-generational immersion in the timber industry would provide his son with an innate understanding of its chaotic nature. Indeed, A. B. Hammond would build his career upon the knowledge inherited from his father's realization that only the well-capitalized could survive in a resource-based economy. Compared to many other industrial capitalists, Hammond would be exceedingly conservative, unwilling to take financial risks, and scrupulously avoided debt – factors which insured his long term success in an inherently unstable industry. No doubt, this resulted from his father's failure at the hands of an unstable commodity. Furthermore, the tradition of lawlessness and independence that pervaded the timber colony of New Brunswick would form much of Hammond's subsequent behavior and outlook.

At the beginning of the nineteenth century, when Andrew Joslin and Archelaus Hammond had entered the sawmill business together, small, independent producers characterized New Brunswick's lumber industry. These men worked in the timber trade during the long winter to supplement their farm income. With their extensive clan, the men of the Hammond and Joslin families cut trees on back lots and parish commons using their own farm animals and equipment and returning home each evening. Come

[17] Joslin family history.

spring, they floated the logs to their mill. Powered by a waterwheel, the mill only ran when there was enough runoff to rotate the wheel, which turned massive wooden gears driving a single vertical sawblade up and down through the log. Operated by two to four men, the mill could only crank out about 2,000 board feet per day.[18] While some sons worked the mill, others began the planting process. By summer, when the farm demanded full attention, the water level had dropped and the mill no longer functioned. Lumbering was a seasonal, part-time occupation that enabled settlers to establish farms, provided cash for farm improvements or to hire summer labor, thus boosting a family's material condition.[19]

While lumbering provided economic returns, it also tied communities to the fluctuation in international markets. In the late 1820s a financial panic in England threw New Brunswick into economic depression. But then as Great Britain began to develop its railway system with it requisite lumber demands, the timber industry rebounded. As timber cutting reduced the accessible trees near settlements, the scale of operations increased, requiring larger logging crews travelling to more remote regions for six months or longer. Thus began the shift from independent owners toward heavily capitalized producers with men working for wages rather than for a share in the family business.[20]

Changes in government policy accelerated this transition. For most of his life, Andrew Hammond Sr., had known Crown forests to be readily accessible either through purchase for a minimal fee or by simply cutting and paying the low license fee if caught,

[18] The standard measurement of lumber, a board foot equals a plank one foot wide by one inch thick. Board feet is often abbreviated "bf "or simply "feet."
[19] Wynn, 22.
[20] Ibid.,47, 49, 98.

which was rare. But beginning in 1827, the government began raising both the price of lands and timber license fees. In 1831 New Brunswick began offering private reservations and granted five-year licenses to those who could guarantee an annual cut. All of these policies favored large capitalists over small producers, so that by 1836 just a dozen individuals held half of the yearly timber licenses in the province.[21]

As timber cutting increased so did the demand for faster, more efficient sawmills. While Andrew Joslin and Archelaus Hammond had put up a few hundred pounds to build their sawmills, by the time Andrew Sr., inherited the Joslin mill, the average sawmill was worth £ 2,000 and ownership required substantial capital to build and operate the mill, as well as to ride the economic roller coaster that so characterized the industry. But the 1830s were the boom years in New Brunswick, where "an air of expansive confidence was evident to those within the province."[22] Then came the panic of 1837 that sent both Great Britain and the U.S. into a depression. Again the effects reverberated throughout the colony.[23]

The year 1837 marked the low point in Andrew Sr.'s life. His wife and grandfather had just died, and he was emotionally and financially adrift. He owned a parcel of land only partly cleared, with marginal soil that occasionally yielded a surplus crop, and partial interest in two crumbling sawmills. Whether compelled by economics, an emotional need for a fresh start, or wanderlust, Hammond left Kingsclear. By the following year, he had relocated to Grand-Riviére, married his deceased wife's sister, Glorianna, and settled in next door to his father-in-law, Leonard Coombes. Three years

[21] Ibid., 79, 130, 149, 124.
[22] Ibid.,102.
[23] Ibid., 96, 111, 50.

later, Andrew's younger brother, William, married another of Coombes' six daughters, Caroline.

With Leonard Coombes as the patriarch, the three families merged and established themselves as the regional elites. Coombes built his house on a steep bank overlooking the river with a wide floodplain below suitable for crops. Behind the house the land angled gently upward, covered in forest, although it would become pasture once cleared. Andrew and Glorianna moved onto the neighboring lot, while William and Caroline settled directly opposite on the south bank of the St. John. The families also set up business arrangements with each other. As Anglophones, the Coombes and Hammonds could act as intermediaries between the French Madawaskans and the New Brunswick authorities and businessmen. They quickly put their ability to bridge two languages and cultures to use, operating as merchants, lumbermen and farmers on both sides of the river.

With three-quarters of its export revenue coming from wood products, New Brunswick was heavily dependent upon timber, as was Maine. In moving to assert property rights, both governments sought to regulate their citizens' access to the forests but were largely ineffectual. To curb timber poaching on Crown lands that the boom had caused, New Brunswick began instituting timber licensing in 1817. However, unauthorized logging continued, especially in Madawaska. In Maine, timber poachers became so emboldened that they fought off the sheriff who attempted to seize illegally cut logs; prosecution was nearly impossible. Half a century later, this same scenario would repeat itself on the other side of the continent when A. B. Hammond's logging crew bullied authorities trying to impound timber harvest off federal lands. Growing up

in the hinterland of Madawaska where timber poaching was an established tradition with incursions against both government and private lands, Hammond gave little thought to transferring the practice westward.[24]

Eager to avoid armed conflict, in 1836, New Brunswick recalled timber licenses and suspended logging in Madawaska. Maine soon followed suit. But with different entities claiming jurisdiction and none having the power to enforce it, illegal cutting continued unabated with each side accusing the other of infringing upon its territory.[25]

New Brunswick, however, held a geographic advantage, as the rivers of northern Maine (the upper St. John, the Allagash, and the Aroostook) all drained into the St. John. Transporting timber from the region required floating the logs down the St. John, which below the Aroostook, clearly flowed through New Brunswick. But once lumbermen dumped their logs in the river, no one could tell where the timber had been cut, and it could be passed off as having come from legitimate sources. Americans built booms (logs chained together and anchored on shore) to collect the timber coming down the Aroostook River before it met the St. John. They then collected the logs into massive rafts and smuggled these past the border guards under cover of darkness. Madawaska historian Béatrice Craig notes that lumbermen kept their activities secret, "playing hide-and seek with state and provincial authorities."[26] Yet many of these same authorities, including Leonard Coombes, ignored or were actively involved in timber trespass themselves.

[24] Ibid., 54; Béatrice Craig, "Agriculture and the Lumberman's Frontier in the Upper St. John Valley, 1800-70, *Journal of Forest History* (July, 1988): 125-137. Wood, 68.
[25] Wynn, 41-43.
[26] Craig, "Agriculture and the Lumberman's Frontier"; Wood, 69.

Despite the ban on timber licenses, in 1839, Coombes received permission to cut one hundred pine logs above Grand Falls. With two of Coombes' crews cutting timber, the U.S. objected to what it believed was an infringement on its territory. When Maine sent officials to investigate the timber depredations, Coombes, once again, attempting to establish official jurisdiction where no boundary existed, arrested them. This proved to be the spark that finally ignited the "Aroostook War."[27]

In response to the timber cutting by Coombes and others, Maine called out some 10,000 militia and sent a force down the Aroostook River where they practiced their "musketry on effigies of Queen Victoria."[28] New Brunswick responded by assembling a similar number of regular troops and militia of their own. In addition, the province placed a boom on the St. John to intercept any timber coming down the river and charged a duty of three shillings per ton. With armed forces amassing on either side of the St. John River, it looked as if the U.S. and Great Britain were headed for another war.[29]

Then in 1842, the British government authorized Alexander Baring, Lord Ashburton, to negotiate a treaty with the U.S. Baring was an interesting choice given that his banking firm held bonds in six U.S. states, and he had married into a Philadelphia family that owned six million acres of timberlands in Maine. Baring protested his instructions from the British government to hold out for more territory. Instead, he negotiated a treaty that was acceptable to both the U.S. and his own financial interests.

Ultimately, the treaty designated the St. John River as the official boundary, splitting both the territory and the Acadian communities. The vast majority of the land went to the U.S., with New Brunswick relinquishing 7,000 square miles and 2,000

[27] Paradis, section II, 47; Ibid.
[28] MacNutt, 269.
[29] Paradis, xxvii

inhabitants. The primary concern of the province, however, was control of the market – insuring that the timber would be produced and exported through New Brunswick. Thus, a provision in the treaty allowed Maine timber to be floated down the river and sold duty free in St. John. Ultimately, transnational financial interests took precedence over territorial sovereignty.[30]

With the treaty in place, General Winfield Scott signed a truce with the New Brunswick forces ending the Aroostook War with only a single fatality – a farmer who was struck by a stray bullet at the peace celebration. In addition to finally determining the boundary, the Aroostook War proved a short-lived boon to Madawaska farmers. Troops required food, supplies, teamsters, river boats, labor, and lumber. Furthermore, they paid cash, a rare commodity in the region and Coombes likely acquired a significant portion of the business. Despite the official border, however, Madawaska residents continued to move back and forth across the river, cutting timber on either side regardless of ownership, be it state, provincial, or private.[31]

With the settlement of the boundary in 1842, land ownership could now be secured, and Maine opened lands to colonization and began granting legal title to Acadians south of the St. John. North of the river, however was another story. Four years after the treaty, New Brunswick finally sent commissioners to survey lands and grant titles, but they noted an impediment: since residents lacked legal title and were illiterate, they could not vote. Consequently, the provincial government paid little attention to disenfranchised residents when they petitioned for title. Because of the difficulty in securing land title, hundreds of New Brunswick residents crossed the river

[30] Ibid.,xxix; LaPointe, 71; MacNutt, 222, 309; Frederick Merk, *Fruits of Propaganda in the Tyler Administration* (Cambridge: Harvard University Press, 1971), 72-23.
[31] MacNutt, 269; Paradis, xxxvii.

and took up lands on the south bank and became U.S. citizens, including William and Caroline Hammond.[32]

Perched on the cusp between colonial mercantilism and industrial capitalism, New Brunswick had developed an intricate system of bringing timber from a cash poor hinterland to the rapidly-industrializing core of Great Britain. In his book, *Timber Colony*, Graeme Wynn details how this system worked. Early on, farmers who engaged in seasonal lumbering simply exchanged their timber for consumer goods at the local store. Before long, a tributary system developed that mimicked the physical tributaries of the St. John. The local merchant advanced supplies on credit in the fall to the lumberman, who assembled a woods crew. Upon receipt of the logs in the spring, the merchant subtracted what he was owed from the value of the logs he received. The merchant, who had received his supplies from a downstream wholesaler, then forwarded the logs onto the wholesaler to settle his account. In the place of scarce cash, timber served as a medium of exchange.[33]

The wholesaler, in turn, had negotiated forward contracts with shipping agents and sawmills the previous fall. Sawmills, too, had already worked out agreements to supply the English agents with lumber. The entire system was based upon credit, and when financial panic hit England, it sent reverberations back upstream as the English agents demanded payment, causing the wholesalers to pressure the local merchants who had to deny credit and force payments from the farmer-loggers. But these small-time lumbermen without capital wound up in debt. Having bought their supplies on credit, a

[32] LaPointe, 65-67; 1860 census p. 382, www.upperstjohn.com.
[33] Wynn, 114-117.

decline in the market, difficulty in getting logs out, or poor weather could send them into bankruptcy.[34]

As timber became less accessible, more capital was necessary and merchants applied for their own timber licenses, which were now beyond the reach of local farmers. The merchants then contracted a "master lumber" who hired a crew, supplied them with provisions from the merchant, paid the crew's wages in the spring, and delivered the timber to the merchant.[35]

In lower Madawaska, Coombes filled the role of merchant. He sold his excess farm produce on credit to locals, who repaid in kind or in labor. He also loaned small sums of money to locals to start up their own timber operations, while he, in turn, borrowed from larger capitalists. With his political connections, Coombes secured timber licenses, and with his ability to hire additional labor, he could plant additional fields to supply timber camps with produce and hay for the animal teams. When Andrew Hammond Sr. arrived, Coombes folded him into the operations and Hammond likely acted as "master lumber" or Coombes' agent in purchasing timberlands, outfitting the crews, and hauling supplies to the camps. Coombes then turned the timber over to the next tier of lumbermen to transport down the St. John River.[36]

While the resolution of Aroostook War allowed Maine to exploit the forest, the north side of the St. John remained in dispute between New Brunswick and Quebec. Although the Madawaskans formally petitioned en masse to join Quebec, where they had cultural and linguistic ties, New Brunswick formally annexed the region in 1851.

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[34] Wynn, 77, 114-118.
[35] Ibid., 78.
[36] Béatrice Craig, "Agriculture and the Lumberman's Frontier"; Title deeds Madawaska County vol. 10: 482, vol. 4: 529, record of attachments # 204, #213, #67.

Acadian historian Roger Paradis calls this a "triumph for a handful of New Brunswick timber barons over the expressed wish of the affected population." The English-speaking Protestants like the Coombes and Hammonds favored annexation by New Brunswick, since this was the origin of Leonard Coombes' authority. Coincidently, the Anglophones controlled the timber trade and formed the local elites. Maine historian Guy Dubay, however, points out that capital flowed through the timber industry regardless of governmental or cultural boundaries. He maintains that the financing for timber operations originated in Quebec, Bangor, Boston, and Fredericton.[37]

Nevertheless, the resolution of the border dispute lifted the ban on timber licenses and what had been a slightly surreptitious activity bloomed into the open. Anticipating a renewed timber boom, Hammond and Coombes borrowed $2,50 to buy timberland and set up logging camps. The rest of the province, however, was also cutting indiscriminately, and 1846 marked the highest timber exports yet, resulting in a timber glut. Additionally, the British had substantially reduced the colonial tariff preference.[38]

Then the world-wide depression of 1848 hit. The combination of all three factors plunged the timber-dependent colony of New Brunswick into an economic tailspin. Noting the exodus of people from the province into the U.S., the *New Brunswick Courier* recorded pessimistically that in the province there was "no opening for profitable employment of any kind" and no prospect of improvement.[39]

With credit stacked upon credit, the depression sent shock waves throughout the system. Pressed to seek payments, wholesalers in England squeezed New Brunswick merchants, who in turn, pressured country storekeepers who then denied credit and

[37] Paradis, xxxii; Guy Dubay, "Capitalism in Northern Maine"; Long v. Hammond 40 Me. 204, 1855.
[38] Title deeds, Madawaska County, ME, vol. 10:482 #67, #84.
[39] *New Brunswick Courier* Sept. 9, 1848, quoted in Wynn, 52.

demanded payment from the lumbermen. This created a chain reaction of bankruptcies. The Coombes/Hammond network collapsed, and they dissolved their partnership. Overextended financially and in debt to the Bangor and Fredericton financiers, Andrew Hammond, Sr. declared bankruptcy in August 1848. In contrast, those who were well-capitalized and well-connected were able to carry their debts and ride out the fluctuations, reinforcing the capacity of large enterprises over smaller ones.[40]

Coombes and Hammond had taken advantage of an unregulated border in their lumbering business. Now they turned to a defined international boundary to protect their interests. In an astute move, Andrew and William Hammond had attached their property in Maine as collateral in their lumber contracts, declared bankruptcy in New Brunswick, and defaulted. Charles Long, the Fredericton merchant to whom they were indebted, sued in Maine to recover Hammond's U.S. assets. The case reached the Maine Supreme Court, which ruled that property in the U.S. was not subject to bankruptcy attachments in a foreign country. The Hammond brothers retained their property.[41]

Despite bankruptcy, Andrew Hammond Sr., still owned his own farm and seemed to have recovered quickly, at least in comparison to the French Madawaskans. Along with Glorianna and their seven children, his entry in the 1851 census also included an eighteen-year-old niece, three servants, a carpenter servant, and a French teacher, Joseph Landry, in the household. The presence of four servants and Landry indicates the family's socio-economic status and the high premium they placed upon education.[42]

[40] Wynn, 131-134.
[41] Long v. Hammond 40 Me. 204, 1855; Title deeds, Madawaska County, ME, vol. 10:482 #84; Wynn, 134.
[42] 1851 census, Victoria County, www.upperstjohn.com.

But in 1854, when young Andrew was only six years old, his father died. Fortunately, his mother, Glorianna, proved to be an exceptionally strong-willed and capable woman. In addition, the family's extensive kinship network provided emotional and financial support. Glorianna's parents lived next door and, as an active sixty-two-year-olds, Leonard Coombes served as a surrogate father

As early as 1831, Coombes had requested a school be established in Grand-Riviére. But it was not until 1850 that the first public school opened in Madawaska, and predictably it was Coombes' influence that brought Landry, the district's only certified teacher. By the time he was eleven years old, Andrew Hammond was one of 111 students enrolled in the in the parish, which boasted the most schools, most students, and highest paid teachers in Victoria County, in no small part due to Coombes who insured that his many grandchildren received the best education available.[43]

Although his grandfather was the founder and most prominent citizen of the town, Andrew still had to plow the fields, clear the land, pull up stumps, plant potatoes, and cut and haul endless loads of firewood. With the death of their father, even more of the farm work fell to Andrew and his brothers, George, Fred, and Henry. The girls, Sarah and Mary, in addition to cooking, cleaning, and doing farm chores, also spun wool and flax and wove the yarn into clothes and rugs. While they were among the elite of Madawaska, the legacy of the Protestant work ethic precluded idleness.

Despite the hard work and loss of their father, for the boys at least, life in Madawaska could be considered an idyllic childhood. They spent their summers fishing and swimming in the river or gathering wild berries. In the fall, they collected hazelnuts and hunted deer and moose. Winters, they could sled down the hills and skate on the

[43] LaPointe, 307.

frozen river. After their chores, they doubtless found time in the late summer evenings to fish off the dock at Coombes Landing. With the sun dropping below the clouds and briefly lighting up the river valley, the Hammond boys would have discussed the world beyond the St. John River Valley. Gold had recently been discovered in Colorado; prospectors were picking gold nuggets right out of the streams, enough to make you rich beyond your wildest dreams, far richer than anyone in New Brunswick. News of the Civil War raging to the south must have also reached their ears. Thousands fled north to escape the draft; while others crossed the border to join the fight. A military adventure held little appeal for the brothers, yet they longed to leave the quiet valley where they had spent their entire lives.

Much more than his brothers, young Andrew Hammond excelled in his school studies. Late nights, after finishing his chores, he settled himself on the floor in front of the kitchen fireplace absorbing all the books he could. His older brothers, George and Fred, teased him for his devotion to reading, calling him "old gravy eyes" because his eyes watered from the smoke while trying to read in the dim light of the fire. Even when he was sent out to plow, Glorianna would find Andrew in the field with his head in a book when she went out to check on him. By the time he was sixteen, Andrew had exhausted the family library that consisted of *The Bible*, the works of Shakespeare, *Pilgrim's Progress*, and Alexander Kinglake's *Invasion of the Crimea.* Scholarship for its own sake was not a valued pursuit in lower Madawaska. No doubt Leonard Coombes encouraged his grandson's literary pursuits as a means to achieve commercial success. After all, literacy in two languages had greatly aided him in achieving his social and

economic position. Nonetheless, Hammond would retain a lifelong interest in literature and history, developing a particular affinity for Napoleon.[44]

For two decades, Leonard Coombes controlled all aspects of Grand-Riviére's civil administration. Then in 1850 the provincial government divided Madawaska into four districts and changed the name Grand-Riviére to St. Leonard's in honor of Coombes. With the recognition, however, came a new administration, and Coombes became only one of seven magistrates. Yet he still held substantial influence. Out of the eleven new divisions of the parish, Coombes had relatives in six, and out of twenty-one officers, eight were English in a parish that was ninety-two percent French.[45]

The educated elites of New Brunswick assumed that agriculture was the foundation of civilization and believed lumbering to be immoral, as it encouraged drunkenness, vice, and the neglect of farming. They attributed farm failure to participation in the timber trade. They also considered it economically unwise, which given the wild fluctuations in the lumber market, certainly seemed true. Geographer Graeme Wynn, however, maintains that without lumber employment "many settlers might have found it exceedingly difficult to develop successful farms."[46]

Coombes also saw lumbering as a temporary expedient to aid the establishment of agriculture, complaining that "people cling to old ways" of combining lumbering and subsistence farming. To promote export agriculture, Coombes founded the Victoria Agricultural Society and petitioned the government for money to buy seeds and ploughs to distribute to area farmers. Recognizing the long-term interests of the community over

[44] McLeod, 16; Alfred Bell oral history, Nov. 1983, 6, Bill Stoddard file, author's collection.
[45] LaPointe, 152-3.
[46]Wynn, 22, 23, 82, quote on 84; Graeme Wynn, "Deplorably Dark and Demoralized Lumberers"? Rhetoric and Reality in Early Nineteenth-Century New Brunswick," *Journal of Forest History*, Oct. 1980 (24)4:168-187.

the short-term profits of the timber industry, Coombes petitioned the government for a law that would protect bridges from damage caused by the spring drive when lumbermen flooded the rivers with logs. Perhaps it was the long hours behind a plow, but whatever the reason, Andrew differed with his grandfather over the relative importance of agriculture.[47]

Béatrice Craig notes that in Madawaska the timber industry expanded the economic base and accelerated immigration, causing a shortage of farmland. Lumbering made it possible for families to settle on smaller farms or marginal lands, but did not raise the standard of living. While economic power resulted from access to good farmland, which led to a position of social and political prominence, the true elites were the timber dealers and merchants, as they controlled wages and were the sources of credit. This was certainly true of Andrew's uncle, William.[48]

While his older brother seems to have struggled financially, William Hammond had become the second wealthiest individual just across the river in Aroostook County, Maine. William had moved to the south side of the river in 1842 and become a storekeeper and merchant, providing supplies for timber camps, receiving logs in payment then forwarding them downriver. Rather than farming, William had expanded upon Coombes' commercial network, borrowing money to buy timberlands and set himself up as a merchant. In 1860 his real estate was valued at $4,000, making him a relative millionaire by today's standards. The region's primary capitalists acquired their

[47] LaPoint, 200-205, 232-233.
[48] Béatrice Craig, "Agriculture and the Lumberman's Frontier."

wealth through business, commerce, and timber exports rather than through agriculture. This lesson was not lost on young Andrew Hammond.[49]

In the spring of 1864, when Andrew Hammond was fifteen-years-old, Leonard Coombes died, and William assumed the role of financial patriarch. Coombes had probably provided for his many children and grandchildren and the family was well-positioned. But for Andrew and George, the excitement of the timber camps overpowered the drudgery of farm work, and they headed south into the Maine woods to seek their own fortune.

By the 1860s the lumber industry had changed dramatically from their father's day. Larger lumbering operations kept men in the forest from the fall until late spring, with two weeks off for Christmas. The lengthy absence for so much of the year was not only a hardship for many families, it also precluded farming and ensured an economic dependence upon the timber industry with its wildly-fluctuating boom/bust cycles. As New Brunswick historian W. S. MacNutt succinctly stated, "Farmers make good lumbermen, but lumbermen do not make good farmers."[50]

The largest lumber crews contained twenty men organized by the "master lumberer" who contracted to his suppliers to receive the timber at the end of the drive. In the fall, George, Andrew, and the rest of the crew would have roughed out the logging operation, clearing a road to the river where they would dump the logs to await the spring drive. From the river, they removed logs and sweepers, then dynamited boulders and

[49] Title deeds Madawaka county, record of attachments vol. 4:539, (3):346 (5):266; 1860 census, Aroostook County: 382; Guy Dubay, "The Richest Men in Van Buren," *St. John Valley Times*, Feb. 4, 1976:18.
[50] MacNutt "Politics of the Timber Trade",126.

rapids and tore out root mats, turning a creek into a sluice to ease the path of the logs downstream.[51]

To overcome the seasonality of river flows, lumbermen built splash dams on nearly every creek and river in the region to contain the logs until the spring drive. Splash dams could be anything from temporary contraptions of log and earthen dams to more permanent constructions equipped with draw gates. Driving planks into the streambed, a crew braced logs against planks to construct a log crib filled with rubble. These earthen dams backed up the river and created temporary log ponds. Using a gate that could be raised and lowered, an operator controlled the flow of water. None of this came cheap; an 1851 petition to clear out upper Salmon River for log driving was estimated to cost £15,000, reinforcing the need for capital investment.[52]

When the tree sap stopped flowing and the snow began to fall, the men began chopping trees. Andrew and the other men traded off the various jobs. Unlike later operations, these crews displayed little division of labor; the same men would fell the tree, limb the branches, and rough square the timber with broad axes. With logs often exceeding forty feet, hauling the timber out was even more arduous. The men piled the limbed logs onto bobsleds hitched to horses or oxen, which then towed the sleds over the snow to the rivers. More than one man died from overloaded sleds skidding out of control and toppling over, but the real danger came in the spring drive.[53]

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[51] Wynn, *Timber Colony*, 63; Laurie Armstrong Cooper and Douglas Clay, *History of logging and river driving in Fundy National Park: implication for ecological integrity of aquatic ecosystems* (Alma, New Brunswick: Parks Canada, 1997), 32; Michael Williams, *Americans and Their Forests: A Historical Geography*, (Cambridge, Cambridge University Press, 1989), 203

[52] Ibid.

[53] Wynn, 61; Andrew Mason Prouty, *More Deadly Than War: Pacific Coast Logging 1827-1981* (New York, Garland, 1985), 7.

Once the water had backed up behind the splash dams during the spring runoff, lumberjacks threw open the gates or simply blew up the dams with dynamite. The ensuing flood flushed the logs downstream as men rolled the timbers into the water. During the drive, the logs were so thick that they filled canyons from rim to rim and someone could walk across the river on logs. River drives could range from ten to one hundred miles long and last for two months. Up to their hips in icy water, the men guided the logs, attempting to keep them free of obstructions or getting jammed. Between swigs of rum, men rode the bobbing logs downstream, jumping from one to another. As they picked up speed the logs began hurtling down the river, spinning, leaping like dolphins, and popping high up into the air. Between drowning in the cold water and being crushed by these logs, death was a real possibility for loggers. Below Grand Falls, the men gathered the cargo into joints of a hundred logs, assembling these into rafts that they floated down to the mills in St. John.[54]

Horse-drawn "wangan" (or "wanegan") boats supplied the river camps, bringing oats, beans, flour, salted cod, and molasses to the hungry men. As a mobile forerunner of the company store, the wangan also carried tobacco, socks, boots, mittens, and everything a lumberjack might want during the winter logging or spring drive. The wangan sold items at outlandish prices and charged against the logger's account, and many emerged from the woods to discover their paycheck but a fragment of what they expected.[55]

While the Aroostook War was between two nations battling for control over access to the white pine forests, on his trip to Maine Henry David Thoreau observed that

[54] Wynn, 64-67; Marceau 1396-7; Wood, 97; Darris Flanagan, *Skid Trails: Glory Days of Montana Logging* (Stevensville, MT, Stoneydale Press, 2003), 95.
[55] Wynn, 64-67; Wood, 97.

the real Aroostook War was the "war against the pines."[56] Indeed, by the time Andrew Hammond went to work in the woods in 1864, lumbermen had practically eliminated white pine from the St. John and Aroostook watersheds. In previous decades, logging operations had only cut trees larger than twenty inches in diameter and largely confined their activity along rivers into which they could drop the trees to be floated downstream to market. But by the 1860s those trees were nearly gone, and lumbermen ranged deeper into the woods where white pine grew in scattered clumps interspersed with spruce, hemlock and hardwoods. Fanning out across the landscape, searching for the specific trees they wished to cut, the men might encounter nearly pure pine stands in the sandy soil of dry upland areas where forest fires or windfall provided gaps in the overstory. Although white pine occasionally occurred in such high, but localized, concentrations, it composed less than two percent of the presettlement forests of northern Maine and New Brunswick. Seeking sunlight above the shade-tolerant beeches and sugar maples, white pines grew extraordinarily tall and straight, making them highly desirable for ship's masts and timbers.[57]

The ecology of the white pine, the export market, technology, and labor all coincided in a way that, at first, resulted in a relatively benign ecological impact upon the northern forest. Selective logging could mimic windfalls by opening up gaps in the canopy and allowing for pine regeneration. Nature still constrained the industry.

[56] Henry David Thoreau, *The Maine Woods*, (Princeton: Princeton University Press, 1972), 128.
[57] Marc D. Abrams, "Eastern White Pine Versatility in the Presettlement Forest" *Bioscience* (Nov. 2001) vol.51, no. 11:967-978; Craig G. Lorimer, "Eastern White Pine Abundance in 19th Century Forests: A reexamination of evidence from land survey and lumber statistics," *Journal of Forestry* (July/Aug 2008), 253-260.

Weather and climate dictated how and when logs would be transported, and human and animal energy limited the entire operation.[58]

The continued market pressure, however, caused loggers to return to previously-logged areas every decade or so and cut smaller and smaller trees. Eventually, this resulted in the loss of the local seed source and ultimately the extirpation of the species. With the demise of white pine, the industry shifted toward the more abundant spruce. Graeme Wynn connects this exploitation with the world market. He writes, "the province's landscapes clearly reflected the overseas outreach of the industrializing metropolis. The natural wealth of the colony had been depleted by Britain's voracious demands for wood."[59] By the mid-nineteenth century lumbermen had dramatically changed the composition and structure of New Brunswick's forests, simply using axes, horses, and rivers.

Perhaps the largest long-term effect of a half-century of unrestrained logging was the damage to the river ecosystems, many of which still have not recovered. Riparian areas are among the most biological diverse terrestrial ecosystems and provide essential corridors for wildlife movements. Logging along streams quickly damaged these ecosystems, eroded stream banks, and adversely effected salmon and other migrating fish species. Oxen and horses towed the logs to the riverbank where logging crews stacked the logs up to twenty feet high, destroying all riparian vegetation in the process. The removal of rocks, trees, and debris for the log drives eliminated aquatic and riparian habitat, as well as altering the hydrology of the river. Wider and shallower, the river was consequently warmer in summer and colder in winter, thus less habitable for fish

[58] Ibid.
[59] Wynn, 43.

populations. The log drives scoured the creek beds, removing the fine gravel that fish needed for spawning as well as invertebrate habitat. Ecologists now estimate that the replacement time for fine gravels in New Brunswick will be at least several hundred years.[60]

The splash dams, too, had significant impacts upon fish populations. Although temporary, the dams, by drying up the water downstream and preventing any movement above the dam, created impediments to migrating fish and especially impacted salmon. By dramatically altering the river's hydrology, dams caused cataclysmic changes in sediment, nutrient, and energy flows. New Brunswick's native fish populations still have not recovered from nineteenth-century logging practices.[61]

Furthermore, the lumber mills on the St. John indiscriminately dumped sawdust and scraps into the river, endangering both fish populations and navigation. New Brunswick authorities deemed the timber industry so important that they ignored the consequences, despite the mounting evidence. As early as 1815, observers noticed the decline in the salmon population. Seventy-four years later, a government report noted that floating sawdust had infiltrated even the smaller streams and killed food sources for fish and marine mammals. The report concluded that sawdust was "a fixed imperishable foreign matter, and adheres to the beds of streams and other waters, and forms a long, continuous mantle of death."[62]

Tree species also vanished. By the 1840s,Madawaska contained the last remnant of New Brunswick's white pine. Twenty years later, the timber industry had cut these as

[60] Cooper and Clay, 5-6.
[61] Ibid. R. M. Baxter, "Environmental Effects of Dams and Impoundments," *Annual Review of Ecology and Systematics*, vol. 8(1988): 255-283 ; Franklin Ligon, et. al., "Downstream Ecological Effects of Dams: A geomorphic perspective," *Bioscience*, vol. 45, no. 3(1995): 183-192.
[62] Cooper and Clay, 44

well, causing George and Andrew to drift south into Maine's Penobscot watershed where white pine was more abundant. Furthermore, England had ceased preferential tariffs on New Brunswick timber while U.S. demand skyrocketed. The timber industry began shifting westward toward Pennsylvania and upstate New York, and the two states soon replaced New England as the top lumber producers in the U.S. Additionally, the Civil War had caused a labor shortage, raising wages substantially, and Pennsylvania lumber companies began actively recruiting in Maine and New Brunswick for workers. Andrew and George followed the westward tide to the Monongahela River where they spent the next year stacking logs for the river drive. But by 1870 Pennsylvania, too, had nearly depleted its white pine, and the industry again looked to the west. Andrew and George turned their gaze west as well, but with gold in their eyes, not logs.[63]

From the profiteering wangans to building timber rafts, Andrew Hammond learned much of what he would later apply to his own enterprises from working as a teenage lumberjack in the north woods. By the time he left New Brunswick, Andrew was well acquainted with the boom and bust cycles of the timber industry and how debt and overextended finances could lead to bankruptcy. In his later life, when he established commercial dominance over western Montana, Hammond replicated his grandfather's model of building a business network based upon extensive kinship ties. Recognizing the limitations of agriculture, Hammond would avoid investing much time or money in farming or ranching. He also developed a disregard for environmental costs; such impacts were simply unavoidable consequences on the road to riches. In short, Hammond would transfer the New Brunswick model of business relationships, attitudes

[63] Wood, 228; Williams, 162, 186; McLeod, 2.

toward forests, the ongoing struggle over natural resources, and disregard of government authority to the American West.

Four: The Woodcutter War of the Upper Missouri

The upper Missouri River was a strange place to find a lumberjack. For Andrew Hammond, the country seemed to be more sky than earth, and the earth was more like an endless sea of grass than anything resembling a forest. Unlike the thick woods of New Brunswick and Maine, the northern plains appeared hostile and empty. The vast horizon likely filled his heart with both a young man's yearning and dread of the unknown. This was a land where winter temperatures plummeted to forty degrees below zero, where winds exceeded 80 mph and could drive a person insane with their relentless howling. Summer heat often topped 100 degrees in the shade, except there was no shade. In July, the "whole prairie was dry and yellow, the least motion, even of a wolf crossing it raised the dust," wrote the traveling German prince, Maxmillian of Wied in 1833.[1] Nightfall provided little relief, for that was when hordes of mosquitoes descended.

What then made this the most contested piece of real estate in North America during the mid-nineteenth century? Despite the "sea of grass' cliché, the northern plains was not nearly as monotonous a landscape as it first appeared. It was more like a badly-rumpled blanket than a tight sheet stretched across the mid section of the continent. Hills and buttes broke the skyline, while coulees filled with chokecherry, sumac and wild rose incised into the horizon. Unbelievably, thousands of bison, huge 1,500 pound beasts, could vanish into a dip in the blanket as if swallowed up by the earth. Conversely, hundreds of mounted Indians could suddenly appear, arising from a hidden draw.

[1] Maximilian, Prince of Wied, *Travels in the Interior of North America 1832-1834* Reuben Thwaites, ed. (Cleveland: A. H. Clark Co., 1906) Vol. 23:47.

This blanket tilted slightly, almost imperceptibly, to the west from which the great rivers flowed: the Platte, the Niobrara, the Yellowstone, the Musselshell, and the "Grandmother" River, the Missouri. Approaching the Missouri, the land fell away and the sky shrunk back down to its proper size. In places, the plains broke off abruptly into barren badlands – crumbling hills of grey-green bentonite clay that eroded into parapets, domes, and minarets. In other places, beige cliffs stair-stepped up from the river, and just enough water trickled through cracks in the sandstone to support a scattering of juniper and ponderosa pine. More often, the Missouri wound a sinuous path across a floodplain that supported a wide forested valley of cottonwood, ash, and oak.

These bottomlands provided refuge for both humans and animals from the wind, heat, snow, and cold of the plains above, and this was where a nineteen-year-old logger from New Brunswick was busy chopping wood during the winter of 1868. Tall and lanky, with a physique more befitting a cowboy than a woodcutter, Andrew Hammond cast a wary eye about him for Lakota warriors every time he ventured beyond the confines of his hastily-constructed cabin at the confluence of the Missouri and Milk rivers. While the Aroostook War was mostly bluster and bravado, Hammond had inadvertently found himself in the middle of a real war zone.

The previous winter, Andrew and his older brother, George, had been logging on the Susquehanna River in Pennsylvania. After long days of heavy labor, sawing trees by hand, skidding the logs by horse, and dumping them into the river, George began to speak glowingly of the gold fields of Colorado, urging his brother to join him in heading west. Sitting around the wood stove in the cramped, damp bunkhouse infested with lice and smelling of wet wool, the brothers had likely digested the mining propaganda issued by

gateway communities like St. Joseph, Missouri, hoping to attract immigrant traffic on their way to Colorado.[2]

After tucking away enough money for the trip, the Hammond brothers indeed journeyed to St. Joseph, where they narrowly missed the newly-completed Union Pacific train to Julesburg, Colorado. Along the bustling riverfront, however, they received news of recent gold strikes in Montana. Making an impulsive decision, they booked passage on one of the last steamboats of the 1867 season bound for Fort Benton, 2,100 miles upstream. They had no idea what they were getting into.[3]

Although he had come to the upper Missouri seeking his fortune in the Montana gold fields, Andrew Hammond stumbled into a conflict over natural resources that would frame the rest of his life. The species would change from white pine to cottonwood to ponderosa pine to Douglas fir to coastal redwood. His adversaries would change as well, from Lakota to white settlers to government bureaucrats to labor leaders to conservationists, but the struggle over control and access to the forests of the West would remain constant for the next six decades.

In the 1860s Americans were still newcomers to the upper Missouri, a landscape that had been under contention for centuries, and they scarcely understood the dynamic of the shifting coalitions of native tribes. Just as the French, British, and Spanish empires had grappled over natural resources and political power in eighteenth-century Louisiana Territory, the Lakota, Assiniboine, Crow, and Blackfeet engaged in a similar struggle for land, resources, and power on the upper Missouri in the nineteenth. The lucrative fur

[2] *Progressive Men of Montana* (Chicago: A.W. Bowen and Co. 1901), 1678.
[3] Ibid.

trade, the Montana gold rush, white settlement to the east, a shrinking bison range, and Lakota expansion all combined to turn this incredibly game-rich region into a war zone with multiple groups contending for diminishing natural resources. The delicate détente established during the fur trade would unravel, slowly at first, then with increasing momentum, culminating with the extirpation of both bison and the nomadic horse culture that had developed around it.

The U.S. regarded intertribal conflict over the diminishing bison herds as the primary obstacle to ordered settlement and security and attempted to assert federal control over the region. Both the Fort Laramie Treaty of 1851 and the Lame Bull Treaty of 1855 designated "common hunting grounds" carved from buffer zones previously negotiated by ritual warfare, intermarriage and temporary alliances. The treaties attempted to define boundaries between each tribe and establish territories while permitting the federal government to build forts and roads through Indian controlled land. Although the U.S. laid claim to the region on the map, the land itself was in de facto control of various tribes all jockeying for positions of power. After forty years of more or less peaceful coexistence between the U.S. and Indians, this rather weak attempt at federal control initiated a quarter century of warfare.[4]

The Missouri River served as the gossamer thread linking the Northern Plains frontier with the global market and centers of power in St. Louis. Mackinaws, or keelboats, powered by human muscle had plied the Missouri River since the days of Lewis and Clark. Then in 1832, a steamboat reached Fort Union at the confluence of the

[4] Dan Flores, "Wars over Buffalo: Stories vs. Stories on the Northern Plains," in *Native Americans and the Environment: Perspectives on the Ecological Indian*, Michael Harkin and David Rich Lewis, eds. (Lincoln: University of Nebraska Press, 2007), 153-72; Richard White, "*It's Your Misfortune and None of My Own*" (Norman: University of Oklahoma Press, 1991), 94.

Yellowstone and wedded the industrial revolution to the fur trade. For the Indians, steamboats were a mixed blessing; they brought valuable trade items and annuities, but also diseases and white settlers.

As the energy source for the steamboats, wood soon became one of the contested resources. The cottonwood bottomlands, which provided crucial habitat for bison, deer, elk, turkey, and other wildlife the tribes depended upon for subsistence, lay at the heart of the conflict. These ribbons of forests set into the Great Plains allowed both people and animals to combine the advantages of very different resources and habitats. Furthermore, winter survival for Indians depended upon finding shelter among the bottomlands. Army officer Richard Dodge noted that "a day which would be death on the high Plains may scarcely be uncomfortably cold in a thicket" and Indians, settlers and animals all "fly to shelter at the first puff."[5]

In addition to shelter, the bottomlands provided security for humans and forage for horses. When camped on the open plains, Indians had to travel farther and farther to find grass for the horses, exposing them to attack and weather. The drought cycles and harsh winters of the Northern Plains could devastate Indian horse herds. Historian James Sherow points out that the characteristic short grasses of the open plains lose half their protein in winter. To compensate, tribes brought their horses into the bottoms where tall bunchgrasses produced up to twenty times more volume per acre. Horses could also eat cottonwood branches and seedlings. Often Indians cut the tops of the saplings which then sprouted more branches in the spring. Lt. J. W. Abert reported in 1845, "We were astonished at seeing great numbers of fallen trees, but afterward learned that the Indians

[5] Elliott West, *The Contested Plains: Indians, Goldseekers, and the Rush to Colorado* (University Press of Kansas, 1998), 36, 62; Richard Irving Dodge, *Our Wild Indians: Thirty-three Years Personal Experience among the Red Men of the Great West* (Hartford: A. D. Worthington and Co., 1884), 503.

are in the habit of foraging their horses on the tender bark and young twigs of the cottonwood."[6]

For Indians, horses were the fundamental means of procuring food, as well as bison robes, which netted increasingly desired trade items. The number of horses had also become a measure of wealth and status. By the 1850s Indians on the high plains averaged five to six horses per person, with some bands exceeding fifteen per capita. Consequently, the large horse herds began having an impact upon the bottomlands after several decades. One small camp with just thirty-eight horses spending the winter could consume all the wood for a quarter mile, both for cooking fires and forage.[7]

Indians saw the conversion of cottonwood into steamboat fuel as directly threatening both their horse culture and very survival. James Morley, traveling up the Missouri in 1862 aboard the steamboat *Spread Eagle* noted, "much fallen cottonwood lay about, having been cut by the Indians to subsist their horses." Taking advantage of the opportunity, the men on the steamboat spent two hours loading the down wood.[8] After the steamboats had passed through in spring and summer, Indians returned in winter to find the bottomlands stripped of timber they needed to survive the winter. Depletion of fuel wood and cottonwood shelter was one of the factors that eventually drove Indians to the agencies.

Back in 1805, hostilities between the Mandan and Sioux had kept the latter confined to the lower Missouri River country. Then in 1837, the steamboat *St. Peter's*

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[6] James Sherow, "Workings of the Geodialectic: High Plains Indians and Their Horse in the Region of the Arkansas River Valley, 1800-1870," *Environmental History Review*, vol. 16, no. 2 (Summer 1992): 61-84; U.S. Congress, *Report of an Expedition led by Lieutenant Abert, on the upper Arkansas and through the country of the Camanche Indians, in the fall of the year 1845,* 29th cong. 1 sess. S. Doc. 438:9.
[7] Sherow, 89; Montana Historical Society, *Not in Precious Metals Alone: A manuscript history of Montana* (Helena: Montana Historical Society Press, 1976), 13.
[8] Diary of James Morley 1862-1865, Montana Historical Society (MHS), SC533: 5.

brought a load of annuities to the tribes of the upper Missouri. An unintentional cargo had stowed away among the coffee, blankets, kettles, knifes, tobacco, and sugar. By the time the boat reached Fort Pierre, smallpox was raging among the crew. Rather than return and forsake his lucrative government contract, the captain continued up river to Fort Union, spreading the disease along the way. Especially hard hit were the concentrated populations of the Mandans, Hidatsa, and Arikara. Many killed themselves and each other to avoid the horrors of the disease. The Blackfeet suffered a loss of three-fourths of their population, and the Assiniboine never fully recovered.[9]

The Lakota Sioux, on the other hand, had received advance warning from Indian Agent Joshua Pilcher who told them to avoid the trading posts that summer. Pilcher also succeeded in vaccinating more than 1,000 Lakota the next spring. Furthermore, now that the Lakota had tied themselves to a nomadic existence, they were widely dispersed and able to avoid the brunt of the epidemic. While diseases were decimating other tribes, the Lakota expanded into the vacuum, their population increasing from 5,000 in 1804 to 25,000 in the 1850s. Warring against the severely weakened other tribes, the Lakota soon became the dominant power on the upper Missouri. Pressure on the remaining bison herds in the Missouri headwaters shifted Indian hunting to the west, increasing contact with the Blackfeet. As bison numbers continued to decline, tribal competition for diminishing resources led to increased territorial conflict.[10]

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[9] Stan Hoig, *The Chouteaus: First Family of the Fur Trade* (Albuquerque, University of New Mexico Press, 2008), 175; Dennis Smith, "Fort Peck Agency Assiniboines, Upper Yanktonais, Hunkpapas, Sissetons, and Wahpetons: A Cultural History to 1888," (Ph.D. diss., University of Nebraska, 2001), 43. An ironic turn of events occurred in 1869, when smallpox infected bison robes arrived in Philadelphia spawning an epidemic in that city. See Hans Peter Koch Diary 1869-1870, MHS, SC 950:10.

[10] Richard White, "The Winning of the West: The Expansion of the Western Sioux in the Eighteenth and Nineteenth Centuries," *The Journal of American History*, Vol. 65, No. 2 (Sep., 1978): 319-343.

The fur trade brought tribes into the orbit of the global market. Whichever tribe controlled the rich hunting ground of the upper Missouri and Yellowstone also controlled the fur trade. Control of trade meant better access to European and American trade items, not the least of which were guns. Firearms were a decided advantage in warfare, yet were produced by an unknown technology in a distant land, and further tied Indians to the market economy. Most historians view the fur trade "as the thin end of the wedge that would ultimately force the western Sioux into economic and political dependency."[11] Barton Barbour, however, argues that since whites needed furs and Indians needed guns, "the fur trade demanded mutual reliance among all participants." He regards Indians as willing partners, trading bison robes for "luxury and utilitarian goods that would otherwise have been impossible to procure."[12]

Either way, the fur trade changed political and social relations and often fostered division both between tribes and within. Trade goods also changed relationships between people and their environment. To keep robes flowing to St. Louis, traders tempted Indians by advancing desirable trade goods on credit. Rudolph Kurz at Fort Union noted that by encouraging Indians to make robes, "luxuries will become necessaries and they will be compelled to remain on the Missouri in order to procure them."[13] The effect of this was to restructure nomadism and transform the Missouri into a year-round production center, concentrating both whites and Indians and intensifying the impacts to the limited riparian areas.

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[11] Jeffrey Ostler, *The Plains Sioux and U.S. Colonialism from Lewis and Clark to Wounded Knee* (New York: Cambridge University Press, 2004), 28

[12] Barton Barbour, *Fort Union and the Upper Missouri Fur Trade* (Norman: University of Oklahoma Press, 2001), 8.

[13] West, *Contested Plains*, 48-80; *Journal of Rudolph Freiderich Kurz*: *an account of his experiences among fur traders and American Indians on the Mississippi and the upper Missouri rivers during the years 1846 to 1852,* J. N. B. Hewitt, ed, (Washington, GPO, 1937), 81.

Bison became a commodity. Without a claim to ownership, and without government or community restrictions, the animals were doomed. In 1815 2,600 bison robes were shipped down the Missouri, skyrocketing to 45,000 in 1833, then to a staggering 110,000 in 1848. Ten years later, worried that bison were on the verge of extinction, Indian agents at Fort Union and Fort Benton began to call upon the government to ban the robe trade.[14]

Although the 1851 Fort Laramie Treaty had designated the land between the Musselshell and the Yellowstone as Assiniboine territory, the fur trade and Lakota expansion coalesced to transform the region into a contested hunting ground of the Blackfeet, Gros Ventres, Crow and Lakota with no single tribe able to exert exclusive control. In the middle of this swirling vortex sat the Fort Peck trading post where Andrew Hammond was busy chopping wood.[15]

Upon reaching St. Joseph in 1867, Andrew and George discovered that Red Cloud's War was in full swing and had effectively closed the Bozeman Trail. Running from Fort Laramie to Virginia City, the Bozeman Trail was the most direct route to the Montana mines, but the Lakota, upset at the flood of white gold seekers through their territory over the previous four years had begun a campaign of constant harassment of soldiers and wagon trains – the most infamous being the Fetterman Massacre the winter before. Many of those who had set out on the Bozeman Trail ended up dead. The Hammond brothers wisely decided on the longer but safer journey by river. Safety, however, was relative, as the Lakota began attacking steamboats as well.

[14] White, "The Winning of the West":330; William Raynolds, *Report on the Exploration of the Yellowstone River* 40th Cong, 2nd sess. S. Exec. Doc. 77: 11.
[15] Smith, "Fort Peck Agency": 119.

With the discovery of gold in Montana in 1862, steamboat traffic soared, bringing hordes of gold seekers and more than 15,000 tons of freight, including mining equipment, shovels, sawmills, saddles, along with staples like sugar, flour, coffee, and most importantly, whiskey. The mining trade soon eclipsed the Indian fur trade, at least in terms of tonnage at Fort Benton. In addition to furs, the boats returned to St. Louis laden with gold dust – 1,225 tons in 1867 alone. At the peak of the gold rush (1865-1868) $42 million in minerals left the territory, nearly all via the Missouri River. Each steamboat hauled anywhere from $20,000 to $1 million, not counting the passengers' own booty, which likely exceeded that of the official load. As many as three keelboats per day left Fort Benton in late summer as miners hurried back to the states after a season of gold panning bringing unrecorded thousands of dollars in gold.[16]

Normally the steamboat season on the Missouri ran from May to July, but the high water year of 1866 demonstrated the feasibility of shipping goods and passengers throughout the summer, and the money to be made lured investors into attempting to extend their profits. A 200 ton cargo, for example, could net $40,000 on an upstream trip, plus another $10,000 in passenger fares. Hauling gold, hides, and passengers downriver added even more. With record high profits that easily covered the cost of the boat, owners often took excessive risks commissioning vessels unsuitable for the treacherous journey.[17]

One such boat was the *Imperial*, a massive 286-ton stern-wheeler built for the St. Louis-New Orleans commerce, but pressed into service on the upper Missouri at the tail

[16] Lass, William, *A History of Steamboating on the Upper Missouri River* (Lincoln: University of Nebraska Press, 1962), 39; Joel Overholser, *Fort Benton, World's Innermost Port* (Fort Benton, 1987), 171, 64, 56, 149; Malone:
[17] Overholser, *Fort Benton,* 45; Lass, *History of Steamboating*, 41.

end of the 1867 season. A cabin passage to Fort Benton on the *Imperial* cost a princely $300, but young adventurers like the Hammond brothers could shell out $150 each to sleep on the deck amidst the cargo. George and Andrew thus joined seventy other steamboats and 2,200 argonauts in journeying to Fort Benton in the peak year of steamboat travel on the upper Missouri.[18]

Andrew and George joined a jovial crowd as they began the journey. They soon discovered, however, why the Missouri River was called the "Harlot," as it changed beds so often. The deepest channel could instantly switch direction, heading into a bank or a sandbar. Sometimes water rushed over a sandbar creating a wave train that could swallow small boats. High winds could kick up at any time and shove the boats sideways or even push them back downstream. One steamship, the *Dora* lost both chimneys in a wind storm and caught fire, which was luckily soon extinguished. Shipwrecks and fires spelled an all too common end to a journey. By 1895 the Missouri had claimed 295 shipwrecks, the majority caused by running into submerged logs. Steamboat travel on the upper Missouri was no picnic.[19]

Three themes pervade travelers' accounts: the profusion of wildlife, the constant delays from getting stuck on sandbars or loading fuel wood, and the monotony of the journey. Coming up behind the *Imperial* on the *Zephyr,* Stephen Spitzley repeatedly penned in his diary, "Nothing of interest. We are making very slow progress." He noted with frustration that it took his steamboat seven days to travel from Fort Rice to Fort Berthold when the Indians walked there in just two. In a letter to his family Peter Koch

[18] Michael M. Casler, *Steamboats of the Fort Union Fur Trade* (Fort Union Association, 1999), 26. John Lepley, *Birthplace of Montana, A History of Ft. Benton* (Missoula: Pictorial Histories, 1999); Overholser, *Fort Benton*, 152.
[19] Shirley Carter Ashby reminiscence, MHS SC 283, 3-5; Hiram Chittenden, *History of Early Steamboat Navigation on the Missouri River* (New York: Francis P. Harper, 1903) vol. 2: 421, 438.

wrote, "Had I known that it would take this long to go up to Montana, I never would have taken this route." No doubt Andrew and George felt the same.[20]

The size of the *Imperial* soon proved problematic as the boat kept running aground on the many sand bars exposed by the dropping water level of late summer. The long sinuous passage and frequent delays as the boat lurched from sand bar to sand bar proved tedious. When the boat ran aground, the crew first tried "sparing," employing two huge poles on either side of the boat angling forward. The crew would loop hefty lines around the poles and around the capstan; pulling the lines taut lifted the boat up and over the sand bar like a giant grasshopper. If that did not succeed, they buried a cottonwood log deep into the bank and tried winching the boat free. Failing that, the captain called for volunteers among the passengers to get in the water on each side and drag a chain back and forth under the boat to get the sand moving. Able-bodied young men like Andrew and George leapt to the task. The last gasp endeavor was to unload all the freight and try again. Sometimes, despite all efforts, the boat remained stuck until the rising river level carried it off the sandbar. This could result in a twenty to thirty hour setback. Flushing out the silt from boilers and clogged water lines also caused frequent delays. But on good days, the ship might log fifty miles.[21]

Nearly daily, the need to procure fuel wood interrupted the journey. Steamboats consumed a prodigious quantity of wood, some thirty cords every twenty-four hours. Settlers, as well as Indians, quickly capitalized on this situation and established wood

[20] Stephen Spitzley Diary 1867, MHS, SC 771, 3-6; Hans Peter Koch Diary 1869-1870 MHS, SC 950. Neither of the Hammonds left a written record of their journey, therefore what follows is based on the observation of other travelers.
[21] William J. Petersen, ed. "The Log of the Henry M. Shreve to Fort Benton in 1869," *Mississippi Valley Historical Review,* Vol. 31, no. 4. (March 1945): 537-578; John Napton, "My Trip on the Imperial in 1867," MHS, SC 561.

yards along the lower Missouri. The Métis and Indian women ran most of the wood lots, charging from $7.50 to $20 per cord, depending on the desperation of the steamboat. As a lumberman with a keen eye for detail, Andrew surely noted these exorbitant prices and would have calculated how he might earn a tidy profit by running his own woodlot.[22]

Above St. Joseph, the rich bottomlands of cottonwood, hickory, and oak stretched out for a mile or more beyond the river. But as the steamboats chugged upriver, they found the scenery more varied with high bluffs flanking the forested bottomlands. Past Sioux City the wood yards petered out, and the steamboats had to rely on the crew and deck passengers, like Andrew and George who earned extra money by collecting and cutting cord wood. Upriver, however, the Sioux readily attacked and drove off steamboats attempting to load wood. When fuel was needed, the men leapt ashore and loaded as much as they could as quickly as possible, leaving the large pieces to be cut on board ship. To avoid detection by Indians, they often loaded wood under cover of darkness.[23]

By 1862 the Lakota regarded the steamboats as an intrusion. When Charles Choteau and Indian agent A. S. Reed presented annuities accompanied by a patronizing speech to several hundred warriors at Fort Pierre, they were stunned by the response. The Indians refused to accept the goods and stated that they, in fact, did not "appreciate the guardianship of the Great Father." They said the whites were trespassers invading their country and "the time was close at hand when they would put a stop to our travelling up and down the Missouri River." Standing Elk accused the whites of property infringement by killing off their bison and cutting down their timber. He informed Choteau that the

[22] Spitzley Diary, 12; Ashby Diary 1867; Lass, *A History of Steamboating*, 13.
[23] Daniel Weston Diary 1866, MHS SC 282, 3-6; A. H.Wilcox "Up the Missouri River to Montana in the Spring of 1862" MHS SC 981,1; Spitzley Diary 1867, 10.

trading days were over and "you may consider us your enemies." Before allowing the boat to depart, however, Standing Elk insisted that Choteau relinquish the guns and ammo he was taking upstream to the Gros Ventres and Mandans. Clearly outnumbered, Choteau acquiesced. Lakota attacks on steamboats increased in frequency, the years 1866-68 marking the height of conflict on the upper Missouri.[24]

Lakota hostility pervaded the entire region. At Fort Union, Edwin Denig reported that Hunkpapa chief Little Bear threatened to burn the forts, forgo the robe trade and "return to their primitive mode of life."[25] While Denig attributed the conflict to "bad council," the Indians themselves pointed toward the steamboats, which brought disease and whiskey, depleted game populations, and cut down trees for fuel. In 1860 Lakota Little Elk informed Lieutenant Henry Maynardier at Fort Berthold, "We don't want to see any white people or any steamboats, because the goods the steamboats bring up make us sick."[26] Indeed, a week later, 250 Lakota rushed Fort Union, killing twenty-five cows and setting fire to the lumberyard, out buildings and two mackinaw boats. When defenders killed one and wounded several others, the Indians withdrew.[27]

Above the Niobrara, the Missouri River corridor was little more than a delicate and ephemeral strand of American presence through vigorously defended Lakota territory. Although the Lakota rejected the white presence, the Assiniboine, Gros Ventres, Crow and Blackfeet continued to engage in the fur trade. Fearful of the Lakota, all but the Blackfeet sought protection from the U.S. military. The army, however was

[24] Wilcox Dairy 1862, 5; Barbour, *Fort Benton*, 216.
[25] Edwin Denig, *Five Indian Tribe of the upper Missouri: Sioux, Arickaras, Assiniboines, Crees, Crows* (Norman: University of Oklahoma Press, 1961), 27.
[26] William Raynolds, *Report on the Exploration of the Yellowstone River* 40th Cong, 2nd sess. Sen. Exec. 77, 148
[27] Barbour, *Fort Benton*, 212.

incapable of even providing security for whites. When the military commander at Fort Union denied Indian agent Mahlon Wilkinson's request for protection in the winter of 1866-67, he turned instead to the Assiniboines for safety. As one observer noted, "the soldiers in all these forts on the river are kept penned up by the Indians like so many cattle."[28] The situation had gotten so hazardous that steamboat captains began armoring their wheelhouses with sheet metal to fend off arrows and bullets.[29]

The marked graves of those killed by Indians along the banks provided sober reminders to Andrew and the other passengers of the *Imperial* of the perilous nature of their journey. When the boat stopped to pick up travelers, the newly arrived would entertain and beguile the others with stories of Indian attacks and frontier tales. As the boat steamed past legions of mounted warriors lining the bluffs along the river, the stories became increasingly compelling. Despite repeated warnings of the dangers of walking on shore, young men like Andrew and George often grew bored and restless and would disembark for short hunting forays, cutting off the big oxbow bends along the river and meeting the boat on the other side. At the Great Bend, passengers walked the four miles across while the river wound forty miles around. One unlucky nimrod on the *Imperial's* return journey failed to return to the boat and was found scalped, mutilated, and filled with arrows.[30]

Chugging ahead of the *Imperial* by a few days, the passengers of the *Silver Lake* went ashore forty miles above Fort Rice (near present day Bismarck). Sixty Lakota warriors swept down and attacked them, badly wounding the captain's son. With no

[28] Ibid., 215. Smith" Fort Peck Agency", 133; Quote from Paul Phillips, ed. "Upham Letters From the Upper Missouri, 1865" *Sources of Northwest History*, no. 19 (Missoula: State University of Montana), 4.
[29] Lass, *A History of Steamboating*, 48.
[30] Napton, "My Trip on the Imperial, 5.

newspapers between Sioux City and Helena, Montana, rumors of the attack grew to such an extent that by the time news reached the outside world, word was that everyone on board had been massacred. It was not until the steamboat *Miner* returned to St. Louis in September that the record was set straight.[31]

With some 10,000 argonauts traveling up and down the Missouri in 1867, the Lakota leaders became especially adamant in wanting the steamboat traffic stopped and Fort Rice removed. Man-That-Goes-In-The-Middle told the Indian Peace Commission in 1868, "If you want to make peace with me, you must move this post this year and stop the steamboats." Bull Owl tied white intrusion to game depletion, stating, "We don't like to have the whites traveling through our country and bringing steamboats up our river. I hope you will stop this, so that the buffalo will come back again."[32]

General John Sanborn dismissed these concerns, telling the Indians, "There are thousands of whites who would rush in there were it not for the river posts. . . . The steamboats that run on the river do not disturb your game."[33] Passenger diaries, however, were filled with accounts of steamboats plowing into herds of bison as they swam across the river, the paddle wheels often striking and wounding the animals. Most bison deaths, however, came from gunshots. With the first sighting of the great beasts, symbols of the untamed West, Andrew and George likely scrambled for their guns along with the rest of the men. The crack of gunshots and acrid smell of gunpowder punctuated the air. Captains even used their steamboats to pin bison against the river banks to prevent their escape as the men unloaded into the herd. Aboard the *Imperial*, John Napton reported,

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[31] *Helena Weekly Herald*, September 19, 1867.
[32] "Council of the Indian Peace Commission with the various bands of Sioux Indians at Fort Rice," *Papers relating to Talks and Councils held with the Indians in Dakota and Montana Territories in the years 1866-1869* (Washington: GPO, 1910), 97.
[33] Ibid.,103.

"the wheel was reversed, in order to hold the boat amongst them, and everybody commenced shooting with pistol, shot gun or rifle and the buffalo swimming frantically in every direction to get away."[34]

A passenger on another steamboat wrote:

> We saw herd after herd of buffalo; in one there must have been several thousand, and the noise made by them sounded like thunder in the distance. . . . [guns] were taken down by passengers who shot recklessly and wildly, trying to kill a buffalo and the deck hands laid down on deck trying to kill them with axes. All the guns were emptied but not a buffalo did they get and the river seemed to be a river of blood.[35]

Unloading fifty rounds, passengers aboard the *Zephyr* actually managed to kill an old bull bison that was mired in the mud. Not all were so bloodthirsty though. When he killed a cow bison, A. H. Wilcox wrote in his diary, "I did not however feel very proud of the exploit."[36]

In addition to the destruction of game, the Crow protested the presence of gold seekers. Chief Black Foot told the Peace Commission, "You would be mad if we were to go into your country and kill all your stock. I can not go anywhere without coming on some of your people . . . Your people going through the county looking for gold are the ones who cause us much trouble." Wolf Bow called for closing the Bozeman Trail, but suggested, "If any of your young men want to seek for gold, let them travel on the river." The Crow also objected to the Lakota, who had pushed them out of the Powder River and into the region between the Judith and Musselshell drainages. Wolf Bow implored the U.S. to, "put the Sioux Indians in their own country, and keep them from troubling us."

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[34] Weston Diary: 13; Napton, "My Trip on the Imperial:" 5.
[35] Matilda Senieur, "Bismarck to Fort Benton By Steamboat in the Year 1869," *Montana, Magazine of Western History*, Vol. II, No. 2.
[36] Spitzley 1867 Diary: 8; Wilcox "Up the Missouri River": 7.

The Crow leaders perceived the war was between whites and the Lakota and attempted to negotiate for their own interests.[37]

As the *Imperial* steamed through Dakota Territory, the voyage began to mirror the vast sameness of the endless plains that extended in every direction. For men like George and Andrew who had spent their entire lives up to now in verdant farmlands and dense woodlands, it must have been quite a shock to see nothing but grass and sky for weeks on end. The novelty quickly wore off, and tedium set in. Each day was the same as the previous, the same scenery, the same passengers, and the same poker game. Even running aground became less of an event and more toil, drawing out their journey even more. Brief excitement came from sighting Indians along the bluffs, an occasional pronghorn, or when the ship passed an Indian memorial ground where "several dead Indians were seen in the trees near by and a great many bones in all stages of decay were scattered around."[38]

When the *Imperial* reached the mouth of the Yellowstone, on July 16, 1867, George and Andrew witnessed a flurry of activity. Trader Charles Lapenteur and his crew were building an adobe store at the newly-constructed Fort Buford and dismantling the veritable Fort Union a few miles upstream. As with the forts built in the previous year along the Bozeman Trail, the Lakota also resented the military presence at Fort Buford. Throughout the winter of 1866-67, eleven camps of Lakota including Sitting Bull's had sporadically harassed the fort with occasional attacks, including pot shots at anyone venturing too far afield. Twice the Lakota captured the new sawmill, but were driven off by the troops. Attacks on Fort Buford had spawned a rumor in the spring of 1867 that the

[37] "Proceedings of council with the Crow Indians and others at Fort Laramie, November 12, 1867," *Papers relating to Talks and Councils:* 69-71.
[38] Napton, "My Trip on the Imperial": 5.

entire post had been wiped out. Perhaps it was finding the reports of massacres unfounded that led Andrew to consider staying on the river.[39]

Above the Yellowstone, the landscape changed. The candy-striped Dakota badlands of bentonite clay yielded to gently rolling grassy country with cottonwood bottomlands. But the hot July sun remained, and Andrew, George, and the other passengers aboard the *Imperial* sweltered in the heat and battled mosquitoes all night. The prairie grasses had long since dried, and dust clouds from distant bison herds rolled across the sere landscape. Wildlife abounded above the Yellowstone. Wolves and grizzly bears still followed the bison herds; elk and deer grazed the river bottoms, and Audubon's bighorn sheep scrambled across the white sandstone cliffs. Within thirty years, however, Audubon's bighorn would be hunted to extinction and the bison, wolf, and grizzly would be extirpated from the upper Missouri.

The steamboats and mackinaws returning from Fort Benton bearing reports that the best gold diggings were all taken contributed to the brothers' discomfort. The Montana gold rush had already peaked, and the *Helena Herald* reported an "exodus of a large mass of our surplus population for the states."[40] These accounts, combined with the journey's boredom and his own restless and impatient nature, caused Andrew to reconsider his plan. Likely, he and George had come to realize that arriving in a mining camp without a grubstake was unwise, and between them they only had $13. Perhaps he had read Washington Irving's *Adventures of Captain Bonneville* and imagined the romantic life of a fur trapper. There was also substantial money to be made as a

[39] Charles Lapenteur, *Forty years a fur trader on the upper Missouri*, ed. Elliot Coues (Minneapolis: Ross and Haines, Inc., 1962), 441; Barbour, *Fort Union,* 231; Robert Athearn, "The Fort Buford "Massacre," *Mississippi Valley Historical Review,* vol. 41, no. 4 (March, 1955): 675-684.
[40] *Helena Herald,* June 12, 1867.

woodcutter or "woodhawk;" a hard-working fellow could clear $200 from a single steamboat. Whatever the reason, when the boat pulled up to Fort Peck, Andrew decided he had enough of river travel. He bid farewell to his brother and enlisted as a fur trader. If he had any idea of the explosive situation of the upper Missouri, he likely would have persisted on to Fort Benton, another three hundred miles.[41]

The *Imperial* continued to struggle upstream. Finally on September 11, the boat lurched to a standstill at Cow Island, 130 miles below Fort Benton. By this late in the season, the river had dropped so low that it was impossible for the big steamboat to continue. As was often the case in such situations, the *Imperial* disgorged its cargo and passengers. Awaiting teamsters then transferred the loads to ox-drawn wagons that hauled the cargo and people the rest of the way across the broken plains to Fort Benton. When George finally arrived at the bustling port, he, too, eschewed the gold fields and obtained a fourteen-month contract to supply wood to the U.S. government.[42]

Unfortunately for Andrew, the fur trade had also peaked and was in decline. Since the late 1820s, the Choteau family, through the American Fur Company, had dominated the Missouri River fur trade, but the sudden loss of government contracts in 1865 prompted Charles Choteau to close out his business. Several new outfits rushed in to fill the void left by Choteau, including Durfee and Peck, an upstart company that would soon control the Missouri River fur trade. The company established seven trading posts along the Missouri, including Fort Buford and Fort Peck, and employed about a hundred men,

[41] Progressive Men, 1678; Leeson, 1308.
[42] *Progressive Men*, 1678.

many of whom actively hunted and trapped. The Indians considered this an infringement upon their economic livelihood and became exceedingly hostile.[43]

Fort Peck, at the junction of the Missouri and Milk rivers, was a highly desirable spot for both steamboats and Native Americans. Perched on a ledge above the river, the post was ideally placed for rear wheel steamboats, which could dock right at the fort to load wood and furs. This served as a crucial spot for loading fuel wood for the long badland stretch upstream where the hills were "entirely bare, looking like fresh earth as thrown up on public works."[44]

The confluence formed a two-mile wide valley filled with cottonwoods and wild roses and also sat on a bison migration route. When he passed by the Milk in 1833, Maximilian commented on the "great numbers of bears, elks, deer and wolves on the bank."[45] Not coincidently, it also appealed to the Gros Ventre and Assiniboine. Although favored by topography, Dufree and Peck could not have chosen a worse site for safety as this was the very epicenter of the contested zone of the 1860s. With no military presence for the four hundred miles between Ft. Buford and Camp Cooke on the Judith River, woodhawks in this region placed themselves at suicidal risk. Indeed, within weeks of Andrew's arrival, Indians had taken brief possession of the few vacant scattered cabins that comprised Fort Peck. Presumably, finding little of value or reason to stay, they moved on.[46]

Autumn was a slow time for the fur trade, and so Andrew and a handful of other men moved upriver from Fort Peck to cut fuel wood for the steamboats. Searching for

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[43] Lass, *A History of Steamboating*, 42; *Leavenworth Daily Conservative*, May 8, 1868.
[44] Weston Dairy, 14; Quote from Diary of James Morley 1862-1865, 13.
[45] Maximilian, *Travels in the Interior of North America*, Vol. 23, 185.
[46] Smith, "Fort Peck", 108; *Helena Weekly Herald*, September 19, 1867.

the woodhawks, two men from Fort Buford were fired upon by Indians and fled back to the river. Unnerved, they flagged down the *Miner* and caught a ride back downriver. Receiving these reports of the escalating Woodcutter War that was sweeping through the upper Missouri, George became concerned about his brother's safety, with good reason.[47]

While cutting wood, Andrew and his companions had pitched their tents beyond the relative safety of Fort Peck. A lone Indian arrived, and thinking he posed little threat, the woodcutters let him into their tent. Before they realized what was happening, he pulled out a tomahawk concealed under his blanket and killed one of the men before making a quick escape. Understandably, this put the woodcutters on guard the rest of the season, and the men lived in constant fear of Indian attack and never went anywhere without having one man to protect the other. Even traveling between their winter cabins, they carried a gun. The objective of the Indians seemed to be a campaign of harassment in an effort to close the Missouri to steamboat traffic. "As soon as the Indians were discovered they went away after exchanging a number of shots, whether anyone was killed on either side or not," reported fellow woodhawk Peter Koch describing a typical encounter.[48]

With the passing of the last steamboat of the season in September, Andrew and the other woodhawks scattered up and down the river to eke out a living by cutting fuel wood, trading for hides, and poisoning wolves for their pelts in anticipation of the arrival of steamboats the following spring, when they could cash in their work. Winters were

[47] *Helena Weekly Herald*, September 19, 1867; *Redwood Log*, vol. 3, no. 3 (March, 1950).
[48] George B. McLeod, "The Story of the Hammond Lumber Company," (oral history, Forest History Society, Durham, North Carolina), 3; Diary of Hans Peter Koch 1869-1870, MHS, SC 950, 14.

hard on the men. They had little to eat but catfish and game and were and were isolated into small clusters once the ice jammed the river and prevented boat traffic.[49]

The depths of winter, however, provided comparative safety for the woodhawks. Andrew forayed afield to obtain wolf pelts that he could sell for $3 apiece. Working in pairs or small groups, Andrew and his partners set out for buffalo country but avoided known Indian hunting grounds. Upon discovering a herd of bison, and taking care not to startle them, the wolfer shot one, then dipping a porcupine quill in strychnine, he blew it into the veins of the dying animal. The still beating heart pumped the poison throughout the body. A mile or so away, the wolfers killed another bison and repeated the process until they had thirty of forty poisoned carcasses in a great circle. Retuning a few days later, they stacked the dead, frozen wolves into a big pile to keep the magpies from ruining the pelts, while awaiting milder weather to skin them. Where Indian presence might prove dangerous, wolfers returned only in the spring to collect the dead wolves, sometimes getting more than a hundred off a single bison.[50]

Even the Gros Ventre and Assiniboine who were on friendly terms with the traders had little regard for the wolfers and their wanton destruction of bison. Indians witnessed their dogs poisoned by the bait. Even greater was the loss of their horses when they ingested the grass coated with strychnine that the wolves had vomited up before dying. In retaliation, the Indians "cut up the wolf skins whenever they had a chance and annoyed the wolfers in every possible way." The Crow would frequently steal the wolfers' horses and their belongings, forcing them to walk back to the post, which could be dangerous on the open plains where they were exposed to winter blizzards. The

[49] Koch, 14.
[50] Ibid.,20-21; Francis Marion Smith Reminiscence, MHS, SC 2254.

Lakota, however, would just soon slay a wolfer as a woodcutter. A few years after his woodcutter winter, Peter Koch wrote, "Since leaving the place I have often wondered that we were not all killed."[51]

White society too, disparaged wolfers and woodhawks as degenerate, filthy, ignorant, shiftless, conniving, cheating extortionists. Many were misanthropes and malcontents who neither fit into white society nor Indian. Some of the woodhawks, however, were restless young men like Andrew Hammond and Peter Koch. Seeking cash and adventure, they spent a season, rarely more, bucking firewood to feed the insatiable appetite of the steamboats. Koch summed up his life in his diary, "twenty-five years old and poor as a rat."[52]

One of Andrew's upstream neighbors, however, managed to maintain his woodlot for more than a quarter century at the mouth of the Musselshell River. "Liver-Eating'" Johnson, one of the last old-time mountain men, reportedly killed eighteen Crow warriors one by one. Not only did he scalp them, he eviscerated their bodies and ate their livers raw in front of the survivors. Some say he just pretended to gobble the organs, rubbing them against his beard. Either way, he gained a reputation among the Indians, who left him alone. His collection of grimacing, white skulls on stakes pitched along the riverbank created quite a stir among the more genteel steamboat passengers when they stopped for fuel at Johnson's wood lot.[53]

The tribes also had special contempt for the woodhawks, whom they regarded as depleting a valuable resource. The Lakota recognized the upper Missouri as a game-rich

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[51] Dan Flores, *Caprock Canyonlands: Journeys into the heart of the Southern Plains* (Austin: University of Texas Press, 1990),59; Koch, 20-22

[52] "Journal of Peter Koch 1869 and 1870," *Sources of Northwest History*, No 5. Paul Phillips, ed.

[53] Ibid., 8. For a colorful if somewhat embellished account, see Raymond Thorp and Robert Bunker, *Crow Killer: The Saga of Liver-Eating Johnson* (Bloomington: Indiana University Press, 1958).

region and specifically blamed woodcutters for "spoiling our game."[54] In his council with the Hunkpapa band, Father DeSmet received an earful of complaints. Black Moon justified his hostility toward whites, stating, "They ruin our country; they cut our timber with impunity." Sitting Bull also expressed his opposition to wood cutting along the Missouri River. DeSmet reported that Sitting Bull "was particularly fond of the little groves of oak, and had a reverence for them."[55] Both the Lakota and Blackfeet regarded the white intrusion as having both economic and spiritual consequences.

Spring brought anticipation and apprehension to the woodcutters. With the break-up of river ice in April, Andrew could begin to expect the arrival of the first steamboat the following month and sell his stock of wolf hides and fuel wood he had amassed over the winter. On the other hand, the warmer weather brought an increase in Lakota hostilities. J. A. Wells, a woodhawk on the Musselshell, counted fifty-eight whites killed between the Yellowstone and Judith rivers in 1868. The Woodcutter War came to a head the next spring when fifty woodhawks and wolfers gathered at the mouth of the Musselshell to await the first steamboat of the season. When the Lakota inevitably attacked, the woodhawks took advantage of their unusual numbers, and armed with new breech-loading rifles, pursued the Indians. A bloodbath ensued, resulting in the death of ninety-six Indians and thirty-three Americans, many of whom died from their wounds as they struggled to reach safety at Fort Peck.[56]

The open warfare sweeping across the western plains led the U.S. to create a peace commission to negotiate safe transportation corridors to the Montana mining

[54] Two Bears, "Council of the Indian Peace Commission with the various bands of Sioux Indians at Fort Rice," *Papers relating to Talks and Councils*, 102.
[55] *Papers relating to Talks and Councils*, 110-111.
[56] James Wells, reminiscence 1866-1870, MHS, SC 978, 2-4; Koch Diary 1869-1870, MHS,8.

camps. The commissioners agreed to close the Bozeman Trail in exchange for peace on the Missouri. Woodcutting, however, remained a sticking point for Lakota leaders who regarded the cottonwood bottomlands as tribal property. Unlike Black Moon and Sitting Bull, these men regarded the timber as an economic asset to which they wanted to control access. The Grass told the commissioners, "I want us to be paid for that wood which is being taken out of our country." Both he and Two Bears insisted that the tribes should choose who could cut wood, essentially granting a concession to men "who have lived in our country ten years, that have Indian families whom they are supporting."[57] Acknowledging the Lakota property claims, General John Sanborn agreed to let the Indians take control over supplying wood for steamboats or receive benefits from it. Congress, however, failed to ratify the Sanborn agreements and the Indians came to view this as yet another empty promise.

Despite the Lakota's military prowess, events far beyond their control changed the dynamic on the upper Missouri. The waning of the Montana gold rush and the completion of the transcontinental railroad in 1869 created a precipitous drop in steamboat traffic, rendering profits from woodcutting negligible. The next year, steamboat traffic plummeted to a mere eight vessels, and over the next few years Montana's mineral production dropped to $4 million. Out of the several hundred cords that Peter Koch and his partner bucked during the winter of 1869, they sold fewer than twenty-five. Economics, more than hostile Indians, drove the woodhawks off the

[57] "Council of the Indian Peace Commissions on board Steamer Agnes," *Papers relating to Talks and Councils*; 106.

Missouri. Their abandoned cabins and woodlots continued to feed the occasional steamboat for years to come.[58]

Although mining declined in the 1870s, the rampant industrialization in the East increased the demand for bison hides, not as Indian-processed robes but as dried hides to be manufactured into tough leather belts for factories. In 1868 Durfee and Peck took in 25,000-30,000 buffalo robes as well as thousands of wolf and deerskins. Ten years later, they were shipping 75,000 bison hides down the Missouri. By 1884 the bison were gone.[59]

Intertribal warfare had prevented the overexploitation of both bison and cottonwoods by excluding outsiders. The fur trade, however, transformed bison into a commodity and congregated the various contending tribes along the Missouri River. The Montana gold rush then dramatically increased steamboat traffic. The steamboats' prodigious demand for fuel wood combined with the breakdown of intertribal relations turned both bison and cottonwoods into an open-access resource available for the taking. The Lakota, in particular, loathed this white intrusion, and seeking to establish their own control over the region, attempted to close the Missouri River corridor as they had the Bozeman Trial and re-establish communal tenure over bison and cottonwoods.

While many woodhawks, including one of Andrew's companions, lost their lives during the Woodcutter War, Hammond, Peter Koch and Liver-eatin' Johnson all escaped from the Missouri quagmire. Peter Koch headed to Bozeman, where he eventually became president of the First National Bank. Johnson took his reputation to Red Lodge,

[58] Lapenteur, 389; Barbour, *Fort Union*, 228; Lass, *A History of Steamboating*, 39, 62; Hans Peter Koch Diary 1869-70, 24.
[59] William E. Lass, "Elias H. Durfee and Campbell K. Peck: Indian Traders on the Upper Missouri Frontier" *Journal of the West*, Vol. 43, no. 2 (Spring 2004): 9-19; Overholser, *Fort Benton*, 32.

Montana, where they made him the sheriff. He later went on to fame when his name was changed to "Jeremiah" and Robert Redford provided a new visage.

Uncommonly ambitious and intelligent, Andrew Hammond had no wish to be another Liver-eatin' Johnson, but he was not about to abandon all his hard work of the winter. With the last big steamboat year, Hammond was able to reap a tidy profit from his woodlot and wolf hides, but by late summer, he was ready to leave and boarded a boat for Fort Benton. Those gold fields were still producing, and he might just strike it rich. Besides, anything was better than another winter as a woodhawk on the upper Missouri.

In later years, Hammond attached a high degree of importance to this period, not only because he got out alive. This was the first time he had really done anything significant on his own, without George or his other siblings, and the experience infused Andrew with a sense of self-reliance and confidence that would remain with him the rest of his life. The desperately hard work for little reward left him with little patience for young men who complained of long hours and low pay. Andrew also drew a metaphorical lesson from witnessing his companion's murder. He often told his managers, "Never let an Indian in your tent." meaning never take someone into your counsel who may not be entirely on your side. Indeed, for the rest of his life, Hammond drew almost exclusively upon his relatives to compose his inner circle of managers. But most of all, Hammond saw this experience as an initiation, a badge of legitimacy of being a part of the Old West that set him apart from those who came afterward, and he would use it to establish a degree of authority. In lieu of a formal education, this became his diploma.[60]

[60] McLeod (FHS), 3.

Five: To Hell's Gate and Back: The Education of Andrew Hammond

In disembarking off the steamboat in the spring of 1868, Andrew Hammond stepped from a nine-month wilderness exile and life-threatening ordeal into a maelstrom of commercial activity. As the world's innermost port, Fort Benton was the supply hub with spokes radiating out in all directions. The Fisk Wagon Road led east to St. Paul; the Whoop-up Trail headed north to Canada, while the Mullan Road went south then west, following the old road to buffalo over the Continental Divide to Walla Walla, Washington. But the heaviest traffic was on the Helena stage route that led to the gold fields of Last Chance Gulch.[1]

Between the far end of town and the levee, sixteen-mule teams pulling covered wagons were strung out along the street ready to haul freight bound for the gold fields and trading posts. At the levee, Hammond picked his way between towering bundles of buffalo robes and closely-guarded gold ore awaiting shipment downstream. Barrels, boxes, and supplies waited to be unpacked for the I.G. Baker Mercantile, where goods fetched astronomical prices. Even more important than the barrels of whiskey being loaded on the wagons was the machinery for the ore-crushing quartz mills. The mills signified the end of the placer mining era in which independent miners with little more than picks, shovel and gold pans could work the surface and streams. To get at the ore underground and mill it in a form that could be transported back to the states required massive capital investment, which was readily supplied by European and Wall Street

[1] John Lepley, *Birthplace of Montana, A History of Ft. Benton* (Missoula: Pictorial Histories 1999), 48-66.

financiers and corporations. As the gateway to Montana Territory, Fort Benton indicated the degree to which the territory served as a colony of the international economy.[2]

Young men seeking adventure in the rough and tumble town, found it, for better or worse, in the saloons and back alleys of Fort Benton. Miners, coming and going, shared whiskey with fur traders and woodhawks. Gamblers in tailored suits fleeced cowboys and teamsters fresh off the trail. Indians of many different tribes traded furs for knives, guns, kettles, and beads. Prospectors were often stuck waiting in Benton for overland transport to the mines, while others waited for downstream transport back to the states. The riverboat arrivals were wildly unpredictable. Bitterroot farmer John Slack, for example, waited three weeks for his sister's arrival. With little to do but wait, men frequented the saloons, gambling houses, and brothels, all of which were open twenty-four hours a day. In Benton everything was legal and all sorts of vices were available to separate a miner from his gold before he returned to the states. Outright robbery and murder for a poke of gold were not uncommon. Termed the "bloodiest block in the west," Fort Benton averaged three killings per month for the decade 1867-1877.[3]

Fresh off the boat after nine months chopping wood, Andrew Hammond did the most natural thing – he headed for the nearest saloon. George, who had long given up his brother for dead, nearly choked on his whiskey when Andrew walked through the saloon door. Happily reunited, the brothers recapped their adventures and planned their next move. Visions of gold and striking it rich still danced in their heads, but news from the

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[2] Joel Overholser, "The Big Muddy Builds Montana," in *Our Fort Benton, the birthplace of Montana*, Nora Harber, ed. (Fort Benton) no date, no page numbers.

[3] Emma Dickenson diary, William H. and Emma Dickinson papers, Mss 255, box 1, folder 4, UM; John Lepley, *Packets to Paradise: Steamboating to Fort Benton* (River and Plains Society, 2001), 137; Lepley, *Birthplace of Montana*, 51.

south was that the placer mines had played out. Furthermore, George still had three months left on his government contract, so Andrew took a job at a local lumberyard.[4]

But when George's contract expired, the Hammond brothers headed for the gold mines. Although stages ran three times a week along the Mullan Road between Fort Benton and Last Chance Gulch, George and Andrew most likely joined a pack train or headed out on their own saddle horses, camping and staying at way stations along the route. Passing through Helena, which was little more than a collection of log cabins at the mouth of Last Chance Gulch, they discovered that they had arrived too late and best claims were already taken. Discouraged, the brothers decided to continue west following the Mullan Road to the trading outpost of Hell Gate on the Clark Fork River.[5]

Near the confluence of the Clark Fork and the Bitterroot rivers, Hell Gate Ronde was the ideal site for a trading post. Indians passed through on the road to buffalo, while some 700 settlers in the Bitterroot Valley needed supplies and an outlet for their produce. Supplies could be brought in from Walla Walla to the west or from Fort Benton to the northeast and redistributed to mining camps and settlements that seemed to be springing up everywhere. Hell Gate lay conveniently between the gold fields and the Oregon country and thus served wagon trains, settlers, and prospectors traveling in either direction. With the Kootenai gold rush in 1864, hundreds of men passed through, creating "a demand for all kinds of supplies, and everything sold at war prices."[6] This proved so profitable that the Higgins and Worden trading post raked in $64,000 in two years. The mining boom propelled Frank Worden and C. P. "Cap" Higgins to build a

[4] *Progressive Men of Montana*, 1678; McLeod, (FHS), 2.
[5] Michael Leeson, *History of Montana 1739-1885* (Warner, Beers and Co., 1885), 1308; *Progressive Men*, 1678.
[6] Frank Woody, *History of Missoula*, (1897), mss. Missoula Public Library.

sawmill four miles to the east where Rattlesnake Creek could provide power. In 1865 they installed a flourmill and moved their store from Hell Gate to the mill. David Pattee set up a hotel and carpenter shop nearby, and the town of Missoula was born.[7]

But without much to support it other than the gold rush, Montana's entire economy began to fizzle in 1868. From the Bitterroot Valley, John Owen observed, "things look gloomy throughout the length and breadth of the Territory. Unless some New diggings are found I fear we are all Bankrupt."[8] The territory's white population had topped out two years earlier at 28,000, dropping to 20,595 by 1870. Native Americans still outnumbered the settlers by nearly ten thousand.[9]

The lack of prospects in Montana promoted the brothers to continue west. George, who was something of a horse trader, picked up several dozen horses in Hell Gate with the intention of selling them on the West Coast. Travelling on to Puget Sound, the brothers had to have been astounded at the size and quantity of trees they passed. Seemingly endless forests of towering Douglas fir that dwarfed the white pine of New Brunswick unfolded before them mile after mile. Arriving in Puget Sound they saw timber camps nestled into nearly every cove. Loggers had cut nearly all the trees near the bayr but continued to haul the enormous logs out of the forest, dumping them into the water where they could be assembled into rafts and towed to one of the many mills that ringed the sound. A pall of woodsmoke rising over the forest indicated they were

[7] *Missoula Gazette Holiday Edition*, Jan 1, 1890; *The Missoulian* Dec. 25, 1904; Lenora Koelbel, *Missoula: The Way It Was*, (Missoula: Pictorial Histories Publishing C., 2004 revised ed.), 41.
[8] Seymour Dunbar and Paul Phillips, *The Journals and Letters of Major John Owen* (New York: Edward Eberstadt, 1927), entry for July 8, 1868, 116.
[9] Michael Malone, et al. *Montana: A History of Two Centuries* (Seattle: University of Washington Press, 1991), 68.

approaching Port Gamble, the signature sawmill of Pope and Talbot's Puget Mill Company, the region's largest lumber company.[10]

At Port Gamble, thousands of logs floated in the cove before being sucked into the giant sawmill. On the far side of the mill, rough-cut lumber lay stacked on the dock waiting to be loaded onto one of many sailing ships waiting nearby. On the bluffs above the mill sat a replica of a New England mill town: cottages with white picket fences, a bunkhouse, hotel, church, the largest store on the sound, and the two-story house of Cyrus Walker, the mill manager.[11]

Like most lumber companies, the Puget Mill Company preferred to hire men from Maine and New Brunswick – hardworking, sober, and Protestant – and Andrew and George quickly landed jobs. In fact, they may have already had employment lined up with Pope and Talbot before their arrival, since the Hammond brothers were distantly related to the firm's founder. William Talbot's grandfather, John Talbot II, had married Lucy Hammond and gotten his start in the lumber business working for one of the Hammond ancestors back in Maine. Even if the Hammond brothers had not contacted William Talbot directly, their name and origins were certainly assets. In the timber industry, lumberjacks lay at the bottom of the hierarchy, suffering from hard work, low pay, and miserable conditions. With the Hammond brothers' connections, experience and education, Walker likely hired the young men to work in the mill, office, or store rather than in the woods, as they had in Maine and Pennsylvania.[12]

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[10] Leeson, 847-852; *Progressive Men*, 1678; Robert E. Ficken, *The Forested Land: A History of Lumbering in Western Washington* (Seattle: University of Washington Press, 1987), 31.
[11] Ficken, 31.
[12] Edwin T. Coman and Helen M. Gibbs, *Time, Tide and Timber: A Century of Pope and Talbot* (Stanford University Press, 1949), inset, 48.

Despite the relatively good pay at the mill – $30 for an eleven and half hour day – after six months, George headed south to San Francisco and then to the Sierras to continue lumbering. Andrew, however, stayed on at Puget Mill, which left him with a valuable education on how to run a successful lumber company. From vertical integration to timber poaching to company towns, Hammond would follow the model of the Puget Mill Company. Headquartered in San Francisco, Pope and Talbot ran lumberyards, door and window factories, and dabbled in real estate and were considered the "lumber kings of the Pacific Coast."[13] In the early twentieth century, however, the Hammond Lumber Company would usurp their crown.

The Puget Mill Company, like most nineteenth-century West Coast enterprises, owed its genesis to the California gold rush, which set off a huge demand for lumber. Although the mining camps could supply their needs from the Sierras, San Francisco's high demand and port location made importing lumber via ship more practical than transporting logs from the mountains. Ever since the Lewis and Clark Expedition, explorers had commented on the abundant and immense forests of the Northwest, but the rocky coast offered few anchorages. Puget Sound provided both trees and safe harbor, and in the fall of 1853, entrepreneurs William Talbot and Andrew Pope established a sawmill at Port Gamble. By 1858 Port Gamble boasted the largest mill and largest store on Puget Sound, employing 175 men, while across the bay, Seattle housed less than one hundred.[14]

West Coast lumbering and shipping went hand in hand, and the company soon realized they could greatly reduce shipping costs with their own fleet. By 1861 the Puget

[13] *San Francisco Journal of Commerce*, March, 1875 in Coman and Gibbs, 116.
[14] Ibid.,70.

Mill Company controlled eleven ships plying the waters between Puget Sound and San Francisco. While California remained the primary market, it could not absorb all that the West Coast mills produced, and before long the Puget Mill Company was exporting lumber to Hawaii, Australia, and South America. Employing "a ruthless approach to competitors" the firm dominated the export trade.[15]

With trees in abundance, Pope and Talbot, along with other lumber companies, simply cut whatever they wanted regardless of land ownership. U.S. attorney, John McGilvra observed in 1861, "There is now and has been for many years past great and continued trespass upon the government lands" and mills in Puget Sound "are almost wholly supplied with logs from the government lands." McGilva soon secured indictments against several lumbermen, but it appeared that lumbermen could avoid prosecution with a cash payment to McGilva. By the late 1870s, an estimated $40 million in timber had been cut illegally from public land in Puget Sound, primarily by the Puget Mill Company. Ten years later, however, attitudes toward timber poaching shifted dramatically, and it was Andrew Hammond who became the target of the federal government.[16]

Besides outright theft, lumbermen also purchased timberlands from the federal government for absurdly low prices that were intended to promote settlement, not land consolidation. Lumbermen formed a substantial power block within the territorial government and promoted the idea of selling off the timber lands that the federal government had granted to the territory to finance the University of Washington. The Puget Mill Company snapped up 7,000 acres for $1.50 per acre. Using military script, the

[15] Ficken, 33, quote 26.
[16] Ficken, quote on 42, 44.

company then bought an additional 17,398 acres from the federal government for $1.25 per acre. Through such methods, by 1874, Pope and Talbot had amassed some 186,000 acres to become the largest private holder of timberlands in Washington with the exception of the Northern Pacific Railroad.[17]

In locating the transcontinental route, Northern Pacific engineers ran the line so as to include Washington's most valuable timberland as part of their land grant subsidy. Widespread timber poaching, however, threatened to reduce the value of these lands. But since they had not been surveyed no one could distinguish between NP lands and those of the government. The railroad thus sent their attorney, Hazard Stevens to stop the timber theft.[18]

Stevens foreshadowed Hammond's own relationship with Northern Pacific. Both men used the railroad to claim ownership over public property. In 1871 Stevens seized some three million board feet of logs cut from the public domain and then sold these at public auction. NP then began to sell the rights to federal timber at fifty cents per mbf.[19] The government, however, refused to allow a private corporation to sell public property. In addition, if lumbermen paid Stevens the stumpage fee, he would not raid their operations, essentially a form of extortion. Eventually, Stevens was charged with stealing from both the government and NP. Although he was never prosecuted, he did lose his job over the issue.[20]

While Hammond would soon follow Pope and Talbot's lead in vertical integration, overseas markets, and timber poaching, perhaps the deepest impression

[17] Coman and Gibbs, 112; Ficken, 41.
[18] Ficken, 45.
[19] mbf is the abbreviation for thousand board feet.
[20] Ficken, 46-47.

Hammond received was his experience living in Port Gamble, the quintessential company town. "Like little kingdoms," resident managers ruled over life in mill towns with near absolute authority. Regarding Puget Sound mill towns, historian Robert Ficken noted:

> Isolation precluded outside interference, by government agents, business competitors, or early-day labor organizers. The lumber companies managed affairs as they saw fit, expelling workers who caused trouble, and through the company store, monopolized trade with employees and local farmers.[21]

At Port Gamble, the Puget Mill Company was the only employer, owned all the houses, owned the only store, and controlled transportation in the sound by requiring all ships to use their tugboats. Twenty years later, Hammond would apply this same model in building the mill town of Bonner, Montana, and to an even greater extent at Samoa, California. In the meantime, however, Andrew continued to fantasize about striking it rich. At twenty-two, he was still restless, and after eighteen months at Puget Mill, news of a new gold strike in Montana rekindled his interest.[22]

Quitting his job at Pope and Talbot, Hammond returned to Montana heading for the Cedar Creek mining district on the lower Clark Fork River, sixty miles west of Missoula. When Andrew arrived in the spring of 1870, he found 3,000 men crowded into the narrow gulch and the placer mining nearly exhausted. Once again, he had arrived too late. Even so, Hammond must have noticed the vast quantities of accessible timber in the area.[23]

Stymied by his mining prospects, Andrew continued upriver back to Hell Gate where he took a job with George White, who was in dire need of a competent clerk for his general store. As the county assessor, White had to travel throughout Missoula

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[21] Ficken, 31.
[22] *Progressive Men*, 1678, *Redwood Log*, March 1950.
[23] Merrill Burlingame, *The Montana Frontier* (Helena, State Publishing Co., 1942), 93.

County, which stretched from the Canadian border south to Idaho Territory and east to the Continental Divide, and thus was absent from his store and home for long stretches of time.[24] Furthermore, White's health was failing, and he died the following August of "abdominal dropsy"[25]

Andrew stayed on to help Mrs. White and her three young children, running the store until she decided to close up shop. By now most of Hell Gate had been dismantled and the buildings used for new construction in Missoula or cut up for firewood. Without a store and post office, Hell Gate, once a vibrant frontier town with shootings, vigilante hangings and fist fights between judges and defendants, quickly faded away.[26] With money in his pocket and a solid reputation as a competent clerk, Hammond drifted a few miles east to Missoula where, as a result of the Cedar Creek strike, the town's population had tripled to 300 from the previous year.[27] Countywide, the first census in 1870 yielded 2,554 white inhabitants of which 2,084 were male.[28] Clearly, economic opportunity was more on Hammond's agenda more than romance. Nonetheless, he would find both in the booming frontier town.

By 1871 Missoula consisted of some fifty buildings including two stores, a flourmill, two hotels, two blacksmith shops, a sawmill, a public school, a Catholic Church, a new courthouse, a Chinese laundry, a brewery, two lawyers, two physicians, livery stables, several saloons, a Masonic lodge, and even a bookstore. The businesses were open on Sundays as that was when people from surrounding countryside came to town. Emma Slack, Missoula's first schoolteacher, noted disapprovingly, "There was no

[24] George McLeod, 2
[25] *Missoula and Cedar Creek Pioneer*, Jan. 12, 1871, Jan. 26, 1871, Feb. 23, 1871, Aug. 24, 1871.
[26] Leeson, 1678.
[27] Burlingame, 93.
[28] Koelbel, 49.

Sabbath observed then, stores wide open, often town full of Indians horse racing."[29] Although a supply town, mining strikes could quickly empty the little community. But when prospectors found the Kootenai gold rush to be a bust or arrived at the Cedar Creek mining district to find the claims all snatched up by others, they filtered back into town to take up more steady prospects such as farming, ranching and merchandising.[30]

The valley's social and economic activity swirled around the new thirty-foot long adobe mercantile of Bonner and Welch on the corner of Front and Higgins streets. At this favorite gathering place, men discussed politics and whispered rumors of new gold strikes, while women debated the quality of cloth with fashionable clerks and stocked up on staples such as flour, sugar, and canned goods. Just five years earlier, E. L. Bonner, a former clerk at New York's prestigious Lord and Taylor store, had arrived in Missoula with a pack train of 125 mules and horses loaded with merchandise and set up shop. Bonner and his partners, D. J. Welch and Richard Eddy, soon hit upon a successful merchandising strategy – bring the goods to the customer. Realizing the scarcity of supplies in the new mining districts, they began setting up temporary stores in tents. These "branch stores" required little capital investment and could literally fold up shop and move on once the diggings had played out, as the nature of placer mining was notoriously transient. The temporary stores did, however, require a central location for a warehouse and distribution, and Missoula offered an ideal location.[31]

With their mercantile web, Bonner and Welch served as the glue between the hinterland and the emerging national market. Farmers in the Bitterroot and Missoula valleys grew wheat and produce, which they then sold to Bonner and Welch for

[29] Dickenson diary.
[30] *The Missoulian*, Dec. 25, 1902.
[31] *Missoula Gazette Holiday Edition* Jan. 1, 1892; Johnson, 11.

distribution to mining camps. In turn, the settlers purchased their staples and winter groceries from the mercantile. Everything from apples and bacon to shovels and boots arrived via mule train from either Walla Walla or Fort Benton. In 1869 the completion of the Union Pacific brought the railroad to within six hundred miles of Missoula, and goods could now be sent via rail instead of steamboat. Once they reached the railhead at Corinne, Utah, however, supplies still had to be hauled by mule or oxen team to Montana, an arduous ten to fourteen day overland journey that could be undertaken only during the summer and fall.[32]

After months of isolation, Missoula residents eagerly awaited the arrival of the first pack train, carrying sugar, soap, turpentine, whiskey, boots, hats, clothing, and hardware. The arrival of the mule trains was a major event in the small town. With teams lined all the way up to Rattlesnake Creek, no one could ignore their presence. The mule trains brought goods, news from the outside world and even new home furnishings as many residents crafted their tables and chairs from wooden boxes. The teamsters were a hardy lot, frequenting the saloons and sleeping on the counter tops of the stores where they delivered supplies. Among the mule skinners working the Corinne-to-Missoula run were Calamity Jane and Andrew's younger brother, Fred, who had come west to join his siblings. George, by now, had returned to Fort Benton where he also entered the merchant trade.[33]

Despite the railroad connection in Utah, Missoula was still a remote outpost in 1871. Mud and snow blocked the route to Corinne for months on end. Only two stage lines served the valley: one to Fort Benton taking four days and the other to Walla Walla,

[32] *The Missoulian*, Nov. 17, 1870; Woody; Dunbar and Phillips, 80-81.
[33] *The Missoulian*, Dec. 25, 1902, June, 14, 1878, June 11, 1880; Coon, 65-68.; Dickinson diary; *Missoula Gazette*, Jan. 1, 1892; *Progressive Men*, 1678.

which took five. The long months of cold and isolation led many Montanans to winter in the states, despite the distant and harrowing journey to Corinne. Residents hoped the seclusion would soon end. As early as 1867, the *Helena Weekly Herald* reported that the route of the Northern Pacific would run through Missoula. Three years later, Bonner returned from the east with exciting news. He reported that the railroad had already built three hundred miles of track and would complete another 800 the following year and arrive in Montana by 1872.[34] Bonner's prognoses proved overly optimistic, however. The railroad would not reach Missoula until 1883, leaving Montana cut off from the rest of the country for another ten years.

With a solid reputation as an honest and competent clerk, Andrew Hammond landed a job with Bonner and Welch. Andrew's fluency in French was an additional asset as it allowed him to conduct business with the region's sizable Métis population. Then in October 1872, Bonner and Welch dissolved their partnership, and Hammond moved into the void, becoming head clerk. Bonner, Eddy, and Hammond soon established a working relationship that optimized each of their respective talents.[35]

An avid outdoorsman, Eddy preferred to spend his time hunting and fishing rather than working in an office, and was virtually absent from November to January. Bonner, on the other hand, "liked to strut around the Waldorf-Astoria" and enjoyed cavorting with financiers and politicians on the East Coast.[36] He, thus, became the buyer for the company, often spending as much as eight months in New York. Bonner also served as the political liaison when the firm became embroiled in disputes with the government

[34] *Helena Weekly Herald* Oct. 3, 1867; *The Missoulian* April 27, 1872, Nov. 3, 1870.
[35] *Missoula and Cedar Creek Pioneer*, Oct. 5, 1871; Johnson, 12.
[36] George B. McLeod,"The Story of the Hammond Lumber Company" (Walter Mcleod papers, mss 002, series XIV, box 96, folder 4, UM),1. This edited version differs slightly from the same manuscript at FHS.

over access to timber resources. Early on, the Missoula press recognized Bonner's influence but perhaps overstated his importance, printing that, "Mr. Bonner is now in Washington helping Congress to regulate the affairs of the nation."[37]

In Bonner, Hammond discovered a mentor and father figure that suited his serious and ambitious nature more than his rather footloose and carefree brother, George. Hammond looked to Bonner as the consummate businessman and began to model himself after him, even cutting his hair and beard in an identical style; their photographs bear an uncanny resemblance to one another. Following Bonner's lead (and as was the fashion among gentlemen), Hammond replaced his first name with his initials – A. B.

Following the death of George White in 1871, Hammond had shown an aptitude for financial matters. He became known in the community for firm and impartial transactions and was sought out as a trustee to administer estates. Whenever Bonner left town on business or Eddy went hunting, neither man had any doubt that when they returned every penny would be accounted for and not a candy cane would be missing from inventory with Hammond in charge. When Bonner and Eddy realized the competence and skill of the young man they had hired as a clerk, they quickly made him the store manager and considered it a stroke of good fortune.[38]

Despite his ability as "a knight of the yard stick and scissors," Hammond grew restless again after a few years.[39] With the arrival of his uncle, Valentine "Walt" Coombes and his brother Fred, he took leave of storekeeping and joined his relatives in a ranching venture near Flathead Lake. The open air seemed to agree with him, and in his

[37] *Weekly Missoulian*, Jan 21, 1873, Jan. 22, 1874, Jan. 20, 1875; Quote from *Weekly Missoulian*, April 6, 1872.
[38] Ibid. February 17, 1875, August 4, 1875, September 29, 1875.
[39] Ibid, Aug. 19, 1874.

spare time Andrew began writing poetry. Thinking he might have finally found his true calling, when he returned to Missoula Hammond tried out his verses on newspaper editor, Chauncey Barbour. Barbour informed his readers:

> Andrew's smiling phiz has a better effect on a person than a dose of laughing gas – by the way, Andrew's finding himself alone in the romantic regions of the Lake, let his "muses" soar and the result is 30 verses of poetry. He commenced reciting it to us; we had urgent business, after hearing the first verse, and left. We will take his word for the other twenty-nine.[40]

Poetry, apparently, was not in Andrew's future. Nor was ranching, as he eventually sold off his entire herd. Likely, his next experience as a traveling snake-oil salesman convinced him that the mercantile business held the most promise. In the spring of 1876, Hammond again left the store and joined H. C. Myers in travelling up and down the Bitterroot Valley by wagon peddling cure-alls. This time, however, he returned much less buoyant. Barbour noted:

> A. B. especially seemed to pine in thought, and as he reeled off the dry goods at Bonner and Company with a green and melancholy look, like one smiling at grief. It is indeed sad to see one in the flower of youth and in the vigor of manly usefulness come within the grasp of the insidious Destroyer.[41]

Perhaps Hammond had simply ingested a bit too much of his own remedy. Nevertheless, this marked the first indications of poor health that would continue to plague him throughout his life. The following winter, Hammond fell "dangerously ill" with an unspecified aliment. The snake-oil having failed, he turned to another health fad – electric shock – and hooked himself up to a "galvanic battery." Unfortunately, there was no way of controlling the electric force and he received a severe shock that laid him

[40] Ibid, April 25, 1873.
[41] Ibid, May 3, 1876.

out for a few days. But whatever the cause, Hammond's poor health cured his wanderlust, and he settled into his role as storekeeper.[42]

By July 1876, Eddy and Bonner were so impressed with Hammond's business acumen that they had made him a full partner and reincorporated as Eddy, Hammond and Company. Bonner opened a branch store in Deer Lodge, one hundred miles to the east, and split his time between there, and New York, where he did most of the purchasing for the business. With Eddy off hunting and fishing, Hammond soon became the firm's point man and general manager. The company began expanding, opening branch stores in the nearby Bitterroot and Flathead valleys. The partners also replaced their old adobe trading post with a new brick building at the corner of Higgins and Main. Although, Hammond had no way of knowing it at the time, being hired as a store clerk for Bonner and Eddy was the single most important event in his life. His career, his fortune, his marriage, and his political connections, all were forged inside the mercantile.[43]

During the final week of July 1877, most of Missoula's residents gathered at the nearly completed Eddy, Hammond and Company building. With nervous anticipation, many in the crowd glanced southwest over the Clark Fork River, their eyes following the Bitterroot Wagon Road that sliced diagonally across the valley toward the mouth of Lolo Canyon. From the rooftop of the building armed men stood guard, while women and children sought refuge in the basement. "This store being of stone and so located that it could be ably defended was selected as the rendezvous," reported Edward Boos.[44]

[42] Ibid. February 14, 1877.
[43] Ibid, January 18, 1878.
[44] Edward Boos married Andrew Hammond's cousin, Annie. His recollections are found at UM.

The tension in Missoula hinged on events fifteen miles away. A. B. Hammond, *Missoulian* editor Chauncey Barbour, and about 200 other volunteers of the ad hoc "Montana Militia" had entrenched themselves in Lolo Canyon in anticipation of a clash with the approaching Nez Perce Indians. The men, ostensibly under the command of Captain Charles Rawn of Fort Missoula, joined twenty-five soldiers in felling ponderosa pines to construct a breastwork defense from which they could hold off the Nez Perce until General Oliver Howard, who was pursuing the Indians, could catch up.[45]

On the heels of Custer's defeat the year before, trepidation about a general Indian uprising pervaded the territories. The army, spurred on by settlers, had attacked several Nez Perce camps in Idaho during this wave of fear and hysteria. With the Sioux wars to the east and now the Nez Perce problems to the west, Montanans felt particularly vulnerable. Newspaper accounts contributed to the anxiety, presciently assuming the Nez Perce would flee Idaho and head over the Lolo trail and through Missoula or up the Bitterroot following their traditional routes. In a letter to Governor Benjamin Potts, Chauncey Barbour expressed concern that the news of the Nez Perce exodus was "sufficient to strike terror to the entire population." He reported many in Missoula had left, and those in the Bitterroot were holed up at Ft. Owen.[46]

Barbour had instilled sufficient panic in Potts that the governor telegraphed President Hayes requesting more troops and permission to raise a volunteer force. The President assured Potts that the federal troops were on their way. Nevertheless, "Cap" Higgins rallied a volunteer force of 64 men from Missoula and 176 from the surrounding

[45] Leeson, 137-138; Alvin Josephy, Jr. *The Nez Perce Indians and the Opening of the Northwest* (New Haven: Yale University Press, 1965), 562-572.
[46] Ibid; P. C. Phillips, ed. "Battle of the Big Hole: An Episode in the Nez Perce War,." *Sources of Northwest History.* (Missoula: State University of Montana), 4.

area. Higgins insisted that there was a "Splendid chance to strike the Hostiles by way of the Lo Lo Pass with 4 or 500 well armed men."[47] A few days later, Hammond joined Capitan Kenney's Company. Higgins, on the other hand, declined to take part in the action, claiming that his life insurance policy prevented him from doing so.[48]

Despite decades of co-existence with them, settlers feared the Salish would join with the Nez Perce and lay waste to Missoula and the Bitterroot Valley. These fears were assuaged when Chief Charlot assured Captain Rawn that he would not take part in the fight. Rawn reported Charlot's insistence of neutrality to his superiors, stating, "[despite] my belief that all of them are treacherous, I am inclined to think that they are in earnest and that they intend to remain friendly."[49] Hedging his neutrality, Charlot did take the opportunity to point out that Indians had been the victims of settler violence. He told Rawn it would be "hard to restrain young men" who were angry about the whites "overloaded with ammunition and whiskey" who had been shooting into teepees.[50]

As the Nez Perce fled Idaho and into Montana, General Howard telegraphed Rawn that he could prevent the Indians' escape by moving his troops toward the mouth of Lolo canyon. Howard told Rawn to "simply bother them, and keep them back until I close in." Howard collected four companies of cavalry to pursue the Nez Perce, and dispatched two more companies over the Mullan Road. He then ordered Colonel John Gibbon to descend from Ft. Shaw, near Ft. Benton, down the other end of the Mullan Road. All the forces would converge in Missoula.[51] News of this plan naturally caused a

[47] J. H. Mills to Potts in Phillips, 5.
[48] Leeson, 146; *Weekly Missoulian*, July 6, 1877.
[49] Rawn to acting assistant adj. general at Ft. Shaw, July 12, 1877, in Capt. A. E. Rothermich, ed. "Early Days at Fort Missoula",3, in Phillips.
[50] W. B. Harlan to Potts, in Phillips, "Battle of the Big Hole," 6.
[51] Thomas A. Sutherland. *Howard's Campaign Against the Nez Perce Indians*. (Portland: A.G. Walling, 1878, facsimile Reproduction, 1966), 20.

great deal of concern for area residents, thus prompting them to take refuge in Eddy, Hammond and Company's new store.

Coming off Lolo Pass, the Nez Perce bumped into the Missoula volunteers ensconced behind their hastily-built blockade. Chief Looking Glass proposed that if they let the Nez Perce pass unmolested, the Indians in turn would "shed no blood in the Bitter Root Valley."[52] No doubt this sounded like a reasonable proposition to the volunteers – farmers and merchants concerned about their homes and families. Rawn, however, insisted that the Nez Perce give up their arms. Looking Glass refused but conceded to another council the following day. Rawn was deliberately stalling in the hope that Howard and Gibbon would soon arrive.

The next day, Looking Glass proposed that they would give up their ammunition to demonstrate their peaceful intentions. Refusing this overture, Rawn insisted upon unconditional surrender. Distrustful of the U.S. Army, Looking Glass declined. Rawn then returned from the council to find the Bitterroot volunteers preparing to return home. Upon hearing the propositions of Looking Glass, they had no wish to provoke the Nez Perce into violence. Hammond and the other Missoulians, however, stayed on.[53]

According to Barbour, "the impression in the minds of all the people was that the Indians would surrender Saturday."[54] However, by mid morning, the men behind the barricades noticed a long line of Indian horses led by women and children, moving up a nearby ravine and over the mountain. Warriors flanked either side and fanned out across the grassy hillside above them, affording easy shots into the barricade, yet the Indians held their fire. Reported one eyewitness, "About ten o'clock we heard singing, apparently

[52] Ibid.
[53] Rawn to Adj. General Dept of Dakota, Sept. 12, in Philips, "Early Days at Fort Missoula," 6.
[54] *Weekly Missoulain*, Aug. 9, 1877.

above our heads. Upon looking up we discovered the Indians passing along the side of the cliff where we thought a goat could not pass, much less an entire tribe of Indians with all their impediments. The entire band dropped into the valley beyond us and then proceeded up the Bitterroot. . . .They were good-natured, cracked jokes and seemed very amused at the way they had fooled Rawn."[55]

Outflanked and outsmarted, Rawn decided discretion the better part of valor and let the Nez Perce pass without resistance, a decision for which Higgins, Barbour, and others chastised him. Thoroughly disgusted with the debacle at "Fort Fizzle," Barbour wrote to Governor Potts, "Wipe out the disgrace that has been put upon us, and never let any regular officer again command Montana Militia."[56] A week later, however, Barbour publicly commended Rawn, admitting there was insufficient force to engage the Nez Perce in battle.[57]

With no sign of Howard, the Nez Perce believed they had left the war behind and settled into Stevensville for a couple days of trading and rest. Stores in Stevensville did thriving business with the Nez Perce who paid exorbitant prices for coffee, sugar, and tobacco with gold dust and greenbacks. Looking Glass also met with Charlot, who refused to join or aid the Nez Perce. However, on more than one occasion the Salish stepped in to prevent outbreaks of violence between the Nez Perce and the settlers. "A goodly number of our friendly Flathead [Salish] Indians armed with rifles such as they had, gathered in to protect us," recalled one storeowner.[58]

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[55] John Toole, *Red Ribbons: A story of Missoula and Its Newspaper* (Davenport: Lee Enterprises Inc., 1989), 14
[56] Chauncey Barbour to Potts July 31, in Phillips, "Battle of the Big Hole," 6.
[57] *Weekly Missoulain*, Aug. 9, 1877.
[58] Henry Buck "The Story of the Nez Perce Indian Campaign During the Summer of 1877" Montana Historical Society in Mark Brown, *Flight of the Nez Perce*, (New York: Putnam, 1967), 232.

Unaware that Colonel Gibbon was quickly marching down from Ft. Shaw, the Nez Perce moved peacefully and leisurely up the Bitterroot, trading horses and purchasing supplies from the settlers along the way. Ten days after Fort Fizzle, while camped in the upper Big Hole Valley, the Nez Perce awoke to volleys of bullets being fired into their teepees. Despite the surprise attack by Gibbon, the Nez Perce turned the tables and repelled Gibbon's force, capturing 2,000 rounds of ammunition and a howitzer. The Nez Perce fled toward the Yellowstone country taking the U.S. Army on one of the most epic campaigns of the Indian Wars.

Finally on September 30, a full month after Fort Fizzle, the Nez Perce were pinned down on the flanks of the Bear Paw Mountains by General Nelson Miles who had come up the Missouri by steamboat. After thirteen battles and 1,700 miles, and with Looking Glass and the other chiefs dead, Chief Joseph, finally surrendered, just forty miles short of reaching Canada and safety.[59]

The Missoula volunteers had long returned to their daily routine, but continued to follow the saga of the Nez Perce with excitement mixed with sympathy and respect for Joseph and his tribe. The flight of the Nez Perce marked the end of the Indian Wars and the passing of the Old West. Although many in Missoula ridiculed the episode at Fort Fizzle and chastised Bitterroot settlers for trading with the Nez Perce, the incident illustrated, rather than the cowardice of individuals, the spirit of capitalism that was sweeping the frontier. The divide between the old guard of Indian fighters, independent traders, fur trappers, citizen militia versus the young professional merchants and industrialists intent upon amassing capital was brought out in the rhetoric of the Fort Fizzle debacle. As a veteran of the Old West, Higgins deplored the actions of Rawn and

[59] For a full account see: Brown and Josephy.

the volunteers. Hammond, as a businessman, saw little to gain by combat and much to profit by trade. Personified in these two men, this division initiated a long-standing feud that lasted generations, divided the community, and ultimately influenced the state and national political landscape.

The nation, too, appeared poised on the brink of change. The shift from a frontier/agricultural to an industrial economy had begun. For his part, President Hayes soon forgot all about the Nez Perce. The Panic of 1873 had set off unprecedented business failures and threw more than three million out of work. By 1877 the national unemployment rate stood at twenty-seven percent. Starving, impoverished, and desperate, millions crowded into the urban centers of New York, Baltimore, Chicago, and Pittsburgh. Under financial strain, the Pennsylvania Railroad cut their already low wages, igniting a series of spontaneous and violent railroad strikes. In Pittsburgh, troops fired into a crowd killing ten workingmen. In response, rioters torched the Union Depot and burned over 2,000 railroad cars and 79 buildings. When the strikes had finally subsided, over one hundred people lay dead and a thousand imprisoned. This first nationwide labor strike set the stage for a multi-generational conflict between two emerging forces in America – labor and capital, with the federal government often intervening on the behalf of capitalists, a conflict in which Hammond would play a leading role.[60]

Headlines across the country shrieked, "Chicago in Possession of Communists" and "Pittsburgh Sacked." *The Missoulian*, however, took little notice and filled its pages with reports and commentary about the Nez Perce, indicative of the territory's immediate

[60] Richard Boyer and Herbert Morais, *Labor's Untold Story* (New York: UE, 1955), 60-62; Howard Zinn, *A People's History of the United States*, (HarperCollins, 1999), 245-247.

concerns and its geographic isolation.[61] Fortunately, this isolation somewhat insulated Montana from the worst aspects of the longest depression the nation had yet experienced. Although both Gold Creek and Cedar Creek mines had begun to peter out in 1873, silver mines in Butte and Phillipsburg kept the Montana economy afloat. The white population of Missoula County dropped slightly from 2,552 in 1870 to 2,537 in 1880, suggesting a stable but stagnant economy. Perhaps most telling is that from 1872 to 1880 only one additional business – a saloon – opened in Missoula.

The Eddy, Hammond and Company, however, continued to expand. Following Fort Fizzle, Hammond supervised the final stages of construction of the new building and also took charge of the Missoula express office. Under Hammond's leadership, the firm became a regional economic and political powerhouse.[62]

Shorty after Hammond began his clerking job, Florence Abbott, a precocious twelve-year-old, arrived in Missoula to further her schooling. With her parents still in Oregon, she moved in with her sister and brother-in-law, Edwina and Richard Eddy. Over the next five years, while Hammond was restlessly trying to find himself – writing poetry at Flathead Lake or hawking snake-oil between bouts of clerking – Florence was becoming one of Missoula's top students, achieving the honor roll every year since 1873. She was also growing into a beautiful young woman, and soon attracted Hammond's attention.[63]

Florence's father, however, disapproved of the ardor that began to develop between the seventeen-year-old student and the twenty-nine-year-old clerk. So in 1878, when the Eddys left for San Francisco, where Edwina would spend the winter, Florence

[61] Boyer, 62; *Weekly Missoulian*, Aug. 8, 1877.
[62] Coon, 77.
[63] *Weekly Missoulian*, Aug. 8, 1873.

accompanied them. Having graduated from high school, Florence also wished to continue her education. No doubt her sister also enjoyed the companionship. Nevertheless, when Florence returned to Missoula in May, she and Andrew renewed their courtship. After discovering them in a compromising position one evening inside the store, Florence's father marched into Hammond's office and informed him, "You will marry her."[64]

Florence and Andrew married the following February. With his marriage to his partner's sister-in-law, Hammond solidified both his business and personal life. The newlyweds moved into Eddy's new house, a modest two-story residence that the two families shared for the next twenty years. The Hammonds celebrated Christmas 1879 with the birth of their first child, Edwina, named in honor of Florence's sister. Over the next eight years, they would have five more children.[65]

The Eddy/Hammond house became the scene of many of the town's social gatherings. To celebrate the couple's first anniversary, "A party of friends gathered at the house of A. B. Hammond . . . and chased the hours with flying feet."[66] Andrew and Florence soon became Missoula's preeminent couple. Youthful Florence with her thin lips and rosy cheeks was the paragon of pioneer society. Fashionably dressed and sporting the latest coiffure, she hosted lunches with Montana's elite. Hammond, meanwhile, continued his involvement in community affairs and became active in local politics.[67]

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[64] Ibid, May 31, 1878; Dale Johnson, per. comm. March 10, 2009, quoting Tommie Lu Worden, descendent of Frank Worden.
[65] Johnson, 24-25.
[66] *Weekly Missoulian* February 27, 1880.
[67] *Weekly Missoulian*, January 9, 1880.

As his fortunes increased, however, A. B. gradually withdrew. Gone was the genial young sales clerk and eligible bachelor who readily volunteered for civic duties, from being on the Christmas tree committee to fighting the Nez Perce. A growing intolerance won him few friends, while his tenacious oversight irked many of his business associates. Hammond soon left socializing to others and turned his preoccupation to business affairs with a resolute and boundless energy. He was gradually becoming the uncompromising, unpopular, and vilified businessman upon which his reputation would rest for the rest of his eighty-five years.

Six: Working on the Railroad

Upon settling at Hell Gate back in 1856, Frank Woody purchased a barrel of whiskey that he promised to open "for the drinking public to imbibe" as soon as the Northern Pacific Railroad reached the Missoula Valley.[1] He was that confident the railroad survey of two years before would soon yield a transcontinental line. Little did he know that he would have to wait twenty-six years. But when it finally arrived, the railroad transformed Missoula from a sleepy trading post into a regional commercial hub and changed Hammond from a store manager into a millionaire.

Eight years after Woody's optimistic proclamation, Abraham Lincoln signed into law the largest land grant in U.S. history, bequeathing 42 million acres, more than two percent of the landmass of the lower forty-eight states, to the Northern Pacific Railroad. The railroad argued that since it was building a line through such a sparsely-inhabited region, the federal government should subsidize the endeavor as freight receipts could not possibly cover the construction costs. But rather than a cash subsidy, Congress offered land as the inducement with the assumption that the railroad would sell the land to settlers to recoup its outlay. With an eye to the future, however, the railroad selected valuable timberlands from which it, and its subsidiaries, would reap immense profits. In addition to the 200-foot right-of-way for the construction of the railroad itself, the railroad received alternate square mile sections along a forty to eighty mile-wide swath from Minnesota to the Pacific Coast. In Montana, this land grant resulted in a transfer from the public domain of 14.7 million acres, sixteen percent of the state's land area.

[1] John H. Toole, *Men, Money and Power: The Story of the First Interstate Bank of Missoula* (1986), 9.

This checkerboard ownership would create a future land management nightmare and plague A. B. Hammond with legal problems for more than three decades.[2]

Shortly after approving the land grant, Congress began having second thoughts as public opposition mounted to providing railroad corporations with such generosity. Nonetheless, in 1868, Congress granted the Northern Pacific an extension to 1877 in order to qualify for the grant. A series of organizational and financial setbacks delayed construction, but finally in August 1870, the Northern Pacific began laying track outside Duluth, leading E. L. Bonner to issue his declaration that the railroad would arrive in Montana within two years. By June 1872, however, the railroad had barely crossed into Dakota Territory.[3]

Bonner was not the only overly optimistic booster. Chief among the railroad promoters was Samuel Hauser, a civil engineer who arrived in Montana during the Civil War and had invested heavily in a silver smelter that failed in large part because of high transportation costs. With outside financing, Hauser started the First National Bank of Helena and continued his interest in both railroads and mining. An unabashed speculator, Hauser quickly jumped into the most spurious of schemes with boyish enthusiasm and often found himself grossly overextended. A greater contrast to Hammond's conservative, methodological business approach could scarcely be imagined, and yet the

[2] *House Committee on Pacific Railroads Report*, 46th Cong, 2nd sess. report #691; Theodore Schwinden, "The Northern Pacific Land Grants in Congress" (Master's thesis, Montana State University, 1950), 30; *Report of Secretary of Interior*, 1885, vol. 1,41. Derrick Jensen and George Draffan, *Railroads and Clearcuts: Legacy of Congress's 1864 Northern Pacific Railroad Land Grant* (Spokane: Inland Empire Public Lands Council, 1995), 7. Carlos Schwantes, in *The Pacific Northwest: An Interpretive History* (Lincoln: University of Nebraska Press, 1989) estimates the original grant at 60 million acres, but notes after forfeiture of some lands, Northern Pacific actually received title to 39 million acres, p. 144.
[3] Eugene V. Smalley, *History of the Northern Pacific Railroad* (New York: Putnam, 1883), 161, 213.

two men would soon become business partners. Indeed, Hammond owed much of his success to Hauser's effusive personality. It was the railroad that brought them together.[4]

The Northern Pacific, now part of Jay Cooke's financial empire, also engaged in a massive publicity campaign. To entice settlers, the railroad produced a pamphlet declaring Montana's climate as having "the mildness of Southern Ohio." Such optimism encouraged Cooke to overextend the railroad's credit. This combined with speculation, sluggish bond sales, the Franco-Prussian war, the Crédit Mobiler scandal, and inflated reports of Indian hostilities, led to Cooke's financial collapse in September 1873. Cooke's failure took out the stock market and sent the nation into a six-year depression, the greatest economic collapse America had yet experienced. The Panic of 1873 literally stopped the Northern Pacific in its tracks, and the railroad fell into receivership.[5]

The 1870s marked a period of wildly fluctuating economic conditions. While the nation spiraled downward financially, reoccurring gold and silver discoveries buoyed the western economy. In Montana, mining camps provided a market for local agricultural and lumber products, yet the lack of a railroad prevented export of such bulky commodities. Furthermore, full exploitation of the ore bodies was only economically viable with railroads. Railroads were necessary to bring the heavy machinery required to crush the ore and ship the concentrate to eastern markets. Transportation, or the lack thereof, defined the economy of Montana Territory.

Dependence upon placer mining, a single, soon-exhausted resource, triggered the rise of numerous towns and cities – Virginia City, Bannack, Louisville. But these all

[4] For more on Samuel Hauser see John W. Hakola, "Samuel T. Hauser and the Economic Development of Montana: A case study in nineteenth-century frontier capitalism" (Ph.D. diss., Indiana University, 1961).
[5] Smalley, 174. For more on the Panic of 1873, see: John M. Lubetkin, *Jay Cooke's Gamble: The Northern Pacific, the Sioux, and the Panic of 1873* (Norman: University of Oklahoma Press, 2006).

passed into oblivion nearly as fast as they sprang up. On the other hand, the smaller trading centers like Missoula, surrounded by prime agricultural lands, maintained their tenuous grip on existence. But as the gold mines began petering out in the 1870s, it seemed Missoula would forever be a small town catering to local farmers and ranchers. Location, nonetheless, proved to be the crucial underlying factor ensuring its future. The same geographical factors that made the Missoula Valley a nexus of Native American activity also contributed to its viability as a commercial center despite having only a fraction of the population of the mining towns of Helena and Butte. Although it only housed 440 people in 1880, Missoula served as a ganglion of civilization with nerves radiating into five valleys. To the north lay the ranch lands of Flathead Valley, to the northeast the Blackfoot River corridor provided timber, to the east were the gold fields of the upper Clark Fork basin, to the south lay the farms and orchards of the Bitterroot, and to the west spread the wide Missoula Valley and the lower Clark Fork. Indians, trappers, and settlers traveled up and down the three rivers converging in Missoula. Farmers and ranchers brought their wheat, produce, and cattle into town where it was then distributed to the mining camps. Furthermore, the valley was tributary to two-thirds of Montana's timber resources.[6]

At the center of this commercial hub sat the Eddy, Hammond and Co., which despite the national depression continued to expand slowly and steadily throughout the 1870s, adding a new building in 1878, then a stable across the street to accommodate mule teams. Beginning a pattern that would soon become his trademark, A. B. Hammond used the economic downturn to buy up other businesses, this time the Fahey

[6] Coon, 68.

store in Stevensville, thirty miles to the south. By the end of the decade, Hammond's firm was pulling in $15,000 a month and had become the primary business in Missoula.[7]

While all of this economic activity had occurred without a railroad, it was predicated on the promise of its eminent arrival. With the reorganization of the Northern Pacific, construction resumed in 1879. Progress west of the Missouri, however, proved sluggish at best and Montanans cast about for other options. Hauser, with his political, social, and economic connections, led the push to grant a territorial subsidy to the Utah and Northern, a feeder off the Union Pacific that would branch off the main line near Ogden and build north to the Montana mines.

With most of Montana's white residents clustered along the Continental Divide in Butte and Helena, it mattered little whether rail access came from the south or the east. Moreover, the Utah and Northern was making steady progress toward Montana after Jay Gould took over the line in 1878. For the Utah and Northern, Hauser wanted Helena, where he lived, to be the terminus. However, Jay Gould informed Hauser that extending the line past Butte to Helena would cost an additional $500,000. The further the railroad progressed, however, the more citizen support for a subsidy diminished. Without the subsidy, the Utah and Northern halted at Butte, arriving on a bitter cold night in December 1881.[8]

In 1870 Butte's population had been 350; ten years later it exploded to 5,000, to become the most prosperous mining camp in the world. During the decade William A. Clark built a mill and smelter, and Marcus Daly acquired the Alice and Anaconda mines.

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[7] *Missoulian*, July, 26, 1878, Nov. 27, 1878; Coon, 78.
[8] Gould to Hauser, Dec. 14, 1878, Samuel T. Hauser papers, MC 37, box 9, folder 25, MHS; Michael P. Malone, *The Battle for Butte: Mining and Politics on the Northern Frontier, 1864-1906* (Seattle: University of Washington Press, 1981), 23.

In addition, Congress passed the Bland-Allison Act, which compelled the federal government to purchase silver, thus stimulating silver production. A forward-looking railroad executive, such as Jay Gould, would naturally focus on the up and coming Butte rather than the older mining town of Helena.[9]

Having failed to entice the Utah and Northern to his town, Hauser turned back toward the Northern Pacific, inching its way across eastern Montana but without a clear route through the mountains. The surveyors had narrowed their choices down to three possible passes over the Continental Divide: Deer Lodge (south of Butte,), Mullan (west of Helena) and Pipestone (east of Butte). Each had its drawbacks. Mullan was the shortest but most expensive route, requiring a long tunnel under the summit of the Continental Divide; Deer Lodge did not require a tunnel but was forty miles longer, while Pipestone had the highest summit. Regardless of where the railroad crossed the Divide, it still had to pass through Hell Gate Canyon and Missoula one hundred miles farther west.[10]

In 1881 financial wizard Henry Villard gained control of the NP, and his representative, Thomas Oakes, became vice-president in charge of operations. Oakes happened to be an old friend of Hauser, who quickly moved to secure a commitment from NP to use his Helena bank for their Montana accounts. Meanwhile, Hauser also began working on General Adna Anderson, NP's chief engineer, to guarantee the road would run through Helena. Anderson's predecessor had recommended Deer Lodge Pass, which from an engineering standpoint was the most cost effective. However, this route bypassed the mining districts of both Butte and Helena. E. L. Bonner, now established in

[9] Coon, 95.
[10] Smalley, 408.

the town of Deer Lodge, also met with Anderson and no doubt promoted the Pipestone or the Deer Lodge routes, both of which would run through his town. As late as July 1881, Oakes favored the Pipestone route. Nonetheless, Hauser, with his grandiose promises and wildly optimistic propositions, prevailed, and Anderson agreed on Mullan Pass. With the route now decided, but not yet publicly announced, Anderson, Hauser, and Oakes all purchased land in Helena, indicating that Hauser had suggested how they might personally profit by running the line through his town. Such profiteering by company executives plagued nineteenth-century railroads and contributed to their financial instability.[11]

A few months later the Utah and Northern reached a "pooling" agreement with the Northern Pacific that if the NP bypassed Butte, Gould's lines would stay out of Helena. Although, this agreement came after Anderson's decision, the principals may have it discussed previously and that would have played a role in determining where the NP crossed the Rockies.[12]

After his meetings with Hauser and Bonner, Anderson spent a day in Missoula. While the route along the Clark Fork River was obvious, the location of the depot, yards, and shops were still unresolved. Would they be in Missoula or farther down the valley? The town's very existence hung on the outcome. Should the railroad decide to locate its facilities elsewhere, Missoula would wither and die, much the same way that Hell Gate disappeared when Higgins and Worden moved their mill. To entice the railroad to stop in Missoula, "Cap" Higgins, Frank Worden, and Washington McCormick donated hundreds of acres along the north end of town for a depot and rail yard. Despite this largesse,

[11] O'Bannon to Hauser, July 26, 1881, Hauser papers, box 17, folder 7, MHS; Smalley, 409.
[12] Taylor, 11.

Anderson bypassed these town elders and spent the day with A. B. Hammond, who accompanied the engineer to Flathead Lake. When he returned, Hammond had in hand an exclusive contract to supply all of the railroad's construction lumber from Mullan Pass to Thompson Falls, a distance of 175 miles. The massive timber requirements included 3,000 cross ties for every mile, plus lumber for tunnels, trestles and bridges, for a total of 21 million bf. In addition, Eddy, Hammond and Co. would supply the railroad with all its provisions: clothing, blankets, everything the railroad needed, save steel. This contract enabled the firm to go from an annual business of $180,000 in 1880 to $450,000 two years later and continue growing by about half a million a year for the next ten years.[13]

While the size of the deal was certainly remarkable, what was especially surprising was that it gave a mercantile firm with no construction experience nor sawmills an exclusive contract to build the roadbed and provide all construction lumber. Anderson's deal with Hammond also contrasted with the railroad's previous practice of accepting bids for its lumber contract. Furthermore, not only had Higgins, Worden, and McCormick provided the Northern Pacific with prime real estate, Higgins and Worden owned a sawmill, and McCormick had the largest lumber company in the valley. Naturally, these men felt cheated, and a rift soon developed within the Missoula business community that grew into a hostile feud between Higgins and Hammond over the ensuing years.[14]

We may never know for certain what persuaded Anderson to grant Hammond such a lucrative contract. While Hauser and Bonner had likely recommended Hammond

[13] W. J. McCormick to Hauser, May 26, 1884, Hauser papers, box 15, folder 18, MHS; C. H. McLeod to Herbert Peet, April 9, 1940, McLeod papers, box 48, folder 4, UM; Coon, 94-100, *Weekly Missoulian*, Aug. 19, 1881; Johnson, 35-36.
[14] Johnson, 35-36.

to Anderson, it was surely the young man's poise, demeanor, and confidence that helped persuade the Northern Pacific official. No doubt, Hammond also relied on his previous lumbering experience, possibly exaggerating his background and ability. However it came about, this massive infusion of outside capital catapulted Eddy, Hammond and Co. from a general store into the county's largest employer and economic entity, quickly outpacing their main competition, the more established Worden and Higgins. For his part, Hammond rocketed from being a general manager of a mercantile to one of the territory's wealthiest and most powerful men.

The partners wasted little time. Eddy began looking for a site to build a giant sawmill; Bonner traveled east to purchase the latest mill machinery, and Hammond scouted the route they were to build. Within a month, Eddy had men cutting trees along the Blackfoot River for railroad ties and bridge timbers, while Hammond sent crews west to work on the more difficult sections. Bonner succeeded in getting one sawmill shipped before winter and lined up two more to arrive in the spring. Although winter prevented the shipment of machinery, it hardly slowed production as it made for easier logging – logs could be skidded on the snow and hauled on horse-drawn sleighs. By May 1882 the company had five sawmills in place with three more on order. Some of these mills were producing an unheard of 20,000 bf per day and before long had eliminated the valuable white pine from much of the region.[15]

From his office inside the Eddy, Hammond and Co. building, Hammond supervised the complex operation with the precision and authority of a field marshal. He hired loggers, mill workers, laborers, mule skinners – anyone who wanted work and was more or less sober. He subcontracted for grading and clearing the railroad right-of-way,

[15] *Missoulian*, Aug. 19, Aug. 26, Sept. 2, Sept.2, Sept. 29, Oct. 21, 1881; *New Northwest*, May 26, 1882.

purchased timber and lumber from independent loggers and mills, and sent Bonner, who remained in New York, specifications for sawmills and other machinery. Hammond issued tents, groceries, tools, and other supplies for the workers up and down the line. And he continued to run the store, although he now had the assistance of C. H. (Herb) McLeod.

When Hammond became partner in the Eddy, Hammond and Co. in 1876, he began casting about for trustworthy and sober assistants. In the frontier communities of Montana, however, these were elusive qualities in a workforce that had come west to avoid wage labor and seek their own fortune. Most Westerners dreamed of being cattle barons, striking it rich in the mines, or at least starting their own business or farm. Hammond had little use for employees who walked off the job every time there was a new gold or silver strike or who failed to show up to work because they were too hung over. In frustration, he notified relatives in New Brunswick to send hardworking young men to Montana where they could make twice their previous income. The ability of many in New Brunswick to speak both French and English was an added bonus, as much of the mercantile business was with the French-speaking Métis population.

In a classic example of chain migration, many answered Hammond's call. Thomas Hathaway arrived in 1878 to work as a bookkeeper in the store, and his family followed the next year. Herb McLeod arrived from New Brunswick in 1880 with $10 in his pocket to work as a clerk and would eventually become the general manager of all of Hammond's Montana businesses. With McLeod running the store, and Hathaway keeping the accounts, Hammond sent word to New Brunswick for yet more capable, honest men who shared his work ethic and around whom he could build an empire. In

the 1880s John M. Keith and his brother Henry C. Keith both came to Missoula to work for Hammond as clerks. Before long, John Keith became cashier of the First National Bank, and Henry managed the branch store at Kalispell. Also from New Brunswick came a host of others who worked as clerks, loggers, or mill hands. By 1892 out of sixteen store and department managers, only three were not from New Brunswick.[16]

The financial opportunities in Montana looked so promising that Hammond encouraged his entire family to relocate to Missoula. Hammond hired his brothers, Fred, George and Henry, lumbermen all, to supervise the mills and logging operations, while his uncle, Walt Coombes, oversaw freight operations. In 1886 the four brothers were joined by their sisters, Mary and Sarah, along with their husbands, and their mother, Glorianna. Sarah had married her cousin, Charles Beckwith, from one of the few other English families in Madawaska. Seventeen years later, Mary married George Fenwick, a cousin of Herb McLeod, who eventually married Clara Beckwith, the daughter of Charles and Sarah. Herb's cousin George, who also came west to work for Hammond, married Clara's younger sister, Emma, while John Keith married another Beckwith sister, Harriet. Thus, by the late 1880s, A. B. Hammond had fixed himself as the nucleus in a swirling medley of family and financial relationships. Whether related to A. B. by blood or marriage, nearly all of these men and their families remained financially dependent upon Hammond for their entire lives and formed a web of intensely loyal and dependable managers of the various Hammond operations.[17]

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[16] *Missoulian*, May 9, 1879, *Missoula Gazette*, Jan. 1, 1892

[17] *Missoulian* May 19, 1881, May 14, 1886; Records of Trinity Anglican Church, Perth Andover, Grand Falls Museum; *St. John Daily News*, Nov. 12, 1875; *The Moncton Times*, April, 25, 1890. John Keith proved the exception, as he and Hammond engaged in a long and bitter dispute over management of the bank in the early twentieth century.

The railroad contract quickly made Eddy, Hammond and Co. the largest mercantile in the region, and they announced the opening of a new store in Butte and the purchase of another in Frenchtown, bringing the total to eight stores. Additionally, supplying the railroad with timbers temporarily made the firm the single largest employer in the territory. Hammond was hiring anyone who could swing an axe, yet he was still short of men and lumber. To make up the shortfall, he subcontracted and repeatedly advertised for "10 million feet of sawed lumber and five hundred thousand hewed ties."[18] Hammond imported "shipments" of Acadian loggers from Madawaska, including Martins and Crys, descendents of the families that his great-grandfather, John Coombes, had pushed out of Kingsclear. With such a labor force and infrastructure, the firm also supplied cordwood, ties, and piling to the Pend'd Oreille Division in Idaho to help with its massive timber requirements for bridges and trestles.[19]

It was an ideal situation for the three partners. The trees were free for the taking (or so they believed), while outside capital supplied the funds, funneled through the First National Bank of Missoula, of which Bonner, Hauser, and Hammond were primary stockholders. The full employment provided the mercantile with customers flush with cash. Before long the partners' stores began receiving weekly shipments of staples like coffee, sugar, and flour, along with sewing machines, plows, saws, silk, buttons, carpets, dresses to sell to their employees. Not only had the firm contracted to supply the Northern Pacific crews with housing and goods, they also established branch stores along the route to sell such non-essentials as whiskey, tobacco, and sweets. The company

[18] *Helena Weekly Inter-Mountain*, Jan. 1, 1882; *Missoulian*, March 10, 1882.
[19] Hammond to McLeod, Aug. 8, 1929, box 22, folder 4; Northern Pacific Railway Company Records, mss. 128, series V, box 102, vol. 89, UM.

successfully merged the "wagan" concept from Hammond's native New Brunswick with Bonner and Eddy's camp stores to supply Montana's railroad workers.[20]

The construction itself was a monumental feat. Traversing dense forests and steep mountainsides, the 130 miles along the Clark Fork River was the most difficult and most expensive section of the entire Northern Pacific line. At the western end of the section, Chinese laborers hung from rope ladders to place dynamite to blast a roadbed from sheer cliffs. East of Missoula, Mormon crews, receiving twice the pay of the "Celestials," graded the roadbed with horse teams. Meanwhile, Hammond sent his brawny New Brunswick loggers deep into the woods to cut railroad ties. But rather than paying wages, Hammond contracted to pay them by the tie. Swinging a double-bladed axe, an independent "tie-hack" could produce about forty ties per day. Upstream from Missoula, the sinuous Clark Fork required ten separate bridges, but the greatest challenge lay just west of town, after the route left the river. Spanning 860 feet, and 226 feet high, the Marent Gulch trestle was the highest bridge in the U.S. at the time and was among the tallest wooden structures ever built. Hammond had more than 160 men working on it, and it still took six months to finish. Farther downstream, the route had to be sliced out of the narrow Cabinet Gorge, where after the tracks were finally laid, a landslide wiped out several hundred feet of track, leaving a 1,300 foot chasm.[21]

Despite the setbacks, Eddy, Hammond and Co. completed their section well ahead of schedule. The first train entered Missoula from the west on June 22, 1883, six weeks before the formal celebration at Gold Creek that marked the completion of the nation's

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[20] *Missoulian*, June 9, 1882; *Missoula County Times*, Nov. 21, 1883.
[21] Olga Johnson "Prospectors turned tiehacks," *Western News* (Libby) April 20, 1967; *New Northwest*, May 26, 1882; Smalley, 415-416; Robert Swartout, Jr., "From Kwangtung to the Big Sky: The Chinese Experience in Frontier Montana," *Montana, Magazine of Western History*, vol. 38, no. 1: 42-53; Louis Tuck Renz, *The History of the Northern Pacific Railroad* (Fairfield, WA: Ye Galleon Press, 1980), 97

second transcontinental railroad. When the train arrived in Missoula, one eyewitness recalled, "Citizens came to the scene in droves, some of them to behold for the first time in their lives a locomotive." To mark the occasion, Frank Woody rolled out his twenty-six-year-old barrel of whiskey, and "all that day there was rejoicing in Missoula."[22]

Not everyone was so celebratory, however. The railroad sliced across the south end of the Flathead Reservation, and the Indians knew it would bring even more settlers and an end to the plains bison. By linking their isolated, rural community to the world at large, some Missoula residents worried that the railroad would increase dance halls and prostitution, lead to an influx of gamblers, vagabonds, and criminals and contribute to overall moral degradation. The railroad also shattered the peace, spewed coal dust and soot, and imposed a standardized time. As historian William Deverall points out, however, much of the antagonism toward railroads was less directed toward the technology and more toward the monopoly and growing corporate power that the railroad embodied. By the late nineteenth century, railroads were the largest commercial enterprise in the U.S. and freely flexed their economic and political muscle. In short, the railroad brought industrialization with all its problems as well as benefits. While the railroad brought more goods at lower prices and fully integrated Montana into the national economy, the colonial relationship remained. Natural resources (and the wealth they generated) continued to flow out of the region, while Eastern and European capital determined development patterns. As regional entrepreneurs like Hammond and Hauser

[22] *Missoulian*, June 22, 1883. Quotes from J. B. Brondell recollection in Ruth Boydston Scott, *Missoula: Trading Post to Metropolis*, 1997, 1; Toole, *Red Ribbons*, 23.

and mining moguls William A. Clark and Marcus Daly gained more power and wealth the colonization would come within.[23]

The first signs of Montanans' disillusionment with the railroad occurred during the formal gold spike ceremony on September 8, 1883. Henry Villard promoted the event to distract from the railroad's looming financial crisis. Montanans, however, had an even more immediate reason for cursing Villard. Spending $250,000 on the lavish event, Villard built a pavilion and bandstand to shade and entertain his prestigious guests and financial backers such as British and German ambassadors, members of Congress, governors, and former president, U. S. Grant. Despite the ample space under the pavilion, however, locals were relegated to standing in the sweltering sun. After hours of long speeches, Grant finally drove the spike signaling the railroad's completion. Special trains then whisked the dignitaries away, while ordinary folks were left stranded until 1 a.m. without food or drink. Before long, soldiers had to keep the thousands of irate locals from burning down the band shell. The love/hate relationship with the railroad had begun. Hammond noted the antipathy the event created toward Villard and insured that all his ensuing inaugural events made ample provisions for locals, including free food and whiskey.[24]

Although Hammond, Hauser, and Bonner profited immensely from their railroad contracts, for Villard, the completion of the Northern Pacific marked the beginnings of his financial troubles. Construction expenses had grossly exceeded the estimates, and by

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[23] Lenora Koelbel, *Missoula: The Way It Was*, (Missoula: Pictorial Histories Publishing Co., 2004 revised ed.), 79; William Deverell, *Railroad Crossing: Californians and the railroad, 1850-1910* (Berkeley: University of California Press, 1994), 4-6, 175; Toole, Red *Ribbons*, 22.

[24] Bill Taylor, *Rails to Gold and Silver: Lines to Montana's Mining Camps*, vol. I (Missoula: Pictorial Histories, 1999); *The Madisonian*, (Virginia City) Sept. 22, 1883; Edward W. Nolan, "Not without Labor and Expense: The Villard-Northern Pacific Last Spike Excursion, 1883," *Montana, Magazine of Western History*; vol. 33, no. 3:2-11.

October, the railroad faced a deficit of $9.5 million. Villard issued an additional $20 million in mortgage bonds, bringing Northern Pacific's indebtedness to more than $61 million. Consequently, the stock value plummeted and Villard resigned under financial and physical stress. In 1889, however, Villard regained control of the Northern Pacific and served as chairman until the Panic of 1893. In the interim, Hauser's old friend, Thomas Oakes, had become president of the railroad.[25] This would soon prove fortuitous for Hammond and his associates. More importantly, the case of the Northern Pacific illustrates that Villard was simply a conduit of capital; it was the local entrepreneurs such as Hammond, Hauser, and Bonner who actually built the railroads and in doing so transformed the American West.

The completion of the Northern Pacific Railroad in 1883 stimulated a decade-long burst of economic activity in Montana. Predicated on mining and the railroad's ability to transport ore, banking, lumbering, merchandising, and agriculture all boomed. Montana's population skyrocketed from 39,000 in 1880 to 132,000 ten years later. Similarly, the population of Missoula County jumped from 2,500 to 14,000 and the number of farms in the county quadrupled during the same decade. Nearly every month it seemed a new mine, mill, or smelter appeared, with subsequent need for workers, fuel and timber. More and more cattle were added to the open range now cleared of both bison and Indians. Wheat harvests were good, and the Bitterroot orchards were coming into production. With the railroad, Montana producers could export cattle, wheat, fruit, wool, and lumber in addition to minerals. Metals, such as silver, lead, and especially

[25] Lloyd J. Mercer, *Railroads and Land Grant Policy: A study in Government Intervention* (New York: Academic Press, 1982), 54; Carlos Schwantes, *Railroad Signatures across the Pacific Northwest* (Seattle: University of Washington Press, 1993), 64.

copper, could now be shipped economically, stimulating even more development. Manufactured goods such as wagons, plows, harnesses, clothes, furniture all flowed into the Eddy, Hammond and Co. to be redistributed through the region. In addition to the boost from the railroad, Montana was riding the tide of a national boom and speculation was rampant.[26]

During the 1880s, Hammond had his hand in so many different projects that the *Missoulian* had to put a reporter on a separate beat just to cover his activities. In addition to railroads and lumbering, Hammond soon became involved in real estate development, construction, mining, livestock, flour mills, water and power companies, politics, and a newspaper, all of which required capital investment. And while they shared investments, Hauser and Hammond had radically differing ideas about finances. While both had experienced the Panic of 1873 and the fluctuating economic conditions of the 1870s, Hammond seemed to have internalized the lessons of New Brunswick and the consequences of its colonial dependence upon a single extractive industry. No doubt, the volatile nature of the lumber industry made him acutely aware of the dangers of speculation.[27]

The economic boom brought on by the railroad stimulated the need for local capital. In need of increasing the capitalization of the First National Bank of Missoula (founded in 1873 by Higgins, Worden, and Hauser), Higgins approached Hauser, who by the early 1880s had become the majority stockholder. Hauser, in turn, invited Hammond and Bonner, flush from their railroad contract, to pump their excess cash into the bank. With the infusion of capital, in September 1882, the bank directors elected Hammond as

[26] Coon, 114-116.
[27] Toole, *Red Ribbons*, 27.

vice-president to represent his and Bonner's interest, while Higgins retained his title as bank president.[28] A struggle over control of the bank between the two men soon erupted. The conflict between Higgins and Hammond would have further consequences, splitting the town into two factions, with competing banks, stores, newspapers, political parties, and real estate development. Twenty-first century Missoula residents are still plagued by an absurd traffic grid as result of the Hammond/Higgins feud.

Both Bonner and Hammond were well aware of Higgins' and Hauser's rather lax business practices. In an age when character counted for more than ledgers, banks in New York continued to allow Hauser to make overdrafts since he personally guaranteed repayment. Hauser's First National Bank of Helena tended to advance money to friends, frequently allowed overdrafts, loan securities were often inadequate, and Hauser hesitated on collecting debts. When his bank did foreclose, it often found itself saddled with worthless mining property. Then when eastern banks called for repayment, Hauser was often hard pressed to cover funds. Nevertheless, Hauser's bank became the second largest in the Pacific Northwest.[29]

Higgins was even worse. As economist Shirley Coon noted regarding Higgins' management, "Overdrafts seemed to be the rule rather than the exception, especially in the accounts of the bankers themselves . . . Overdrafts totaling $75,000 or more were not uncommon."[30] Even Hauser considered his friend, Higgins, to be incompetent as a bank manager and agreed to let Bonner and Hammond name a bank president anytime they felt it necessary to protect their investment as part of their purchase agreement.[31]

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[28] Leeson, 878; *Weekly Missoulian*, Dec. 1, 1882; Hakola, 99.
[29] Hakola, 117-124.
[30] Coon, 79.
[31] Bonner to Hammond, May 15, 1885, Hauser papers, box 2, folder 2, MHS.

Hammond had no intention of squandering his investment and immediately took an active role in bank management. This soon put him on a collision course with Higgins and trapped Hauser between the two prima donnas. Hammond soon suspected that Higgins, like Hauser, had been approving questionable loans to friends. When Hammond sought to examine the bank records, Higgins denied access, further raising his suspicions as well as his ire. Not yet having established a firm relationship with Hauser, Hammond went to Bonner who immediately contacted Hauser, writing, "We have examined affairs at Missoula and find things in bad shape . . . I want you to go to Missoula with me and satisfy yourself that I am correct in my statement."[32] The affable Hauser declined to take action regarding the bank's mismanagement. By January 1885 Hammond became so concerned that bad loans would reduce the value of the bank stock that he demanded changes. This time he wrote Hauser directly, stating, "You should buy us out, or choose between Higgins and myself. You place parties in control and then expect me to quarrel with them about their blunders. I was willing to do all I could to save the bank but now the time has come for a new deal." Hammond also complained that Higgins continued to ignore his requests for bank statements and held Hauser, as majority stockholder, ultimately responsible for supporting incompetent management. Hammond further suggested that Hauser's friendship with Higgins clouded his obligations.[33]

Hauser must have wondered about this impertinent young clerk whom he had helped obtain the Northern Pacific contract and invited into his banking enterprise. Hammond was now telling him, the president of the largest financial institution in the territory and soon-to-be territorial governor, how to run his business. Despite his

[32] Bonner to Hauser, Aug. 12, 1884, Hauser papers, box 2, folder 2, MHS.
[33] Hammond to Hauser, Jan. 7, 1885, box 10, folder 3.

propensity for the good old boy network, Hauser recognized Hammond's business sense and competence. Attempting conciliation, Hauser suggested that Hammond and Bonner buy out Higgins and appoint a new president to their liking. Hammond, however, was not mollified and continued to insist that Hauser buy them out instead. Hauser grew a bit more heated at Hammond's intransigence and replied that as vice-president, Hammond was fully within his duties to deny loans and bear some responsibility himself.[34]

Seeking the rest of the story, Hauser also asked Higgins about the dispute with Hammond. Hoping to downplay his own complicity, the captain replied, "I do not know of any hostility or disagreement or any cause for even a misunderstanding. . . . Mr. Hammond has never submitted a proposition written or verbal to buy or sell stock or to purchase my stock. This whole thing is all new to me."[35] Clearly, Hauser was not getting a straight answer from either of the combatants. So he turned to his cousin, Ferdinand Kennett, who had been cashier since 1877 and whose loyalty to Hauser was unquestioned. In a long letter Kennett apprised Hauser of the situation:

> I am fully satisfied that these two cannot agree and one or the other had better sell. . . . Hammond will not be satisfied with the present arrangement nor with any arrangement which does not put the Capt. and myself out. As far as I am concerned if Hammond is to be the controlling director I wish to step out and will do so.

Although Kennett stated, "Much of Hammond's fault finding is utterly without foundation," a few lines later, he admitted, "Some of his complaints may be true but why write to you instead of coming out in a straight forward way and telling us at a Directors meeting." Kennett summed up the situation as he saw it: "Hammond is a dangerous man and would I think hurt the business of the Bank by being too severe with parties who are

[34] Hauser to Hammond, Jan. 10, 1885.
[35] Higgins to Hauser, Jan. 1, 1885, box 11, folder 13.

now hard up if he were to have full swing." While Kennett and Higgins clearly had a personality clash with Hammond, much of their differences lay in values and what they saw as the fundamental purpose of the bank. As his last sentence indicates, Kennett saw the bank as providing a service for the community and worried that should they press too hard for collection it would hurt business by alienating friends and neighbors. In a postscript, Kennett admitted, "there are some bad debts which we cannot ascertain exactly as yet the status of."[36] For Kennett (and Higgins and Hauser, as well) such a condition was secondary. But for Hammond, the bank's fiscal health superseded all other concerns. Subsequent events would prove the wisdom of Hammond's position.

Hammond was beginning to develop a modern business practice, one that made sense financially but often ran up against tradition and the social ethic of small-town America in the nineteenth century. Indeed, he would struggle with the subtleties and social obligations of conducting business in such an environment his entire life. While many residents appreciated Hammond's financial acuity and exactitude, others deplored his hard-nosed approach that offered little room for the exigencies of frontier life.

After six weeks of wrangling, Hammond came to an agreement with Hauser, Higgins and Kennett, whereby Higgins could remain as president but hereafter all loans would be approved by committee. The agreement also gave Hammond free access to the accounts, and Hammond soon discovered $50,000 in bad debts that had been carried along as assets. Chagrinned, he told Hauser, "Men have borrowed money without collateral security who have never been able to pay 50 on the dollar since they have been in this country."[37] Bonner had a more colorful assessment of the situation. He compared

[36] Kennett to Hauser, Jan. 13, 1885, box 13, folder 13.
[37] Hammond to Hauser, Feb. 12, 1885, box 10, folder 3.

the bank loan policy to the equivalent of letting people use sunken railroad ties in the Blackfoot River as collateral or "loaning money to an ex convict and not knowing he had been in our Territory Penitentiary . . . . I would as soon think of loaning money on a school of mackerel in Boston Harbor."[38]

The détente lasted less than two years. The bank directors lined up along two poles with Higgins and Kennett on one end and Hammond and Bonner on the other. Bonner, splitting his time between the East Coast and Deer Lodge, had full faith in his junior partner. Kennett was convinced that Hammond would "never be satisfied until he is out or the head of the Bank." Kennett also complained to Hauser that disputes between Higgins and Hammond not only made for unpleasant working conditions but were also "seriously affecting the business of the Bank." By August 1887 the situation had deteriorated to the point where Kennett declared, "I would much prefer to go somewhere else than to have this quarrel continue and if I could sell my house at any where near what it cost would be glad to take even some subordinate position at a much smaller salary than to stay here under such existing circumstances."[39] Hauser, however, ducked any type of confrontation and simply ignored Kennett's complaints, hoping they would go away.

Also by this time, Hauser had become even more enmeshed with Bonner and Hammond as he enlisted their help to build five of the seven Montana branch lines for the Northern Pacific. NP's chief engineer, Adna Anderson, may have influenced Hauser when he warned him not give contracts to anyone "without the requisite construction

[38] Bonner to Hammond, May 15, 1885, Hauser papers, box 2, folder 2.
[39] Kennett to Hauser, Jan. 11, 1887, Aug. 9, 1887, box 13, folder 14.

experience."[40] Since Anderson himself had awarded Hammond the contract to supply materials for the main line, he could hardly oppose selecting Hammond for branch construction.

As early as 1881 Anderson had begun laying plans for a series of feeder lines into mining districts and the Bitterroot Valley. Northern Pacific's charter, however, prevented it from building such branch roads. To circumvent this provision, railroad officials enlisted local businessmen to build the lines, which were then purchased by NP for substantially more than construction costs. Consequently, this proved to be a financial windfall to the local entrepreneurs and their backers, who included Villard, Oakes, and Anderson. With company officials profiting immensely from endorsing the purchase of subsidiary branch lines that they themselves had financed, it was hardly any wonder that NP was in such desperate financial condition. This chicanery, however, required the assistance of compliant and malleable local businessmen.[41]

To build the Montana branch lines, Anderson enlisted Hauser who proved an ideal front man, throwing his enthusiasm and reputation into the projects. Meanwhile, less than a month after the gold spike ceremony, Hammond and Eddy had partnered with Wilbur Fisk Sanders, (who would soon become Senator) and Frank Woody (NP's local attorney) to form the Bitterroot Valley Railroad Company to run a line from Missoula to Salmon, Idaho. Oakes, however, informed his Montana engineer that Northern Pacific's policy opposed "the building of any lines connecting with our main lines unless we have

[40] Anderson to Hauser, Sep. 16, 1886, box 1, folder 12.
[41] Taylor, 28; Anderson to Hauser, Aug. 8, 1881, Aug. 12, 1881.

control thereof and absolute ownership."[42] Without outside financing and NP support, the project collapsed.

Nonetheless, Hammond remained convinced that the Bitterroot would be a viable feeder line. Thus in March 1886, Hammond incorporated the Montana Western Railroad Company, an even larger scheme. This railroad would also run from Missoula up the Bitterroot and on to Salmon, but include a branch over the Sapphire Mountains to the mines around Philipsburg and then continue on to Butte. Hammond's crew began surveying a route, but Hauser convinced Hammond to wait for direction from the NP. Regardless of whether the Montana Western was a viable project, it had the desired effect of prodding the NP into backing more branch lines in Montana.

Even more threatening to the Northern Pacific was James J. Hill's Great Northern, which would soon connect St. Paul to Helena and Butte. Union Pacific also announced it was considering building a line into the Bitterroot from Philipsburg to secure the vast timberlands and agricultural production of the valley. All of these plans pressured NP to seize the initiative and sponsor branch lines, which ironically contributed to the railroad's impending financial meltdown.[43]

Meeting with the NP directors in October 1886, Bonner declared, "We get three railroads through our land in one day while last year it was almost impossible to get them to listen to one road."[44] The following month, Anderson returned to Montana to form branch railroad companies. Hammond's dogged pursuit of a Bitterroot line paid off, and

[42] *Missoula County Times*, Oct. 3, 1883; quote from Taylor, 28
[43] *Weekly Missoulian*, March 19, 1886, June 4, 1886; Taylor 21-22, 84.
[44] Bonner to Hauser, Oct. 21, 1886, box 2, folder 2.

in January he partnered with Hauser, Bonner, Frank Worden and Anderson to form the Drummond and Philipsburg Railroad and the Missoula and Bitter Root Valley Railroad.[45]

All of NP's Montana branch lines were based to some degree upon servicing mining. Even the Yellowstone Park line looked toward the Cooke City mines as a source of potential traffic. The Philipsburg district was home to the Granite Mountain Mine, one of the country's largest silver mines, and the Bitterroot line was justified by the Curlew silver mine, of which Hammond and Hauser were among the primary investors. In nearly every case, Hauser promoted branch lines to mines where he had financial interest and convinced NP that these would be valuable additions to their system and would soon pay for themselves. Indeed, NP based its purchase price on Hauser's overly optimistic traffic projections, which, except for the Bitterroot line, fell dramatically short. Thus, Hauser got railroads to his mines while making money on construction.[46]

As with building the Northern Pacific, the mercantile, and other enterprises, Hauser, Bonner, and Eddy supplied the capital and served as titular heads, but Hammond as "Vice-President" oversaw the day-to-day operations and functioned as the CEO. Although Hauser was the president of both the Drummond and Phillipsburg and the Missoula and Bitter Root Valley Railroads and Anderson was the Chief Engineer, Hammond insisted on personal oversight of construction expenses. While Bonner and Eddy had been content to let Hammond run things, his insistence upon written contracts and timely payments often exasperated Hauser and Anderson, who were used to conducting business with a wink and handshake. In February 1887 Hammond told Hauser that the severe winter would cause heavy cattle losses, making for a tight money

[45] Hauser to Hammond, Nov. 23, 1886, box 10, folder 3; *Weekly Missoulian* Jan. 21, 1887.
[46] Taylor, 83, 99, 121; Haloka, 175.

market, and that they should ask NP for half the payment in bonds up front. He wrote to Hauser that it would be unwise to assume "the responsibility of building these Roads with local money without some assistance in the way of bonds, no matter how great the profit we might expect to realize in the operations." NP conceded the point and hereafter purchased half the bonds in advance to speed construction.[47]

In April Hammond negotiated a separate contact with NP to supply ties and timbers as well as grade the road and, in the case of the Bitterroot branch, lay the tracks.[48] To protect himself, Hammond had insisted, "no charge for stumpage shall be made by the Northern Pacific Railroad Company for timber that we many take from their land for use in the construction of roads."[49] In essence, Hammond wanted a written guarantee that the NP grant lands would supply the timber free of charge.

Hammond continued to haggle with Anderson over prices and insist upon immediate payment for a recently constructed bridge. However, he confided to Hauser that Anderson was "talking in such a way that I concluded it advisable to drop the matter for the present, as he was not in the right frame of mind to be pushed for a decided answer."[50] Hammond was quickly gaining a reputation as a shrewd and uncompromising businessman. While his dogmatic approach may have been less socially palatable, he was establishing practices that would pay financial dividends in the ensuing years.

Building two railroad branches simultaneously proved challenging. Although Hammond began work on the Bitterroot line in July 1888, he had to divert the work crews to the Phillipsburg branch as it promised more immediate results from the mining

[47] Hammond to Hauser, Feb. 7, 1887, box 10, folder 3.
[48] *Weekly Missoulian*, April 29, 1887.
[49] Hammond to Hauser, Feb. 7, 1887
[50] Hammond to Hauser, April 14, 1887.

industry. So keen were the partners to get this line finished that they subcontracted the grading to anyone with a team of horses. Finally in September, the Philipsburg line was completed, and Washington Dunn's Mormon construction crews moved over to the Bitterroot. But in October Hammond hit a snag.[51]

Copper magnate Marcus Daly had bought a 22,000 acre ranch in the Bitterroot to raise horses and discovered that the railroad would run through the middle of his property. Daly let both Hammond and Hauser know that although he could not legally prevent the railroad from crossing his ranch he would find "some means to make it against their interest to do so."[52] Within a week Hammond was in Butte to arrange a route acceptable to Daly.[53]

Daly and Hammond also had competing visions regarding the development of the Bitterroot. With ever an eye for profit, Hammond looked to the small town of Victor, thirty-five miles up the valley from Missoula and near the Curlew mine, as the future trading center of the Bitterroot. Hammond and Bonner incorporated the Victor Townsite Company (ironically, named after Charlot's father, Chief Victor) and began selling off lots. To promote settlement in the valley, the investors established a branch store and began promoting the valley. Bonner announced the sale of some 100,000 fruit trees and extolled the valley's timber supply. As the railroad inched upriver, Hammond and his associates bought ranch land along west of Grantsdale. Daly, on the other hand, soon began promoting nearby Hamilton as the valley's center, and that town eventually eclipsed both Grantsdale and Victor to become the economic hub of the Bitterroot.[54]

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[51] Northern Pacific Railroad records, Series XXXII, box 324, vol. 450, UM; Johnson, 101.
[52] Daly to Hammond, Oct. 29, 1887, Hauser papers, box 7, folder 2..
[53] Hammond to Hauser, Nov. 4, 1887.
[54] *Missoula County Times*, Aug. 24, 1887; Johnson, 102-103; *Weekly Missoulian*, Jan. 6, 1888.

Despite the setbacks, in less than six months Hammond had completed the railroad as far as Victor and invited the press, politicians, businessmen, and other guests on the first train up the Bitterroot. The *Missoulian* reported, "Mr. Hammond with pardonable pride showed his visitors the works at this place [Florence, named after Mrs. Hammond] and the wonderful rapidity with which logs can be made into lumber."[55] The severe winter of 1887 shut down construction until spring, but by August the railroad was finished from Missoula to Grantsdale, fifty miles upriver, and turned over to the Northern Pacific.

In building the Bitterroot railroad, Hammond and his partners received $50 per acre for clearing, $.40 each for ties, and from $.30 to $1.90 per yard for excavating. Hammond then subcontracted the work out to Green, Mckeen and Co., paying them: $35 per acre for clearing, $.25 each for ties, and from $.17 to $1.33 for excavating. Thus, the partners (including Anderson, who still worked for NP) charged Northern Pacific $827,314 for construction, while their actual cost was $693,079, giving them a net profit of $134,235 or just over sixteen percent return for an eighteen-month investment. Hammond also profited from his separate timber contracts and Victor townsite development.[56]

The other Northern Pacific branch lines followed a similar procedure. Through his First National Bank of Helena, Hauser, who was now Territorial Governor, along with Bonner, Hammond and other investors, fronted the initial expenses by mortgaging the road for $20,000 per mile and issuing fifty-year bonds, of which Northern Pacific bought half, as Hammond had insisted, as well as guaranteeing the interest payments on the

[55] *Weekly Missoulian*, Dec. 23, 1887.
[56] Hammond to Hauser, Feb. 7, 1887; Taylor, 104-105.

remainder. Upon completion, NP would take possession, re-bond the road for $25,000 per mile, and pay off the local investors. NP intended to use the traffic receipts (which were split with the local investors) to make semi-annual installments to redeem the bonds. Subsequent events, however, would dictate otherwise.[57]

Not surprisingly, Hauser's overly optimistic traffic projections from his mining ventures proved woefully short. Furthermore, the branch lines were worth far less than the $20,000 per mile it supposedly cost to build them. An auditor's report of 1896 noted that for the Phillipsburg branch, "construction was light and probably did not cost to exceed $9,000 per mile." The report also noted that the Bitterroot line was of "comparatively easy construction, costing from $12,000 to $15,000 per mile. The line is only in fair condition."[58] Another estimate pegged the entire Montana branch system as worth $7 million "which is considerably less that the construction cost…or the bonded debt."[59] With the Panic of 1893 and the collapse of Montana's mining industry, Northern Pacific found itself with a system of branch lines that were for the most part "unproductive and valueless."[60]

Perhaps the most egregious example of the profiteering of individual investors at the expense of the parent company was the case of Rocky Fork Railway and Coal Trust. In 1888 Hammond, Bonner, Hauser, and Marcus Daly partnered with Henry Villard and Thomas Oakes of the Northern Pacific to form the Trust. They built a branch railroad and founded the town of Red Lodge, Montana, to supply coal for the Northern Pacific. By 1891 it was the largest fuel producer in the state. The Trust then flipped the Rocky

[57] Taylor, 101-102; *Weekly Missoulian*, April 29, 1887; Traffic Agreement between Northern Pacific and Missoula and Bitter Root Valley Railroad, Northern Pacific records, Series XL 128(xl),1 microfilm, UM.
[58] L. S. Miller to George Sheldon, April 5, 1896, 1896, branch Line Reports, in Taylor, 141.
[59] E. H. McHenry to Edward Adams, March 4, 1896, 1896, branch Line Reports, in Taylor, 140.
[60] Ibid.

Fork Railway, which had cost $800,000 to build, to Northern Pacific for $1.4 million. When the railroad went into receivership in 1893, Brayton Ives, one of the major stockholders, charged mismanagement and brought its directors to trial. Hauser could make no precise accounting of why the railroad paid nearly twice for a branch line what it cost to build it. Nevertheless, he and Oakes were eventually cleared.[61]

Hammond's Bitterroot railroad, on the other hand, proved to be the exception. The same auditor's report noted, "this branch is one of the best of the Northern Pacific and Montana properties and is a good feeder to the Northern Pacific Main Line." While the Curlew mine failed to live up to expectations, the Bitterroot Valley continued to produce agricultural goods and ship produce, livestock, grain, and lumber throughout the depression and even provided "a very handsome margin after payment of interest." Indeed, the Bitterroot branch continued to operate throughout the twentieth century, but the spate of lumber mill closings at the end of the century finally mothballed the line.[62]

As the Bitterroot railroad neared completion, the bank dispute between Higgins and Hammond flared up again and soon became a management crisis. By October 1887, even Kennett admitted that Higgins was "certainly no use to the bank." On the other hand, Kennett could not abide Hammond's need to control everything. Kennett admitted that Hammond "is undoubtedly a good business man and deserves credit for his success and what he has done for Missoula but at the same time I don't and can't respect him."[63] Over the winter, Hammond had finally maneuvered Hauser over to his side on the bank issue and forced Higgins' resignation. While Kennett agreed to serve as president temporarily, he informed Hauser that if Hammond should gain control of the bank to

[61] Hakola, 179-183. Oakes to Hauser, July 13, 1891, box 17, folder 13.
[62] L. S. Miller to George Sheldon, April 5, 1896, 1896, branch Line Reports, in Taylor, 141, 120.
[63] Kennett to Hauser, Oct. 26, 1887.

"send someone here in my place." In the shuffle, the directors elected Hammond's nephew, John Keith, as cashier to look after the daily operations while casting about for someone to buy Higgins stock and serve as a figurehead president.[64]

Despite being deposed, Higgins "still occupies the back room and hangs around all the time." Kennett also complained that "the situation is far from pleasant" and other stockholders were getting sick of the quarrel and wanting to sell their stock.[65] Finally, by September, Kennett had enough of Hammond's fastidious oversight and manipulation. Declaring, "I want to get out of his clutches at once," Kennett offered to sell his stock to Hauser for below market value.[66]

Hammond, meanwhile had headed east with his wife, Florence, for a two-month long business vacation. When he returned Hauser had finally agreed to buy both Kennett's and Higgins bank stock, splitting it with Bonner and Marcus Daly, who was becoming interested in Missoula and would be a perfect proxy president. With the Bitterroot branch certified and turned over to Northern Pacific, Hammond took his share of the final payment from Hauser in First National Bank of Missoula stock, soon becoming the institution's largest stockholder and cementing his position as the financial kingpin of the five valleys.[67]

[64] Kennett to Hauser, Feb. 6, 1888; Hammond to Hauser, July 20, 1888.
[65] Kennett to Hauser, Feb. 6, 1888, April 26, 1888.
[66] Kennett to Hauser, Sept. 4, 1888.
[67] Kennett to Hauser, Nov. 4, 1888.

Seven: The Cramer Gulch War

In supplying the ties and timbers for the construction of the Northern Pacific Railroad across Montana, A. B. Hammond established portable sawmills and logging camps along the route, moving both as the railroad progressed and as the supply of timber became exhausted. By 1885 the Eddy, Hammond and Co. had cut much of the merchantable timber along the Clark Fork River, primarily for railroad construction.[1] Not only had the railroads themselves created a demand for timber, they also made the development of large scale mining profitable. Mining, in turn, accelerated the demand for more timber. Railroads, mining, and lumbering thus formed an interlocking triumvirate of Montana's economy predicated on easy access to forest resources. Ownership of this essential resource, however, had yet to be firmly established, even while it was being put to use to fuel the nation's second industrial revolution.

The copper mines in Butte had an insatiable appetite for wood. As the miners burrowed deeper into the earth, they needed more timbers to support the tunnels. The demand for timber by the Butte mines during the 1880s was so great it supported at least a dozen independent mills and more than a thousand workers in Missoula County alone. In 1884 Marcus Daly built the world's largest copper smelter at Anaconda, which required prodigious quantities of cordwood for fuel. The following January Daly contracted with Hammond's firm to supply ten million bf of lumber with the option to increase it if necessary. The next month Hammond agreed to supply Northern Pacific with 30,000 cords of wood. Then in April the Gregory Mining Company ordered

[1] *Weekly Missoulian*, July 7, Aug. 4, Dec. 29, 1882.

500,000 bf of lumber.[2] Never one to turn away business, Hammond continued racking up orders that far exceeded his company's capacity. He would simply hire more men and build more sawmills.

Soon, however, Hammond's firm had denuded the "splendid forests of Hell Gate Canyon" and began casting about for more trees. In August 1885, the company built a new sawmill along the banks of the Clark Fork at Bonita, thirty miles upstream from Missoula "in the midst of some of the finest timber seen in Montana." Hammond dispatched his uncle, Robert Coombes, to run the new mill and establish a logging camp up nearby Cramer Gulch. Unlike the bottomlands, the steep slopes of Cramer Gulch contained only a shallow layer of quickly drained, droughty soil supporting a limited number of large trees. Many of the Douglas fir and ponderosa grew straight out of the limestone talus, making unstable footing for both men and stock.[3]

When Hammond's logging crew arrived the next fall, they discovered fifty Métis loggers employed by Bill Thompson, a mill-owner from the Butte area, busy cutting timber. Thompson's crew set to felling the big trees as quickly as possible and stamping the Thompson brand on the logs. Descended from the British custom of marking the Crown's trees with a broad arrow, branding logs to denote ownership had become a common practice, especially when land ownership was uncertian.

Hearing of Thompson's incursion, Coombes, armed with a revolver, hurried up from the mill with a group of men intent on driving out the invaders. Not intimidated, the Thompson crowd refused to leave. The two crews then engaged in a series of fistfights and shoving matches over the possession of the logs. In typical lumberjack fashion, the

[2] Coon, 104; *Missoula County Times*, Jan. 7, Feb. 4, April 7, 1885.
[3] For a full account of the "Cramer Gulch War," see A. L. Stone, *Following Old Trails*, (Missoula, 1913): 263-269, quotes: 263-4.

Thompson foreman offered to fight Coombes or any man in his crowd over the right to the timber. Coombes backed down, but sent for a "fighting lumberjack" to take charge of the Hammond crew. Bill Harris, who had previously engaged Thompson's men in nearby Rock Creek in a fight over the timber there, soon arrived, along with his reputation. Harris, flanked by two men armed with peaveys (long poles topped with a steel hook for rolling logs), announced he would fight any two of Thompson's crew, no, make it three, if there were any who dared face him. No one took the challenge.

With no clear-cut demarcation of ownership, total mayhem broke out. Both crews hurried to cut and brand the logs as fast as they could before the other crew had a chance. Theoretically, the logs then became the property of whoever branded them, but the race soon degraded into who could physically take control of the logs, even as they were being loaded. "They would act like crazy men," reported one eyewitness. Amidst the trees crashing and the smell of damp bark, loggers shoved and swore at each other, cut log chains with axes, dumped the other crew's loads, and engaged in all sorts of annoyances and petty tricks, but avoided actual bloodshed. Their corporate timber bosses were not worth dying for.

The Hammond team had the advantage, as they did not need to saw the logs but could simply hitch and drag them to their yard at the mouth of the gulch as soon as they were limbed. Behind the scene, both Hammond and Thompson knew neither had a legal right to the timber and soon reached a compromise agreeing to let each crew work unmolested. Under this détente, it became a contest as to who could log faster with the

result that "there were few gulches in Montana which were stripped of their timber faster than was Cramer Gulch that winter."[4]

Far from a unique occurrence, Cramer Gulch illustrates the struggle over America's natural resources during the nineteenth century. The story of Cramer Gulch repeated itself across the Northwest as the federal government, private capital, and local residents engaged in a three-way battle for control over the nation's forests. Central to this conflict was who held the rights to access and cut timber on the seventy-three million acres of public domain.[5]

In his native New Brunswick, Andrew Hammond and other lumberjacks had to search for the valuable white pine scattered among the beech, maples, and spruce, pulling out a few here and there before moving on to the next locale. The ecology of the northern hardwood forest and the diffuse nature of white pine promoted widespread timber poaching. Furthermore, the practice of ignoring ownership of natural resources, whether communal, private, or government, was culturally embedded in New Brunswick by the time Andrew Hammond entered the north woods with an ax.

To Hammond, the forests of Montana, too, seemed wide open for exploitation. Unlike the dispersed white pine, however, the ponderosa pine of Montana occurred in nearly pure stands that stretched for miles across the valleys and lower mountainsides. This concentration of the desired species facilitated the development of a mechanized lumber industry and encouraged exclusive land tenure. Hammond and other lumbermen quickly moved to establish control over vast sections of terrain.

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[4] Stone: 269.
[5] Acreage estimate as of Dec. 1883, Thomas Donaldson, *The Public Domain* (Washington: GPO, 1884), 531. The National Forest system would eventually encompass 193 million acres.

Unbeknownst to Hammond, however, the extensive park-like groves of large ponderosa pines were a result of deliberate Indian management. Written and oral histories of the Salish Indians indicate that they intentionally burned both the valleys and the forests to improve hunting, increase berry production, and facilitate gathering. The Salish purposely maintained open stands of timber knowing that frequent, low-density fires prevented insect and disease outbreaks, as well as fuel build-up. Fires also recycled soil nutrients and stimulated production of game browse.[6]

Although the ecological role of fire was little appreciated at the time, during the 1855 treaty negotiations Washington Territorial Governor Isaac Stevens had implicitly acknowledged Salish tenure of the forests. In seeking to "extinguish Indian title," and instituting a reservation system, the U.S. government recognized exclusive Indian territories, but saw natural resources, such as fisheries and hunting grounds as being held in common between different tribes and even suggested these resources be shared with settlers. The Native conception of territory, in contrast, regarded the land itself as a commons with rights of access shared equally. For the Salish, highly productive resources, such as fishing sites or berry patches, on the other hand, were held for exclusive use by particular bands or family groups. Forests, a resource universally needed, but with diffuse productivity (teepee poles, firewood, etc.) tended to be regarded as a commons.[7]

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[6] Stephen Barrett, "Relationship of Indian-caused fires to the Ecology of Western Montana Forests" (M.A. thesis, University of Montana, 1981); Stephen Barrett and Stephen Arno, "Indian Fires as an Ecological Influence in the Northern Rockies," *Journal of Forestry*, Vol. 80, no. 10 (Oct. 1982): 647-65.

[7] U. S. Senate, *Explorations and Surveys for Pacific Railroad*, Vol. I, 33d Cong. 2nd sess. , S. Ex. doc. 78. serial #758; Bonnie McCay and James Acheson, eds., *The Question of the Commons: The Culture and Ecology of Communal Resources* (Tucson: University of Arizona Press, 1987), 17.

The notion of a forest commons was well understood by European settlers. An ancient concept, the term "commons" originates from medieval England, whereby uncultivated lands, especially forests and pastures, were held in common and managed by village communities. With the advent of the feudal system, the lords assumed ownership of the land, yet villagers retained right to use the forest or pasture as a commons and continued to manage them on a cooperative basis. Over the ensuing centuries the lords gradually whittled away at the commons through fenced enclosures, transforming communal Saxon villages into a society constructed around private property. The tradition of the English commons and the German *almende*, combined with resentment toward enclosures, caused New World immigrants to view the fish, game, and forests of America as a commons instead of private property, in much the same way as did Native Americans. Often settlers were the very individuals who had been excluded from access to these resources in the Old World and resisted both privatization and government control.[8]

In New England, where society developed around villages, commons retained this traditional meaning. Where land settlement was more scattered, such as New Brunswick and the American West, the term "commons" referred more to a no-man's land with resources free for the taking. This semantic confusion reached its apogee in "Tragedy of the Commons," an article by ecologist Garrett Hardin, published in 1968. Hardin suggests that common resources eventually would be overexploited because each individual seeks to maximize his or her own gain while costs are passed on to society as a whole. Hardin cites examples of pasture land, open oceans and national parks as

[8] G. Shaw Lefevre, *English Commons and Forests* (London: Cassell and Co, 1894), 1-24; Linda McQuaig, *All You Can Eat: Greed, Lust and the New Capitalism* (Ontario: Penguin, 2001), 161-4.

commons where access is open to all, thus individuals will overgraze, overfish or overuse and exploit as much of the resource as possible before someone else does. Unfortunately, Hardin got his terms wrong. What he called "commons" was more accurately described by the eighteenth-century economist Thomas Malthus as "open-access resources" and can be applied to everything from deep sea fishing to air pollution to the collapse of Easter Island. Commons, on the other hand, are traditionally regulated by social norms, customary rights and historical claims.[9]

In nineteenth-century America, the federal government appropriated the concept of community commons. Upon seizing control of Native American lands, the government employed the discourse of populism to convert Indian commons into the so-called "public domain." During the nineteenth century such "public lands" vacillated between open-access and government control, but could scarcely be considered an actual commons. While settlers began claiming and using these "vacant lands," the government attempted to establish a controlled land disposal policy. In 1807, four years after the Louisiana Purchase, Congress passed "An Act to prevent settlements being made on lands ceded to the United States, until authorized by law."[10]

Yet the pressure to open up new lands continued. In 1826 Senator Thomas Hart Benton asserted before Congress that the "public lands belong to the People and not to the Federal Government." But when Congress passed the Preemption Law in 1841, legalizing the previously unlawful but common practice of settlement on government land, Senator Henry Clay objected. He maintained that the government would not be

[9] Garrett Hardin, "The Tragedy of the Commons," *Science* 162 (1968): 1243-48; James A. Brander, M. Scott Taylor, The Simple Economics of Easter Island: A Ricardo-Malthus Model of Renewable Resource Use**,** American Economic Review, Vol. 88, no. 1. (March, 1998): 119-138.
[10] *Annals of Congress*, 9th Cong., 2nd sess., 1288.

able to assert its authority over the "lawless rabble" that would occupy public domain in advance of surveys. Nevertheless, until the late nineteenth century, most policy makers favored eventual privatization of government lands. In 1848 Congressman Jacob Collamer even stated the job of the government was to "get rid of the public lands . . . I do not care where they go."[11]

Although the federal government ostensibly held title to the land, it operated under conflicting laws and administrations. Even within administrations there were opposing views of what to do with the public estate. Wrested from Great Britain, more than 259 million acres lay in the U.S. public domain in 1783. Never before had any country acquired such vast territory so quickly. Through wars, treaties and purchase, the nation added another 1.5 billion acres by 1880. The Land Ordinance of 1785 outlined the principles of land disposal for the new nation. Crafted by Thomas Jefferson, the ordinance stipulated surveys of six by six square mile townships consisting of 36 sections of 640 acres. These were to be sold off at public auction to provide badly needed funds for the emerging republic and to create a nation of landholding farmers.[12]

The government could not get rid of land fast enough, and by the mid-nineteenth century, was dispensing the public domain to states, corporations (via large land grants), and to individuals (through preemption, homestead, and military bounty laws). By 1883 the federal government had purged itself of 620 million acres, of which it gave eleven percent (155 million acres) to the railroads.[13]

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[11] B. H. Hibbard, *A History of the Public Land Policies* (Madison: University of Wisconsin Press, 1965), 170. Quote from Vernon Carstensen, ed. *The Public Lands: Studies in the History of the Public Domain* (Madison: University of Wisconsin Press, 1963), xxi.
[12] Donaldson, 10, 13; Carstensen, 12.
[13] Donaldson, 519.

How best to dispose of these lands and to whom, and how much, if any, should be retained by the government and for what purpose dominated the public discourse throughout the nineteenth century. The nation debated whether public lands should be managed as open-access resources, controlled by government regulations, or privatized. As timber shifted from being a common necessity, such as air, water, or soil, to a valuable commodity, so did the discussion over the fate of the forests.

The publication of *Man and Nature* by George Perkins Marsh in 1864 fostered an increasing awareness the ecological value of forests. Americans began to recognize the role forests played in for erosion control and watershed protection.[14] Stripping the forests bare, accrued benefits to the few, while the community bore the costs. During the peak years of western settlement the core question for policy makers was the privatization of timber lands. Would privatization enable conservation and wise use? Should they be distributed to citizens in the manner of homestead acts? Or should forests be maintained under government control?

Much hinged on this debate, for the outcome would determine settlement and land use patterns, the distribution of wealth and power in the West, the integrity of forest ecosystems, and the future relationship Americans had their forests. Despite the high stakes, the result remained in flux for decades. While the nation deliberated the fate of its timberlands, lumbermen like A. B. Hammond quickly took advantage of this state of uncertainty.

[14] See George Perkins Marsh, *Man and nature; or, Physical geography as modified by human action* (New York: C. Scribner & Co., 1869).

In Europe, the transition from commons to privatization to governmental control was drawn out over eight centuries, while in the eastern U.S. it took place in as many decades. Effectively isolated from the rest of the U.S. until the arrival of the railroad in 1883, Montana experienced this same transition in a highly compressed form. In the span of a just a few years, the removal of those who had managed the commons (Indians), the rise of new technology (steam powered saw mills), transportation infrastructure (railroads), and the demands of the global market (copper mining) combined to transform trees into a commodity and forests into capital, creating a series of Cramer Gulches along the way.

The rise of "laissez-faire" capitalism favored the privatization of resources. Laissez-faire should be regarded, not necessarily as a "hands-off" approach to government intervention in the economy, but as a concerted effort to protect in the interests of big business by preventing government regulation. The 1872 mining law provided a prime example, in which minerals occurring on public lands became the property of those who claimed them. Settlers, however, had long regarded forests as open-access and viewed wood to be as essential as soil. The appropriately named congressman, Galusha Grow, viewed the right to land as a slice of the commons that included both soil and timber. As Speaker of the House in 1862, Grow ushered the Homestead Act through Congress asserting:

> Whatever nature has provided . . . belongs alike to the whole race, and each may, of right, appropriate to his own use so much as necessary to supply his rational wants. . . Every person has a right to so much of the earth's surface as is necessary for his support . . . for wood is necessary for building purposes, fencing, and fire-wood. Therefore, he becomes entitled out of this common fund to a reasonable amount of wood-land.[15]

[15] *Appendix to the Congressional Globe*, "Man's Right to the Soil," 32nd Cong, 1st sess., 425.

Although Grow and others in Congress suggested that timber was only to be used for subsistence, they failed to make a legal distinction between settlers and corporations. Furthermore, it was not clear if the "right" to firewood and building materials extended to public lands or only to lands acquired through preemption and homestead laws.

Grow's assertion, however, contradicted the legal status of federal timberlands. As early as 1817 Congress had authorized the Secretary of the Navy to reserve timberlands for shipbuilding purposes and imposed penalties for commercial exploitation. The ineffectiveness of protection led to legislation against illegal cutting of timber from public land in 1831. Sixteen years later, a Supreme Court decision broadly interpreted this act to include not just timber reserved for naval requirements but all timber on public land. Thus, by 1847, the government had established that reserved timberlands were subject to federal control and ownership.[16]

Despite this precedent, in the territories, with limited government oversight and extensive forests, settlers simply cut timber from public lands unencumbered by regulations. The first settlers in the Missoula Valley, for example, constructed sawmills to supply lumber for their immediate needs. By 1864, when C. P. Higgins and Frank Worden diverted Rattlesnake Creek to power a mill on the banks of the Clark Fork River, there were three other mills already running in the valley. All of these, however, were water-powered sawmills, limiting production. At 2,000 bf capacity the Higgins and Worden mill was no larger than the mill built by Archelaus Hammond in New Brunswick

[16] S. Exec. Doc. 9, 45th Cong., 2nd Sess., Serial Set Vol. No. 1780, Session Vol. No. 1, 3; John Ise, *The United States Forest Policy* (New Haven: Yale University Press, 1920), 24.

a half century earlier. Lacking railroads, Montana lumber could not be exported, but only used for local consumption, also curtailing the impact upon the forests.[17]

Twenty years later, however, the railroad linked the natural resources of Montana to the industrial centers of the East, quickly integrating a pre-industrial society into the global capitalist system. With capital from the railroad contracts, A. B. Hammond built dozens of steam powered mills to supply the increased demands of the mining industry. This new infrastructure turned timber from a community resource into a globalized commodity. Federal land policy was also instrumental in the expansion of the capitalist economy into the West as the General Land Office actively aided in the disposal of lands to the private sector.[18]

While open-access to timber was the *de facto* situation on the frontier, America also had a long tradition of regulating timber as a commons. In the seventeenth century, the New England colonies had enacted multiple ordinances governing the cutting of timber from the commons. William Penn recognized the forest as a valuable resource when he stipulated that in his colony for every five acres cleared, one acre should be left as forest. Regulating the timber commons was not confined to the East either. In 1851 the newly-established Mormon community of Utah imposed a $100 fine on "anyone who should waste, burn, or otherwise destroy timber in the mountains."[19]

Protests ensued, however, when the federal government began asserting control over timber. In 1852, when agents from the Land Office began investigating timber thefts, seizing timber cut from public lands and selling it at public auction, Representative

[17] Lenora Koelbel, *Missoula: The Way It Was* (Missoula: Pictorial Histories Publishing Co., 2004 revised ed.), 29.
[18] See William G. Robbins, *Colony and Empire: The Capitalist Transformation of the American West* (University Press of Kansas, 1994), 66.

Ben Eastman of Wisconsin complained of "a whole posse of deputies and timber agents appointed by the President without the least authority of law." Eastman told Congress, with a bit of hyperbole, that lumbermen "have been harassed almost beyond endurance with pretended seizures and suits, prosecutions and indictments until they have been driven almost to the desperation of an open revolt against their persecutors."[20] Eight years later, R. W. Raymond, Commissioner of Mining Statistics noted the continuing conflict over forests, but thought that "the entire standing army of the United States could not enforce the regulations against cutting timber upon government lands."[21] Nevertheless, in 1872 Willis Drummond, Land Office Commissioner, appealed for congressional aid in combating timber depredations.[22]

Particularly galling to many was the profligate waste that accompanied logging, since only the choice logs were taken and the rest left to rot or burn. In 1875 Land Commissioner Samuel Burdett noted, "Only such parts of the tree, when felled, as can be most profitably used are made available; the rest is left to decay or to add to the general destruction caused by the periodic mountain fires." His report indicates an understanding of the connection between logging practices and fire. Lumbermen, on the other hand, complained that fires, not logging, were the real threat to forests – yet their practices created the conditions for the catastrophic forest fires that would sweep through the region over the next century. Unlike the low-intensity fires set by the Salish that burned

[20] *River and Harbor Bill,* 32nd Cong, 1st sess., *Congressional Globe*, Appendix, 851.
[21] U. S. House Exec. Doc. 207, 41st Cong., 2nd sess., 1424.
[22] *Land Office Report* 1872, 26, 27.

underbrush and promoted tree growth, logging slash resulted in conflagrations. Recent research indicates that modern logging techniques continue to fuel catastrophic fires.[23]

Commissioner Burdett attributed wasteful logging practices to the open-access regime of the American West whereby lumbermen "strip the lands of their timber and thereupon abandon them." He informed Congress that "the destruction and waste now going on are viewed with alarm, and there is undisguised anxiety for the future." Since this was government land, the lumbermen had no incentive to conserve or use the timber economically. Burdett pointed out the conundrum: since the lands in the West were not surveyed, settlers could not obtain title and therefore "persons whose necessities require the use of timber are compelled to become themselves depredators on the public lands."[24]

Foreshadowing the establishment of the U.S. Forest Service by thirty years, Burdett believed that the best solution was for the U.S. to retain title, selling only the right to timber and "leave sufficient quantity standing to secure the shade and moisture necessary." But with a nod to his boss, Secretary of Interior Columbus Delano, who favored privatization, Burdett noted that placing lands in private ownership might also promote conservation, since it would be the landowners' best interest to protect the tracts.[25]

The debate within the Grant Administration over whether to privatize timberlands spilled over into Congress, with proposals playing out in the sectional differences of West, East, and South. In agreement with Delano, Representative Charles Clayton of

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[23] Richard White, *Land Use, Environment and Social Change: The Shaping of Island County, Washington* (Seattle: University of Washington Press, 1980), 77-9; *Land Office Report*, 1875, 11; D. C. Donato, "Post-Wildfire Logging Hinders Regeneration and Increases Fire Risk," *Science* 20 (Jan. 2006) Vol. 311, no. 5759, 352. For more on how the Protestant ethic became secularized in America see Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, Trans. Talcott Parsons, (London: Unwin Hyman, 1930).
[24] *Land Office Report* 1875, 11.
[25] *Land Office Report* 1875, 11.

California responded to Burdett's report by introducing a bill allowing for public sale of timberlands. While Clayton argued that timberlands would be better protected by private owners, Senator George Boutwell of Massachusetts offered an amendment that allowed for appraisal and sale of timber while retaining government ownership as a sort of commons. He stated, "I am of those who believe that nothing which has been granted by nature is more essential to the comfort, to the health, to the prosperity, and to the increase of the human race, except the preservation of the soil itself, than the preservation of the forests."[26] Senator Albert Howe of Mississippi retorted, "when he [Boutwell] calls upon us to embark very heavily in the protection of generations yet unborn, I am very much inclined to reply that they have never done anything for me." Clayton's bill passed without Boutwell's amendment and opened up timberlands to privatization and subsequent exploitation. Although the Clayton Act applied primarily to the South, western lumbermen looked forward to its extension into their region.[27]

Until the 1870s, America appeared to be on the path of privatization of timberlands. A. B. Hammond's reentry into the timber industry, however, coincided with a protracted, and often resolute, shift toward increased government management. The contradictory and ambiguous decisions emanating from Washington during this treacle-like adjustment period provided Hammond with opportunity, but also ensnared him.

The departure of President Grant marked a notable change within the Department of Interior. Seeking to establish legitimacy after the highly-contested election of 1876, Rutherford B. Hayes selected the indomitable reformer, Carl Schurz, as Secretary. While his predecessor had advocated privatization, Schurz favored government reservation of

[26] Ise, 53.
[27] *Statutes at Large* 19, 73 in Ise, 53.

timberlands and enforcement of existing laws. Born and educated in Germany, Schurz subscribed to the European concepts of centralized, state-controlled forest management and regarded timber trespass as a threat to federal authority. In his annual report to Congress, Schurz made clear his intentions to crack down on illegal timber harvest from public lands, calling for criminal prosecution in "arresting the evil." He stated, "The rapidity with which this country is being stripped of its forest must alarm every thinking man. It has been estimated by good authority that, if we go on at the present rate, the supply of timber in the United States will, in less than twenty years, fall considerably short of our home necessities." To show he was serious, Schurz dispatched timber agents throughout the country, targeting large-scale commercial operators, many of which operated in the Great Lake states and the western territories.[28]

In Montana Marshall Wheeler, acting under instructions from Schurz, seized 250,000 bf of lumber from two of the territory's most established lumberyards in December 1877. "This action of the Washington authorities has caused a good deal of annoyance to dealers as well as builders," reported *The Weekly Missoulian*. The paper also printed a telegram from the Attorney General stating that all seizures made in Montana be settled for payment of a stumpage fee of $2 per mbf, about ten percent of retail value.[29]

The timber agent for the case assured Schurz that the Secretary's policies had brought about a change in attitude. He wrote, "The lumber dealers now inform me that they considered the tax fair and equitable, and were willing to pay it, believing that the

[28] For more on the influence of European forestry see Nancy Lee Peluso, *Rich Forests, Poor People: Resource Control and Resistance in Java* (Berkeley: University of California Press, 1992), 7-9. *Report of the Secretary of the Interior*, 1877, 45th Cong., 2nd sess., H. Ex. doc. no 1, part 5, 16;
[29] *Weekly Missoulian*, Dec. 21, 1877. Mbf = thousand board feet, a standard unit of lumber measurement.

government should protect the public lands from depredations, and receive something for the timber cut therefrom."[30] Schurz, however, disliked this practice of charging a stumpage fee in lieu of prosecution. He believed it merely encouraged the practice of timber depredation and asked the Attorney General to discontinue the practice. Clearly, the Hayes administration was divided over the issue.[31]

Schurz faced an untenable situation. Government policies promoted rapid western settlement, yet most of the forests were government owned. Cutting timber off government lands was illegal, but it was difficult to procure timber of any substantial quantity otherwise. Schurz implored Congress to correct the matter with legislation. Congress responded by passing a pair of timber laws which, ironically, exacerbated the conflict and created even more confusion.[32]

The Act of June 3, 1878, took two forms. The Free Timber Act allowed residents of the Rocky Mountain States to cut timber on *mineral lands* for building, agricultural, mining or other domestic use in western states and territories, while the Timber and Stone Act provided for the actual sale of timberlands in California, Nevada, Oregon, and Washington. In 1891 Congress extended this allowance to the Rocky Mountain States as well. These two laws would have profound and lasting impacts upon the western landscape. According to economist Shirley Coon, the Timber and Stone Act "appears to have been nothing more than an unscrupulous scheme for the private acquisition of the publicly owned timber lands."[33]

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[30] *Land Office Report* 1878, 124.
[31] *Report of the Secretary of the Interior*, 1877, 16.
[32] Co-sponsored by Republican Senator Jerome Chaffee of Colorado and Montana delegate Martin Maginnis, Democrat, this bipartisan effort suggests that public land policies hinged more upon sectional differences than upon party lines.
[33] Coon, 99.

The scheme was readily transparent. Upon passage, Land Commissioner Williamson regarded these two laws as, "equivalent to a donation of all the timber lands to the inhabitants of those states and territories. The machinery of the Land Office is wholly inadequate to prevent the depredations which will be committed." Schurz agreed; sounding a dire note, he stated;

> It will stimulate a wasteful consumption beyond actual needs and lead to wanton destruction . . . enforcement of the regulations will prove entirely inadequate, and as a final result, in a few years the mountainsides in those states and territories will be stripped bare.[34]

To curb potential abuse, Schurz interpreted the Free Timber Act narrowly and issued a set of regulations that explicitly restricted its application to "lands which are in fact mineral." Schurz noted that the Act only applied to "bona fide residents," allowing them to "fell and remove timber on the public domain for mining and domestic purposes" and forbade export to other states and territories. He concluded that this precluded railroad corporations from cutting timber. Additionally, Schurz expressed his intent to "preserve young timber and undergrowth . . . to the end that the mountainsides may not be left denuded and barren." Enforcement of these regulations was practically non-existent, however, as lack of congressional funding forced the Department of Interior to discontinue special agents in seven states and territories, including Montana.[35]

Furthermore, the incoming Arthur Administration quickly backed away from Schurz's policies. While President Chester A. Arthur expressed serious concerns over destruction of the nation's forests, he, nonetheless, appointed Senator Henry Teller, a Colorado mine owner and railroad lawyer, as Secretary of Interior in 1882. Amenable to western development, Teller firmly believed that timberlands should be privatized and

[34] *Report of Secretary of Interior*, 1878, XIII, XIV.
[35] *Land Office Report*, 1878, 119.

did not consider timber harvests on public lands illegal and often dismissed cases of timber poaching. Suggesting that all of western Montana could be considered a mineral district and thus open to timber cutting, Teller also modified the Free Timber Act to allow lumbermen and railroads to cut timber on federal lands for commercial purposes and export. Teller's loose application of the timber laws had profound consequences for Montana and Hammond in particular, primarily because of A. B.'s his connection to Northern Pacific Railroad.[36]

Upon acquiring the contract to supply the Northern Pacific railroad with ties and lumber, Hammond and his associates began cutting timber with impunity. To exploit the railroad grant lands, Hammond, Bonner, and Eddy incorporated the Montana Improvement Company (MIC) along with Marcus Daly and Washington Dunn, the superintendent of construction for Northern Pacific. Bonner served as president and Hammond was elected treasurer and general manager of his first corporation.[37] Backed by a two-million dollar capitalization and armed with a twenty-year contract with Northern Pacific to supply all the railroad's lumber and fuel needs from Miles City, Montana to The Dalles, Oregon, the MIC was well posed to become the dominant business concern in western Montana. Except that its activities were largely illegal.[38]

To offset the cost of building the transcontinental railroad, the federal government had granted the Northern Pacific the odd numbered sections while retaining the even numbered sections in the public domain. The Northern Pacific's charter legislation also permitted the railroad to take timber from "public lands adjacent to the

[36] Dunham, 103. *Decisions of Department of Interior and General Land Office Relating to Lands and Land Claims* 1881-3,601, 608-610.
[37] *Weekly Missoulian*, September 22, 1882; *Land Office Report*, 1885, 82; *The River Press* [Fort Benton], Oct. 21, 1885.
[38] *Helena Independent* July 12, 1883.

line" for construction purposes. Teller extended this privilege by allowing railroads and their agents, such as the MIC, to cut timber "wherever the companies desired, the word 'adjacent' being interpreted to mean practically anywhere in the United States," reported Land Commissioner William Sparks a few years later, noting that Teller's actions "promoted rather than checked timber depredations."[39]

Teller's reluctance to enforce regulations must have frustrated his Land Commissioner, N. C. McFarland, who recognized that the "increasing value of timber is an inducement to individuals and companies to make large investments with a view to the control of the timber." McFarland stated that the system permitted "capitalists to indirectly obtain great bodies of public land." To minimize Teller's generosity, McFarland pronounced that the railroads, after their original construction, were prohibited from cutting public timber "for fuel or for *repair or improvement.*"[40] McFarland interpreted the Free Timber Act somewhat differently from Teller, declaring rather contradictorily, that mines could cut timber from adjacent public lands, "but not for their private gain or commercial purposes." He maintained that it was, "unlawful for mill men or others to cut timber on the public land for sale." The inconsistencies between Teller and McFarland proved awkward for Hammond and his associates.[41]

Even more problematic for the MIC was an 1875 Supreme Court ruling that held railroad grant lands still belonged to government until surveyed and patented. In keeping with the court ruling on the matter, McFarland informed his special timber agent in Montana, William Prosser, that since the Northern Pacific grant lands were not surveyed, it was not possible to determine the odd and even sections and therefore it was the "duty

[39] 13 Stat., 365 in *Decisions*,1885, 68; *Report of Secretary of Interior*, 1885, 234-5.
[40] *Land Office Report*, 1883, 9. Italics in original.
[41] *Decisions* 1881-3, 611.

of the Government to protect the timber thereon." Yet under the laxity of the Teller administration, nothing was done.[42]

Stepping beyond the bounds of legality, the Northern Pacific permitted the MIC to access both railroad grant lands and adjacent public lands. However, as both Schurz and McFarland had specified, timber on these "adjacent" lands was only to be used for construction purposes. Fuel wood, export, and commercial sale of lumber were forbidden. Furthermore, since the grant lands had not yet been surveyed, title was still held by the U.S. government where logging on all but "mineral lands" was illegal. In other words, the Northern Pacific was granting the MIC rights to timber they did not own, just as the railroad had done with the Puget Mill Company twelve years earlier. The *St. Paul Pioneer Press* reported, "The surprising thing about this contract [between the NP and the MIC] is that at the time it was drawn and signed there was not a foot of surveyed land within the boundaries described in the document. To go on and cut timber without such survey would be simply impossible without cutting even and odd sections alike." Regardless of intent, in logging unsurveyed sections MIC could not avoid cutting federal timber.[43]

Government regulations, however, apparently were little more than a minor annoyance to Hammond. By 1883 MIC had already cut six million bf and was sending another 250,000 bf, (equal to thirty railroad car loads) of lumber each day to markets outside Montana, in violation of federal policy. In addition, the mines in Butte chewed up 50,000 bf daily. With seven sawmills in continuous operation, MIC employed more than 2,000 men and was advertising for hundreds more. Throughout 1884 Hammond

[42] *Leavenworth R. R. Co. vs. United States*, 92 U. S. 741; *Decisions* 1883-4, 829.
[43] *Inter Mountain* [Butte], Nov. 1, 1885.

continued to expand his operations, establishing logging operations and commercial lumberyards throughout Montana, Idaho, and Oregon.[44]

While the federal government struggled to assert its authority in the hinterland of Montana, Northern Pacific Railroad and MIC moved to restrict access of others to the forests. Northern Pacific established dominion over the grant lands by requiring stumpage fees and limiting the timber harvest.[45] The railroad, however, relied upon MIC to do the patrolling to keep other wood cutters out. Special agent Prosser reported that not only did MIC dominate all the railroad grant lands along a 1,000-mile long stretch it also "claims control of all the timber on *government lands.*" Citizen complaints soon reached the Secretary of Interior. Upset at being excluded from what he considered the commons, Montana resident S. H. Williams reported on the activities of MIC, stating:

> They have from two to three thousand men here, steadily chopping the government timber, and sawing it up into lumber and shingles for their own benefit, and pocketing the proceeds themselves; and if anybody else wants any to fence with, or use on their place, or for firewood, they make a terrible fuss about it, and threaten to put them in states-prison.

Williams further complained, "and they charge an outrageous price for their lumber, too."[46]

In Missoula Prosser confronted Hammond with these charges. Hammond told the agent that Bonner and Territorial Delegate Martin Maginnis had met in person with the Secretary of Interior and "they had received permission and authority from him to cut all the timber they might require from government land – at least where the land was not surveyed." Although Hammond could have been bluffing, Teller – given his record –

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[44] *Missoula Country Times*, Dec. 5, 1883, Dec. 26, 1883; *Weekly Missoulian*, August 31, 1883, Jan. 4, 1884, March 12, 1884; *Helena Independent,* July 12, 1883.
[45] *Helena Independent* July 12, 1883
[46] *Decisions* 1884-5, 66. Italics in original.

may have indeed granted this permission. However, the new Secretary of Interior, Lucius Lamar, failed to find any record of such authorization. In condemning both MIC and Teller in a single stroke, Lamar stated, "He [the Secretary] is not himself at liberty to violate the law, nor can he authorize any one else to violate the law."[47]

The activities of MIC were so blatant that they also attracted the attention of the U.S. Attorney General, Benjamin Brewster. Brewster noted that the company had apparently obtained permission from Teller to cut timber and build sawmills on the Flathead reservation. He stated:

> [T]he stipulation being that so soon as the road was completed to Portland, Oregon, they should leave. The road has long been completed, but the firm insists on keeping their mills on the reservation. They are running night and day. . . They are cutting out all the available timber.

At the same time, Teller had forbidden Indians from logging on their reservations. The Blackfeet agent requested they be allowed to "trade the lumber for provisions to prevent starvation," yet most Indian reservations were subject to flagrant timber depredations by settlers.[48]

While MIC patrolled the forests and kept settlers from cutting timber, the railroad was taking decisive action against timber poachers on what it regarded as its land. When Northern Pacific Vice-President Thomas Oakes discovered that Montana Territorial Governor Samuel Hauser had logged some of the railroad sections and refused to pay stumpage, he dashed off this angry note:

> Read this over carefully and let me know if you intend to take this position in reference to our timber interests. If we have no rights in this property you will respect, I shall at once withdraw our deposits from your bank, put the Wickes Br.

[47] *Decisions* 1884-5, 66-7.
[48] Ibid. *Report of Secretary of Interior*, 1882, vol. 2, 14, 56.

> [Hauser's railroad] on a strictly local basis and in every other respect make things so hot for you, you will think the Devil is after you.[49]

Hauser immediately backed down, replying, "I am willing to be bulldozed by men in position and power and stand it like a little man," thus, clearly demonstrating the relative power of the railroad and the Territorial Governor.[50]

The Cramer Gulch War resulted from Montana lumbermen seeing the forest as an open-access resource. Hammond and Northern Pacific, however, regarded the public lands as their exclusive territory, exacting stumpage fees and threatening "trespassers" with imprisonment. This attempt by corporations to mimic the power of state by asserting access and control over a given geographical area recalled the feudal enclosures of the commons and underscored the emerging corporate power. Given the laissez-faire attitude of multiple Republican administrations, NP and MIC had anticipated a move toward privatization of the public domain. Yet an unanticipated shift began as the public rebelled against the power of corporations, especially railroads. Faced with a choice between government and corporate control, citizens often preferred the former. This sentiment coincided with the rise of federal power in the U.S. at the end of the nineteenth century, putting the federal government and A. B. Hammond on a collision course.

[49] Oakes to Hauser, June, 2, 1885, S. T. Hauser papers, box 17, folder 7, MHS.
[50] Hauser to Oakes, June 1885, Letterbooks, box 28, Hauser papers. MHS.

Eight: Sparks Lights a Fire

The Montana gold rush of 1863-1870 coincided with an exodus from the South following the Civil War. This influx of Southern settlers tilted the newly-formed territory toward a Democratic majority. As an immigrant, A. B. Hammond entered Montana with no particular political affiliation. But under the influence of his Dixie business partners, Bonner, Eddy, and Hauser, Hammond enthusiastically embraced the Democratic Party. So it was with great occasion that the Hammond/Eddy household celebrated the election of Grover Cleveland in 1884, the first Democratic president since James Buchanan, twenty-four years earlier. In addition, Cleveland appointed Hauser as Territorial Governor, and it seemed Hammond's interests would be well-represented on both territorial and national levels.[1]

The presidential campaign of 1884 was particularly nasty and contentious. The Republican Party split over the nomination of Senator James Blaine, who was an ardent supporter of big business, railroads, and the widely-reviled tycoon Jay Gould. In disgust, the "Mugwumps," a group of reform-minded Republicans led by the esteemed former Interior Secretary, Carl Schurz, abandoned the Republicans and supported the seemingly incorruptible Grover Cleveland in a narrow victory. Although many in the business world feared Cleveland's rhetoric of reform, he received infusions of cash from railroad magnate James J. Hill and others. Upon his election, even Jay Gould wired the President-elect, conceding, "the vast business interests of the country will be entirely safe in your hands."[2]

Regarding land use issues, however, Cleveland began sweeping house almost immediately, much to Hammond's dismay. Hammond had predicated his lumber business on

[1] *Missoulian*, June 27, 1884, Nov. 21, 1884.
[2] Quoted in Ray Ginger, *The Age of Excess: The United States From 1877 to 1914* (New York: Macmillan Co., 1965), 107.

access to government timber, and now the Cleveland Administration was threatening to assert permanent authority over the nation's forests. The conflict between the government and A. B. Hammond illustrates how forests became politicized as private industry and the federal government contended for control over the same resource. Cleveland's land policies eventually caused Hammond to switch parties, and his influence was such that his move resulted in reconfiguring Montana's political landscape. After achieving statehood in 1889, Republicans would dominate Montana's delegation for the next two decades.

Hammond's troubles began with a pair of Cleveland's appointments. Upon taking office in March 1885, Cleveland selected former Confederate Colonel Lucius Quintus Cincinnatus Lamar as Secretary of Interior and tapped former U.S. Representative William Andrew Jackson Sparks as his Land Commissioner. Although Lamar and Sparks were both deeply committed to land reform, the two men had marked differences in their personalities. A chivalrous, old-school Mississippi gentleman, Lamar was highly conciliatory toward rebuilding the Union. Even Northerners considered Lamar "noble-hearted, honorable, and generous" and highly intelligent. Tall, stately, and deeply pensive, he walked with a slow gait and often stroked his long beard before speaking.[3]

In contrast, Sparks was an explosive crusader. He possessed the very qualities Cleveland looked for in a Land Commissioner: stubborn, combative, and meticulously honest. Sparks was also scrupulously partisan. He accused Representative James Weaver of aiding the Republicans by running for president as the Greenback Party candidate. Calling Weaver "a scoundrel and a villain and a liar," Sparks nearly provoked a fistfight. During his years in Congress, Sparks had

[3]Allan Nevins, *Grover Cleveland: A Study in Courage* (New York: Dodd, Mead and Co., 1932), 197.

earned a reputation as a tireless reformer and staunch advocate for curbing the abuses and power of the railroads.[4]

Cleveland's top priorities included reforming the Land Office and tackling the wholesale fraud, speculation, and environmental destruction that resulted from the railroad land grants. Riddled with corruption and graft, the Land Office was also understaffed and increasingly saddled with responsibilities. Congressmen whose election campaigns were financed by railroads, land speculators, and lumbermen deliberately kept the Land Office underfunded.[5]

Sparks swept into the Land Office like a rat terrier, intent on ferreting out evil and corruption wherever he found it, and the timber poachers received his special notice. Not only were timber corporations using the laws fraudulently to convert vast tracts of public domain into private ownership, the profligate waste and destruction that accompanied the cutting of timber on public lands aroused the ire of all reformers, including those of the nascent conservation movement.

Eight days after taking office, with the backing of Cleveland and Lamar, Sparks suspended most public land entries in the western states and territories where fraud was most prevalent. Sparks also suspended all entries under the Timber and Stone Act, citing reports of "widespread, persistent, public land robbery." The flood of land patents issued under the previous administration quickly dried up, and Congress demanded an explanation. Lamar patiently informed Congress that not only had he approved of Sparks' action, the Secretary also had the full legal authority to issue such a moratorium. In his defense, Sparks stated that the "public domain was being made the prey of unscrupulous speculation and the worst forms of

[4] D. Malone, ed. *Dictionary of American Biography*, vol. 17 (New York: Charles Scribner's Sons, 1933); American National Biography Online, www.anb.org; Nevis, 224.
[5] Nevis, 216; Harold Dunham, *Government Handout* (New York: Da Capo Press, 1970), 173.

land monopoly through systematic frauds." An examination of land entries over the next year vindicated Sparks, as his office discovered that 2,223 out of 2,591 cases were indeed fraudulent.[6]

Sparks recapped his first three months in office in a scathing condemnation of the condition of the General Land Office:

> I found that the magnificent estate of the nation in its public lands have been to a wide extent wasted under defective and improvident laws and through a laxity of public administration astonishing in a business sense if not culpable in recklessness of official responsibility . . . It seems that the prevailing idea running through this office . . . was that the government had no distinctive rights to be considered and no special interest to protect. . . The vast machinery of the land dept appears to have been devoted to the chief result of conveying the title of the US to private lands upon fraudulent entries.[7]

The majority of these frauds involved timber claims on the West Coast under the Timber and Stone Act. In the rest of the country, lumbermen simply cut whatever they wanted from federal lands. This widespread practice of timber poaching was equally abhorrent to Sparks as land fraud. In his first year, Sparks dispatched twenty-one special agents from Mississippi to Washington to investigate 1,219 cases of timber trespass involving more than $9 million in stolen timber. Filing 137 criminal and civil suits, Sparks recovered $101,085. The one agent for Montana investigated twenty-six cases involving 19 million bf and 1.5 million railroad ties taken from public land. The largest violator, by far, was Hammond's Montana Improvement Company.[8]

Sparks' anti-timber poaching campaign ignited controversy across the country, probably just as he had hoped. A flurry of regulations, clarifications, retractions, and modifications flew from the Land Office. Sparks believed he could dictate immediate policy changes. As the consummate populist, Sparks sought to rescind the railroad grants and open those lands to

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[6] Senate Ex. Doc. 170, 49th Cong. 1st sess., 1-3. Quotes from *Report of the Commissioner of the General Land Office,* 1886, 43 (hereafter *GLO Report*).
[7] *GLO Report*, 1885, 3.
[8] *GLO Report*, 1885, 3; *GLO Report*, 1886, 101,442; *GLO Report* 1887, 83.

individual settlers. Lamar's more subtle approach was to force Congress to reform the land laws, especially the Timber and Stone Act. In its place he hoped to provide for a legal method of selling timber from public lands while retaining government title to the land itself, anticipating the U.S. Forest Service system by twenty years. Regardless of motivation, both men wished to establish a concrete policy, and distributed a circular across the country clarifying the provisions of the Free Timber Act.[9]

In contrast to his predecessor, Henry Teller, Lamar interpreted the law narrowly, limiting timber cutting on public lands to those "strictly and distinctly mineral in character." Lamar further restricted timber harvest to individual residents. In a provision that appeared to be targeted directly at the MIC, the circular stated, "No railroad company is entitled to procure, or cut, or remove . . . either by itself or through its agents . . . any timber or other material from the public lands, *for sale or disposal*, either to *other companies* or to the *public* or for *exportation*." Since non-mineral lands were already off-limits, this regulation essentially prohibited commercial logging on all public lands. Rather than a substantive new regulation, this was essentially a reissue of Schurz's 1878 interpretation. Montana's mining and lumber industries, however, had grown up during the laxity of Teller administration.[10]

Predictably, the territory's business leaders howled their opposition and flooded the press with prophecies of total economic collapse as a result of the regulations. E. L. Bonner articulated the interdependence between mining and timber: "Our mines in 1884 produced twenty million dollars. If we are not allowed to cut timber for these mines production will cease at once.

[9] *Report of Secretary of Interior*, 1886, House Ex. Doc. Serial 2468, 49th Cong., 2nd sess., 29. Both the "Timber and Stone Act" and the "Free Timber Act" were names that were later applied to the Act of June 3, 1878. The former provided for the sale of timber lands in 160 acre tracts, but was not applied to Montana until 1891. The latter allowed for cutting of timber on "mineral lands" in the public domain.
[10] Ibid., 448-449. Emphasis in original.

Mining is the great pursuit of Montana."[11] The Butte *Intermountain* joined the chorus, calling the regulations "unjust and ruinous to the material interests of Montana." Attempting to equate Sparks with the growing conservation movement, the newspaper noted:

> Sparks must be of the opinion that timber is one of the most sacred products of nature, not to be defiled by the rude hand of man but intended by God to grow and die and rot, safe from the profanation of the axeman's stroke, and that it were sacrilegious to use it for fuel, building or mining purposes.[12]

Sparks, however, was no John Muir. He genuinely wished to provide individual settlers with access to federal timber. Like the Progressive Era conservationists who were to follow, Sparks saw the forests as embedded within a larger social agenda: curtailing the rise of corporate power. Linking capitalism to deforestation, Sparks reported, "The struggle to accumulate great private fortunes from the forests of the country has reduced forest areas to a minimum."[13]

Sparks singled out Hammond's MIC as the largest and most flagrant violator of the timber laws. Lamar had inherited reports from the previous administration charging MIC with cutting timber on government lands, while excluding and threatening locals. Lamar reiterated to Sparks the instructions of the previous Land Commissioner: "the purpose of the Government is to prevent the unlawful taking of timber from *all* Government lands *until the title to such lands has actually passed from the United States*." Unlike his predecessor, however, Lamar chose to act and directed Sparks to take "prompt and vigorous measures to ascertain the amount of timber already cut" by MIC. Lamar also requested the Attorney General to order MIC to cease its operations on all unsurveyed lands, essentially all of western Montana and northern Idaho.[14]

Furthermore, MIC was closely associated with the Northern Pacific Railroad. The graft, corruption, and political influence of railroads were a particular target for Cleveland's reform

[11] *Helena Herald*, Sept. 17, 1885.
[12] *Butte Semi-weekly Intermountain*, September 16, 1885.
[13] *GLO Report*, 1887, 87.
[14] *GLO Report*, 1885, 311-314. Emphasis in original.

team. Lamar informed Sparks that fifty-one percent of MIC stock was owned by Northern Pacific and the Eddy, Hammond Company held the rest. According to Lamar, not only was the MIC preventing other lumber dealers from accessing raw materials, it also received half price shipping rates. Sparks viewed the MIC as a railroad-controlled monopoly that intentionally violated laws. Unlike most others who readily confessed their crime and paid a fine, often in lieu of a stumpage fee, the MIC refused to admit any wrongdoing. Sparks found this particularly annoying and repeatedly referred to the MIC as "bold, defiant and persistent depredators on the public domain."[15]

Based on the MIC's association with the Northern Pacific, in July 1885, Sparks filed a formal complaint against the two companies for cutting federal timber. The government charged the MIC with claiming control of the forests, on railroad *and* government sections between Miles City, Montana and Wallula, Washington, a distance of 925 miles. Legally, this timber was only to be used for construction of the railroad, yet the MIC continued to log and operate mills long after completion of the line, exporting lumber to Utah and St. Paul. Both Hammond and Bonner insisted that the previous Secretary of Interior, Henry Teller, had sanctioned their activities.[16]

Especially objectionable to the government was the twenty-year contract between the MIC and the Northern Pacific giving the MIC the right to remove all merchantable timber from the railroad grant lands between the eastern end of Hellgate Canyon and Sandpoint, Idaho. The railroad agreed to withdraw these lands from sale, build sidings for the MIC at each of its mills, and guarantee low freight rates, in return for railroad ties and bridge timbers at a minimal price. Both companies resolved to "keep trespassers on government timber lands from cutting more

[15] *GLO Report*, 1885,312-313. Sparks to Lamar, Nov. 12, 1886, National Archives, RG 60, file 7308, #7608.
[16] *Decisions* 1884-5, 66-7.

than the actual wants of settlers for mining and other domestic uses." The two companies themselves would determine access to the public domain.[17]

Not only did Hammond deny that the railroad held any stock in his company, he also refuted the existence of such a contract, arguing that any agreement needed sanction from all of the directors of MIC and NPRR and such approval was never given. It is possible that Bonner and Henry Villard forged such an agreement without his knowledge. Apparently, Villard had drafted the contract, but the new president of the railroad failed to approve it. Furthermore, Hammond insisted that MIC only cut from the odd numbered (railroad grant) sections and did not knowingly cut from even numbered (government) sections. How his logging crews were able to differentiate between the two considering the entire region had yet to be surveyed, Hammond neglected to mention.[18]

The connection between Northern Pacific and MIC was the linchpin in the government's case, and Bonner and Hammond quickly acted to decouple it, using their influence to redirect the public discourse on both the local and national level. Just three days after its initial account, the St. Paul *Pioneer Press* issued a retraction of its previous condemnation of MIC, calling Sparks "impetuous" in prematurely filing charges. Both Hammond and Bonner pinned the blame on Agent M. J. Haley who became "an exceedingly reckless and defamatory character" in the newspaper report. The paper also noted, "We have reliable information that not a dollar of this [MIC] stock was ever transferred to the Northern Pacific Company." To this day, the exact relationship between the two companies remains hazy. Regardless, the MIC enjoyed a very cozy affiliation with the railroad that pushed the bounds of legality.[19]

[17] *Inter Mountain* [Butte] Nov. 1, 1885.
[18] *Missoulian*, July 31, 1885; *St. Paul Pioneer Press*, Nov. 4, 1885.
[19] *St. Paul Pioneer Press*, Nov. 4, 1885.

The partners also succeeded in manipulating the Montana press. The Butte *Intermountain* referred to the charges against MIC as "absolutely ridiculous." *The Missoulian* compiled dispatches from newspapers around the country under the headline, "Unrelenting Prosecution of the Improvement Company." The editor clearly felt no compunction about expressing his sympathies, writing with pointed exaggeration, "Judging from reports the entire power of the United States government and of Victoria, Queen of Great Britain and Ireland and Empress of India is being brought to bear on the Montana Improvement Company."[20] The *Intermountain*, however, admitted that if the government's intention was to squash a monopoly "then the aggravation will be but temporary, and may result in some benefit." Even the boosters, it appeared, opposed a single corporation controlling access to natural resources.[21]

As the largest employers in Missoula County, Hammond, Bonner, and Eddy wielded considerable influence. They maintained a near monopoly on the wholesale and retail trade in western Montana, selling groceries, clothing, and hardware on credit. Hammond's bank held most of the homeowner mortgages in Missoula. As the primary real estate developer, he determined the downtown business rents and location of building lots. Hammond even controlled the city's water supply. Nearly everyone in the county was indebted in some fashion to Eddy, Hammond and Co. Furthermore, the partners were the second largest taxpayers in Missoula County, after Northern Pacific. Two years later, the tax burden of Hammond's enterprises would double even that of the railroad. Besides their economic supremacy, the three men were widely respected, generally well-liked, and active in community affairs. They could, thus, frame the government accusations as an assault against the entire community.[22]

[20] *Butte Semi-Weekly Intermountain*, Sept. 16, 1885; *Missoulian*, September 16, 1885.
[21] *Butte Semi-Weekly Intermountain*, Sept. 16, 1885.
[22] See Johnson. Tax reports from: *Missoulain*, Nov. 13, 1885, Nov. 11, 1887.

In addition to political and economic suasion, Hammond employed less subtle means of hindering the government's investigation. Special timber agent Haley reported that the MIC destroyed evidence and persuaded witnesses to leave the area or remain silent. Haley asserted, "the company is an unscrupulous corporation that will leave nothing undone to gain their point. I found that no reliance could be placed on statements made by the officers of the Montana Improvement Company."[23]

Despite Hammond's efforts, by October 1885, Haley had accumulated enough evidence to file 31 separate counts against the Northern Pacific and the MIC for stealing $613,402 of public timber from 1881 to 1885. This included an enormous 45 million bf of lumber (enough to fill 5,500 rail cars), 84,700 railroad ties, 15 million shingles, 32,000 cords, and 20,000 posts. This was but a fraction of what the MIC had cut in four years, but reflected the quantity that the government believed it could prove was exported from the territory and not used for railroad construction. The charges of timber theft against other lumbermen in Montana paled in comparison, ranging from $9,092 to $66,805, a tenth of what the MIC was accused of poaching.[24]

While Bonner and Eddy appeared nonplussed, Hammond, scrupulously attentive to detail and painstaking in his accounts, was indignant at the charges of impropriety. As an alderman and president of the largest business in western Montana, Hammond considered himself an upstanding leader of the community. He concluded that Sparks had targeted him as a national scapegoat and complained of such to Hauser.[25]

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[23] *Helena Herald*, Oct. 13, 1885.

[24] Ibid. When filed in federal court, this was revised to 36 million feet of lumber, 75,000 ties, 10,000 posts, 1 million cords, and 15 million shingles, although the dollar amount was raised to $1.1 million, S. M. Stockslager to Attorney General, March, 8, 1889, RG 60, file 7308, #2195. In later suits, the figure was dropped to 21 million feet, see Hammond v. U.S. 246 F. 40 (1917). Charges against others from: John Noble to Attorney General, Jan. 27, 1890, RG 60 file 7308 # 1202.

[25] Hammond to Hauser, Sept. 24, 1885, Oct. 12, 1886, Hauser papers, box 10, folder 4, MHS.

Bonner, however, recognized that unlike less well-connected lumbermen, the partners were able to wield significant influence and power. Experienced in the subtle dynamics between politics and business, Bonner counted on his political connections and cronyism to resolve the matter. Bonner thought he could get the case kicked upstairs to Lamar where he believed he held more sway. He was confident that once he clarified the demands of lumber and mining interests "the rulings will be reversed."[26] The easygoing Richard Eddy, on the other hand, simply moved toward early retirement – hunting, fishing, and wintering among his newly-acquired orange groves in Southern California.[27]

While he was not directly implicated, the new territorial governor, Samuel Hauser, had good reason to be worried. He shared many financial and political interests with Bonner and Hammond. Furthermore, Hauser was a major purchaser of lumber for his mines and cord wood for his smelters. He had already run afoul of the Northern Pacific for poaching their timber, and now his major supplier, the MIC, was about to be cut off.

Hauser began pulling strings. He implored Montana Delegate Joseph Toole to straighten things out in Washington. Anticipating the outcry, Toole confidently informed the governor, "I had called on Lamar before your telegram came and had all suits discontinued against MIC."[28] Like Bonner, Toole had an inflated sense of his influence with the Secretary, and his notice to Hauser was a bit premature. Nonetheless, Hammond, who was engaged in a lively and rather caustic dialogue with Hauser over banking affairs, dashed off an uncharacteristically conciliatory note, thanking Hauser for his efforts and noting that he would "not soon forget it."[29]

[26] *Helena Herald*, Sept. 17, 1885.
[27] Hammond to Hauser, Oct, 14, 1885; *Missoulian* Jan. 15, 1886, April 30, 1886.
[28] Toole to Hauser, Sept. 24, 1885, Hauser papers, box 21, folder 19, MHS.
[29] Hammond to Hauser, Sept. 26, 1885. Hauser papers, box 7, folder 2, MHS.

In addition, Hauser forwarded a copy of the Sparks circular to Marcus Daly, one of the original incorporators of MIC. Daly, in turn, gathered a petition to Lamar signed by all the leading businessmen of Butte asking for resolution of "the timber question." Daly also recommended to Hauser that he "appoint a Commission to go to Washington and have a personal interview with Sect. Lamar" and suggested that George Hearst, as one of the Anaconda owners "would probably be willing to make one of such a Commission."[30] Hauser also called on his long time friend, Senator George Vest of Missouri, to intervene on MIC's behalf. But after meeting with Lamar, Vest reported that the Secretary is "fixed on this question and cannot be moved."[31] In the meantime, Bonner and Toole had secured their own meeting with Lamar, who, while receptive to their concerns, ultimately backed his land commissioner. Whether because of Lamar's genteel diplomacy or the Montana delegation's overconfidence, Bonner mistakenly believed that they had convinced Lamar to rein in Sparks and rescind the charges.[32]

Although far from Washington, Hammond had a more realistic assessment of the situation than his partners. He insightfully realized that the railroads, especially the Northern Pacific, were out of favor and had lost their political access in the Cleveland Administration. In a letter marked "confidential," Hammond told Hauser:

> Sparks is the bad man. . . . Mr. Sparks seems to be a hawk on the subject of reform and takes good care to publish in the newspapers all kinds of wild statements that have not the shadow of truth. Simply to make political capital. I think you could do more to fix this matter than the whole of Northern Pacific outfit as Sparks is after them. This will be a much more serious matter than is generally supposed unless this fellow is stopped.[33]

With so much commotion over the issue, Lamar clarified the regulation, stipulating that export and commercial harvest were still illegal, but mining companies could cut all the timber

[30] Hauser to Daly Oct. 9, 1885, Daly to Hauser, Nov. 13, 1885, Hauser papers, box 7. folder 4, MHS.
[31] Vest to Hauser, Nov. 16, 1885, Hauser papers, box 22, folder 12, MHS.
[32] Bonner to Hauser, Oct. 27, 1885. Hauser papers, box 2, folder 13, MHS.
[33] Hammond to Hauser, Oct. 14, 1885.

they needed. To exploit this provision, MIC needed to disassociate with the railroad and instead become an agent of the mining companies. MIC, thus, divested its retail yards in the mining districts of Helena and Butte, although it retained actual ownership and remained the wholesale supplier. Since these yards were supplying mining companies, they technically conformed to the law.[34]

Seeing through this ploy, Sparks issued an even more restrictive circular. The new regulations limited timber cutting on public lands to areas in which it was consumed, forbade manufacturing of lumber, and held that a settler could not pay someone for timber cutting, but must do the logging himself. Hammond noted that the Sparks circular "virtually stops the lumber business." Normally self-possessed, Hammond confessed his worry to Hauser, "I am at a loss what to do, although Bonner writes me that it will come out all right still I do not think he has seen the new ruling… It now looks as if this fellow Sparks was going to shut down the whole country."[35] Sparks had no intention of shutting down the whole country, just the MIC. But this time, he had gone too far, and Lamar distributed a statement that these new provisions had been issued "inadvertently."[36]

Disregarding Lamar's insistence that they cease logging until the case was resolved, the MIC continued to expand its operations. There was simply too much money to be made to worry about fine points of legality, and the company already controlled "nearly the entire lumber trade of Western Montana," with a sawmill production capacity of 25 million bf a year, 10 million of which was destined for Daly's Anaconda Mining Company.[37] In clear violation of the government decrees, MIC anticipated exporting 50,000 tons of lumber in 1885. In addition to

[34] *Missoulian*, Jan. 29, 1885, Jan. 15, 1885, July 16, 1886.
[35] *Helena Independent*, Nov. 26, 1885; Hammond to Hauser, Oct, 12, 1885, Hauser papers, box 10, folder 4, MHS.
[36] Toole to Hauser, Nov. 17, 1885, Hauser papers, box 21, folder 19, MHS; *Helena Independent*, Nov. 26, 1885.
[37] *Missoula County Times*, Aug. 12, 1885.

the continued construction of its mammoth mill at the mouth of the Blackfoot River, Hammond opened the mill at Bonita to access the timber of Cramer Gulch and the Clark Fork. The company also ran the mill in Wallace, Idaho, night and day.[38]

It became a contest of wills. If Sparks was going to shut down his lumber business, Hammond would shut down Montana, for without wood neither the mines nor smelters of Butte would function, throwing thousands out of work and severely restricting the nation's cooper supply. In December 1885, Hammond announced he was shutting down the Wallace mill and would soon close the others. By Christmas, only one mill remained in operation. Hammond cited the combination of low lumber prices, the new requirement of having to pay government stumpage rates, and the impending lawsuits as reasons for the closures. That winter, however, with improved market conditions, the MIC quietly reopened their timber camps and advertised for more loggers. Hammond used the timber suits as a convenient scapegoat to mobilize public opinion in favor of the MIC.[39]

Far from intimidated, the Cleveland Administration brought suit against the MIC in March 1886 for $1,164,000, the estimated value of timber the company had cut from government land. The U.S. District Attorney for Montana Territory also filed an injunction prohibiting the MIC from logging on public land while the suit was pending and convened a grand jury. Hammond and Bonner hired the territory's most prominent attorneys, including former Vigilante and perennial Republican candidate, Wilbur Fisk Sanders, and Thomas Marshall, Hammond's long-time lawyer. Normally, Sparks deplored the practice of early settlement of timber poaching cases, believing that it encouraged depredations, as lumbermen simply regarded the low fines as a stumpage fee. But in this case, he was willing to settle once a suit had been filed. Indignant at

[38] Ibid, Aug. 26, 1885.
[39] *Missoulian*, Dec. 4, 1885, Dec. 25, 1885; *Missoula County Times*, Feb. 3, 1886.

the government's treatment, Hammond and Bonner had no intention of setting out of court. Failing to reach an agreement, the government carried the suits over until the next court term.[40]

Despite the suits and injunction, the MIC reopened their mills and continued logging, but now concentrated on the surveyed railroad sections along the Blackfoot and Clark Fork rivers. In July 1886, the company finished building the much anticipated Blackfoot Mill, the region's largest, and Andrew's younger brother, Henry, took charge of the operations. In its first month, the Blackfoot mill produced 55,000 bf per day, and within two years would churn out over 100,000 bf daily. With the mills cranking up, MIC began hiring all the lumber workers they could find. Exhausting the local labor supply, it advertised in St. Paul for more men. Opening five logging camps on the Blackfoot River, Henry anticipated cutting 20 million bf during the winter, 13 million more than the previous year. Although the mines still consumed a vast amount, much of this timber was dedicated to the new railroad branch lines being built by Hammond, Bonner, and Hauser.[41]

Between the two court terms, Hauser presented a litany of modifications to Sparks, maintaining that all of western Montana should be considered mineral lands and thus open to the Free Timber Act. Hauser claimed that "every stream in this region contains placer gold." He further stated that enforcement of the regulations would shut down nine-tenths of the small mills. Despite obvious evidence to the contrary, Hauser tried to convince Sparks that the timber cut from government land was not exported but used exclusively by the mines.[42]

Sparks was not fooled and rejected Hauser's recommendations, Sparks pointed out to Lamar that "the interests of the settler and the lumbermen are not in this matter identical, as the

[40] *Missoula County Times*, March 17, 1886; *Missoulian*, May 14, 1886; *Report of Secretary*, 1886, vol. 2, 447.
[41] *Missoula County Times*, July 28, 1886, Aug. 11, 1886; *Missoulian*, July 19, 1888, Dec, 3, 1886, Dec. 15, 1886, Aug. 6, 1886.
[42] *Missoulian*, June 11, 1886; *Report of Secretary*, 1886, vol. 2, 447-448.

lumbermen ship lumber as far as St. Paul." He further cited the instance of one mill burning its slabs rather than selling them so as to compel settlers to purchase higher grade lumber. Sparks also noted that all of the signers of Hauser's petition were "*lumber dealers,"* as if this was condemnation enough. Immersed in Populism, Sparks viewed himself as looking out for the individual settler against the rapaciousness of big business.[43]

Congress, however, was more susceptible to the pressures of business interests and demanded an accounting of Sparks' actions. Now on the defensive, Sparks provided Congress with scores of letters from western settlers to demonstrate the extent of his support. O. W. Streeter of Deadwood, Dakota Territory, provided a representative example. He wrote, "I can assure you that the great mass of the people in the western states and territories heartily indorse the honest efforts of the Interior Department in its determination to hold the public domain in the interest of honest settlers."[44]

Echoing Streeter, others complained of the undue power, influence, and heavy handedness of both the Northern Pacific and the MIC. Despite Bonner and Hammond's domination of western Montana's economy, or perhaps because of it, two prominent Missoula businessmen also thanked Sparks. They wrote, "your decisions have met with the most hearty endorsement of all right-thinking men, and have given universal satisfaction to all those who desire to see the laws enforced." Particularly annoying to Montanans were the high lumber prices MIC charged because of its monopoly-like control of the forests. Ironically, Sparks' regulations had unintended consequences, as they prevented small and honest lumbermen from cutting on

[43] Italics in original. *Report of Secretary*, 1886, vol. 2, 447-448.
[44] *GLO Report*, 1886,43

the public domain, while the MIC continued to enjoy exclusive access to the Northern Pacific land grant, the only timberlands now legally available for exploitation.[45]

Partially in response to pressure from Hauser, as well as from Lamar, in August 1886, Sparks backed off his previous regulation and allowed the sale of milled lumber cut from "mineral lands" to "*bona fide* residents." But he continued to insist on prohibiting the export lumber outside the state or territory in which it was cut.[46]

The civil suits resumed in the fall, but by now the government had difficulty locating witnesses. One of the MIC's officers, (probably Hammond, as Eddy and Bonner were often away) approached Haley and asked to see his reports and get the names of the government witnesses. Despite Haley's refusal, Hammond somehow obtained the agent's report and was able to locate witnesses. Haley accused the MIC of destroying evidence and intimidating witnesses, noting that "several of them were induced to leave the country." Frustrated, Sparks wrote to Lamar that the directors of the MIC "are bold, unscrupulous and persistent violators of law and will leave no means untried to defeat the government in the suits now pending against them."[47]

Faced with both criminal and civil lawsuits, Hammond and his partners engaged in a shell game to protect their considerable assets. In August 1885, "the giant mercantile firm" of Eddy, Hammond and Company dissolved their partnership and incorporated as the Missoula Mercantile Company. The reason they presented publicly was to allow for investment by some of their long-time employees. After incorporation, however, employees held only 4 out of 2,500 shares. To further protect themselves, Hammond, Bonner and Eddy incorporated the Missoula Real Estate Association to buy, sell and lease real estate in the growing city. By forming

[45] Ibid.
[46] *Report of Secretary*, 1886, vol. 2,452.
[47] Sparks to Lamar, Nov. 12, 1886, National Archives, RG 60, files 7308, 7608.

corporations, the men became stockholders and thus could not be held individually liable, in contrast to their former proprietary partnerships.[48]

Finally in December 1886, the grand jury issued indictments against Bonner, Hammond, and Eddy for timber trespass. They pled not guilty, forcing the case to trial. In an associated case the following month against Northern Pacific, the Montana Supreme Court emphatically denied the government's claim of $1.1 million in damages, ruling that the government and the railroad were "not tenants in common, and it is impossible to tell on whose land the timber was cut." The court further ruled that the government failed to prove that the lumber was not, in fact, used for railroad construction. In addition, the court stated that the government could not impose an injunction against timber cutting until the lands were "surveyed and the odd and even sections specifically designated." This effectively lifted Lamar's injunction against the MIC. In all these decisions, the Montana court defied a previous U.S. Supreme Court ruling that held that railroad grant lands belonged to the government until title was actually transferred.[49]

Sparks refused to relent and sought an appeal to the U.S. Supreme Court. In the meantime, he appropriated $15,000 out of his thin budget to initiate a survey in the areas the MIC was actively logging. Congress failed to appropriate enough funds for a survey, and the railroad was in no hurry, for once lands were surveyed they would have to pay taxes on those lands. To Sparks' increasing annoyance, no one would take the contract to conduct the surveys. The surveyor-general attributed the lack of bids to the mountainous terrain where the effort would exceed the legal rate that could be charged.[50]

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[48] *Missoulian*, Aug, 21, 1885, Oct. 16, 1885; *Missoula County Times*, Aug. 24, 1885; Johnson, "Andrew B. Hammond,"85-86. Quote from *Missoula County Times,* Aug. 12, 1885.
[49] *Missoula County Times*, Dec. 15, 1886; U.S. v. NPRR, 6 Mont. 351 (1887). Second quote from *GLO Report*, 1887,479; Leavenworth R. R. Co. v. U.S., 92 U.S. 741.
[50] *GLO Report*, 1887, 246; *Report of Secretary*, 1886, 833.

The battle moved from the courts the forests. Under instructions from Sparks, Haley seized railroad ties that the MIC had illegally cut from public lands. Sparks thought Haley should have arrested the offenders because they simply "resumed their timber depredations." Asserting federal authority in the woods of northern Idaho, however, was a different matter as Hammond's attorney advised the MIC employees "to go armed and to resist any attempt to arrest them by the United Sates authorities." In a near reenactment of the Cramer Gulch War, the MIC loggers "terrorized" and overwhelmed the deputy U.S. marshal and retook the ties. This time, however, the conflict over natural resources was no longer between two companies, but between the federal government and private industry.[51]

Furious, Sparks blamed the Montana court decision, stating, "These marauders upon the public timber appear to have been thus emboldened to further disregard of the law." Agent Haley reaffirmed Sparks, reporting that the MIC, "has never been so willful or defiant in its timber depredations as it has been in the past month. The officials of the company openly boast that the Senate, Congress, and the courts are with them." It appeared that not only had the MIC taken de facto control of the forests, it had also gained the political high ground.[52]

U.S. District Attorney Henry Hobson also charged MIC with manipulating the court system of Montana. He reported, "It seems almost impossible in that country, for the government to obtain justice in its own courts." Having fully prepared his case against MIC, Hobson discovered that Judge De Wolfe, who owed his appointment to Hammond and Bonner, rescheduled the hearing just four days before the end of the court term. Then De Wolfe suddenly decided that the method of jury selection was illegal, "leaving the government in court with its case, its counsel and its witnesses, but without a jury." Hobson summarized his frustration:

[51] Ibid., 477.
[52] Ibid.

"Public sentiment in Montana seems to be against the government; the courts seem to be organized and maintained for the purpose of upholding that sentiment." He believed, presciently, that the government would never again have as strong a case.[53]

After spending more than $2 million in pursuit of MIC, by 1887 Sparks had run out of funds and was forced to suspend the investigation. In lobbying Congress for more money, Sparks pointed out that any delay would cause a duplication of effort as well as a loss of evidence. He believed if he had enough funds he could bring the cases to completion. Sparks told Congress:

> During the delay . . . the defendants are no means idle. They not only continue their unlawful depredations on public timber in defiance of all efforts of this office to prevent that course, but they avail themselves of every such opportunity to destroy the evidence of their past transgressions and to nullify the efforts of this office.[54]

While Sparks fretted, the MIC indeed took action and thwarted his efforts by disbanding in August 1887. Bonner, Eddy, and Daly sold their interest in the lumber business, while Hammond sought to insulate himself from further government persecution through kinship ties and legal maneuvering. Attempting to conceal his involvement, Hammond created a dummy board of directors, a practice that he would use for the next two decades. With Henry Hammond ostensibly in charge, the Blackfoot Mill Company assumed the assets of the MIC. A few months later this morphed into the Blackfoot Milling and Manufacturing Company. With Henry running the mill, A. B. installed his older brother, George, along with his brother-in-law, Charles Beckwith, and Herb McLeod, as the new directors. A. B.'s other brother, Fred, had been managing the Bonita mill, until he transferred it to another brother-in-law, George Fenwick.[55]

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[53] Hobson to Attorney General, June 15, 1888. RG 60 file 7308 # 5030; Hammond to Hauser, Nov. 26, 1887, Hauser papers, MHS.
[54] Ibid., 84.
[55] Missoula County Records Collection 310, series II, Articles of Incorporation, file # 13 and #14, UM; *Missoulian* March 18, 1887.

Despite Hammond's contention that Sparks operated out of zealotry and retribution, Sparks, like Lamar, saw the timber suits as a means to prod Congress into passing meaningful reform. Even while he attempted to enforce the Free Timber Act, Sparks advocated for its repeal as it invited "great waste and greedy speculation," and made no provisions for preservation of timber for future generations. Lamar added, "Individual avarice and corporate greed . . . unless checked by wholesome modifications of the law, will soon cause all the mineral lands to be stripped of their forests."[56] With insight into the problem of open-access resources and anticipating Garrett Hardin's "Tragedy of the Commons" by nearly a century, Lamar noted, "That which is every one's property is no one's care."[57] With this single line, Lamar pierced the heart of the issue. As long as the forests remained an open-access resource, lumbermen would have no incentive to conserve. Lamar was essentially building the case for the establishment of the Forest Reserves (predecessor to the National Forests), although this would not take place for another six years and under a different administration.

In his 1968 essay, Hardin would propose two solutions to the problem of open-access: privatization or government regulation.[58] Lamar, too, recognized twin avenues toward conservation and viewed defined ownership as the key. He proposed a survey, appraisal, and demarcation of timber lands, with every fourth section "permanently reserved from sale" as provision for the future. On the one hand, Lamar seemed to favor privatization, suggesting that appraised sections could then be sold at public auction to the highest bidder. On the other, influenced by Sparks' populism, Lamar advocated a system that would supply timber without "concentration of these lands in the hands of capitalists." He suggested that the Free Timber Act

[56] *Report of Secretary,* 1886, 448
[57] Ibid, 1885, vol. 1,41.
[58] Garrett Hardin, "The Tragedy of the Commons," *Science*. 162(3859): 1243-1248.

should provide for "the *sale* of timber on mineral lands" while retaining government ownership of the lands themselves[59]

However, Lamar's reports also echoed previous Secretaries in advocating forest conservation to ensure a continuing supply of timber and prevent erosion. Exasperated at congressional inaction on the issue, Lamar reproached the lawmakers, stating, "Perhaps its frequent repetition has rendered it [the disappearance of timber] commonplace, until it has come to be recognized as a part of routine report."[60] Both Sparks and Lamar called for Congress to establish permanent forest reservations in mountainous regions and at the headwaters of major watersheds. Although Sparks did not specify areas, his predecessor had recommended forest reserves near the headwaters of the Missouri and Columbia rivers in Montana, two of the thirteen areas that Cleveland would designate as forest reserves in 1897.[61]

Sparks and Lamar were by no means alone in their ambivalence about whether privatization or government ownership would provide the most effective means of achieving forest conservation. However, by 1887, with the forests "disappearing at a rate that excites grave apprehension," Sparks insisted that "the time for tinkering has passed" and called on Congress to void all public land entry laws, except the Homestead Act. The populist had recognized the perils of privatization, especially when it came to the railroads and timber companies.[62]

Although he devoted considerable energy to timber poaching, Sparks' primary mission was to rescind railroad land grants and bring those lands back into the public domain. Under the Indemnity Act of 1874, railroads could claim some of their grant lands up to fifty miles from the

[59] Ibid, 1886, vol. 1,28-29. Emphasis in original.
[60] *Report of Secretary*, 1885,41.
[61] Ibid, 1884, 19. The Forest Reserve Act of 1891 provided the authority for the President to designate such reserves.
[62] *GLO Report*, 1887, 87. Sparks advocated a five-year residency clause for homestead entries to insure the lands would go to settlers, rather than timber companies.

track in lieu of those lands that were already settled. Therefore, to acquire distant timberlands, the railroads employed men to file on the "barren and worthless land" of their grants so the companies could exchange these for more valuable land elsewhere. The railroads would also sell land upon which they had yet to receive title and then claim indemnity. With Sparks' urging, Lamar thus recommended to Cleveland that fifty-four million acres of such railroad indemnity lands be revoked. In addition to the forfeiture of railroad indemnity and grant lands, Sparks' cancellation of fraudulent claims brought the total of lands he had restored to the public domain to more than 83 million acres by the time he left office. Many of these lands eventually were incorporated into the National Forest system.[63]

Nevertheless, the Land Commissioner's impetuous and dogmatic approach ultimately proved his undoing. Upon Sparks' recommendation, Congress passed an act directing the Secretary of Interior to adjust railroad lands that had been conveyed in error. Under this new law Sparks submitted an adjustment of land grant to the Chicago, St. Paul, Minneapolis and Omaha Railroad, seeking to reclaim 245,000 acres. The more cautious Lamar disagreed and rejected Sparks' calculations. Enraged, Sparks submitted his resignation. While supporting Sparks in principle, Cleveland recognized the Commissioner was a liability in his relationship to the business community and accepted Sparks' resignation. Sparks returned home to Illinois, while Lamar advanced to the Supreme Court. But by the end of the year, the president, too, would be out of a job.[64]

With Cleveland, Lamar, and especially Sparks, all out of office, and with Republican Benjamin Harrison in Washington, the government lost its enthusiasm in pursuing timber trespass. The suits against Hammond languished in bureaucratic limbo. Although he never

[63] Ibid, 1885,41,180; Nevins, 223.
[64] *GLO Report*, 1888, 17; Nevins, 225-227.

denied that government timber had been cut, Hammond refused to accept personal responsibility. At first, he claimed Teller had granted permission. Then he claimed that his crews only cut government timber inadvertently since the sections had not yet been surveyed. Finally, Hammond pinned the depredations on his long-time employees and relatives, George Fenwick and Henry Hammond who were the direct supervisors of the operations.

Regardless of how it happened, Hammond defended his timber depredations as having "resulted in the material development, upbuilding and growth of the Territory." Not everyone agreed; many complained of being driven out of business by the MIC, while others objected to the "exorbitant prices for building material."[65]

To what extent could the exploitation of natural resources be justified in aiding the material development of the West? Hammond was hardly the only one who regarded laissez-faire capitalism as essential to the nation's material progress. In this view, open-access to the nation's forests provided the fuel for development, whereas government control would hamper progress. But others, like Sparks, questioned this assumption and sought some means of popular control over resources and their use. Lacking firm social structures, such as community-regulated commons to manage natural resources, they turned to the federal government as their hope. Beset with competing interests, the government, however, served less as a monolithic actor and more as an arena where this issue would play out.

Rapid western expansion and settlement demanded lumber for buildings, businesses, railroads, and – especially in Montana – mining. This demand, combined with a series of presidential administrations with an ideological predisposition toward privatization, led to a relaxation of enforcement and poor public policy throughout the 1860s and 70s. At the same time, Congress repeatedly increased the appropriations for timber agents attempting to curb

[65] S. M. Stockslager to Attorney General, March 8, 1889. RG 60 file 7308 # 2195.

poaching of federal timber. The government asserted its control over timber while simultaneously promoting western expansion but with a dual and conflicting objective: how to conserve resources for future generations while providing timber for a rapidly industrializing nation. Addressing this issue would form much of the public discourse about the West for the next twenty years. As it turned out, the activities of A. B. Hammond provided a major catalyst to bring about the end of the "Great Barbeque."

As the railroads propelled the nation headlong into the industrial era, the division those seeking social and government control over resources and those advocating privatization would grow ever wider. The tussle between Hammond and Sparks provides a vivid example of the clash between these opposing ideologies. Rather than resulting in victory or defeat, this struggle forged the two most powerful and influential of modern institutions: the corporation and the federal government, and helped define the relationship between the two. The individual and the small, isolated communities that had previously formed institutional structures would soon be on the verge of being crushed between these massive forces.

Although Sparks was now out of the picture, the timber suits would linger on for another three decades. The recognition of the failings of the free-market in preventing forest destruction had initiated the slow turn from laissez-faire capitalism to government regulation and increased federal power. In the meantime, the struggle for access and control over the nation's forest was heating up.

Nine: A Political Animal

During America's Gilded Age, a man's political affiliation formed a large part of his identity. It determined his friends, associates, and business connections. Men identified more with being either a good Democrat or a stalwart Republican than their particular profession. In an age before professional sports, men discussed and debated, often heatedly, politics more than any other topic. Although many, including women, were disfranchised, politics was highly participatory – nearly everyone who could do so voted, and almost always voted a straight party line. The Republicans attracted Protestant voters who sought to control alcohol consumption and implement deliberate government policies to aid business and industrry. Democrats, often Catholic or from the South, favored a minimal federal presence in both economic and social issues, tending toward policies that aided small-holders and agricultural interests. On a national level, this strict adherence to party led to a nearly equal balance of power between Republicans and Democrats during the late nineteenth century – a situation that in modern parlance would be called "gridlock."[1]

In the American West, however, political affiliation, like many other social bonds, held a looser grasp than in the rest of the country. Politics, nonetheless, remained an important part of one's social and economic network. As an ambitious young clerk, A. B. Hammond joined Montana's majority party and that of his senior partners – the Democrats. Like many businessmen, he became involved in local politics. In 1884

[1] Lewis L. Gould, "Party Conflict: Republicans versus Democrats, 1877-1901:" 265-267 in Charles Calhoun, ed., *The Gilded Age: Perspectives on the origins of modern America* (New York: Roman and Littlefield, 2007).

Hammond was elected Missoula city alderman, and later that summer voters chose him as a delegate to Missoula County's Democratic convention.[2]

Unlike his predecessor, Richard Eddy, Hammond took his duties as alderman seriously. Although an active Democrat, his activities lay more in line with nineteenth-century Republican policies. Taking an active role in the weekly meetings, Hammond supported ordinances regulating saloon hours and prohibiting "the keeping of Houses of Ill Fame." But he was especially interested in investigating road work and bridges. Above all, he sought to keep the streets in good condition. Hammond displayed a keen interest in transforming Missoula from a frontier village into a center of commerce, or at least the sort of commerce that he saw as legitimate.[3]

Cleveland's land policies intending to aid settlers, had, by 1888, alienated Hammond and other Montana Democrats by restricting their access to and control over natural resources. The impending timber suits brought by the Cleveland Administration against the Montana Improvement Company (MIC) particularly aggrieved both Hammond and Marcus Daly. Not surprisingly, Hammond argued strenuously against re-nominating the President, both as a member of Montana's Democratic Committee, and as a delegate to the national Democratic convention in St. Louis.[4] Although Cleveland enjoyed little support in the West, eastern delegates handed him the nomination. Hammond returned from St. Louis discouraged by the prospect of another four years. In order to protect their economic interests, Hammond and his partners abandoned their

[2] *Missoula County Times*, June 25, July 30, 1884, Johnson files.
[3] City of Missoula Records, vol. 255, 66-127, University of Montana mss 216, series XIX.
[4] Herbert Peet to K. Ross Toole, April 5, 1948, Herbert M. Peet Collection, box 1, folder 4, MHS; *Butte Intermountain*, April 7, 1888; *Missoula Gazette*, May 26, 1888; *Missoulian* April 25, 1888, Johnson files.

political affiliation, secretly switched parties, engaged in widespread electoral corruption, and conspired to send their hand-picked candidate to Washington D.C.

Montana entered the union under a cloud of political corruption dictated by economic interests and personal animosities. Montana historian, K. Ross Toole maintains that for the next eighty years the state was a virtual dominion of corporate interests, the Anaconda Mining Company in particular. The real story turns out to be far more complicated. Despite the corruption and corporate influence, democracy, nonetheless endured. None of the businessmen who dominated Montana politics could ever exert complete control and, in fact, were often frustrated in their ambitions by the *vox populi*.

In 1888 Montana stood on the verge of statehood, at which it would send two senators and a representative to Washington. In the meantime, a single non-voting delegate represented the territory. The election of a Republican delegate from a Democratic territory would send a clear message to Washington that Montanans were so incensed over Cleveland's land policies and timber prosecutions that they were willing to switch parties and potentially tip the national balance of power to the Republicans. Many of Montana's leading Democrats had suffered embarrassment or prosecution from the Cleveland Administration. But above all, they saw Cleveland as hindering the economic development of the territory. The Democrats' nomination of William A. Clark as delegate brought the issue to a head.[5]

Originally from Pennsylvania, Clark studied law at Iowa Wesleyan University. He arrived in the mining camp of Bannack in 1863, spent a successful year placer mining, sold his claim and went into business supplying the camps. He reaped a small

[5] Peet to Toole, April 5, 1948.

fortune, which he then invested in banking and mining ventures. K. Ross Toole summed up his business, writing, "A dollar never went out but what it returned with another sticking to it." Standing only five feet seven and wiry, Clark possessed intense, penetrating eyes. Austere and vain, "there was about him a white starched fastidiousness."[6] Clark "combined a remarkable intelligence and attention to detail" with fanatical ambition and a relentless work schedule, habitually putting in twelve to sixteen hour days.[7] Like Hammond, Clark had a reputation for being coldly calculating and uncompromising, both in business and politics. Although he commanded respect, Clark was not particularly well-liked. Nonetheless, he began to harbor senatorial ambitions, so much so that it became an obsession into which he would throw his immense wealth.

Clark's primary mining rival, Marcus Daly, in contrast exuded congeniality, charisma, and possessed unusual generosity. On the other hand, as historian Michael Malone notes, "Daly's ready wit and relaxed charm masked a keen and ruthless intelligence and an explosive temper." Speaking in a thick Irish brogue, Daly appeared simple and unpretentious to the thousands of Irish workers who had flooded in to work the Butte mines. In 1890 Butte held a third of Montana's population, and a majority of those were Democratic-leaning Irish Catholics, most of whom worked for Daly and the Anaconda Company. Thus, Marcus Daly, as Democratic Party chieftain, controlled a cohesive and substantial voting bloc, one that Clark needed to become senator.

Although opposite personalities, Daly and Clark both owned Butte's largest mines and sought control of the Democratic Party. Thus, they kept bumping into each other in

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[6] Kenneth Ross Toole, "Marcus Daly, a study of business in politics" (M. A. thesis, Montana State University, 1948), 20-22.
[7] Michael P. Malone, *The Battle for Butte: Mining and Politics on the Northern Frontier, 1864-1906* (Seattle: University of Washington Press, 1981), 12.

the quest to dominate Butte economically and Montana politically, in much the way Higgins and Hammond struggled over control of Missoula. Such "king of the hill" struggles for political and economic domination permeated the Gilded Age, often to the detriment of the local communities and adversaries themselves. Indeed, the Clark-Daly feud that erupted following the 1888 election corroded Montana politics to an unenviable low and cast a long shadow into the twentieth century.[8]

The schism between Clark and Daly would rip Montana's Democratic Party in half and provide an opening for Hammond and his new party, the Republicans. At the Democratic convention in September 1888, the previous delegate, Martin Maginnis refused a third term, throwing the field wide open. With statehood on the horizon, election as delegate would be a natural stepping stone to the U.S. Senate, and Clark accepted the nomination on September 10.[9]

Clark's nomination put Daly, Hauser, Bonner, and Hammond in a conundrum. Like the others, Clark had also been caught stealing timber off federal lands; however, his wealth gave him a degree of political autonomy that made him unreliable, in that the others would have little control over him. The four men recognized that no matter who won the presidential race, Clark would be of little use in protecting their economic interests. If Cleveland won, no delegate from Montana would have much influence with an administration prone to ignore the pleas of western politicians. On the other hand, if Republican nominee Benjamin Harrison won, a Republican delegate would certainly have more leverage than Clark, an independent-minded Democrat. Should the four

[8] Toole, 19; Malone, 18, 35. For more on the Clark-Daly feud see Malone's excellent account in *The Battle for Butte*.
[9] Toole, 57; *Missoula Gazette*, Sept. 15, 1888, Johnson files.

business partners remain loyal to the Democrats and support Cleveland and an unpalatable candidate for Territorial Delegate, or seek an alternative?

Immediately following the news of Clark's nomination, T. C. Power, one of Montana's leading Republicans, but also Irish, approached Daly with a solution: ditch Clark and support a fellow Irishman who was also a malleable Republican.[10] Two days later, Herb McLeod, Hammond's general manager, attended the Republican convention as one of the Missoula delegates. Thomas Carter, a young and unknown lawyer whose only asset appeared to be his Irish heritage, emerged as the Republican nominee. Carter's selection was a surprise to everyone, except perhaps those on the inside.[11] Daly, Hauser, Bonner, and Hammond concluded that if they threw the election to Carter he would be indebted to the turncoat Democrats and would gladly do their bidding. Perhaps he could even exert some influence should Harrison win.

The conspirators kept their plans quiet. Assured of an easy election, Clark acted as if he had already won, a natural assumption given Montana's political leaning. He gave a few speeches but otherwise conducted a lackluster campaign. Although Daly, Bonner, and Hauser made no endorsement of either candidate and appeared neutral on the election, Clark assumed they would deliver their respective counties, which accounted for fifty per cent of the territory's population. Absent from Montana from mid-August until late October, Hammond appeared entirely uninterested.[12]

Daly, however, harbored personal animosity toward Clark. Historian David Emmons traces the Clark-Daly feud to the ancient conflict between the Catholics and

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[10] Power to Daly, Sept. 15, 1888
[11] *Missoulian*, Sept. 19, 1888, Johnson files.
[12] Peet to Toole, April 6, 1949 "Clark-Daly Feud," mss 89, box 1, folder 4, MHS; *The Evening Item* [Missoula] Aug. 18, 1888; *Missoulian*, Oct. 31, 1888, Johnson files; Ellis Waldron and Paul Wilson, *Atlas of Montana Elections, 1889-1976* (Missoula: University of Montana, 1978), 7.

Protestants on the Emerald Isle. Emmons argues that for Daly, "who wore his Irish Catholicism like a badge," and the rest of the Butte Irish, Carter was a simply a more attractive candidate than Clark, who was a Scotch-Irish Presbyterian and a Grand Mason.[13] Bonner and Hammond, on the other hand, regarded the election as simply a business decision in order to have "a friend at court."[14]

In Missoula County, Herb McLeod became the point man for the plot. Managing the anti-Clark campaign, he sent MMC employees to canvass the Bitterroot on behalf of Carter, while he visited the logging camps, handing out cigars, whiskey, and money, informing employees that they must vote for Carter or lose their jobs.[15] At the same time, the conspirators sought to keep their anti-Clark activities quiet. Hammond employee Alvin Lent informed Power that, "In this county for the next ten days anyway 'silence is golden' as we don't want Mr. Clark's barrel turned loose on us."[16] Meanwhile, Hammond was in St. Paul meeting with Northern Pacific Vice-President Thomas Oakes to enlist the railroad's support of Carter. Named as a co-defendant in the timber suits, the railroad also sought an advocate.[17]

On election night, Clark hosted a grand banquet to celebrate his victory, only to discover that he had been resoundingly defeated. Reports of voter manipulation quickly flooded the press. Montana had yet to adopt the secret ballot, therefore voters, especially

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[13] David Emmons, "A Reconsideration of the Clark-Daly Feud," in *Montana Legacy*, eds. Harry Fritz, Mary Murphy, and Robert Swartout, Jr., 87.
[14] In a later interview, Bonner candidly admitted the conspiracy and their reasons for electing Carter, see "Footprints of Time, a true story of the Montana Career of Thomas H. Carter," *Helena Independent*, Oct. 11, 1900. Subsequent investigations suggest that Daly opposed Clark on orders of his financial backer, James Ben Ali Haggin, whom Clark had insulted. See Peet to C. H. McLeod, April 4, 1940, C. H. McLeod Papers, box 48, folder 4.
[15] Peet to Toole, April 6, 1949, Clark-Daly Feud, 6.
[16] Lent to Power, Oct. 22, 1888, T. C. Power papers, box 1, folder 8, MHS.
[17] "Footprints of Time, a true story of the Montana Career of Thomas H. Carter," *Helena Independent*, Oct. 11, 1900.

employees of the MMC and Anaconda were easily intimidated. The *Butte Miner* (owned by Clark) maintained that Anaconda "employees were given orders as to how they should vote, and that the mandate came in such a form that it meant to vote thus or be discharged. This was notoriously the case in certain mines . . . where . . . shift bosses led the miners to the polls and saw that the poor men voted just as they were commanded to."[18] However, as David Emmons points out, ethnicity trumped party loyalty and the Butte Irish needed little persuasion to vote for Carter over Clark, who had committed several anti-Catholic gaffes during his campaign.[19]

In Deer Lodge and Missoula County where Bonner, Hammond, and Northern Pacific were the largest employers, voters overwhelming went for Carter, turning in thousands of Democratic ballots with "Carter's name pasted over Clark's."[20] Although it was obvious that the Missoula Mercantile and Northern Pacific had also coerced their workers into voting for Carter, Clark held Daly personally responsible for the loss and the long simmering acrimony between the two men burst into an open conflagration. For the next dozen years, the Clark-Daly feud dominated Montana politics to the near exclusion of any other concerns, with such a long lasting affect that as late as 1923 Herb McLeod concluded that, "Ever since the Clark-Daly feud, the state has been handicapped by corrupt politics and corrupt politicians."[21] Hammond, however, was more concerned with catching up to the copper kings financially than getting involved in a grudge fight.

While Cleveland won the popular vote in 1888, he lost the electoral vote and the presidency to Benjamin Harrison. Martin Maginnis, who as delegate had lobbied hard

[18] *Butte Miner*, Nov. 14, 1888, Peet files, box 1, folder 4.
[19] Emmons, 87-102.
[20] Peet to Toole, April 6, 1949, Clark-Daly Feud, 12; Malone, 86.
[21] McLeod to Hammond, May 6, 1923, box 21, folder 8.

against the timber suits and on behalf of Hammond, blamed Clark's loss on Cleveland's land policies. Nevertheless he was aghast at the duplicity involved in the election. He told the Helena newspaper:

> The timber prosecutions have alienated some potent factors who were vowing vengeance against the administration even before the nominations, though how they could take it out in a territorial election I never could understand . . . the great cause of Mr. Clark's defeat . . . was a powerful personal combination against him of men whose support he expected [who] . . . used their influence with their employees.[22]

Carter's election was money well spent. Within a month of taking office, Carter succeeded in having the new administration suspend the timber suits. A staunch conservative, Carter rose rapidly in the national arena, becoming a close friend of Benjamin Harrison. When Carter lost his House seat in 1890, Harrison appointed him Commissioner of the U.S. Land Office, putting him in a position to aid Hammond and his timber operations. As Bonner noted years later, "we did not make any mistake. Carter was our friend in Washington."[23] In 1892 Harrison made Carter his campaign manager and chair of the Republican National Committee. Returning to Montana, Carter then served two non-consecutive terms in the U.S. Senate.[24]

Michael Malone characterized, Carter as "a shrewd, tough, and conniving politician who survived many a battle by adept maneuvering and by consistently allying himself with wealth and power."[25] Montanans were well aware of Carter's loyalties and gave him the nickname, "Corkscrew Tom," presumably referring to his many political twistings and crooked deals. Carter was never able to shake the reputation that he had

[22] Helena Record, Nov. 21, 1888, Peet files, box 1, folder 4.
[23] *Helena Independent*, Oct. 11, 1900.
[24] Malone, 87. Until the ratification of the Seventeenth Amendment in 1913, US Senators were elected by the state legislature.
[25] Ibid.

been put in power by Bonner and Hammond. In 1900 the Helena newspaper editorialized that ever since 1888, Carter:

> [Has] been of service to those who have been despoiling the public domain of the timber and he has ever been their devoted servant. . . . Take his record all the way through and it will be found that in him the timber thieves have always found a buffer between the government and themselves. . . .On the timber question he was elected delegate, on the timber issue he was made commissioner of the federal land office, on the timber issue he was elected US senator in 1893.[26]

Although Daly, Hauser, Bonner, and Hammond had united to support Carter in 1888, the coalition began to unravel the following year, when Montana achieved statehood. In October 1889, Montanans would go to the polls to ratify a constitution and choose their first state officials and legislature, which would, in turn, elect two new senators. The outcome could determine the national balance of power, as the Republicans held a precarious majority in the U.S. Senate. Hauser and Daly regarded their defection from the Democrats as an anomaly and quickly returned to the fold. They expected Bonner and Hammond to join them and solidify control over the party in the upcoming election. Daly, however, was becoming increasingly suspicious of Hammond's loyalty to the Democratic Party.[27]

At the same time, Hammond was receiving a broadside from the Republican editor of the *Missoulian*. Newspapers of the day openly identified with a particular party and often advocated its policies and candidates. Although he identified himself as Republican, *Missoulian* editor Harrison Spaulding was something of a renegade and more aligned with the rising tide of anti-corporate Populism.[28] Accusing Hammond of both economic and political monopolization, Spaulding told readers, "We are fighting the

[26] *Helena Independent*, Oct. 11, 1900.
[27] Malone, 90; Daly to Hauser, July 29, 1889, S. T. Hauser papers, box 7, folder 3
[28] Johnson; 115

outrageous practices, especially political, of the Hammond corporation." He charged that the Merc had taken over the Republican Party by importing "train loads of men . . . most of whom are not citizens" to control the county convention. Spaulding believed that the MMC was "trying to ferment strife and division in the Republican Party as they want to elect the Democratic ticket this fall."[29] Although Hammond was indeed attempting to control the Republican convention, it was not to favor the opposition. Indeed, Daly's suspicions turned out to be far more accurate than Spaulding's.

In August Hammond suffered "acute attack of bronchitis which was being greatly aggravated by the intense smoke and dust" from the summer forest fires and was forced to seek relief in Tacoma.[30] Although Hammond had not publically declared a change in political orientation, before leaving he instructed McLeod "to devote all his spare time for the good of the Republican Ticket . . . from head to foot."[31] From Tacoma, Hammond kept tabs on the developing political situation at home. Clearly aligning himself behind the scenes with the Republicans, he wrote to T. C. Power:

> I expect to return in time to do considerable [good] for the party but in the meantime you will find Mr. Bonner and Mr. McLeod ready to stand in and do not hesitate to call on them for help. Our company will give the Republican party financial and moral support to a man and if you can bring the 'pinhead' politicians into line we ought to clean up the County although it has a natural Democratic majority. The Rail Road vote in Missoula County will be the balance of power and our Committee should see that it is properly handled.[32]

However, Northern Pacific Vice-President Thomas Oakes had already decided, "It is the interest of the Nor. Pac. this year that the new state should go Democratic,"

[29] *Missoulian*, Aug. 21, 1889.
[30] Hammond to Power, Aug. 28, 1889, T. C. Power papers, box 1, folder 21, MHS.
[31] Gust Moser to T. C. Power, Aug. 27, 1889, T. C. Power papers, box 1, folder 31, MHS.
[32] Hammond to Power, Aug. 28, 1889.

reversing his support of Carter the previous year.[33] Martin Maginnis jumped to the task and began lining up the railroad workers. Maginns, having gone to bat for Hammond and Bonner against Sparks and Lamar, felt particularly aggrieved at their defection and publically denounced their change of party.[34] Meanwhile, Daly was pressuring Hauser "to do something to control Hammond" and bring him into alignment with the Democratic Party and so as to dump Carter.[35] Unbeknownst to Daly and Hauser, however, the Missoula Mercantile was supplying more than half of the Territory's Republican campaign funds.[36]

In retrospect, Hammond's switch should hardly be mystifying. Given his temperament, politics, profession, birthplace, and religion, it was quite natural that he should gravitate toward the Republicans. Descended from New England Protestants who were largely temperate, inclined toward hard work and little frivolity, Hammond was conservative by nature and pro-business and anti-labor in his economic outlook. Along with his New Brunswick brethren, Hammond formed the nucleus of Missoula's Republican Party.

With just a week to go before the election, Daly swallowed his pride and journeyed to Missoula to meet with Bonner and McLeod. Daly "pleaded with them in every way it was possible" for them to rejoin the Democrats. He even threatened to pull Anaconda's business from the Blackfoot Mill. McLeod defiantly informed the copper magnate that while he regretted the loss of his friendship and business, "to abandon the Republican party in this fight, would simply be surrendering his manhood, and that he

[33] J. W. Buskett to Hauser, Sept. 2, 1889, Oakes to G. W. Dickinson, Sept. 6, 1889, Johnson files.
[34] *Missoulian,* Sept. 11, 1889, Johnson files.
[35] J. W. Buskett to Hauser, Sept. 2, 1889, Johnson files; McLeod to Hammond, Sept. 23, 1910.
[36] Moser to Power, Sept. 3, 1889, box 1, folder 31.

would walk out of the country before he would do it, that they had nominated a ticket and they proposed to support it."[37]

Incensed, Daly rose to his feet and declared that "he would make grass grow in the streets of Missoula." Bonner had a train to catch and Daly followed him to the station still imploring him to rejoin the Democrats. Finally Bonner reiterated that, "they would carry Missoula County for the Republican ticket, if it took half what they were worth." Losing his temper again, Daly threatened to send men in every direction and make it the hardest fight possible. To top it off, he was cancelling his contract and would from now on engage other mills for his lumber.[38]

While Daly could control the mining districts of Butte and Anaconda, he was poorly matched against the MMC in Missoula County. Bonner, Hammond, and McLeod were building their own political machine, one in which party affiliation was secondary to company loyalty. As the largest employers in the area, the Merc pressured employees and area residents into voting for its hand-picked candidates. While Hammond maintained a friendly correspondence with T. C. Power, who was running for governor, behind the scenes McLeod instructed his employees to vote for Power's opponent, Joseph K. Toole, a Democrat, for governor and for Carter, a Republican, for Congress. When the returns came in, both Toole and Carter won, as did five out of six of Hammond-supported legislators from Missoula County.[39]

Carter's opponent, Martin Maginnis, only carried three counties, including the mining centers of Butte and Anaconda. Apparently the Butte Irish had come back to the

[37] Daly to Hauser, Sept. 23, 1889, box 7, folder 3.
[38] Ibid; W. H. Hammond account in Lloyd Zimmerman, Jr., "Missoula Mercantile Company," mss., UM, 1962.
[39] John McCormick to Power, Sept. 28, 1889, box 1, folder 39, T. C. Power papers, MHS; Johnson, 132-133; Malone, 90-91

Democrats along with Marcus Daly. Statewide, Power lost by only 576 votes, but carried Missoula County by a scant 26. In 1889, at least, it appeared that the Hammond/Bonner machine could out-poll the combined efforts of Anaconda and the Northern Pacific. But with such narrow margins, victory could fall to either side. While voters held the ultimate authority, political pressure from businessmen could easily sway the results. In fact, Missoula's swing to the R column resulted in a state legislature equally divided between the two parties, with almost comical results.[40]

Accusations of voter fraud, bribery, intense personal rivalries, and political rancor permeated the state following the election. When the legislature met the following January, both Republicans and Democrats refused to recognize the other as legitimate and convened separately. This resulted in Montana having two legislatures in 1890, each of which elected its own U.S. Senators. The Democrats chose William Clark and Martin Maginnis, while the Republicans elected Wilbur Fisk Sanders and T. C. Power. In a bizarre maneuver, Montana sent four senators to Washington instead of the usual two, leaving it up the U.S. Senate to decide. Nationally, the Democrats badly needed Montana's two seats, but the Republican majority refused to seat Clark and Maginnis and sent them packing.[41]

Although Clark's aspirations had been stymied, Marcus Daly remained furious at the election results from Missoula County, which had put two Republicans in the U.S. Senate. Seeking revenge, Daly plotted to ruin Hammond and his associates and drive them out of Montana. But despite Daly's wealth and wrath, Hammond proved too

[40] Waldron and Wilson, 11-13.
[41] C. B. Glasscock, *The War of the Copper Kings* (New York: Grossett and Dunlap, 1935), 111; Malone, 90.

entrenched. The competition between the two titans did result in a massive building boom that created the modern city that Hammond had long envisioned.

Daly's first step was to finance D. J. Hennessey's mercantile in Missoula to compete with the MMC. Intending to deplete Bonner and Hammond's cash reserves and credit, Daly severed his business ties with the partners. Resigning as president of the First National Bank of Missoula, Daly forced Bonner and Hammond to buy $102,000 worth of stock in the bank. He then backed out of a railroad construction contract that the three men had with Northern Pacific, requiring Bonner and Hammond to come up with more cash. But without a doubt, the biggest hit to Hammond was Daly's cancellation of Anaconda's lumber contract. Not only did Hammond have to repay Daly $75,000 but he also lost his primary customer. To supply his mines, Daly started his own mill and logging operations in the Bitterroot.[42]

Although these calculated economic blows cost "a good many thousand dollars and a great deal of grief," Hammond appeared unperturbed by Daly's efforts.[43] He simply succeeded Daly as bank president, and the Blackfoot Mill continued to produce lumber despite Anaconda's boycott. Throughout 1890-91, Daly and Hammond kept expanding their business, each seeking to outdo the other to gain control of Missoula. Hammond added a second story to the Merc, doubling its floor space, and laid the foundation for a new First National Bank building across the street. On the opposite corner, he began work on the four-story Hammond building.[44] Meanwhile, Daly announced he would build a two-story building one block away to house the Hennessy mercantile, as well as a new warehouse near the railroad depot. In February 1891, Daly

[42] Johnson, 137-138; Bonner to Hauser, Nov. 13, 1889.
[43] McLeod to Hammond, Sept. 23, 1910.
[44] *Missoula Gazette*, April 4, 1890, May 3, 1890, Johnson files.

announced the incorporation of a new bank in Missoula with $100,000 more capital than Hammond's bank. Furthermore, he announced plans for a railroad from Anaconda over the Sapphire Mountains to the Bitterroot, where he was building a large sawmill to tap the region's vast timber reserves. In direct competition with Hammond, Daly also began to plat a new town in the Bitterroot to become the valley's commercial hub.[45]

But then in April 1891, Daly suddenly conceded the mercantile business in Missoula to the MMC, which purchased Hennessey's unsold merchandise. Daly also failed to establish his bank or railroad. Perhaps he decided the fight was not worth the effort, for he certainly could have kept throwing money into it. Perhaps his wife, who remained friends with Florence Hammond, convinced him otherwise. Regardless, Daly instead turned his attention to the Bitterroot, adding another 1,900 acres to his 20,000 acre estate near the new town of Hamilton. With the exception of Hamilton, which surpassed Hammond's town of Grantsdale, Daly failed miserably in his attempt to crush Hammond on his own turf.[46]

Politically, Hammond held his own as well. With the Democrats now fractured between Daly and Clark, Hammond could play the power broker among the Republicans. Patronage was still alive and well in Montana in 1890 and Hammond used his influence with both Power and Carter to reward his minions with federal appointments. Hammond's influence was so pervasive that one office seeker complained that "Mr. Carter has turned a deaf ear to everybody and everything that did not have A. B.

[45] Johnson 143-144; *Missoula Gazette*, May 15, 1890, Feb. 26, 1891, July 23, 1890, Johnson files;.
[46] Johnson, 146; *Missoula Gazette*, April 17, 1890, Oct. 15, 1891, Johnson files.

Hammond's endorsement." Hammond also freely let elected officials know they were obligated to the Missoula Mercantile machine.[47]

For Marcus Daly, business, politics, and religion melded into one. In contrast, and more like a modern businessman, Hammond effortlessly discriminated between the different worlds. Although he had worked to defeat both Clark and Power, Hammond maintained business relations with both men. Hammond also recognized that some considerations transcended both business and politics. In advocating the retention of his old friend Peter Ronan as Indian agent for the Flathead Reservation, Hammond told Power, "I am for rewarding the [party] workers when we can, but there are instances when I would draw the line. I am sure the Indians and the Fathers at the Mission would much prefer to have Ronan retain the place. And their interests should count for something."[48] In this case, Hammond favored an appointment that would benefit both Indians and Catholics. While he held no affection for the former, his childhood in Madawaska fashioned a lifelong sympathy toward the Jesuits. For Hammond, a man's character was of utmost importance, and throughout his formative years, certain priests had displayed both kindness and character. Hammond's affection for the Jesuits was in no small part due to the influence of Father Ravalli, a priest who ran an Indian mission in the Bitterroot, and who had aided Hammond in attending to George White in Hell Gate. As a result, Hammond financially supported the Jesuits for the rest of his life. In 1905 Hammond even named one of his steamships after Ravalli.

[47] S. G. Murray to T. C. Power, Feb. 3, 1890, box 3, folder 1, MHS
[48] Hammond to Power, Feb. 16, 1890, T. C. Power papers, box 2, folder 6, MHS.

In an age when Americans were growing concerned over the growth of big business and its increasing influence over the political process, the concentration of economic and political power at the corner of Front and Higgins in downtown Missoula did not go unremarked. With the Missoula Mercantile, the First National Bank, the Florence Hotel, and the new Hammond Building on each corner, for many observers, the head of the beast appeared as a tangible and domineering presence. Unabashedly partisan, newspapers across Montana deployed a popular image in attacking Hammond's growing hegemony. The Butte *InterMountain* referred to the MMC as "an octopus whose slimy tentacles reach out and envelop nearly every farm and ranch and herd and even the forest land of the richest county in the territory."[49] The *Missoulian* took it a step further, caricaturing Hammond as the "Missoula Octopus." The cartoon depicted Hammond's face in the center of a twenty-seven-tentacled octopus with each arm representing one of his concerns. Some of the octopus' arms were exaggerations and others, such as "Church" and "Fort Missoula" were simply silly. Nonetheless, Hammond did control the bank, the Merc, the Florence, the Blackfoot Mill and 90,000 acres of timberland, the light and water company, the Missoula Street Railway, the *Missoula Gazette*, the Bitterroot railroad, real estate development in Missoula and the Bitterroot, the area's only flour mill, and the cemetery. In truth, it was nearly impossible to live (or even die) in Missoula without doing business with A. B. Hammond. Indeed, for many, it seemed that no matter what they did on a daily basis, some portion of each dollar they made flowed into Hammond's pockets.

This situation was hardly unique to Hammond or Missoula. Hammond's economic domination of Missoula paled beside Marcus Daly's Anaconda, Andrew

[49] *InterMountain*, Sept. 25, 1888.

Carnegie's Homestead, Pennsylvania, or George Pullman's Pullman, Illinois. These, however, were company towns totally dependent upon a single corporation. Missoula, like many western towns, was settled by independent minded entrepreneurs who resented and resisted the rise of a single economic power. Many saw Hammond's economic domination as contrary to America's republican tradition, especially when it coincided with his political activity.

The backlash began in 1891. All the political pressures and personal animosities that had been bubbling under the surface came to a boil over the location of a new bridge over the Clark Fork River. Hammond wanted to retain the original south end, which would align the streets in a northeast-southwest direction following the railroad and the natural orientation of the valley. Frank Higgins, heir to his father's estate and enmity toward Hammond, lobbied for a new location that would orient the streets north-south in accordance with how Cap had laid out the streets in his new subdivision. The issue became so contentious that city held an election on September 8, 1891, to decide the issue. Although the logical site would have been the one favored by Hammond, he lost. The election had turned into a referendum on the popularity of Frank Higgins and the antipathy toward Hammond.[50]

Although the issue was swiftly resolved, local resentment toward Hammond and the political activities of the MMC continued. Missoula's two competing newspapers capitalized on the debate and played it up in a battle of editorials. Throughout the fall of 1891, Harrison Spaulding ran a series of editorials accusing "The Missoula Mercantile Monopoly" of taking advantage of Bitterroot farmers by blocking construction of a flourmill in Victor so they would be forced to ship their wheat to the mill in Bonner that

[50] Johnson, 149.

Hammond was building. The newspaper pointed out that the added expense of shipping the wheat to the Bonner mill would directly benefit "The Monopoly," as farmers would have to pay freight on the Bitterroot Railroad, another of Hammond's concerns. Spaulding's accusation was a bit unfair, however. While Hammond and his partners had built the Bitterroot Railroad, they had already sold it to the Northern Pacific for a tidy profit. [51]

The acrimony spilled over into the municipal election when Frank Higgins ran for mayor. Daly reinserted himself into Missoula politics and actively supported Higgins. The *Anaconda Standard*, which Daly owned, fired potshots at Hammond hoping to sway the Missoula election. Without a trace of hypocrisy the *Standard* accused the Merc of total domination of Missoula's political landscape. The paper stated that Higgins represented an administration "without putting on the pinching collar of a corporation which is famous for the fact that it is friendless and which has but one mission – that is to 'swipe' every man and everything in sight."[52] The obvious irony in the attacks of the *Standard* was that Daly had built the greatest company town in the West – Anaconda. A more critical reading however, suggests that many harbored misgivings about the influence of Daly and the pervasive power of the Anaconda Company. A week later, Higgins won the election. How much of the vote was a result of Daly's meddling and how much was due to an anti-Hammond electorate is impossible to gauge, but the result demonstrated that Hammond, losing two elections in a row, hardly had a stranglehold on Missoula politics.

[51] *Weekly Missoulian*, Sept. 23, Sept., 30, 1891.
[52] *Anaconda Standard*, March 30, 1892, Johnson files.

In their attacks against the MMC, the editors of both the *Missoulian* and the *Standard* expressed a sentiment that was sweeping the country. That summer of 1892, thousands of farmers and workers fed up with corporate domination of politics converged in Omaha in the first national convention of the Populist Party. The Populists called for such radical reforms as a graduated income tax, government ownership of railroads and telegraphs, an eight-hour day, the secret ballot, popular election of U.S. senators, ballot initiatives, a sub-treasury system to grant farm credit, and perhaps most famously, the free coinage of silver.[53]

By the 1890s, hostility toward Hammond and Merc was palpable across the Treasure State. When Hammond received the nomination for delegate to Republican National Convention, George Irvin protested "against the consummation of this conspiracy" of MMC's control over Missoula politics that was barely "short of slavery and abject servitude."[54] The *Standard* noted, "If there is a republican in the state just now whose defeat in a political convention should be a matter of easy accomplishment, that man is A. B. Hammond."[55] Nonetheless, the convention selected Hammond as one of twelve delegates to the national convention, despite his being in California at the time.[56]

Stopping briefly in Missoula on his way to the Republican convention in Minneapolis, Hammond granted a rare interview with the *Gazette*. In refrain that typified American business, Hammond essentially argued that what was good for A. B. Hammond was good for Missoula. Seeking to mollify residents against the rising tide of Populism and answer the charges of monopoly, Hammond detailed his accomplishments

[53] David Berman, *Radicalism in the Mountain West, 1890-1920* (Boulder: University Press of Colorado, 2007), 40.
[54] *Anaconda Standard*, May 10, 1891, Johnson files.
[55] Ibid, May, 11, 1891.
[56] *Missoula Gazette*, May 10, 1892, Johnson files.

in developing Missoula through "pluck, perseverance and industry" by building "railroads, hotels, sawmills, bank buildings, brick and granite blocks and the grandest mercantile establishment in the northwest." He portrayed his accusers, who "howl 'monopoly,'" of having profited "though the industry and foresight of others." Without a hint of irony Hammond called upon residents to "conduct their business . . . in the interest of honest government" and put aside "their personal ambitions and prejudices and work to a man for the interests of Missoula." Up to now, Hammond had avoided using the media as a forum to address the general public, but as he became convinced of the rightness of his position vis-à-vis the escalation of anti-corporate sentiment, he grew increasingly adept at ignoring his own actions while expounding on generalities. Hammond concluded his monologue by informing his detractors in no uncertain terms.

> The different organizations with which I am associated are too well systematized and our interests are too great and firm to be run out by the mouthing of a few passing birds whose belongings are nominal and whose stock in trade consists of spleen and malice . . . We are here to stay, and while we are ever ready to join with the people in all public enterprises, we are also equally prepared, if others do not join us, to go it alone.[57]

For Hammond, like many other businessmen, "public enterprise" was synonymous with private profit. Hammond's role in bringing the state university to Missoula is a case in point. The Montana constitution of 1889 had postponed the location of the capital and other state institutions. In 1892 voters went to the polls to chose among seven cites vying for the capital. Missoula had declined to be a contender in order to position itself in a bid for the university. Hammond struck a backroom deal with Hauser to support Helena's bid for the capital in exchange for Missoula getting the university, and throughout the winter of 1893, Hammond lobbied the state legislature. While not

[57] Ibid, May 29, 1892.

interested in higher education per se, Hammond's Missoula Real Estate Association owned substantial acreage south of the river. Locating a university here would greatly inflate real estate values, pouring even more dollars into the Hammond coffers.[58]

Although Helena received the most votes for the capital, it fell well short of a majority, thus triggering a runoff election two years later. The election of 1894 marked the highpoint of voter engagement in the U.S. The surge of the anti-corporate outlook drew thousands into the Populist fold, as did the cry of free silver permeating the West. In Montana, 1894 marked the runoff election between Helena and Anaconda for the location of the state capital and became the low point of political ethics. The battle pitched Democrats, Republicans, and Populists against each other and themselves, undermined party unity already fractured by the free silver issue, and this time aligned Hauser and Clark in a furious contest against Daly.

Marcus Daly desperately wished to see his personal creation – Anaconda – become the state capital. Hauser felt the same way about Helena. Clark, perhaps simply to oppose Daly, came out in favor of Helena and poured tens of thousands of dollars into the emotional and bitterly fought campaign. Hammond, on the other hand, coolly assessed the situation. He told Power, who suggested they stand with Daly:

> [I]f we choose to support Anaconda for the Capital we can get anything we want from him [Daly] in reason but if we should elect to do otherwise we will have war such as we have had in the past. We shall probably use our judgment on the Capital question and vote the way our conscience dictates without entering into any terms.[59]

In deciding who to support on the capital question, Hammond appeared to hold no grudges against Daly, but made a calculated decision; voting his conscience meant doing

[58] Malone 103; *Missoulian*, Jan. 5, 1893, Johnson files; Hammond to Hauser, Feb. 9, 1893.
[59] Hammond to Power, May 28, 1894

what was most financially advantageous. With the location of the university still unresolved, he decided to join the campaign in favor of Helena. Money and booze flowed freely on the streets of Missoula that fall. The Merc dropped nearly ten thousand dollars, but Daly outspent them ten to one. Perturbed, Hammond informed Hauser "Your committee sends Mr. McLeod $300 for the whole of Ravalli County, while they [Anaconda] give a common healer on the streets $500. . . Besides suffering heavy losses in our business on account of the stand we have taken in favor of Helena, we have been assisting your committee here with money."[60] A few days later, however, Hammond believed the election would be decided on ethical grounds. Without a hint of hypocrisy he told Hauser, "Our men are working for glory and theirs for Boodle."[61] In exchange for the support of Missoula Democrats, Daly paid off Frank Higgins' mortgage. Hammond noted in his businesslike manner, "In this bargain of course Higgins has no heart but he was hard up and had to do it."[62] Statewide, Daly admittedly paid out $450,000, while Clark figured he spent one million, although the actual amounts may have been much higher.[63] Even these conservative numbers added up to an absurd $30 per vote. With the adoption of the secret ballot in 1889, voters freely pocketed cash from both sides.

Ultimately, Helena won a narrow victory over Anaconda to become the state capital. For most Montanans, centrally-located Helena was the more sensible choice. Concerned over corporate influence in politics, many also worried about placing the state capital in the company town of Anaconda. In Missoula County, however, Anaconda came out on top. Thus, Daly and Hammond both suffered defeat although they were on

[60] Hammond to McLeod, April 30, 1895; Hammond to Hauser, Nov. 1, 1894, box 10, folder 5, MHS.
[61] Hammond to Hauser, Nov. 4, 1894.
[62] Hammond to Hauser, July, 21, 1894.
[63] Malone, 99.

opposing sides. In the legislative and congressional races, however, the Republicans won a sweeping victory in Montana. This likely had more to do with disenchantment over Cleveland's repeal of the Sherman Silver Purchase Act and the failure of the Populists and Democrats to unite, than from Hammond's influence.

Despite outright bribery, employer intimidation, political chicanery and manipulation, neither Daly, Clark, Hauser, nor Hammond proved entirely successful in controlling electoral outcomes. More than once, backlash against their efforts cost them victory. Clark lost every effort to become senator until 1901, and only occasionally did Daly's handpicked candidate win an election. While Hammond helped send Carter and Power to Washington, both were ousted by the voters in subsequent elections. Despite the accusations of economic and political domination in Missoula County, Hammond lost three political battles in a row. His support of Helena cost the MMC many customers and thousands of dollars as well. Not only had politics proved fickle and beyond his control, it was also bad for business. The capital fight signified the end of Hammond's direct involvement in Montana politics. Besides he had his eye on bigger things.

Ten: The Panic of 1893

Through a series of cascading effects, the Panic of 1893 plunged the nation into its most severe depression yet. In February 1893, the Philadelphia and Reading Railroad declared bankruptcy, causing many investors to become jittery over the overextended and speculative nature of the economy. Stocks tumbled as European financiers sold off their railroad interests in exchange for gold-backed securities, which in turn depleted U.S. gold reserves. Then in June, Great Britain ceased the coinage of silver rupees in India, and within hours world silver prices dropped twenty percent, bringing chaos to the mining centers of the West. With its dependence upon mining, Montana had tied itself to the global economy and its fortunes rose and fell in accordance with decisions made in distant financial capitals. As Montana journalist Joseph Kinsey Howard would later put it, the state lay at "the end of a cracked whip."[1]

The Panic affected the business world much the way an understory fire acts upon a forest, leaving the big trees unscathed while clearing out smaller and marginal players. Those with shallow roots and overextended financial commitments – Henry Villard, for example – toppled over, while men like John D. Rockefeller, Jay Gould, E.H. Harriman, and Andrew Carnegie profited from the reduced competition. Dozens of overextended railroads owning one-third of the nation's trackage fell into receivership. With operating expenses exceeding earnings by over half a million dollars, the Northern Pacific Railroad failed. James J. Hill and J.P. Morgan took advantage of the situation and bought controlling shares in the railroad. The condition of the other Montana railroads built by

[1] Joseph Kinsey Howard, *Montana: High, Wide, and Handsome* (Lincoln, University of Nebraska Press, 1983), 3.

local entrepreneurs Hauser, Hammond, Bonner were even worse than the Northern Pacific. With a total deficit for Montana branch lines of $525,000, all these lines went into receivership as well.[2] Hit especially hard by the depression, Montana teetered on the brink of total economic collapse. The story of two banks, one controlled by Samuel Hauser and the other by A. B. Hammond, illustrates how daily business practices determined the difference between survival and failure in such dire times.

Linking distant financial markets with local development projects, banks provided for everything from mines to mortgages, and served as an important bellwether of economic conditions. However, with almost no federal oversight and minimal liquidity requirements, nineteenth century banks depended upon the wisdom and frugality of their directors. Furthermore, without deposit insurance, if a bank closed, investors and depositors lost everything, making them understandably nervous during a depression. Financial panics were well named.

The decade prior to 1893 had brought unprecedented prosperity to the nation and especially to West. The years following the arrival of the Northern Pacific proved especially fecund, financially and domestically, for A. B. Hammond. Both prepared and well-positioned, Hammond seized opportunities as they arose. In just ten years, he advanced from the manager of a mercantile to one of the wealthiest and most powerful men in Montana and turned the MMC into the largest retail and wholesale firm between St. Paul and Portland. Exploiting both the public domain and railroad grant lands, Hammond assembled the region's premier lumber company with retail outlets extending

[2] Alfred D. Chandler, Jr., "The Beginnings of 'Big Business' in American Industry," *Business History Review* 37:1 (Spring 1959): 1–31; Hakola, 187-188.

from eastern Montana to Washington State. Bonner Mill, the largest sawmill in the Intermountain West, supplied timbers and cordwood for the insatiable appetite of the Butte mines and smelters and shipped finished lumber as far as Salt Lake City. Furthermore, Hammond had quashed the major competition in the mercantile trade of western Montana and survived Marcus Daly's attempt to drive him out of the state. Hammond also evaded federal charges of timber theft, and even had his own senator.

Hammond was also keeping his young wife busy. After giving birth to Edwina, back in 1879, Florence had another daughter named after herself, nearly a year later. The following October, their first son was born – Richard, in honor of Richard Eddy. After finishing the construction of the Clark's Fork Division of the Northern Pacific Railroad, Hammond turned to the house that his family shared with the Eddys and added a second floor sitting room and nursery. This extra room was quickly filled in 1884 with the addition of another son, Leonard, named after Hammond's grandfather. Two more girls, Grace (1886) and Daisy (1888) rounded out the family. To help Florence with the six children, Hammond hired a cook and nanny, making for a rather crowded household.[3]

Although Hammond began casting about for more spacious housing, health issues forced him to the more salutatory climate of the West Coast. Plagued by recurrent bouts of rheumatism, Hammond sought treatment at various hot springs and health resorts. His conditions became so bad that in 1889, Hammond and family began spending winters in Oakland, California, where the milder weather provided relief. Hammond also found the social atmosphere of the Bay Area refreshing. Instead of battling it out with parochial power brokers like Daly and Hauser, in San Francisco he could hobnob with the top capitalists like Charles Crocker of Southern Pacific fame. Seeking to satisfy both his

[3] Johnson, 24, *Missoulian*, Aug. 10, 1883, Johnson files.

need for social recognition and love of literature, in April 1890, he joined the Bohemian Club, San Francisco's most prestigious social club, whose honorary members included: Samuel Clemens, Luther Burbank, and Jack London. In the prime of his life at 44, Hammond wanted desperately to move into the major leagues of industrial capitalists, and San Francisco – as the West's social and financial hub – seemed like the place to do it.[4]

Nevertheless, all of his businesses and social contacts remained in Missoula. Florence, at 31, was the town's principal socialite and nearly all their children were of school age. Given these considerations, in the summer of 1891 they returned to Missoula and laid plans for a mansion on the south side of town. But before construction began, after a decade of economic expansion, the bubble burst.

Hammond's trouble began in the spring of 1893. The previous year had proven very profitable for his lumber operations when the Big Blackfoot Milling Company netted $200,000. In anticipation of another big year, the company sent hundreds of men up the Blackfoot River to cut timber throughout the winter. With the arrival of the spring runoff, the men floated an astounding 44 million bf of timber down the river, enough to supply the Blackfoot Mill at full capacity for the entire year. Using the old New Brunswick system of contract logging, Hammond needed to pay off those men all at once. While this substantially drew down his funds, Hammond counted on the mines to absorb all the lumber he could supply.[5]

But then silver prices began to tumble, sending ripples through Montana's economy. As the mines closed, they cancelled their lumber contracts and left thousands

[4] *The Bohemian Club of San Francisco*, 1907, 96, mss 2295, Huntington Library.
[5] George McLeod (FHS), 8

of men unemployed. Panicked, depositors across the country descended on banks to pull out their funds. Unable to cover the withdrawals, banks closed their doors, creating "runs" on other banks in a chain reaction. Similarly, in Missoula, a series of quiet withdrawals on Friday, June 9th, forced the Higgins Bank to close its doors, triggering a "run" on the nearby Western Montana Bank as customers pulled out $100,000 in deposits. Normally quite self-possessed, Hammond's cool demeanor began cracking as his First National Bank of Missoula paid out $25,000. Nonetheless, it had avoided a massive run that hit other banks and managed to stay open. While Frank Higgins may have been more popular, Missoulians displayed more confidence in Hammond when it came to financial matters.[6]

Although concerned, Hammond believed his bank could stay open with checks coming in from Northern Pacific. Meanwhile, Hauser, still a major stockholder in the First National Bank of Missoula, found his Helena bank floundering and begged Hammond for financial assistance. In a flurry of correspondence, Hammond deferred him, replying, "any accident to us would be bad for you and vice versa. If we succeed in establishing confidence here we should be in good shape to help you."[7] Hammond recognized that the failure in confidence of any bank was detrimental to all.

Nevertheless, by the time the banks opened on Monday morning, June 10th, Hammond grew desperate and circled his financial wagons. Well aware of Hauser's shortcomings as a businessman, Hammond penned a tense and authoritarian note to the former governor, demanding that he send $20,000 to the Missoula bank. Half of this Hammond expected to arrive from the Northern Pacific, which was experiencing

[6] Hammond to Hauser, June 10, 1893, box 10, folder 6, MHS.
[7] Hammond to Hauser, June 10, 1893.

financial troubles of its own and would soon declare bankruptcy. "See that it comes without fail," Hammond insisted. To insure Hauser's compliance, he sent his secretary, Thomas Hathaway, to collect the money.[8] Uncharacteristically on the verge of panic himself, Hammond dashed off two or three letters to Hauser each day during the crisis. With all of his businesses intertwined, a collapse of the bank would bring everything crashing down.

On Wednesday, Hammond breathed a sigh of relief and informed Hauser, "Everything looks well here and the fellows who got scared are bringing their money back to deposit in the bank."[9] One of Hammond's major depositors, Joseph Marion, had withdrawn $30,000 in gold. But Marion discovered he had to hire guards to watch his money; then he had to hire someone to watch the guards. When he brought back the money to the bank, Hammond coyly informed him that as personal favor he would allow him to redeposit the cash.[10] Hammond's optimism, however, quickly faded as the international economic situation deteriorated. President Cleveland (who had staged a comeback in 1892 to win re-election over incumbent Benjamin Harrison) called for a repeal of the Sherman Silver Purchase Act, which had guaranteed a market for silver as a component of the nation's monetary policy. Cleveland believed the Act had caused the spate of bank failures around the county. In Montana, the nation's second largest silver producing state, just the opposite was true.

At the beginning of 1893, the First National Bank of Missoula could boast it had $700,000 on hand. By July reserves plummeted to $400,000, and only the personal assets

[8] Hammond to Hauser, June 12, 1893
[9] Hammond to Hauser, June 14, 1893.
[10] George McLeod (UM), 8-9.

of the directors, including Hammond and Bonner, kept it afloat.[11] Underscoring the importance of the MMC, Hammond pulled $42,000 out of the Merc and "pledged all the assets of that company to the bank."[12] Hauser, on the other hand, was in no condition to help. With his own bank sinking into a financial abyss, he pleaded with Hammond for aid.[13] Hammond replied in no uncertain terms, "In rustling for money to protect this bank we had a right to call on you. When we got the money without your help we were looking after your interest here at our own expense . . . you are asking a good deal from us when you ask for $30,000 in times like this." Nevertheless, he relented and sent Hauser the funds, but upon the condition that "that under no circumstance" could he use the money other than to bolster his report showing that his bank was still solvent.[14]

After limping along for weeks, Hauser's First National Bank of Helena, the premier financial institution in the state and one of the largest in the Northwest, suspended operations, causing a run on the First National Bank of Missoula. Livid, Hammond blamed Hauser personally:

> Every stockholder outside of yourself has come in and put up money to keep the bank open and to do this we have exhausted our credit and resources East and West and still the run caused by your failure continues. And now we are paying out thousands of dollars every day.

Hammond then insisted Hauser make good on his debts to the Missoula bank so that it could remain open.[15]

And remain open it did. Although nearly every bank in the state folded, at least temporarily, during 1893, Hammond managed to keep the First National Bank of

[11] Hammond to Hauser, Aug. 2, 1893.
[12] John Toole, *Red Ribbons*, 33.
[13] Hammond to Hauser, July 11, 1893.
[14] Ibid.
[15] Hammond to Hauser, Aug. 8, 1893.

Missoula open by calling in notes from Northern Pacific, drawing on the impeccable credit of the MMC and its financial reserves, and imploring his bank directors to pony up their personal savings. In all his financial dealings, Hammond thoroughly embedded the lessons of the boom and bust cycles of the New Brunswick timber industry. He kept impeccable records and carefully avoided the Hauser-type boosterism. Even with the temptations of the boom years, Hammond carefully kept his expenses under control and avoided overextending his finances. Despite the protestations of many stockholders, Hammond resisted paying dividends until he had fulfilled all his obligations.

National events, however, evaded his control. The economic situation continued to spiral downward. In October 1893, Congress complied with Cleveland's wishes and repealed the Silver Purchase Act. The effects in Montana and other mining dependent economies were immediate and tragic. Overnight, 3,000 people fled the silver mines of the Philipsburg area. By the end of the year, one-third of Montana's 20,000 workers were unemployed, many subsisting solely off the free lunches offered in saloons.[16]

Relations between the two men continued to deteriorate as the economy worsened. The situation reached the breaking point when Hauser asked Hammond for a $10,000 loan from the First National Bank of Missoula. By now, Hauser's financial empire had collapsed, turning Montana's leading citizen into a pathetic figure as he pleaded with Hammond, and called upon his long-term friendship and business favors. Hauser's mines sat shuttered and useless; his stock was worthless; he possessed no collateral whatsoever. His bank was bankrupt, in large part because of speculative personal loans to its directors, a point Hammond emphasized, as he ruthlessly denied

[16] Bill Taylor, *Rails to Gold and Silver: Lines to Montana's Mining Camps*, vol. I (Missoula: Pictorial Histories, 1999), 97; Malone, 54-55.

Hauser any more favors. In a lengthy harangue, Hammond demonstrated his ability to twist his accuser's words back on him and castigate the writer for his criticism. As the years progressed, Hammond developed this into an art form, frustrating government officials and businessmen alike. In this case, Hammond made himself appear an unselfish benefactor to Hauser, conveniently forgetting that the older man was largely responsible for Hammond landing lucrative railroad contracts and backing him in buying out Higgins's bank shares. Nonetheless, Hauser perhaps pushed his obligation too far. Furthermore, Hammond believed that Hauser had only himself to blame with his spurious and speculative activities. He wrote:

> You must have been laboring under an intensely nervous frame of mind when you could so far forget the past . . . for in all business that we have had together in the past, we have at least furnished our share of the money and done our share of the work. . . . In politics also we have always stood by you . . . and we never asked you anything for it, but did so on friendship and general principles . . . even last summer during the panic we were not entirely deaf to your requests for help, when it was done at the peril of all we possessed; this we have done on friendship alone, asking nothing, not even credit for it, and when you ask me to do an arbitrary act of injustice to my associates in this bank . . . and insist if it is not done we are not your friend, I have only to state that if friendship is to be held thus cheaply I want none of it.[17]

Hammond's reproach would have discouraged a lesser man, but in 1895 Hauser was desperate enough to try again for a loan. This time he offered the stock of his smelting company, which was essentially worthless, as collateral. Hammond again refused to deviate from bank policy and reiterated, disingenuously, that not only did the bank lack sufficient deposits, but that only the entire board of directors could give approval.[18]

[17] Hammond to Hauser, Dec. 7, 1893.
[18] Hammond to Hauser, March 15, 1895

Previous to 1893, the net profits from Hammond's enterprises were running $300,000 to $400,000 per year, making him a multi-millionaire by today's standards. While suffering a forty percent loss in the Panic, by the following year, the Merc and the bank stood in the black, and his lumber business ran at a close margin. Phenomenally, by January 1894, the bank held $300,000 in accumulated undivided profits, and Hammond recommended paying a twenty percent dividend from then on.[19] What makes Hammond's recovery in 1894 especially astounding is that the nation, and Montana, still lay locked in the grips of the depression. That same year 8,000 men fled the state, seeking work elsewhere. Yet, 6,000 still remained wandering the streets of Butte, Helena, Great Falls, and Missoula. Five hundred of these men grew so desperate that in April 1894, they seized a Northern Pacific train to take them to Washington D. C. to protest their condition.[20]

Politically, the Panic of 1893 provided an enormous boost to the Populist Party, which pointed to the depression as tangible proof of the failures of laissez-fair capitalism. In Montana, labor and farmer groups joined with mining moguls and businessmen to advocate for free silver, to no avail. The continuing production of copper and its unquenchable demand for wood products enabled some businessmen, such as Marcus Daly, William A. Clark, and A. B. Hammond, to endure and even come out ahead. Samuel Hauser, on the other hand, with his heavy investments in railroads and silver mines, never recovered.

[19] First National Bank of Missoula Report, Jan. 1, 1894, Hauser papers, box 10, folder 6, MHS; Hammond to McLeod, Jan. 10, 1895, box 16, folder 7.
[20] Malone, 56; Dave Walter, "A Petition with Boots on," *Montana Legacy*, eds. Harry Fritz, Mary Murphy, Robert Swartout, Jr. (Helena: Montana Historical Press, 2002), 66-78.

Laissez-fair capitalism encouraged wild speculation, spurious investments in questionable ventures, and a financial system without a solid foundation. Those who played this game, like Samuel Hauser and Henry Villard, soon found their empires little more than rubble. An entrepreneur's own business practices proved a crucial factor in determining failure or survival during a financial panic. Hammond's aversion to mining and cattle ventures, combined with his adroit handling of the banking crisis, and the solid foundation of the Missoula Mercantile helped him to weather the greatest crisis of his career relatively undamaged. Finding his finances, credit rating, and reputation intact, Hammond drew upon these to enlarge his empire.

Eleven: Montana's Pariah/Oregon's Messiah

In many ways, 1893 marked the end of the era of the pioneer entrepreneur and the beginning of the rise of the corporate businessman. The expanding railroad network presaged the rise of modern corporations. The development of national markets, technological innovations, the vertical integration of industry, and bureaucratic structures were all predicated on railroads connecting the source of raw materials with urban markets. Prior to 1893, American investments were primarily in railroads, but with their financial collapse, a new economic order emerged from the ashes. The modern corporation was designed around mass production, global markets, and government bureaucracy.[1]

Samuel Hauser, with his wild speculations and old boy network, was unable to make the transition. Bonner also appeared confounded by new developments in the business world and would soon retire. Not surprisingly, after 1893, Hammond was reluctant to become embroiled in any further business with the Northern Pacific. He was also becoming increasingly frustrated with Bonner's inside deals, and the fissure between the old partners and friends began to widen.[2] Although he retained many nineteenth-century practices in his businesses, Hammond readily adapted to the emerging industrial model. As Hammond shed old partnerships in Montana, he applied the new paradigm to the development of the Oregon coast, connecting the nascent lumber industry with national markets, via railroads.

Having survived the Panic, Hammond came to see the ensuing depression as an opportunity to move into the top tier of industrial capitalists. All the big names – James J. Hill, C. P. Huntington, Jay Gould – made their fortunes off railroads, and Hammond began casting for

[1] Chandler, "The Beginnings of 'Big Business"; William G. Robbins, *Colony and Empire: The Capitalist Transformation of the American West*, (University Press of Kansas, 1994), 103.
[2] Hammond to McLeod, Oct. 31, 1895, box 16, folder 7.

opportunities. Wintering in California, Hammond often passed through Portland, which was becoming the hub of the Pacific Northwest. Portland and the Willamette Valley was, in many ways, a more established version of Missoula and the Bitterroot Valley, but on a much grander scale. Agricultural produce streamed down the Willamette toward Portland as manufactured goods moved up the valley. Historian William Robbins notes that capital investments also flowed from one region to another in an incessant quest for higher profits. "The interior Northwest paid tribute to Portland," he writes, "just as Portland paid tribute to San Francisco."[3] Hammond realized that Montana was, and would remain, a hinterland, subordinate to the metropolises that controlled capital investment, and therefore, began eyeing the Pacific Coast with great interest.

A single letter prompted a dramatic turn in Hammond's fortune. In the fall of 1894, Edwin Stone, a former employee of Eddy, Bonner and Company who had moved to Corvallis, Oregon, wrote to Hammond, telling him that the Oregon Pacific Railroad was for sale at a bargain basement price.[4] Built in the 1870s by T. Egerton Hogg in a fit of over- opportunistic boostersim, the Oregon Pacific purported to be Oregon's first transcontinental connection. Linking Yaquina Bay on the central Oregon Coast, with Boise, Idaho, Hogg's railroad would cut 225 miles off the trip from San Francisco to the inland Northwest by slicing through the Cascades. Bypassing Portland, it would also siphon traffic from the Willamette Valley. Boosters claimed that Yaquina Bay and Newport would be the new metropolis of the Northwest. With the railroad bonded for $15 million, Hogg sunk $5 million into building the line from Yaquina Bay through Corvallis and up the Sanitam River to the base of the Cascades. The Oregon Pacific opened to traffic in 1884, but the entrance to Yaquina Bay proved overly shallow, and the

[3] Robbins, *Colony and Empire*, 14, 103. See also William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: Norton, 1991).
[4] George B. McLeod, (FHS), 10.

company wrecked two steamships in the next three years crossing the harbor mouth. In 1890, the Oregon Pacific defaulted on its bonds and plunged into receivership with more than $1 million in accrued debt. Subsequently, the rail fell into disrepair. During the following four years, the sheriff made repeated attempts to unload the railroad to pay off the debts, each time lowering the bid.[5]

Hammond's experience with boosters, such as Hauser, made him leery of enterprises that were long on vision and short on cash. Nevertheless, in the fall of 1894, he and Bonner traveled up the Willamette Valley to Corvallis to inspect the Oregon Pacific. In December, the sheriff accepted Bonner and Hammond's bid of $100,000. The railroad included 142 miles of finished rail, the right of way, and an unfinished road through the Cascades. Along with the train cars, they acquired sixteen locomotives, two tugboats, and four steamships. By paying off the debts on the ships and selling them, the partners quickly recouped their original investment plus $20,000.[6]

While waiting for the sale of the Oregon Pacific to go through, Bonner and Hammond travelled to Astoria, Oregon, to investigate another struggling railroad proposition, the Astoria and Columbia River Railroad (A&CR), which was the unfinished portion of the Northern Pacific's transcontinental project. When the partners arrived in Astoria, they discovered two other promoters already issuing proposals. C.T. Karr of Chicago even offered to put up $1 million the first month, but the Astoria subsidy committee turned him down in favor of the proven track record of Bonner and Hammond, who had already built several railroads in Montana as well as the Rocky Mountain division of the Northern Pacific. In a behind-the-scenes deal, the other competing promoters, J.C. Stanton and H.I. Kimball, withdrew their offer when

[5] Leslie Scott, "The Yaquina Railroad," *Oregon Historical Quarterly* 16:3 (September 1915): 228–45; *Oregonian*, December 15, 1893, p. 9.
[6] *Astoria Daily Budget*, December 1, 1894; *Oregonian*, December 26, 1894; "Transcript of Railroad Commission of Oregon Investigation of the C. and E.R.R," October 14, 1907, John Knox Weatherford Papers, box 13, OHS.

Hammond gave Stanton "several thousand dollars in cash," leaving Bonner and Hammond as the only ones offering to build the road.[7]

Hammond's arrival and interest in the railroad stimulated a renewed optimism in Astoria. Despite many previous disappointments, Astorians once again pinned their hopes on yet another out-of-town investor. The leading citizens must have been suitably taken by Hammond's demeanor, poise, and professionalism to believe that he would be the savior to deliver them into the grace of the market. Astoria's town leaders regaled Hammond with stories of how Astoria was destined to become a great port city. Boosterism in Astoria went back farther than was the case in most western communities. Originally envisioned by John Jacob Astor as the great outpost for his American Fur Trading Company in 1811, Astoria had never become a booming port at the mouth of the Columbia River. Having crossed the treacherous bar at the river's mouth, ships simply continued on to Portland. A railroad, however, could transform Astoria into the entrepôt to the Northwest.

As early as 1853, Astoria began agitating for a railroad, and five years later, the Oregon territorial legislature granted a charter for a line from Astoria to Eugene, the first of many failed attempts to connect Astoria by rail. With the coming of the transcontinental railroad in 1883, Astoria was assured a connection to the rest of the nation. By the time the Northern Pacific reached Portland, however, Henry Villard had already overextended the railroad's finances by $14 million. With costs of $50,000 per mile to complete the line to Astoria, he stopped fifty-eight miles short at Goble, effectively making Portland the western terminus of the railroad. Hoping to spur Villard to finish the job, Astorians added their voices to the call for repeal of the unused portion of the Northern Pacific land grant, a call which Congress heeded in 1885. The

[7] *Daily Astorian*, July 26, 1895, December 17, 1897; *Oregonian*, July 25, 1895: 8. Scott, "The Yaquina Railroad;" quote from Hammond to C. P. Huntington, Aug. 28, 1895, HEH 2383, box 43.

result, however, was that Astoria had to come up with its own incentives for someone to build the $2 million line. Town leaders formed a railway company and offered a cash bonus for a capitalist to take it over. Railroad promoter William Reid took the bait and began grading a roadbed. Although he was supposedly backed by railroad tycoon C. P. Huntington, the deal fell through and Reid lost $155,000.[8]

By 1891, Astoria residents had heaped subsidy upon subsidy, offering 1,000 acres of prime real estate plus $300,000 to lure a rail line. A new company formed and graded seventeen miles before construction suddenly halted and contractors disappeared. Astorians responded by making the subsidy even larger and advertising across the country for investors. There were five more attempts between 1892 and 1894, but all failed to secure enough capital to complete the job. Union Pacific entered the picture briefly, but withdrew because of the national depression in 1893. By 1894, Astoria had increased the subsidy to 3,000 acres of land at Astoria and 1,500 acres at Flavel, a townsite across Young's Bay. The estimated value of the town lots was placed at $1,787,335.[9]

Having made a handsome profit off Northern Pacific's Bitterroot and Drummond branch lines in Montana, Hammond and Bonner were well aware of the benefits of building a railroad and then selling it. Although Bonner was reluctant to undertake building the A&CR, Hammond became swept up by the possibilities. Astoria seemed an ideal location for a busy port. Hammond was usually calculating with his investments, but in this case, his optimism overflowed. He extolled the virtues of Astoria and Seaside as tourist destinations as he escorted Northern Pacific officials on a promotional tour. Pointing out the projected railroad route,

[8] Leslie Scott, "History of Astoria Railroad," *Oregon Historical Quarterly* 15:4 (December 1914): 221–40.
[9] Scott, "History of Astoria Railroad"; "Classified List and Estimated Value of Lots and Acreage in the Astoria Railroad Subsidy Map," vol. 25, Hammond Lumber Company files, Mss 1716, OHS.

salmon canneries, and real estate to be developed, Hammond gushed to his guests: "Wait until we reach Seaside and I will show you one of the prettiest spots on the coast."[10]

Excited by his new Oregon prospects, Hammond returned to Missoula briefly before continuing on to New York to secure financing. Relying upon the solid credit rating of the MMC and Bonner's financial contacts, he displayed clippings from the Oregon newspapers, hoping to attract investors, but to no avail. Meanwhile, Astoria's "Committee of Direction," composed of twenty-two of the city's preeminent businessmen, voted unanimously to accept the Hammond-Bonner proposal and signed the contract on December 1, 1894.[11] That day, the Astoria newspaper assured its readers:

> The financial ability of these two gentlemen is unquestionable. They have been connected with several very important financial enterprises in Montana and the northwest and have a national reputation of not only possessing large personal fortunes but also of controlling an unlimited amount of eastern capital.[12]

Contrary to what the Astorians believed, Hammond did not intend to put up any of his own money, confiding in his friend Herb McLeod, manager of the Missoula Mercantile "the Astorians treated me in great shape and if things should go my way I will make quite a clean up."[13] By mid January 1895, however, the "unlimited eastern capital" had all backed out, as had Bonner, who urged Hammond to drop the project because of his health. Perhaps success or illness bred paranoia, as Hammond began to suspect his old mentor and business partner was trying to squeeze him out and take control. Bonner, however, had displayed remarkable prescience, as Hammond contracted malaria a few weeks later. Still, relations between the two men would never be the same.[14]

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[10] *Daily Astorian*, April 21, 1894.
[11] "History of Subsidy Transfers to A B. Hammond for building A. & C. R. R. R." HLC vol. 25, OHS.
[12] *Astoria Daily Budget*, December 1, 1984.
[13] Hammond to McLeod, December 5, 1894, box 16, folder 7
[14] Ibid.

Although confined to his hotel room in New York, Hammond continued to make plans for raising the capital to turn both Oregon railroad investments into profitable ventures. However, he discovered that this was "the worst time that one could come to New York with a railroad proposition. Although he blamed the Democrats, financial investors in 1894 were poised on the cusp of a revolutionary shift. Hammond informed McLeod:

> The inability of the administration [and] of the democratic Congress to deal with the financial question has paralyzed all industries and enterprises, and the best railroad propositions in the country are going begging. However, I am far from being discouraged. . . . I am sure that this is a grand scheme if it can only be properly floated, I propose to stay with it for a while yet.[15]

In late 1894, while Hammond was in New York, Bonner returned to Oregon to facilitate the purchase of the Oregon Pacific, which the State Supreme Court confirmed the next January. Bonner also had misgivings about funneling more money into that decrepit railroad. Nonetheless, he assured Oregonians that he and Hammond would not abandon the line and would repair and finish the road through the Cascades with transcontinental connections.[16]

By late February, Hammond was more optimistic, writing to McLeod:

> I still expect to accomplish all that I have undertaken in Astoria. I will be alone in the matter too. . . I believe that we are about to enter upon an era of great prosperity, and our credit and standing is 'gilt edged' here. We are in a position to take up most any ordinary enterprise in any part of the country, and carry it to a successful issue.[17]

Hammond had become so absorbed in his Oregon prospects that he turned the entire management of his Montana operations over to McLeod and made it clear he was unwilling to invest any more money in Missoula. He reassured McLeod, however, that he would "not do anything to impair the credit" or use the funds of his Montana enterprises. The Astoria contract required that Hammond begin construction by April 1 and complete the line by October 30,

[15] Hammond to McLeod, January 22, 1895, box 16, folder 7.
[16] *Oregonian*, December 26, 1894: 2, January 3, 1895.
[17] Hammond to McLeod, February 20, 1895, box 16, folder 7.

1896, and spend at least $50,000 per month on construction. Although he still had not found financial backing, Hammond remained hopeful.[18]

While Hammond was confident his Astoria enterprise would prove profitable, he fretted that Oregon newspapers might be read in Montana, leading rival Missoula businessmen to jump in on the deal before he had secured the contract. Wishing to keep his Oregon strategy secret, when Hammond began traveling again, in March 1895, he moved in and out of Missoula as quietly as possible, spending just a few days to catch up on business before boarding the train to Portland or back to New York. Since the telegraph agent could easily spread the news, Hammond and McLeod developed a secret code for telegrams that Hammond used to signal his arrival and to avoid the risk of being detained in Missoula.[19]

As the April deadline approached, Hammond became increasingly apprehensive about his financial ability to build the railroad. Then in the spring of 1895, Hammond finally enlisted two of the nation's biggest railroad magnates – C. P. Huntington and Thomas Hubbard, both directors of the Southern Pacific – as financial backers. This began a long and fruitful relationship between Hammond and the Southern Pacific railroad, as well as between Hammond and the Huntington family. Although Huntington now owned seventy percent of the A&CR stock, for the most part, he granted Hammond free rein in building the railroad. Hammond, in turn, idolized the railroad pioneer. Just as Leonard Coombes and E. L. Bonner had formerly

[18] Hammond to McLeod, September 9, 1895, March 7, 1895, box 16, folder 7; Scott, "History of the Astoria Railroad."

[19] Hammond to McLeod, December 5, 1894, April 5, 1895, box 16, folder 7. Although many businessmen of the time occasionally used coded telegrams, Hammond was rather obsessive in his desire for secrecy, habitually marking his letters "confidential" and urging his correspondents to destroy his letters. Hammond's secret code, however, was fairly simple, using the first letter of each word to stand for another word beginning with the same letter. One such telegram to McLeod read, "Supervise a narcotic from edgeway pay from Missoula cape for cohesive to scotch on miser laughing gas qualified." Translated this became, "Suggest a name from each party from Missoula County for commission to select mineral lands as qualified." See Hammond to McLeod, March 2, 1895, box 16, folder 7.

provided business models, now Hammond looked to Huntington for his inspiration and guidance.[20]

Now with substantial financial backing, Hammond returned to Oregon in April and began to bargain from a position of power. Seeking to recoup the money he had given Stanton to back out and simultaneously prove his worth to Huntington, Hammond began renegotiating the contract with the Astoria committee. He asked for and received, much to everyone's surprise: an additional real estate subsidy, agreement from the Committee to cover $6,000 worth of expenses, remittance of back taxes, and a lower purchase option for the Seaside railroad.[21]

With the new contract, Hammond wished to complete the railroad as soon as possible and threw all his manic energy into building the Astoria line. By May, however, Astoria's boosters had neither obtained the right-of-way for the railroad nor turned over all the land titles listed in the subsidy. Hammond responded by laying off his engineers, stating he would incur no further expenses and waste no more time on the railroad until Astoria honored its contract. "Unless the right of way and subsidy matters are speedily closed up there will be no road as far as he is concerned," the *Daily Astorian* reported. Instead of chastising this obvious extortion, the paper applauded him for showing he meant business, stating, "Mr. Hammond is a man of pre-eminent honor coupled with immense wealth; he is also a man who expects and will have honorable treatment from others."[22]

The newspaper further reprimanded those who were holding up the railroad by not assigning right-of-way through their property and referred to those who did sign as being on the "roll of honor." The paper cited James Quinn, who donated the deed to a 100-foot right-of-way across his ranch as a "shining example of noble patriotism." The subsidy committee had

[20] Hammond to C. P. Huntington, Aug. 28, 1895, HEH 2383, box 43.
[21] Ibid.
[22] *Daily Astorian*, May 4, 1895.

promised something that was not theirs to give: access through private lands they did not own. As a corporation and public carrier, however, the railroad itself could claim eminent domain. Foregoing lengthy commendation proceedings, the committee, prodded into action, engaged in heavy-handed persuasion and deceit to obtain a right-of-way for Hammond's railroad quickly.[23] Pleased at their action, Hammond wrote to McLeod, "All my arrangements are made to commence work on the Astoria R. R. I have succeeded both in subsidy and right of way matters beyond my expectations, and have all other matters in first class shape."[24]

With construction slated to begin in August, Hammond and his family were feted in the biggest celebration Astoria had ever seen. In contrast to his reputation in Missoula, Hammond was lionized in Astoria. Newspaper accounts invariably referred to him as "President Hammond" of the A&CR Railroad. Merchants capitalized on his popularity by linking his name with brand products: "The Magic Word! Hammond. The Hammond Typewriter is claimed to be the best for the office. The Hammond RAILROAD is the best thing for Astoria. The Hammond SUITS fit best, wear best and cost the least, considering quality. We have a large supply of those new, stylish HAMMOND SUITS."[25] On July 25, 1895, the Astoria newspaper evoked royal, or at least presidential, connotations as it proclaimed across its banner, "Entire Community Celebrates Inauguration by the Noise of Cannon, Fireworks, Music and Speeches. Hammond Addresses the People." Hammond's entourage for the celebration to kick off construction of the railroad included his wife Florence, four of their children, and his old friends, Richard and Edwina Eddy. "Almost the entire town was waiting to give Mr. Hammond a welcome" with fireworks and a twenty-one-gun salute by the National Guard. The police and fire departments, the football club, bands, and citizens paraded through the streets. "The citizens one and all were a joyful lot of

[23] Ibid; "History of Subsidy Transfers," HLC files; *Astoria Daily Budget*, April 11, 1895.
[24] Hammond to McLeod, July 15, 1895, McLeod papers box 16 folder 7.
[25] *Daily Astorian* May 21, 1894.

people because they realize that at last their city was to be connected with the rest of the world," proclaimed the newspaper.[26]

That evening, Hammond addressed the people of Astoria from his hotel balcony. He announced, "I did not come here to talk but to build the railroad (applause), besides for sometime past I have been doing the talking and the committee have been doing the work. Now I want to do the work and will let them do the talking." Whereby someone in the crowd shouted out, "There will be plenty of it." Undeterred, Hammond continued, demonstrating that he could play the populist as well as anyone: "We propose to give you value received when this railroad is built. It will be second to none on the coast. We propose to put the money into the road and not into our pockets (applause). When the railroad is operated it will be operated for the interest of the people (applause).[27] After all the false hopes, promises and half-finished efforts, it is surprising the locals were not more cynical. No doubt some were, but Hammond apparently inspired confidence in many townspeople as a man who got things done.

Hammond's name had also been greeted with cheers and celebration two days earlier in Corvallis, Oregon, when the State Supreme Court announced it had approved of the sale of the Oregon Pacific to Hammond and Bonner. The months Hammond had spent in New York finally paid off when he succeeded in getting financial backing from John Claflin, president of H.B. Claflin and Company, one of the nation's leading wholesale and retail dry goods concerns. Here again, the MMC figured prominently, as Bonner and Hammond had already established a long term relationship with Claflin through the mercantile business.[28] Despite having only paid only $100,000 for the Oregon Pacific, Bonner and Hammond reincorporated the railroad as the Oregon Central and Eastern and capitalized it at $3 million but only issued $1,500,200 in stock.

[26] Ibid., July 26, 1895: 1; *Oregonian* July 26, 1895: 3
[27] *Daily Astorian* July 26, 1895: 1.
[28] *Oregonian*, July 24,1895: 8; George McLeod, (FHS), 24.

Claflin provided much of the capital and received two-thirds of the stock, with the rest split between Bonner, McLeod, and Hammond. Unlike the financing behind the Astoria and Columbia railroad, Hammond drew heavily on the Missoula Mercantile to provide the necessary cash to run the Oregon Central line, which was badly in need of repair.[29]

With no government oversight, railroad entrepreneurs often cut corners and engaged in shoddy construction. The poor condition of the Oregon Central became evident when one of the bridges collapsed, smashing up a train, killing two men, breaking the legs of the conductor, and causing $25,000 in property damage. Hammond had been riding on the train that crashed but had gotten off at the station immediately before the accident. Rattled by his narrow escape, he dashed off an angry note, blaming his partners for unwillingness to spend the $80,000 needed to upgrade the railroad. "I would have made improvements before but have been kept from it by Bonner and Claflin," he wrote to McLeod. "I suppose they will quit trying to run a railroad from New York."[30] Six months later, Hammond asked Claflin and Bonner to pony up $20,000 each to cover Oregon Central expenses.[31] This experience, no doubt, increased Hammond's awareness of the importance of quality construction and may well have prompted him to build railroads that would stand up to the demands of traffic and time.

The Astoria line demanded even more attention and capital, and Hammond pressured the Astoria committee to secure title to the pledged 3,000 acres of Astoria real estate that comprised part of the subsidy. Once the subsidy was assured, Hammond promised the line would be finished the following year. Even as the Astoria railroad line was being surveyed, Hammond lost no time cashing in on his subsidy and began "carefully and scientifically" platting a city on the

[29] *Oregonian*, July 24, 1895: 1; "Report of the Railroad Commission of Oregon in the matter of the Corvallis and Eastern Railroad Company," John Knox Weatherford Papers Mss 1693 Box 13, OHS; Hammond to McLeod, March 5, 1895, April 5, 1895, box 16, folder 7.
[30] Hammond to McLeod, April 16, 1985, April 30, 1895, box 16, folder 7.
[31] Hammond to McLeod, October 15, 1895, box 16, folder 7.

peninsula across Young's Bay from Astoria, including lots for houses, warehouses, factories, and wharves. This new city included the subdivisions of Warrenton, Flavel, and New Astoria. Hammond announced that a massive bridge across the bay linking the new city with Astoria would be completed by December 1, 1895. The following spring, Hammond incorporated the Flavel Land Development Company, partnering with several of the Astoria businessmen who had donated lands for the subsidy. The *Oregonian* believed New Astoria was the "greatest harbor on the Pacific coast north of San Francisco" and raved to its readers, "considering the position and its advantage, this point is unequalled in the United States as a site for a great city." By the end of 1896, New Astoria already housed 600 people.[32]

Railroad construction began in August 1895. Although the Astorians were banking on freight traffic, the tourist trade from Portland to the coastal resorts proved to be a mainstay of the railroad business. Hammond noted that "a great rush is now going on from this section of the country to the seaside." With this in mind, he arranged for first-class steamer connections from Portland to New Astoria and upgraded the railroad (which had been completed in 1890 by William Reid) to the Seaside beach resorts.[33]

A year after beginning construction, in September 1896, Hammond laid off his construction crew. With the presidential election between William Jennings Bryan and William McKinley looming, Hammond, like other industrialists, feared Bryan's election would instigate social upheaval and economic chaos. Engaging in a business ploy common during the 1896 election, Hammond applied economic coercion, announcing that he and other capitalists were unwilling to invest in the railroad with the prospect of free silver on the horizon – a prospect they believed would be an economic disaster. Hammond publicly proclaimed that if Bryan was

[32] *Oregonian,* July 24, 1895: 1, December 19, 1896: 13; *Daily Astorian* April 25, 1896, August 7, 1895, May 16, 1896.
[33] Hammond to McLeod July 15, 1895, box 16, folder 7; *Daily Astorian* July 4, 1895.

elected the road would never be built, but if McKinley won they would continue work. In December, with McKinley's decisive triumph and the shift to a Republican Congress, work on the railroad resumed.[34]

Further severing his ties to Montana, which like other mining states supported free silver, Hammond promoted McKinley in Missoula County as well. His Montana employees put aside thier own political inclinations and "did what Mr. Hammond wanted," campaigning hard for McKinley. Although Bryan carried Montana by a six to one margin, in the company town of Bonner, where Hammond's Big Blackfoot Milling Company was located, McKinley received 140 votes to Bryan's ten.[35]

With A&CR railroad construction proceeding on schedule, Hammond proudly showed off his work to his primary stockholder, C. P. Huntington. In May 1897, Huntington, his wife, Arabella, and nephew, Henry, joined Hammond and Florence on a steamer from Portland to Astoria. By now well acquainted with the ship's captain and eager to impress, Hammond took Huntington into the pilot house and actively charted progress of the railroad along the shore and on maps. The mayor of Astoria and prominent businessmen met the party at the docks and drove them around the city for an hour before retiring to the newly opened, luxurious Hotel Flavel in New Astoria, where Hammond entertained his guests in grand style.[36] In addition to trying to impress the Huntingtons, Hammond was also hoping to attract investment in the Oregon Central. After traveling over the decrepit line, however, C. P. publicly declared, "from the time the ground was broken on that road, it cost not less than $28 million and not one man who put his money into it originally ever go a cent out of it." Twisting the knife in Hammond's project, C. P.

[34] *Oregonian*, September 18, 1896, December 18, 1896: 10.
[35] George B. McLeod (FHS), 43.
[36] *Daily Astorian* May, 23, 1897.

added that he would not even pay $50,000 for the road.[37] Such a statement would only make Hammond that much more determined to prove the railroad's worth. Following C. P.'s death in 1900, Henry Huntington, in addition to inheriting his uncle's stock in the A&CR, did indeed invest heavily in Hammond's other Oregon railroad.[38]

Astorians were so pleased with the progress on their railroad that, even before it was completed, a movement began in Astoria to create a natural public park on Tongue Point, just east of town, as a "monument in honor of President A. B. Hammond in recognition of the great services he has rendered this city . . . so that when Astoria reaches the greatness that is expected, the coming generations may have something to reveal the name of the man whose business foresight and energy made the upbuilding of Astoria possible."[39] For several hours, town leaders escorted Hammond on a walking tour through the hills and forests of "Hammond Park," which included "some of the finest specimens of Oregon timber."[40] For a lumberman like Hammond, these trees were more exciting as a commodity than for their aesthetics. In just a few years, Tongue Point would become the site of an immense sawmill owned by the Hammond Lumber Company and a shantytown for mill workers.

Finally in May 1898, the subsidy committee boarded the first train from Astoria to Portland, stopping at each station along the way to cheering crowds. At Clatskanie, where the last spike had been driven six weeks earlier, the committee adopted an impromptu resolution, congratulating and thanking Hammond. They noted with satisfaction that "no finer or more

[37] *Oregonian*, May 22, 1897.
[38] H. E. Huntington to Hammond, Nov. 18, 1902, HEH 5502, box 97.
[39] Ibid., June 13, 1897
[40] Ibid.

substantial piece of railroad building has ever been put up in this country. Expensive fills were made where cheap trestles would have temporarily answered the purpose."[41]

The A&CR became an immediate hit for Portlanders who sought to escape the summer heat, enabling them to travel to the coast for two or three dollars round trip. Since 1873, when the Holladay House and the Grimes Hotel were constructed on the banks of the Necanicum River, Portland families had spent much of their summers at Seaside. Instead of taking two days by steamer, the entire journey could now be made in four hours. Railroad advertisements promoted Seaside as a place where "the pleasure seeker – impatient of limitations – can bathe in the surf, loiter on the sands, dig for the succulent razor clam, net the elusive crab, cast a fly for leaping mountain trout, hunt for bear, philosophize in sylvan groves or clamber over rugged heights just as the fancy seizes him."[42] The A&CR quickly initiated special weekend service in what became known as the "Daddy Train." Businessmen could now leave Portland on Saturday, spend the weekend with their families vacationing on the coast, and be back at work Monday morning. The emerging middle class, with its increased leisure time, coincided with the new rail access to form the beginning of a major tourism industry along Oregon's coast. During the following six years, the population of Seaside tripled.[43]

The success of the A&CR soon attracted attention from railroad magnates James J. Hill and E. H. Harriman. Hill, who by now had acquired control of the Northern Pacific, and Harriman, president of the Union Pacific, believed the A&CR would be a nice addition to their transcontinental networks. But rather than simply purchasing the railroad, in typical robber baron style, they sought to undermine its value, drive it to the brink of bankruptcy and then buy. With

[41] *Oregonian*, May 17, 1898.
[42] Astoria and Columbia River Railroad, *The Oregon Coast: From Portland to a Summer Paradise in Four Hours* (Portland, Ore.: Glass & Prudhomme, 1904).
[43] *Oregonian*, September 7, 1904: 4

his ownership of the Oregon Railway and Navigation Co. (OR&N), Harriman was particularly well poised to undercut Hammond's operation. Unbeknownst to both Harriman and Hill, however, Hammond was backed by C. P. Huntington and could easily fend off any attack.[44]

Although slower than the train, the OR&N's steamship line from Portland to Astoria directly competed with Hammond's A&CR. Noting that the steamships charged forty percent less than the railroad, in the summer of 1899, Hammond dropped his rate to match. The OR&N responded by cutting its fares. Hammond retaliated, slicing his fares to two bits for the Sunday excursion train, although the A&CR was able to recoup some of those losses by charging an additional 75 cents from Astoria to Seaside. It soon became a test of wills, as well as financial resources as to who could operate at a loss for the longest time. Passengers, of course, delighted in the rate war that lasted nearly two years.[45]

Harriman also used freight rates in his attempt to drive Hammond to the wall. Lumber, a bulky commodity, was expensive to ship; thus transportation costs factored heavily in accessing markets. Although the Union Pacific charged a single rate for freight from Portland to the Midwest (known as a common point rate), the company refused to extend this rate to Astoria. The lack of a common point rate caused the Astoria lumber mills to cancel their contract with the A&CR to haul five million bf of spruce logs from the Necanicum River to Astoria. As a result, Hammond had to suspend freight service between Portland and Astoria for the winter and transfer his business to passenger trains.[46] C. P. Huntington, however, agreed to extent the common point rate on his Southern Pacific lines to Astoria and the Willamette Valley. He

[44] Hammond to John Claflin, April 14, 1932, box 23, folder 3, McLeod papers.
[45] *Daily Astorian* September 22, 1899: 9, May 28, 1901: 1.
[46] *Oregonian*, September 13, 1896: 6, November 4, 1900: 10

further reassured Hammond that he would back him in his fight against Harriman "until the Columbia River ran up towards the mountains, instead of to the sea."[47]

But just as rivers are subject to gravity, men, no matter how powerful, are subject to mortality, and Huntington died in August 1900. Thus, after suffering combined losses of $600,000, Hammond and the OR&N agreed to cease the rate war and instead establish fares of $2 for the railroad and $1.75 for steamers.[48] With a truce in effect, the A&CR posted net earnings for July, August, and September of $18,000 over the previous year.[49] Now with a proven track record and having successfully fending off attempts to bankrupt the railroad, Hammond and his investors agreed that "the time is near at hand when we ought to be able to sell the property."[50]

Hammond thus opened negotiations simultaneously with Harriman and Hill. Both would soon discover, as had Marcus Daly a few years previously, what a shrewd and uncompromising haggler Hammond could be. A. B. spent much of August 1902 in New York attempting to push Harriman's offer of $3 million for the A&CR up to $4 million. During their discussions, Harriman intimated that since he controlled the transcontinental traffic, Hammond was at his mercy. Refusing to be intimidated, the lumberman reminded Harriman of the recent rate war and suggested Harriman would be wise not to engage in another fight. Seeing though Harriman's bluff and confident that he was fully supported by Henry Huntington and Hubbard, Hammond insisted they would accept no less than $4 million. With the railroad magnate's refusal, the negotiations ended at the million dollar impasse. For the time being.[51]

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[47] Hammond to Thomas Hubbard, June 3, 1902, HEH 2478, box 43, Henry Huntington Collection, Huntington Library. Quote in Hammond to Claflin, April 14, 1932, box 23, folder 3, McLeod papers.
[48] *Daily Astorian* May 28, 1901: 1.
[49] Statement of Earrings and Expenditures June 1 to Sept 13, Hammond to C. P. Huntington, Aug. 28, 1895, HEH 2383; Hammond to Henry Huntington, Nov. 8, 1901, HEH 2385, box 43.
[50] H. Huntington to Hammond, Dec. 30, 1901, HEH 5488, box 97.
[51] Hammond to H. Huntington, Aug. 15, 1902, HEH 2404, box 43.

Leaving Harriman to simmer, Hammond began to increase the value of both his Oregon railroads. Hoping to sell them as a package, Hammond made plans to build the A&CR from Seaside 138 miles south to Newport where it would hook up with the Corvallis and Eastern. This would have the additional benefit of providing access to the timber in the Nehalem drainage. The lumber hauls over the A&CR were steadily increasing and Hammond looked forward to a doubling of freight traffic in 1903. Indeed, in 1904 the Astoria line posted a net profit of $31,000. With such returns, not only had the A&CR become more valuable, Hammond's interest in selling it waned.[52]

Hammond, however, was at heart a lumberman, not a railroad magnate, and before long came to see his Oregon railroads as a means to a greater end – accessing the vast timber resources of the Cascades and the Oregon Coast Range, previously "shut off by an impenetrable wall" of rugged mountains and twisting river valleys.[53] Even with Hammond's two railroads, 130 miles of coastal forest, from Seaside to Newport, remained inaccessible by rail. Beginning in 1899, however, Hammond began to acquire timberlands throughout the Coast Range in parcels ranging from 40 to 50,000 acres.[54]

Shooting down the coast, the A&CR provided access to the timber of the Necanicum River spruce belt, a watershed twenty-five miles long by ten miles wide that held a staggering eight million board feet per square mile.[55] Hammond began buying timberlands along his railroad lines, constantly adding to the original Astoria subsidy. In 1901, the *Oregonian* recognized him as having "invested more millions in Oregon than any other man who has come

[52] *Timberman,* November 1906:40; Robbins, *Landscapes of Promise*, 220–21; Hammond to Huntington, Nov. 13, 1902, HEH 2410; Hammond to Huntington, Aug. 13, 1904, HEH 2469.
[53] *Oregonian,* September 7, 1904: 4.
[54] *Columbia River and Oregon Timberman*, November 1899: 9: box 3, Astoria Company, HLC files.
[55] *Oregonian,* April, 9, 1906: 12.

into the state in the past 20 years." The newspaper closed its article on Hammond's purchase with a prophetic statement: "Much as we may regret to see the passing of the great forests which have made Oregon famous . . . Posterity may not bless the present generation for turning a forest into a field, but while the change is being made the lumber business will place in circulation an immense amount of money."[56]

Oregon's greatest concentration of timber was in the four northwestern counties (Tillamook, Clatsop, Washington, and Columbia), which contained an estimated 56 billion bf of timber. Until the 1890s, loggers focused on timber along the Columbia River that could easily be brought to the rivers and floated downstream, rarely venturing more than a mile or so inland. Technology and access limited the extent of the logging; even so, timber was Oregon's number one industry. When Hammond completed the A&CR in 1896, Oregon had 300 lumber establishments with $7.3 million in capital invested and paid $1.6 million in wages to 3,777 employees. Clatsop County alone was already producing twenty million bf per year.[57] Hammond's two railroads opened previously inaccessible timber lands, and lumber figures skyrocketed. By the turn of the century, Oregon's timber industry was cutting 550 million bf per year, and boosters believed there was enough to last 500-700 years at that rate. With 500 sawmills in 1906, Oregon doubled the previous year's lumber production to two billion bf, valued at $30 million. The *Oregonian* proclaimed, "While the timber of the Eastern States is rapidly becoming exhausted, that of Oregon stands almost intact, and this state is prepared to head the list in its lumber output for an indefinite number of years to come."[58] The newspaper,

[56] *Oregonian*, January 5, 1901: 1.
[57] P. Donan *The Columbia River Empire* (Portland: Oregon Railroad and Navigation Company, 1902), 39; Meany, "History of the Lumber Industry," 27; *Oregonian*, December 19, 1896, p. 14.
[58] Donan, *The Columbia River Empire*, 38; *Oregonian*, January 7, 1907.

however, failed to note the social and environmental costs incurred in the East by exhausting its timber and that Oregon would face the same fate.

The A&CR certainly brought prosperity to Astoria. By 1910, the city had grown to 15,000 people and its lumber mills were running day and night, cranking out more than 263 million bf of lumber a year, almost all for export. Hammond's massive Tongue Point Lumber Mill was producing 250,000 bf of lumber on every shift. Astoria also boasted 27 salmon canneries, eleven of which belonged to Hammond's Columbia River Packers Association, an organization he had patched together in 1896 to consolidate the salmon industry. Neighboring Columbia County's population nearly doubled from 6,237 in 1900 to 10,580 ten years later.[59] As the *Oregonian* concluded in 1904, "it was the timber resources of the country which it traversed that made the Astoria road a profitable enterprise, but incidentally its construction brought into existence passenger traffic of larger and steadily increasing dimensions." The A&CR actively promoted the Necanicum River as trout fishing Mecca. The railroad acknowledged, however, that:

> Breaking in upon the calm of woodland and murmuring song of the sea that penetrates its recesses, come the hum of machinery, for industry, too, prevails amid this realm of unalloyed attractions of sea and land. Hidden in the forest is a milling plant that manufactures all classes of lumber for commercial purposes, converting the latent wealth of the interior into products for building homes.[60]

Aesthetically, recreation and lumber production were far less compatible than the bucolic situation depicted by the railroad. Financially, however they proved mutually reinforcing. From its inception, tourism provided the profit margin for the A&CR during the summer months.

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[59] *Astoria and Clatsop County Oregon*, (Astoria Chamber of Commerce, ca. 1911); *Pacific Lumber Trade Journal*, February 1907, 44; Albion Gile, "Notes of Columbia River Salmon," *Oregon Historical Quarterly* 35:2 (June 1934): 144; William G. Robbins, *Landscapes of Promise: The Oregon Story, 1800–1940* (Seattle: University of Washington Press, 1997), 220.

[60] *Portland Oregonian*, September 7, 1904: 4; Astoria and Columbia River Railroad, *The Oregon Coast.*

The Oregon Central and Eastern, however, was another story. Although Hammond had picked up the railroad for a token $100,000, profits from the line were proving as illusive for him as they had for previous owners. Other than providing a quick access from Albany to the coast, the Oregon Central and Eastern did not go anywhere, but dead-ended at Detroit, Oregon, on the upper Santiam. East of Albany, ninety percent of the railroad's traffic came from Hammond's Curtiss Lumber Company in Mill City. With only half the locomotives in operating condition and the line in need of $96,000 in repairs, the chief value of the railroad lay in its potential.[61]

To inflate the worth of the railroad Hammond engaged in a corporate shell game. While Hammond sought total control over his companies, he also wished to conceal his ownership, possibly because he was still under federal indictment for timber poaching in Montana. Thus, in 1897, Hammond dissolved the Oregon Central and Eastern and reincorporated it as the Corvallis and Eastern. For both his Oregon railroads Hammond set up a "dummy" board of directors, a model he would use repeatedly. For his board of directors, Hammond tapped Edwin Stone, the former Missoulian who had first drawn his attention to the Oregon Pacific Railroad in 1894. J. K. Weatherford, who served as Hammond's attorney in Oregon, became president of the Corvallis and Eastern with one share of the company's stock. Hammond also employed T. H. Curtis as chief engineer on the A&CR and made him treasurer of the Corvallis and Eastern. As Curtis later admitted, "the local people as stockholders were simply figureheads."[62]

In February 1898, Hammond mortgaged the Corvallis and Eastern, ostensibly intending to use the money to complete the line through the Cascades and then south to California. The bonds appeared rather inflated, however, as T. H. Curtis accepted $1 million in bonds in exchange for his stock with worth $200,268. Seven years later, after selling substantial stock in

[61] Edwin Stone to Hammond, Dec. 21, 1901, folder 2, misc. financial papers, HEH 11/4/2, Huntington papers.
[62] "Transcript of the Railroad Commission of Oregon investigation of the Corvallis and Eastern Railroad, Oct. 14, 1907:"12-16, box 13, Weatherford papers, OHS.

the Corvallis and Eastern to Henry Huntington and Thomas Hubbard, Hammond publically announced he would pump $10 million into finishing the railroad, pushing it through the Cascades and into eastern Oregon and connecting with the Oregon Short Line. Although, he had little intention of pouring more money into the Corvallis and Eastern, the ploy to promote the railroad's value succeeded, and in 1907 Hammond sold the railroad to Harriman for $1.4 million, a 1,400 percent gain over his original investment.[63]

Shortly after the sale, the murky finances of the Corvallis and Eastern attracted the attention of the Railroad Commission of Oregon, who began an investigation. Testifying under oath, the railroad's directors, Curtis and Weatherford evaded questions and lied repeatedly in order to obstruct the inquiry. They denied they knew anything about the corporate organization of the Corvallis and Eastern or the identity of the principal stockholders, i.e. Hammond, Hubbard, and Huntington. This was especially perjurious in the case of Curtis who was the nephew of Thomas Hubbard. Demonstrating his loyalty, Curtis told the commission that Hammond "had very little stock," but under repeated questioning, he acknowledged that he had heard that it was "common knowledge that nothing was ever paid for the stock that was issued or for the bonds; if money was ever realized from the sale of them it went to the Bonner and Hammond interests." Failing to overcome the obstruction of the officers of the Corvallis and Eastern, the commission ended their investigation.[64]

For years Hammond had been playing Harriman and Hill off each other, as well as repeatedly announcing expansion plans that would threaten their domination of the Oregon market. Harriman's purchase of the Corvallis and Eastern, made the A&CR even more valuable

[63] Ibid; *Oregonian*, January 1, 1907: 20, October 22, 1903: 10; *Timberman*, March, 1906: 37; Hammond to Huntington, Nov. 4, 1902, HEH 2406.
[64] Report of the Railroad Commission of Oregon in the matter of the Corvallis and Eastern Railroad Company;" Director's minutes, Corvallis and Eastern, box 5, Weatherford papers, OHS; *Daily Astorian*, April 3, 1895; Hammond to Henry Huntington, HEH 2416, box 44.

to Hill, if he was to compete with the Union Pacific. Although Hammond had offered the Astoria line to Harriman a few years earlier for $4 million, he bumped it up to $5 million, and this time Hill snapped it up. The sale of these two lines in 1907 left Oregon with no independent railroads of any considerable length.[65] The concentration of ownership of railroads was hardly a concern for Hammond, however, who used the infusion of cash to further his own attempts at consolidation in the timber industry.

In Montana, Hammond's domination of Missoula County's economy combined with Anaconda Copper's stranglehold on central Montana caused residents to be much more apprehensive of the emerging order than their Oregon brethren. The pioneer entrepreneur embodied the nineteenth-century ideal of economic individualism – that is, the pursuit of private wealth as a positive social ethic. In the isolated communities of Montana, however, too much wealth had the opposite effect. While not opposed to an individual's personal prosperity through resource exploitation, locals often resented and resisted the rise of corporate control over the entire economic system. This resentment would soon transcend local opposition and become the foundation of a national divide between labor and capital.

In the usual progression, eastern capital financed railroads that linked urban markets to hinterland resources and thus spurred western development and the rise of consumer goods. In the wake of the Panic of 1893, however, Hammond's Oregon railroads practically reversed this process. In this case, it was the consolidation of mercantile business by Hammond under the MMC in the hinterland of western Montana that enabled Hammond to build (or rebuild, in the case of the Corvallis and Eastern) two railroads in the more developed region of western Oregon. The impeccable credit rating of the Missoula Mercantile and the potential the growth of Astoria's

[65] Scott, "History of the Astoria Railroad."

real estate based on tourism and timber ultimately allowed Hammond to tap eastern capital, but initially his capital was both local and western.

Eventually, Hammond's investors – Chaflin, Huntington and Hubbard – served as conduits of capital, channeling it west to increase returns on their investment. However, it was Hammond, and hundreds of other regional industrialists who actually built the railroads and transformed the western landscape. Extending the rail lines into the rugged Coast Range allowed Hammond to exploit Oregon's most valuable natural resource. The conversion of trees into capital began a process that would nearly eliminate the ancient forests of the Pacific Northwest over the next century and create a single resource economy dependent upon a widely fluctuating market – a timber colony.

Twelve: The Oregon Land Frauds

As the nineteenth century drew to a close, A. B. Hammond began to implement his plan for a West Coast empire built upon wood. He already lorded over a fiefdom of sawmills, timberlands, and lumber yards throughout western Montana, but the lush Oregon forests held much greater potential for profits.

Throughout the nineteenth century, sawmills purchased timber from local loggers on a contract basis. While this worked well for small mills and operations, by the turn of the century rapid industrialization created an increasing global demand for lumber, prompting the mechanization of sawmills. Mechanization required capital, which in turn required consistent and reliable production. To achieve dependable production, lumbermen believed they needed to secure control over raw materials to insure future supply even if the mill continued to buy contract timber in the meantime.

The need for raw materials, combined with federal policies that allowed for the acquisition of timberland at below market value, set off a frenzy of timberland speculation in the Pacific Northwest, once again pitting private industry against the federal government for control over the nation's forests. Only this time the stakes were much higher and the outcome more decisive.

During his tenure at Pope and Talbot in the late 1860s, Hammond had witnessed how the firm used military scrip and school land selections to acquire thousands of acres of timberlands. In building the Northern Pacific and his Montana lumber business, Hammond had simply logged both public lands and railroad sections. By the time he moved to Oregon, times had changed; these were no longer options. With the development of the Pacific Northwest's railroad transportation and industrial infrastructure, and spurred on by the Klondike gold rush, lumbering

was quickly developing into the region's major industry. During the 1890s the forests of Oregon were swarming with timbermen rapidly buying up land. Timber filings were coming in so fast the Oregon land office could hardly keep up.[1]

Hammond arrived in Oregon at the very height of the timber rush and quickly joined in the action, snapping up timberlands as fast as possible. The problem for Hammond and other lumbermen who wished to control access to raw materials was that nearly all timberlands were owned by the railroads or the federal or state governments. Although the days of truly free timber were over, *almost* free timber was readily available. The trick was to acquire legal title to the land itself, even if one had to resort to nefarious means to do so.

The timber rush reinforced itself. As lumbermen snatched up land, they drove speculation. Locators and entrymen, eager to cash in, filed on claims and quickly turned them over to lumbermen. Then in 1900, lumber prices skyrocketed, advancing $7 per mbf, adding fuel to the fire. The Astoria newspaper reported, "Cruisers are in every district and hundreds of men and women are scurrying to Oregon City to make filings, so as to sell at a small advance." Hammond raced against other lumbermen for not only acreage, but acreage at a low price. When Hammond snagged several thousand acres, the Willamette Pulp and Paper bought even more. Nor was it limited to lumbermen. Agents for Rockefeller, E. H. Harriman, and Scottish syndicates took notice and began snapping up choice timberlands.[2]

Hammond was hardly the only lumberman to lust after the forests of the Pacific Northwest. The depletion of the forests of the Northeast and Great Lakes, combined with the availability of cheap timberland and the arrival of the transcontinental railroad, propelled the

[1] Stephen Puter and Horace Stevens, *Looters of the Public Domain* (Portland: Portland Printing House, 1908), 21.
[2] *Timberman* (May, 1900):14. Quote from *The Columbia River and Oregon Timberman* (Nov. 1899): 9. The same issue reported 150,000 and 300,000 acres respectively for Hammond and Willamette Pulp and Paper, but these figures seem highly inflated. Robert E. Ficken, "Weyerhaeuser and the Pacific Northwest Timber Industry 1899-1903" *Pacific Northwest Quarterly* Oct. 1979, 70 (4):146-154.

nation's lumber industry to the West Coast. In the Midwest, Fredrick Weyerhaeuser had formed a tight group of investors that dominated the upper Mississippi lumber industry, but were rapidly depleting their timber supply. In 1891, Weyerhaeuser moved to St. Paul and next door to railroad magnate James J. Hill. The two men soon became close friends. By the turn of the century, Hill found he needed cash to pay off bonds following his takeover of the Northern Pacific Railroad. Weyerhaeuser needed timberlands, which the NP had in abundance as result of its land grant.[3]

The two tycoons struck a deal. On January 3, 1900, the Weyerhaeuser group bought 900,000 acres of Northern Pacific grant land in western Washington for $5.4 million. The effort severely strained the companies' resources as "it took practically all the lumbermen on the upper Mississippi River to raise the money."[4] Indeed, the enormity of the purchase stunned the industry. But after a momentary pause, it accelerated the speculative frenzy in Pacific Northwest timber.

Other lumbermen were less optimistic. The veritable Pope and Talbot began considering selling out to Weyerhaeuser. Their manager, Cyrus Walker, who had hired Hammond thirty years earlier, was becoming increasingly frustrated with the lumber industry and wanted to unload "this elephant of ours." However, the Weyerhaeuser group was not after sawmills, but timberlands. To manage their holdings they formed the Weyerhaeuser Timber Company in March 1900.[5] The race for timberland was on.

[3] Ralph Hidy, Frank Hill, Allan Nevins, *Timber and Men: The Weyerhaeuser Story* (New York: The Macmillan Company, 1963), 207.
[4] Hidy, Hill and Nevis, 213.
[5] Ficken, 94.

Normally a solid a booster, the *Astoria News* began having second thoughts about the rapid consolidation of timberlands and possible repercussions. In referring to Hammond's purchase near Astoria, the paper noted:

> It is unfortunate . . . that the timberland laws are so lax that a single man, or a few men, can possess themselves at trifling cost of hundreds of thousands of acres of timber . . . most of our coast timber is now owned by a comparatively few capitalists, most of whom do not live in this region and care nothing about it except for the wealth that it will yield them or their descendents in the future. And if one of them who has other large interests here will use some of the timber in the way proposed, it will not be done without a great deal and immediate benefit to many people, and to the region of the country they inhabit.[6]

Although Hammond had given them a railroad, the town boosters wanted to see investments in manufacturing rather than in racking up massive acres of timberland. This same charge was leveled at the Weyerhaeuser group when it made no move to buy or build mills to exploit its big purchase.

Having learned a valuable lesson from his battle with Land Commissioner William Sparks twelve years earlier, Hammond kept his name off official records, and instead employed others to make purchases for him. At first, he focused on areas accessible by his railroads. In April 1899, he had W. G. Howell buy 20,000 acres of spruce timberland near Seaside. Bank president and former Missoula mayor John Keith assisted Hammond in picking up some of T. Egerton Hogg's land that went into receivership around Albany and could be accessed by the Corvallis and Eastern for $12,000. Hammond's agents scoured the state for available timberlands, acquiring parcels as small as forty acres for delinquent taxes, as many homesteaders had filed claims and either not proved them up, had failed to pay taxes, or had simply abandoned their land. But this was time consuming and resulted in fragmented ownership.[7]

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[6] *Columbia River and Oregon Timberman*, Nov. 1899:9.
[7] *Pacific Lumber Trade Journal*, April 1899: 22; Hammond Lumber Company files, box 8, file 562. OHS.

Hammond and other lumbermen also used less scrupulous means to amass timberlands. By hiring dummy entrymen to file claims under the Timber and Stone Act of 1878, western lumbermen acquired millions of acres of public land that were ostensibly supposed to go to settlers. To encourage western settlement the Timber and Stone Act allowed individual settlers to purchase 160 acres for $2.50 per acre. The law explicitly stated that these lands were to be used for bona fide settlers. Claimants had to sign an affidavit that the lands were for their personal use and settlement, not for speculation or sale. They further had to swear in front of witnesses that they had not contracted with lumbermen, nor intended to sell the lands they were acquiring from the government at such absurdly low prices. But in 1892 the Supreme Court loosened this restriction, ruling that the Timber and Stone Act only forbid prior *formal* agreement. A lumberman could make known his willingness to buy timberland above the government rate, and an entryman could buy land from the government and then transfer it without violating the law.[8]

Even given this legal latitude, lumbermen engaged in a suite of schemes to get around the law's requirements. Cash poor settlers welcomed the chance to make a quick buck by simply filing a claim and turning it over to a lumberman or speculator. The vast discrepancy between the government's price and market value drove speculation. Under the Timber and Stone Act, a parcel of 160 acres actually worth $16,000 could be acquired for as little $415, an astounding 4,000 percent profit. Interior Secretary Hitchcock reported to Congress that, "As many as five members of a family, who, it can be readily shown, never had $2,075 in their lives, walk up cheerfully and pay the price of the land and the commissions."[9] Timber speculation appeared so

[8] Timber and Stone Act, 1878; *General Land Office Report*, 119; *Report of the Public Lands Commission*, vi.
[9] *Report of the Secretary of the Interior*, 1903, 15.

profitable and easy that it attracted many investors, including those who were the supposed guardians of the public domain.

The rampant fraud under the Timber and Stone Act led every Secretary of Interior since the Act's passage in 1878 to urge its modification or repeal. Typical was Secretary Ethan Allen Hitchcock's warning to Congress in 1902 that, "the timber and stone act, will, if not repealed or radically amended, result ultimately in the complete destruction of the timber on the unappropriated and unreserved public lands."[10]

Hammond had no compunction about using extra-legal means to acquire timberlands, and had snagged 90,000 acres in Montana along the Blackfoot River under the Timber and Stone Act. But in Oregon, Hammond sought to distance himself, supplying the capital while employing others to file claims and hold the titles in their own names. To add another layer of bureaucracy and seeming legitimacy, Hammond had the entrymen mortgage their claims to one of his companies. After a few years, they then transferred the title over to his Astoria Company or the Hammond Lumber Company. Hammond saw himself as a refined businessman, and while he approved each sale, preferred to remain in the background unsullied by the disreputable dealings.[11]

In one such case, Hammond employed W. A. Geer, who filed 31 claims from 1899-1903. Geer sold many of these deeds to the Astoria Company even before they were patented, in clear violation of the law. In October 1899, the Astoria Company paid Geer $6,345 for 4,394 acres on the Nehalem River. This payment, coming to about $1.45 per acre, likely represented Geer's

[10] *Report of the Secretary of the Interior*, 1903, 58th Cong. 2nd sess. House Document, vol. 18.
[11] Puter; HLC files, box 3, box 4. Astoria Company to R. B. Montague, April 4, 1901, Weatherford papers, box 12.

profit as Hammond had probably advanced Geer the expenses of filing fees and purchase price of $1.25-$2.50 per acre.[12]

Although nearly all analysts of U.S. forest policy have condemned the Timber and Stone Act as poor public policy, many have suggested that fraudulent use of the Act provided the only means for lumbermen to acquire large enough tracts to make logging operations economically feasible. John Ise echoed the Public Land Commission of 1884 that cited the "impossibility of purchasing, in a straight-forward, honest way from the Government either timber or timber-bearing lands" as the primary cause of timber depredations.[13] In 1906, James Defebaugh, editor of the *American Lumberman*, wrote that 160 acres "is hardly adequate for the establishment of a lumber manufacturing operation."[14] These views persisted throughout the twentieth century; in 1979, economists Gary Libecap and Ronald Johnson wrote, "In the face of restrictive land laws, fraud was necessary if lumber companies were to acquire large tracts of land to take advantage of economies of scale in logging."[15]

In reality, however, the big lumber companies of the West Coast acquired the majority of their timberland from the railroads. Out of western Oregon's 223 billion bf of timber, Southern Pacific owned eighteen percent, Weyerhaeuser owned five percent, and next three largest holders, including Hammond and Charles A. Smith, owned twelve percent. The vast majority of these lands came from the purchase of railroad grants. Eighty percent of Weyerhaeuser's 1.5 million acres originated from the Northern Pacific land grant. Thus, the contention that the frauds

[12] HLC files, box 4 title abstracts, OHS.
[13] Thomas Donaldson, *The Public Domain* (Washington, GPO, 1884), 1082. See also John Ise, *The United States Forest Policy* (New Haven: Yale University Press, 1920).
[14] James Defebaugh, *History of the Lumber Industry in America*, vol. I. (Chicago: The American Lumberman, 1906), 383.
[15] Gary D. Libecap and Ronald N. Johnson, "Property Rights, Nineteenth-Century Federal Timber Policy, and the Conservation Movement," *Journal of Economic History*, vol. 39, no. 1 (March, 1979):129-142.

were necessary to acquire timberlands to meet the growing demand for lumber production is unfounded.[16]

Hammond also his acquired his biggest units from the railroad. In December 1900, he bought 14,533 acres on Crabtree Creek east of Albany from the Southern Pacific for $116,269 in nine yearly installments. The next year, Hammond, in conjunction with Charles Winton of Wisconsin made the largest purchase of unbroken timberland in Oregon to that date. For half a million dollars, they acquired 50,000 acres from Southern Pacific in the Tualatin and Trask drainages. Combined with nearly 20,000 acres in Clatsop and Tillamook counties, the purchase made Hammond one of the largest owners of timberland in Oregon's coast range. In 1911, Hammond and Winston would snap up an even greater bargain buying another 45,972 acres from Southern Pacific for $321,807.[17] These large purchases at $7-$10 per acre indicate that lumbermen were readily willing to pay such prices without having to resort to fraud. Smaller units ran up to $18 per acre. A few years later these same timberlands would sell for $100-$200 per acre. For example, one tract in Oregon that sold for $5 an acre in 1896, fetched $108 per acre twelve years later. In 1903, Hammond flipped a 160 acre homestead in southern Washington to the Cowlitz Lumber Company for $20,000 or $125 per acre. By 1909, the Hammond Lumber Company was paying up to $50 per acre for timberlands. Lumbermen were clearly using the Timber and Stone Act more for speculation than to achieve the "economics of scale."[18]

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[16] Bureau of Corporations, *The Lumber Industry*, Part II (Washington, GPO, 1914),7, 223, 228. Southern Pacific's percentage was greatly reduced by forfeiture. In addition, Hammond, because of his financial relationship with the Southern Pacific probably enjoyed access to the railroad's timber.
[17] Bureau of Corporations, 57; HLC files, box 8 contracts; *Portland Oregonian*, Jan. 5, 1901:1; Deed no 448-E, HLC files, Box 7, OHS.
[18] Warranty Deed 31828, box 9, HLC files, OHS; Box 4, HLC files; Bill of sale no. 768, box 8, HLC files; Bureau of Corporations, Part I,26

The smaller parcels attained by fraud had another purpose. They strategically prevented access by other owners of smaller parcels, who then had little choice but to sell their holdings or the timber thereon. In this manner, Hammond could effectively control large blocks of land he did not own.[19]

Although fraud under the Timber and Stone Act was hardly necessary to acquire timberland, it did ensure enormous profits in land speculation. Charles A. Smith admitted as much, stating that it was "a mistaken belief that the manufacture of lumber is a profitable business, the wealth of the lumber has been made by an increase in the value of his timberlands."[20] Furthermore, in 1897, passage of the Forest Management Act explicitly authorized the government sale of timber within forest reserves in order "to furnish a continuous supply of timber." Despite the guarantee of federal timber, filings under the Timber and Stone Act exploded in Oregon following the act's passage, going from 18 (covering 2,110 acres) in 1897 to 4,209 (covering 645,578 acres) six years later. If fraud was so necessary to acquire timber, why did it dramatically increase after timber in the reserves became available?[21]

The turn of the century movement to designate forest reserves intended to protect the nation's mountainous watersheds from timber depredation. Uncontrolled and illegal harvests had stripped entire mountainsides, drastically increasing erosion. By 1891 when Congress gave the president authority to create forest reserves, Americans understood that forests at the headwaters needed to be protected to insure steam flows for downriver irrigation. Downstream water users thus joined with forest advocates to forge a conservation coalition resulting in the Forest Management Act of 1897. In supporting the designation of the Cascade Forest Reserve,

[19] Bureau of Corporations, 96.
[20] *Ameican Lumberman*, Nov. 12, 1910:79, quoted in Bureau of Corporations, Part I, 38.
[21] *Report of the Public Lands Commission*, Senate Doc. 189, 58 Cong.3 sess. (Washington, 1905),266.

one Oregon letter writer summed up the connection while invoking the importance of the commons:

> The timber lands of the Cascade Reserve, Mr. President, should be held inviolate for all time to come. They are the common heritage of the people. These forests act as reservoirs to hold in storage the rains and snowfalls which go to make up our navigable streams and water courses, and are of vital importance to the people who inhabit this county.[22]

Designated in 1893, the Cascade Forest Reserve encompassed the high, icy peaks of the Cascades and could only be accessed via a multi-day trip on horseback, and then only in the height of summer, as deep snow and swollen rivers blocked passage. On the other hand, the lower slopes outside the reserve harbored 500 year-old stands of immense Douglas fir, red cedar, and hemlock, trees so large and straight that they would make a lumberman drool in a Pavlovian response. With mills in the foothills and a railroad piercing the heart of the Cascades, Hammond was well-situated to take advantage of the ensuing fraud.

Ironically, the formal establishment of the forest reserve system provided yet another avenue for privatization of timberlands. The 1897 Act contained a provision allowing settlers or owners with a land claim within the reserve to exchange their tract for vacant land elsewhere. While well-intentioned, this invited even more land fraud. In the time lag between the designation of the reserve on paper and the actual survey, speculators and locaters swarmed into new reserves to claim homesteads on inhospitable and inaccessible land that could then be swapped for valuable timberlands elsewhere. Often speculators, having located forest reserve claims, simply sold their exchange rights as script to lumbermen.[23]

Hammond, too, sent his agents to buy lands in the future expanded Cascade Forest Reserve as quickly as possible, paying $4 an acre for land that could be exchanged for

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[22] Lawrence Rakestraw, *A History of Forest Conservation in the Pacific Northwest, 1891-1913* (New York: Arno Press, 1979), 12, quote 59.
[23] Act of June 4, 1897; Ise,176.

timberland worth $100 an acre. "We are in the greatest kind of hurry for this land," George McLeod notified J. K. Weatherford, Hammond's Oregon attorney. However, at least in one instance, McLeod discovered a 160 acre tract in the Cascades that had "considerable good timber on it, and besides controls the outlet to another claim which we own." He thus suggested transferring it to the Curtiss Lumber Company "instead of using it for forest reserve" scrip that could be traded.[24]

Problems stemming from Forest Management Act's "lieu-land provision" were quickly apparent, and Interior Secretary Cornelius Bliss recommended modifications to the law. The abuses were so flagrant and so obviously favored railroads and large lumber companies that western congressmen, usually those most amenable to government land disposal, led the efforts to repeal or change the act. Senator Thomas Carter of Montana, who still enjoyed Hammond's support, proved a notable exception in opposing repeal of the lieu-land provision.[25]

In 1900, Congress limited lieu selections to surveyed lands, substantially restricting selections since much of the reserves had not yet been surveyed. Upon the insistence of Senator Carter, however, Congress delayed implementation for four months. This gave lumbermen ample time to file for exchanges. Hammond quickly sized upon the opening and sent men into to the still unsurveyed Cascade Forest Reserve, the Priest River Forest Reserve in Northern Idaho and the Sierra Forest Reserve in California to file on lands that could be turned in for scrip that he could then use to block up valuable timberlands. In this manner, he acquired several thousand acres in the Oregon Coast Range and in northern California. Finally in 1905, the lieu-land provision was repealed after the transfer of three million acres, much of it ice, rock and cutover lands, for prime timber. Ironically, the lieu-land selections, while protecting the land and

[24] McLeod to Weatherford, Nov. 4, 1901 and Nov. 21, 1901, Weatherford papers, box 3 HLC files, OHS.
[25] Ise, 176.

watersheds inside the reserves, exacerbated the destruction of those timberlands outside the boundaries.[26]

Weyerhaeuser also capitalized on lieu-land selections. In Oregon, nearly half of Weyerhaeuser's 380,599 acres resulted from buying Northern Pacific lieu-land scrip. The most infamous of the lieu selections accompanied the designation of Mount Rainier National Park in 1897. Congress allowed Northern Pacific to select timberlands to replace its grant lands (much of which lay under glaciers) lost to the park. In 1900, Weyerhaeuser bought 40,000 acres of this scrip from Northern Pacific and used it to file timber claims in Idaho.[27]

The lieu selections in Mount Rainier and the forest reserves engendered much hostility in the West. In Oregon, resentment toward the forest reserves was based primarily upon the lieu-land provision, which allowed for railroads and large lumber companies to appropriate timberlands, rather than the actual withdrawal of the reserves, which were largely supported by locals as a means of protecting their water supply.[28]

With Weyerhaeuser gobbling up huge acreages of timberland, other lumbermen scrambled for smaller tracts. Hammond's chief rival in the Oregon land rush was Minnesota lumberman Charles A. Smith. In scoping out timberlands, Smith traveled incognito, conducted his negations with great secrecy, and relied heavily upon the intrigue of independent agent Stephen Puter. After being stiffed by Smith, Puter described the lumberman as "one of the greatest criminals that ever went unwhipped of justice." Although Hammond also employed Puter in the land frauds, Puter had nothing but praise for the savvy of the Montana lumberman.

[26] General Land Office Records, www.glorecords.blm/gov. Ise, 180-182; George B. McLeod (UM), 29.
[27] Bureau of Corporations, 226; Ise, 184-185; Hidy, Hill, and Nevis, 250.
[28] Ise, 184-5; Rakestraw, 159.

Based out of Portland, Hammond had the home team advantage, as well as employee loyalty and kinship ties. All of these would prove invaluable.[29]

Working the timberlands of the Oregon Coast range, Puter acted as the middle man, hiring entrymen to file homesteads or claims under the Timber and Stone Act as townships were thrown open to supposed settlement following surveys. Theoretically, settlers were supposed to reside on these lands in order to obtain title. Financed by lumber capitalists, Puter paid the entrymen up to $750 for each 160-acre claim, which was then signed over to the lumberman. Sometimes Puter and his accomplices were able to secure a number of applicants for no more than a glass of beer.[30]

Early in 1900, Puter entered into agreement with Smith to acquire 9,120 acres of timberland, with Smith advancing the money needed to buy entrymen and file on claims on the South Fork of the Santiam River. In a rather labyrinthine process, Puter paid all expenses, land office fees, cost of the land ($2.50 per acre), and $100 to each entryman upon turning over deeds. Entrymen then mortgaged their claims to Fredrick Kribs, another of Smith's agents, for $600 each. Kribs, in turn, paid Franklin Pierce Mays, the U.S. District Attorney for Oregon, $50 per claim to approve the patents and arranged for Oregon Senator John Mitchell to receive $25 for each patent issued. Smith promised Puter $5.50 an acre for his work.[31]

In a similar scheme, Hammond also employed several locaters to hire entrymen, who would then mortgage their titles to his Astoria Company or one its employees. In 1899, Hammond employed W. E. Burke, a former Oregon legislator, to conspire with William Gosslin, secretary of the Astoria Company to hire twenty unemployed men from Portland's seedy North

[29] William Robbins, *Hard Times in Paradise: Coos Bay, Oregon, 1850-1986* (Seattle: University of Washington Press, 1988),31, quote, 32.
[30] Ibid., 44, 23, 32.
[31] Ibid., 35-44

End to file on timberlands in the Cascades, paying them $2 apiece. Meanwhile, Hammond was acquiring lieu-land scrip to "plaster on the land." Unfortunately, the Northern Pacific was after the same tracts and protested the fraudulent entries.[32]

On October 19, 1899, Burke, Gosslin and the twenty entrymen were indicted on charges of defrauding the federal government. In an astute combination of politics and business, Hammond hired Oregon State Senator Charles Fulton of Astoria to defend Gosslin, while the Northern Pacific employed Franklin Mays, the U.S. District Attorney. The two lawyers readily reached a compromise; the Northern Pacific received half the claims and Hammond got the other half. Neither the railroad nor Hammond were ever investigated. When Fulton advanced to the U.S. Senate in 1902, Hammond paid him $10 to expedite each new land patent, less than half of what Smith was paying Mitchell. Hammond could add another senator to his account. With Carter and Fulton, the lumberman enjoyed as much representation in the upper chamber as an entire state.[33]

Discovering that lands in the upper Santiam River were to be included in the new Cascade Forest Reserve, Puter rounded up ten people to file homestead claims under the pretense of being long time settlers. The "homesteaders" had to make affidavits that they had been living continuously on their claims in order to claim lieu-land scrip. Puter simply had each "homesteader" act as witness for the other, while his partner bribed the deputy county clerk of Linn county $100 for each claim. John Daly, U.S. Surveyor-General for Oregon, located several homestead claims in the Cascade Forest Reserve for both Hammond and Puter. Daly later perjured himself, testifying that he had a claim and cabin where he squatted for twelve years, when in fact he had never been there. The lands they filed on were high in the Cascade Range at

[32] Ibid., 362-364.
[33] Ibid. In what would now be considered a conflict of interest, in the nineteenth century it was not unusual for lawyers holding public office to represent private clients.

5,000 feet and under snow three-quarters of the year "rendering it impossible for anyone to make a living in the township under existing conditions. In fact, not a soul lives nearer than 30 miles," Puter later admitted.[34]

Receiving complaints of fraud, the General Land Office (GLO) began examining those claims. To head off the investigation, Puter bribed both the agent for the local land office and the superintendent of the Cascade Forest Reserve. Although both officials filed favorable reports, Puter still fretted that the deal would go sour and travelled to Washington D.C. to see Oregon's senior senator John Mitchell and Land Commissioner Binger Hermann, who determined that the reports were all favorable, but it would be several months before they could be acted upon. Anxious for action, Puter pulled out two $1,000 bills and laid them on Mitchell's desk. A few days later all twelve patents were issued.[35]

Back in Oregon, Franklin Mays, who was in league with Puter, was furious that he had spent so much. Mays thought Puter could have bribed the pair for $500, and now Mitchell and Hermann would be expecting such sums in the future. Puter then sold the claims to Smith for $10,080. Thinking he could cheat a thief, Smith only paid Puter $1,000 and sent him back to his old stomping grounds in Humboldt County, California, to scare up some more timberlands. Smith's duplicity would cost him dearly and profit Hammond most generously.[36]

Smith was deeply interested in acquiring a redwood lumber company. After the Excelsior Redwood Company rejected his low ball offer, Smith looked to the John Vance Mill and Lumber Company, one of California's largest and most established lumber firms, that was for sale for $1 million. However, Bradley Durphy, hoping for a sizable commission, had tipped off Hammond about the availability of the Vance Mill. Both Durphy and Puter knew well the value of the

[34] McLeod to Weatherford, Nov. 11, 1911, HLC files, folder 3, OHS; Puter, 148, quote, 50.
[35] Puter, 52-65.
[36] Ibid., 66, 304.

Vance properties. In 1900, the assets of the John Vance Mill and Lumber Company included 9,600 acres of redwood timberland, the largest redwood lumber mill in existence, a secondary mill, 3,900 acres of grazing and cutover land, an 18-mile long railroad with five locomotives, two bay steamers, and four lumber schooners. In short, here was everything Hammond needed to launch a West Coast lumber empire, if he could only get to it before Smith.[37]

When Puter arrived in Eureka in June on the steamer *S. S. Orizaba* to negotiate a deal for Smith, one of his fellow passengers was George Fenwick, former secretary of the Big Blackfoot Milling Company and Hammond's brother-in-law. Upon investigation of the Vance properties, both Puter and Fenwick sent back favorable reports to their bosses. Within weeks, E. H. Vance gave Smith a thirty-day purchase option[38]

Not content to stand idly by, Hammond stepped up his efforts. Vance had recently made large investments in building a new mill and was apparently less interested in selling out than acquiring a source of capital to fend off the cutthroat competition from other producers. Hoping to impress Vance that he was best qualified to take over management of his company, Hammond brought him to Missoula to show off the Blackfoot mill and the vast economic engine of the Missoula Mercantile Company. Hammond made Vance an offer: he would form a new company, capitalized at $2 million to assume the assets of the John Vance Mill and Lumber Company, issue E. H. Vance $700,000 in preferred stock, pump massive capital into the firm, and gain control of the entire redwood lumber industry.[39]

When Puter discovered that Hammond had been eyeing the property as well, he hurriedly called Smith to tell him Vance would extend the option if Smith would come to Eureka. But

[37] Ibid., 298-299; Lowell S. Mengel II, "A History of the Samoa Division of Louisiana-Pacific Corporation and its Predecessors, 1853-1973" (manuscript, Humboldt State University, 1974), 28-29.
[38] Megel,32; George McLeod, 24.
[39] George McLeod, 24.

Smith decided to play Vance along, hoping to lower the price. According to Puter, Smith believed "he was the only man in the country who could swing such an amount." Smith however, had failed to account for Hammond, who "had almost unlimited financial backing, and was quick on the trigger when he caught sight of a good thing."[40]

Smith still owed Puter more than $9,000 for the Oregon land deal and was continuing to string him along. Disgusted with Smith, Puter went to Vance and explained the situation. In this case, blood proved thicker than debt. Hammond had not only sent George Fenwick to Eureka, he had also dispatched his brother, Henry, former manager of the Blackfoot mill. The Hammonds also had cousins from New Brunswick who were among Eureka's leading citizens, although what role, if any, they played in vouching for Hammond is unknown. Regardless, as soon as his option expired, Vance terminated negotiations with Smith and accepted Hammond's offer with $100,000 deposit. The Vance purchase catapulted Hammond into the top tier of West Coast lumbermen and provided the foundation of his empire.[41]

Returning to Oregon in May 1901, Puter decided to pull another scam in the Cascade Forest Reserve. With the complicity of Marie Ware, the U.S. Land Commissioner at Eugene, Puter dispensed with the formality of securing actual "settlers" and simply used fictitious names. Ware provided Puter with papers already filled out; all he needed to do was to insert the location and have someone sign the forms. In exchange, Puter paid her $100 for each claim. Franklin Mays wanted in on the racket and demanded half the profits for smoothing the legal road.[42]

On the job just over a year, George McLeod, treasurer of Hammond's Astoria Company, received deeds from Puter, notarized the fictitious people as having appeared before him, and

[40] Puter, 300.
[41] Ibid; *Humboldt Times*, Sep. 6, 1900:4.
[42] Puter, 68.

forwarded the deeds to Ware to be executed and returned. In exchange, the Astoria Company received claims for the cut rate price of $5 an acre.[43]

The next summer, the federal government threw open timberlands in the Deschutes country near Bend to public entry following official surveys. Loading up their buckboards, buggies, and wagons, men and women came for miles around and lined up for blocks at the land office to claim lands. Puter was also on hand, lining up dummy entrymen to acquire 17,280 acres. [44]

Instead of Smith, this time Puter turned to Hammond, whom he considered "one of the heaviest individual timber land operators on the Pacific Coast." Hammond agreed to go in with Puter on the deal and advanced him the cash necessary for making final proof of the 108 entries. Hammond proposed taking mortgage on the claims providing that Puter guarantee title, with costs not to exceed $6 per acre. U.S. District Attorney Mays agreed to the new arrangement and accepted $25 per claim to be paid to Senator Mitchell for his services to get the claims through the land office. Upon meeting Puter to secure the deal, McLeod complained that Mitchell was getting $25 when Hammond was only paying Senator Fulton $10 to get patents approved. McLeod thought he could get a joblot rate from Fulton, and Puter agreed they should go through Fulton for all future business. While it might seem absurd to have two U.S. senators bidding against each other for such paltry bribes, a senator's salary in 1900 was only $5,000, much of which was chewed up in expenses. With hundreds of claims passing across their desks every year, a senator could double his income.[45]

To thwart possible government investigation, Hammond engaged in complex maneuvering to provide a cloak of legitimacy. He had Gosslin print two sets of blank mortgages,

[43] Puter, 67; McLeod to Ware, Jan. 25, 1902, HLC files, Deeds, OHS.
[44] Puter, 81.
[45] Puter, 80-88.

one for the entrymen to execute to Hammond for $450 (the amount he advanced for final proof and payment); the second went to Puter for $160 for the location fees. To further insulate Hammond, the entrymen were to have McLeod sign for their payments to the land office.[46]

Entrymen were well aware of the illegality of their actions and worried about repercussions and refused to sign the mortgages unless assured that all their future legal costs would be covered. One of them wrote to McLeod:

> [Y]ou have got us in trouble about the deal we made with you in regard to our homestead . . .You assured us that night in the hotel Parlor before witness that we would not get in no trouble. And I hope you will prove to be a man of your word. That we will have no trouble in regards to deal. [sic][47]

McLeod, however, believed that the entrymen were holding out for more money. Giving up on acquiring lands under the Timber and Stone Act, McLeod returned to Portland with Puter to purchase forest reserve scrip as there were only ten days remaining before the unclaimed land inside the reserves reverted back to the government. They needed 20,000 acres of script to cover the 108 claims, but found that nearly all the holders wanted to retain it. All of Hammond's and McLeod's maneuvering was to no avail, and the Deschutes deal fell through. Had it succeeded, however, it would have gotten Hammond into even more trouble with the federal government and might well have spelled an early end to his career.[48]

By the turn of the century, land fraud was so widespread as to have become a time-honored tradition. Then in 1901, an assassin's bullet and McKinley's death propelled Theodore Roosevelt into the White House, and suddenly the voice of forester Gifford Pinchot was not-so-quietly whispering in the president's ear about the egregious theft and exploitation of the nation's timberlands. The government attitude toward graft and corruption shifted from a wink and nod

[46] Ibid., 88.
[47] Ibid. John Holland to George McLeod, Jan. 4, 1901, Weatherford papers, box 3, HLC files, OHS.
[48] Puter, 89.

to active purging. With the Progressive reformers now firmly in control of the administration, they set their sights on the timber industry in much the same way as had the Mugwumps of the previous generation. However, while William Sparks had targeted the lumber companies for fraud and depredations, the Progressive Republicans saw corrupt public officials as the problem and pursued them while largely ignoring lumbermen. Despite his rhetoric of "trust busting," T. R. and his administration were less concerned with corporate malfeasance than with ferreting out government corruption.[49]

Interior Secretary Ethan Allen Hitchcock joined Roosevelt and Pinchot in their Progressive campaign. Hitchcock, with the president's blessing, began to clean house beginning with Land Commissioner Bringer Hermann. For the previous two years Hermann had resented Hitchcock's active interest in the land office and Pinchot's drive to move the forest reserves to the Division of Forestry. In his 1897 report, Hermann maintained, "The General Land Office is fully competent to deal with this subject [timber fraud] . . . another bureau is unnecessary."[50]

But in 1902 Hermann blocked investigation of the Benson-Hyde land ring in Arizona, possibly fearing that his own involvement in the Oregon land frauds might be exposed. Angered by Hermann's suppression of the report, Hitchcock asked for his resignation. Before leaving office, however, the Land Commissioner destroyed numerous files and letters. Hermann later declared these were of a personal nature, but they may have implicated him in the land frauds. Hermann returned to Oregon, and six months later was elected to Congress as one of the state's

[49] See Samuel P. Hays, *Conservation and The Gospel of Efficiency: The Progressive Conservation Movement, 1890-1920* (Cambridge: Harvard University Press, 1959).
[50] *Report of Commissioner of General Land Office,* 1897, 79.

two representatives. He attributed his victory to Oregonians' repudiation of the Secretary of Interior.[51]

With Hermann out of the way, Hitchcock began a relentless investigation of land frauds. In 1903, the land office agents turned over the Oregon investigation to U.S. District Attorney John Hall. Overwhelmed by the volume of cases, Hall asked Attorney General Philander Knox to appoint D. J. Malarkey as a special assistant. Oregon Senators Mitchell and Fulton also recommended Malarkey. Already suspicious of Hall, Knox feared that a Hall/Malarkey team would prove overly accommodating. Instead, Knox appointed the incorruptible and fiery Francis Heney. Heney would pursue the case with bulldog determination wherever it led, even if it probed the highest levels of government. In Oregon, however, the appointment of Heney, a San Francisco lawyer, over a local son proved unpopular and added to Western resentment toward the federal government.[52]

Hall soon hauled Puter before the grand jury where he was indicted with defrauding the government. It looked as if Hammond was about to embroiled in another legal battle. Unlike the timber suits, these were serious criminal charges that had the full backing of the Administration. Politics and business, however, dominated the judicial process. Heney expressed surprise that Hall chose to prosecute the "24-1" case, in which Hammond and McLeod were involved, instead of the much stronger case that involved the bribery of Senator Mitchell and former Commissioner Hermann. Hall, however, was up for re-appointment and needed the recommendation of Senators Mitchell and Fulton; thus he was reluctant to drag them into the quagmire.[53]

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[51] John Messing, "Public Lands, Politics, and Progressives: The Oregon Land Fraud Trails, 1903-1910," *Pacific Historical Review*, vol. 35, no. 1 (Feb, 1966):35-66; Ise,182; Binger Hermann, "Shadows in Public Life," OHS.
[52] *Report of the Secretary of the Interior*, 1903, 13; Messing; Puter, 94.
[53] Messing; Puter, 96, 137.

Frustrated at the impasse in the case, Heney travelled to Washington D. C. to meet with Knox and Hitchcock. Conferring, the three men suspected that the entire Oregon delegation, as well as Hall, might be involved in the land frauds. Knox therefore appointed Heney as special prosecutor to take charge of the investigation. Heney substituted the stronger case for the weaker, inadvertently exchanging Hammond's involvement for Mitchell's. Not surprisingly, Mitchell and Fulton quickly protested Heney's appointment. Unaware of the full extent of Mitchell's involvement, Heney tried to get the senator to testify as a witness for the prosecution, but Mitchell evaded and refused to answer questions, arousing Heney's suspicions.[54]

As in Montana, Hammond proved adroit at manipulating the legal system, but now with more finesse. Although he had insulated himself through his employees, he was not about to let them hang. Parallel to the criminal investigation, the U.S. brought suit against the Astoria Company to cancel the land patents it had received from Puter. McLeod testified that he was an innocent purchaser of the deeds. Hammond again retained Senator Fulton to clear up the matter, and McLeod escaped further investigation. In the criminal proceedings, McLeod even acknowledged that he had arranged to purchase twelve claims from Puter at $5 an acre, yet both he and Hammond somehow remained unblemished. The value of political favors that Hammond had long ago learned from Bonner proved quite useful. In addition, Hammond's unflagging support of McLeod cemented the younger man's loyalty for the rest of his life.[55]

Puter, on the other hand, was quickly convicted. When his former partner, Franklin Mays refused to help him post bond, Puter decided to tell Heney everything and offered to testify against Mays and Mitchell. This was the break Heney was waiting for, and he pounced on it. Following Puter's confession, Heney's grand jury returned 26 indictments for 100 individuals in

[54] Messing; Puter, 125-126, 138, 146.
[55] McLeod to Fulton, Sept. 21, 1903, HLC files 561-131, OHS; Puter, 157.

Oregon. On the day that Heney announced his indictments against Senator Mitchell and Representative Hermann, President Roosevelt fired District Attorney John Hall, who was eventually convicted but later pardoned by President Taft. Other convictions in Oregon included: the former mayor of Albany, two state senators, and two surveyor generals. Franklin Mays was also convicted and sentenced to four months in jail and fined $10,000.[56]

Nationally, the land fraud investigation indicted 1,021 people in 22 states resulting in 126 convictions. In terms of numbers of people involved, the land frauds were larger than all the government scandals of the nineteenth century combined. Ironically, those at the demand end of the chain, the timber barons who ended up with the land, were rarely investigated and simply walked away with the titles to thousands of acres. Although Heney indicted several lumbermen, including Robert Booth, Oregon state senator and vice-president of Booth-Kelly Lumber Company, none of them ever faced prosecution. A. B. Hammond and Charles Smith were notably absent from any prosecution, indictment or investigation.[57]

When Heney subpoenaed Mitchell to appear before the grand jury, the senator publicly proclaimed, "In helping him [Puter] before the land office, I did what I had done for a thousand citizens of Oregon . . . I am as innocent as a babe unborn of any complicity in any land frauds." Mitchell, who was first elected in 1872, came from a generation and mindset that viewed the land laws as type of spoils system in which the whole point was for the government to divest itself of its property. He, thus, saw no impropriety in freely doling out favors.[58]

Mitchell attempted to cast himself as the victim of the political rift within the Republican Party. He was of the old school conservative block, while the Progressive wing of the party had a firm grip on the Administration. Indignant, Mitchell stated, "I denounce this prosecuting

[56] Puter; 7, 172-174, 452.
[57] American National Biography Online, www.anb.org; Puter,445-448.
[58] Ibid., 179; *Portland Oregonian* Jan. 1, 1905:4.

against me as the result of a most damnable and cowardly conspiracy in which Secretary Hitchcock and this man Heney are the chief conspirators, their motives being partly revenge and partly politics." Charged at the same time, Hermann also derided the indictment as "the result of the basest of conspiracies and malicious persecution." The Oregon legislature backed their Senator, and adopted a resolution endorsing Mitchell's character, innocence, and his twenty-two years of faithful service. Fulton joined in, referring to Hitchcock as "hostile" toward Oregon. Thus, the state's entire delegation was at odds with the Roosevelt Administration over the land fraud issue.[59]

The land frauds underscored a fundamental divide within the Republican Party, one that would tear it asunder in the election of 1912. Hitchcock and Heney saw themselves as sweeping reformers dedicated to riding the nation and party of corruption while instituting moral virtue and efficiency. Hitchcock believed that the convictions would "have a wholesome moral effect."[60] Indeed, Hitchcock seemed unmoved by any political fallout and stated that prosecution of land fraud was based upon "the high principal of honest government."[61] Heney also sought to purge the government of corruption. During the trails, he told the *Oregonian* newspaper, "Graft is ruining Russia today; graft ruined Rome . . . and unless the juries of the Nation sustain the laws of the United States, graft will ruin this country."[62]

The land fraud investigation provides an example of how conservation and Progressivism intertwined. Indeed, the *Oregonian* portrayed the land fraud trails as a battle between the youthful, energetic Heney and Senator Mitchell, with his flowing beard, as the aging, but dignified patriarch. The juxtaposition of the two images accurately conveyed Heney as the

[59] Puter, 182. Quotes from *Portland Oregonian* Jan. 1, 1905:4.
[60] *Report of the Secretary of the Interior*, 1903,13.
[61] *Portland Oregonian* Jan. 1, 1905:1.
[62] *Oregonian*, Aug. 1, 1905, quoted in Messing,65.

modern progressive with a belief in law and the federal government, replacing Mitchell's nineteenth-century old-boy network of patronage and laissez-faire capitalism. In the business world, Hammond managed to bridge these two worldviews by hiring young men with modern ideas while he retained the older mindset.[63]

On January 17, 1905, Mitchell addressed the full U.S. Senate, proclaiming his innocence. Six months later, he was convicted and sentenced to six months in jail and a $1,000 fine. While his case was pending appeal, Mitchell died from a diabetic coma in December 1905. By 1907, Hitchcock's dragnet had pulled down three-quarters of Oregon's congressional delegation, and probably would have included Senator Fulton had the statue of limitations not expired. Oregon Representative John Williamson received a ten-month prison sentence for his part. Although he and Hermann appealed their convictions, they both declined renomination in 1906. The Attorney General finally dropped their cases in 1910.[64]

In 1907, Hitchcock, ailing and worn out, resigned, after serving longer than any previous Interior Secretary. Soon afterward, lumberman Thomas Walker was charged with fifty counts of fraud, but the new Land Commissioner, Richard Ballinger, declared they would not investigate, signaling that the land fraud prosecutions had ended. By the time Ballinger assumed the helm of the Interior Department under Taft, the administration seemed to have lost interest in timber fraud. In 1910, Hammond's attorney J. K. Weatherford noted, "the announced policy of the Government is not to attack any sales made to individuals where the amount purchased is 160 acres or less."[65] Hammond and his associates continued to acquire lands through extra-legal maneuvers, although they grew much more circumspect.

[63] Messing; *Oregonian*, June 29, 1905.
[64] Puter, 227, 452; Messing.
[65] Ibid. Puter, 445-448, 10; Weatherford to W. S. Burnett, Dec. 16, 1910, HLC files, folder 2, OHS.

Since the parcels were relatively small (40-160 acres) and were often soon sold for speculation or absorbed into larger holdings, it is impossible to know precisely how much land Hammond obtained through fraud. Under the Timber and Stone Act, Hammond and other lumbermen alienated nearly 3.8 million acres from Oregon's public domain, far more than in any other state. Nationwide, the General Land Office reported that by 1909, the Timber and Stone Act had "resulted in the sale of over 12,000,000 acres of valuable timberlands, of which fully 10,000,000 were transferred to corporate or individual timberland investors by the entrymen." The sale of these lands brought in $30 million to the government, yet the lands were worth more than $240 million. The report estimated that less than one percent of lands purchased under the Act were cut by those who made the entries.[66]

The land frauds had national and long-term repercussions in motivating significant changes in public policy. By exposing the illegal activity and wild speculation, the land fraud trails produced public support for stronger federal control over the public lands. Both open-access and privatization had failed as land-use policies to provide a solution to the environmental degradation of natural resources. It was now time to try active government regulation.[67]

In 1907, Theodore Roosevelt, in defending his designation of new national forests, fingered the abuses of the lumber barons as a primary factor. He noted, "Without such action it would have been impossible to stop the activity of the land thieves."[68] He further stated:

> As to the forest reserves, their creation has damaged just one class; the managers and owners of great lumber companies, which by illegal, fraudulent or unfair methods, have desires to get possession of the valuable timber of the public domain, to skin the land, and to abandon it when impoverished well nigh to the point of worthlessness.[69]

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[66] B. H. Hibbard, *A History of the Public Land Policies* (Madison: University of Wisconsin Press, 1965), 469. *Report of the Public Lands Commission*, 266; Bureau of Corporations, Part I, xviii
[67] Hidy, Hill, and Nevis, 296.
[68] Quoted in Hidy, Hill, and Nevis, 296.
[69] Letter addressed to 1907 Public Lands Convention, quoted in Puter, 461.

Just as the timber frauds catalyzed the conservation policy of the Roosevelt Administration, it predictably spawned a counter reaction. In Oregon, the Commercial Club of Eugene protested the expansion of the Cascade Forest Reserve. In Congress, the anti-conservation movement was led by none other than Senators Fulton and Carter, the two men Hammond had helped put in office. In 1907, Fulton expressed his distaste for the Bureau of Forestry, stating before Congress:

> While these chiefs of the Bureau of Forestry sit within their marble halls and theorize and dream of waters conserved, forests and streams protected and preserved throughout the ages and ages, the lowly pioneer is climbing the mountain side where he will erect his humble cabin, and within the shadow of the whispering pines and the lofty firs of the western forest engage in the laborious work of carving out for himself and his loved ones a home and a dwelling-place.[70]

Despite his flower rhetoric, Fulton was fully aware that his "lowly pioneer" was far more interested in making a few bucks by signing his name to a piece of paper turning over "the whispering pines and lofty firs" to the lumber companies than hewing a house out of the forest. Not only did the creation of the national forests practically eliminate the kickbacks Fulton had been receiving for assisting in patenting land claims, it also signified the rise of increased government controls over private industry.

In a bizarre concourse of political logic, Fulton and Carter then accused Hitchcock of responsibility for the abuses under the lieu-land provision of the 1897 Act. A few weeks later, Fulton introduced an amendment to the 1907 appropriations bill prohibiting the creation of any more national forests in Oregon, Washington, Idaho, Montana, Colorado, and Wyoming except by an act of Congress. Carter thought this did not go far enough and wanted to insert a provision

[70] Congressional Record, Feb, 18, 190, quoted in Ise, 197; *Timberman*, May 1904:1.

to rescind some of the reserves, but this was dropped and the amendment passed. With the bill sitting on his desk, Roosevelt designated twenty-one new national forests, then signed it.[71]

Despite the backlash, forest conservation was widely accepted, even in the lumber industry. George Cornwall, editor of the *Timberman*, regarded the establishment of the forest reserves as "commendable," as he believed it would help stabilize the industry. Elected in the midst of the land fraud trails, Harry Lane, mayor of Portland, favored the forest reserves, stating:

> I am decidedly in favor of the plan for the Government to have absolute control over the forests of this country. It is not a new idea, by any means, as the wisdom of such a measure had been long recognized in Germany, Sweden and Norway, where the people of the present age are sawing up lumber from trees that were planted by their ancestors one hundred years previously.[72]

The land fraud trials did stem the flood of fraud, and the publicity generated created a base of popular support for repeal of the lieu-land provision in 1905. Theodore Roosevelt credited the land fraud investigations with prompting reform of land laws, and Gifford Pinchot attributed Roosevelt's support of the National Forest system as a response to the land frauds that had consolidated timberlands in the hands of a few lumbermen. For the Progressives, it was just a small step from the prosecution of graft to government regulation. The trials, thus, signaled a tidal shift in government policy away from the disposal of public lands and toward permanent federal control.[73]

Although Hammond and other lumbermen had accumulated great fortunes in timberlands, they soon confronted a number of unintended consequences. The land frauds had created a "timber baron complex" in Oregon so that when, a few years later, lumbermen sought state appropriations for fire protection, the lingering hostility defeated their proposal. The public

[71] Ise, 197-200.
[72] *The Columbia River and Oregon Timberman*, Oct. 1903:1; Puter, 456.
[73] Messing: 63; Puter,463.

felt that since lumber barons had stolen the timber they should have to protect it at their own expense.[74]

But the larger problem that cheap timberlands produced for lumbermen was that it led to intense competition to liquidate their holdings. In reaction to the rampant speculation, states raised taxes on timberlands in order to force cutting. At the same time, the market value of timberland stabilized with the end of land fraud. The result was that taxes and carrying charges exceeded the value of the timber. Lumbermen were now left holding substantial assets on which they either had to pay taxes or liquidate. Most chose the latter, which, in turn, promoted overproduction, the lumber industry's chronic nemesis.[75]

Hammond, drawing upon his capital resources and his long experience in the timber industry going back to New Brunswick, would turn this situation toward his advantage. In the decade from 1895-1905 he had amassed a fifty-year supply of raw materials which would serve as the foundation for his lumber empire. He was now ready to turn his attention to production.

[74] Bureau of Corporations, 96; Rakestraw, 277, 319.
[75] Rakestraw, 276; Vernon Jenson, *Lumber and Labor* (New York: Farrar and Rinehart, Inc., 1945), 24.

Thirteen: A. B. Hammond, Inc.

In 1900 A. B. Hammond joined the corporate revolution. Sort of. All around him and across America, corporations were forming, reforming, absorbing, and consolidating, and Hammond wanted to be at the forefront of the gobbling. In moving from mercantilism to railroads to manufacturing, Hammond was following the trajectory of American business in the Progressive Age.

Hammond was a generation behind the first wave of industrialists that included Andrew Carnegie, Phillip Armour, James J. Hill, and John D. Rockefeller. Thus, he could readily apply the models they had pioneered, such as Rockefeller's use of the trust and holding company. Hammond modified such methods to suit both his personality and the unique conditions of the lumber industry. Hammond dreamed of a vast West Coast lumber empire from the Columbia River to southern California fashioned along the lines of Carnegie Steel, Standard Oil, or Anaconda Copper. This would require substantial capital, changes in organizational structure, a transportation network, manufacturing facilities, a cheap labor supply, easy access to raw materials, and new technologies to increase productivity.

Until the 1870s, America was dominated by small, local, or at most, regional businesses, primarily single-owner enterprises or partnerships, like the Missoula Mercantile. As a store manager, Hammond had personally known his customers, distributors, wholesalers, and even the freighters who slept on the counters. Hammond had chatted with customers as they shopped, and if someone had a complaint or sought a favor, they could walk into his office. Exchange was a social as well as an economic transaction based on credit, and credit was based on a person's character. In agrarian America, customers and suppliers were often one and the same – farmers

or ranchers who both bought goods from and sold their products to the local mercantile. Farmers and ranchers only sold their goods once a year, thus merchants extended credit to their customers throughout the year until they could pay off their debts.

The railroads changed everything, providing the catalyst for a profound transformation from a regional agrarian society to an industrial one. Railroads themselves formed the first national market for industrial products such as steel, cooper, and lumber. The vast national railroad network, in turn, fostered the rise of urbanization and urban markets. Perhaps even more importantly, railroads provided the model for the modern corporation with centralized bureaucracies. As the U.S. economy shifted from mercantilism to industrialism, Hammond followed the trajectory of American business, moving from store keeper to railroad entrepreneur. Managing the Oregon railroads taught Hammond the value of a hierarchical organizational structure based upon separate divisions, much like a military command structure.[1]

Following the panic of 1893, the financially-overextended railroads fell out of favor and investors, casting about for new prospects, hit upon manufacturing industries. At the turn of the century, finance capital joined industrial capital and spawned the corporate revolution with an explosion of new manufacturing enterprises, most of which had originated as proprietor-owned companies. In less than a decade, from 1895 to 1904, America moved from a nation of small-scale entrepreneurs to one of corporate giants.[2]

The corporate revolution divorced ownership from management. Stockholders, rather than company founders, now owned large corporations but had little control over day-to-day

[1] See Robert Wiebe, *The Search for Order 1877–1920* (New York: Hill and Wang, 1967); Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Harvard University Press, 1977); Glen Porter, *The Rise of Big Business: 1860–1920* (Wheeling, Ill.: Harlan Davidson, 1973); and Naomi Lamoreaux, *The Great Merger Movement in American Business: 1895–1904* (Cambridge: Cambridge University Press, 1985).
[2] William G. Roy, *Socializing Capital: The Rise of the Large Industrial Corporation in America* (Princeton: Princeton University Press, 1997), 4, 14.

management. The more stockholders, the more capital a company could raise, but at the same time, the more diffuse the ownership. Stockholders, with a few exceptions, were largely content to let a board of directors hire managers to run their companies, while those actually managing the operations usually had little or no ownership. While this seems normal in today's world, in 1900 most people had grown up under a mercantile system where owners and managers were synonymous. Although firmly ensconced in this older mercantile system, Hammond needed capital to realize his imperial ambitions in the new order.

The lumber industry, however, differed from other industrial enterprises and retained many nineteenth-century characteristics, and thus frustrated Hammond's ambitions. Most lumber companies were founded, owned, managed and operated by a single individual, or sometimes a partnership. By the second generation, some had become family-run corporations. Few, if any, were publicly traded. Even the industry giant Weyerhaeuser was a collection of smaller, family owned -companies rather than a single corporation. At least until 1900.

While Hammond was considering his Oregon prospects, Marcus Daly was accelerating his Montana copper production and desperately needed to secure a supply of mining timbers, as well as cord wood for his Anaconda smelter. Daly had bought sawmills in the Bitterroot Valley in the late 1880s, but was running out of trees and mill capacity. He began eyeing Hammond's Blackfoot Mill, the region's largest, with a production capacity of 125,000 bf per eleven-hour shift.[3]

For fifteen years Hammond had supplied Daly's timber needs, but the bitter fight over the location of the state capital had pitted the former partners against each other, and Daly likely resented his dependence upon Hammond. Combining personal animosity, politics, and business

[3] George B. McLeod (FHS), 9-10.

needs, Daly made a bid for the Big Blackfoot Milling Company in early 1898. Although Hammond wished to unload his Montana properties in order to invest in the more lucrative Pacific Coast timber industry, he knew he could play Daly like a hooked trout.

Hammond set his price at a cool million, including the mill and timberlands containing 500 million bf, three-fourths of which were valuable ponderosa pine. Daly's agent, Mike Donohue, considered this an absurd price and returned to Anaconda. Hammond knew Daly could afford any price he quoted and that the longer he held out the more desirous Daly would become. When Donohue returned in March ready to bargain, Hammond raised the price $50,000. Outraged, Donohue again departed for Anaconda only to revisit the following month. This time Hammond bumped up the price an additional $100,000. Donohue expressed his annoyance in a letter to Daly, stating, "Hammond is a very difficult man to deal with, but I succeeded in getting him to put a price on the business."[4] Hammond, however, was enjoying the game and added another $100,000 to keep Daly at bay while Hammond was on the West Coast. In the summer of 1898, Hammond returned to Missoula and resumed negotiations. In going over the business with his managers, Hammond called an end to the meeting at 2:30 in the morning, finally concluding, "Well, men, let's go to bed. We can afford to keep a business that is paying a long time." Finally, in August, Hammond and Daly settled on a price of $1,479,179, nearly half a million more than the original asking price a few months earlier.[5]

Flush with cash, Hammond assessed his prospects. With his Oregon railroads, Hammond had connected the forests of the Coast Range with a national market. Astoria would make an ideal location from which to base his operations. Not only was it surrounded by the world's most productive forest, Astoria also accessed a national transportation network by both rail and sea.

[4] Donohue to Daly, April 21, 1898, Anaconda Forest Products Company Records, Mss 57, box 1, folder 1, UM.
[5] George B. McLeod (FHS), 9-10.

Indeed, the area enjoyed a long history of overseas lumber exports. Because of its bulk, lumber was expensive to ship, doubling in price just from transportation costs. Therefore, low shipping rates were just as crucial as access to rail lines and sea ports. Because Hammond owned the railroad out of Astoria, he could compete with the Portland mills. Prone to overestimate his influence, Hammond also believed he could secure a low transcontinental rate from C. P. Huntington, president of the Southern Pacific Railroad, whom he considered a close associate. Low transcontinental rates, however, would evade Hammond until 1916 when another railroad magnate, James J. Hill, in his final business act before he died, guaranteed a common point rate for Astoria.[6]

In 1899, following the sale of the Big Blackfoot Milling Company, Hammond began laying plans to build a "mammoth" industrial facility consisting of lumber, paper and pulp mills in Flavel, across the bay from Astoria. The *Pacific Lumber Trade Journal* reported with considerable hyperbole:

> The purpose of the mill seems to be to supply about all the lumber needed in the universe, and in order that no points may be overlooked, a car factory is to be built as a sort of sideline. Then, to fill any spare moments, a gigantic pulp mill will be erected, and finally, in order to prevent any of the hemlock in the forests from going to waste, a tanning factory is to be established.[7]

After spending a week in Astoria trying to interest local capital in the mill, Hammond grew frustrated and cast his gaze southeast toward the Cascades. Thick with old-growth stands of immense Douglas-fir, hemlock, and cedar, the western front of the Cascades could be a lumberman's bonanza if he could only access them. Draining the glacier-draped Cascade Range, the North Santiam River cut a narrow canyon before dropping into the wide Willamette Valley. Dwarfed by the towering mountains, Hammond's Corvallis and Eastern Railroad snaked up the

[6] George McLeod, 13.
[7] *Pacific Lumber Trade Journal*, (October, 1899):18.

river, and although intended to punch through the Cascades, would prove indispensable in accessing the watershed's timber resources.

In May 1899, Hammond purchased three sawmills in desperate need of improvements at the far end of his railroad line. Hammond partnered with William Curtiss, a timberland purchaser, and J. K. Weatherford, a Corvallis attorney, to form the Curtiss Lumber Company. Many in the Santiam Valley, however, doubted the existence of anyone named Curtiss since Hammond was visibly in charge. Following the pattern he had established with the railroads, while financing and actively running the company, Hammond kept his name off official records and set up a dummy board that provided an interlocking directorship of his enterprises. Weatherford, for example, served as the president of the Corvallis and Eastern, as well as vice-president of the Curtiss Lumber Company.[8]

Leaving Astoria for the time being, in the summer of 1899, Hammond proposed building a giant sawmill in Albany, Oregon, to process the timber coming out of the Santiam. Sprawling over sixty-five acres, the proposed mill would cost $250,000 and have a 150,000 bf per day capacity, making it one of the largest in the country. To encourage the plant, Albany offered a subsidy of $12,000.[9]

Unable to secure water rights (presumably for log drives) for his mill in Albany, however, Hammond abandoned the plan. Instead, he began making improvements to the Mill City mill forty miles up the North Santiam River, more than doubling its capacity to 80,000 bf and turning it into the lumbering center of the region. Hammond invested in logging machinery,

[8] HLC files, vol. 27, J. K. Weatherford papers, box 3, OHS; Evangelyn Fleetwood to Jack Blanchard, Sept. 4, 1992, author's file.
[9] *Pacific Lumber Trade Journal*, June 1899: 20; *Columbia River and Oregon Timberman*, Nov. 1899:18.

timberlands, and lumber camps, and was soon sending twenty carloads of logs a day to Mill City, via spurs of the Corvallis and Eastern.[10]

Like hundreds of other western communities, Astoria and Albany realized that mere boosterism was insufficient to attract large-scale development. They thus raised local funds to create subsidies to attract the attention of capitalists like Hammond to invest in their communities. While Albany was trying to entice Hammond to build a mill there, Astoria began to reconsider Hammond's offer. The Astoria Progressive Commercial Association raised a $10,000 subsidy to buy land at Tongue Point for Hammond's proposed mill. The town had already given him the northern part of Tongue Point as part of the railroad subsidy and the combination would total "several hundred acres." Believing that he could bargain from a position of strength, Hammond made an offer to Astoria. He would build a huge sawmill (250,000 bf per day capacity, twice that of the Blackfoot Mill) and use the electricity generated by burning the waste to power a flour mill. He had two conditions, however. First, Hammond wanted Astoria to furnish the site and guarantee that the city would buy at least 500 barrels of flour per year from the mill, thus, giving him exclusive control of the city's flour production and consumption. Second, he insisted that both the flour mill and sawmill stand together. Like Daly, Astoria learned that Hammond drove a hard bargain. In this case, however, Hammond's insistence on a monopoly over a basic food staple yielded too much control to an outsider, and the chamber of commerce refused the deal.[11]

In 1903 Hammond again made front page news when he announced that he would indeed build the giant sawmill, but this time across the bay in Flavel. He bought 2,000 feet of waterfront property, giving him control of the entire west bay. In the interim, Hammond had

[10] *Columbia River and Oregon Timberman*, March, 1900:7, June, 1900:17, Nov. 1903:20.
[11] *Astoria Daily Budget*, May 29, 1901, Oct. 17, 1901.

acquired "immense holdings" of timber in the Nehalem and Necancium watersheds just to the south of Astoria. Again, it appeared as if the town was to be the seat of a great lumber empire.[12]

With large purchases as the key to acquiring timberlands, Hammond needed substantial financial backing. So, the month after Weyerhaeuser's massive purchase in 1900, Hammond formed the Hammond Lumber Company with five other partners, each contributing $600,000. Hammond tapped his railroad partners, C. P. Huntington, Thomas Hubbard, and John Claflin, and brought in Francis Leggett, owner of New York's largest grocery firm, and Marcus Daly. Daly apparently held no ill will against Hammond for repeatedly raising the price of the Blackfoot Mill on him. Indeed, the two men had become "great friends" in the intervening two years. With such a select group, all of whom were actively engaged in other enterprises and happy to leave management of the lumber company to him, Hammond had acquired the capital he needed while retaining the control he desired.[13]

Taking advantage of New Jersey's relaxed restrictions on corporate charters, Hammond incorporated both the Astoria Company and Hammond Lumber Company in that state, even though they were Oregon firms. In doing so, he was following hundreds of others. In 1889 New Jersey, in a quest for incorporation fees, allowed corporations to own stock in other companies, making the state "home of the trusts." This is a bit of a misnomer since the New Jersey law actually led to the replacement of loosely-held trusts, which were a combination of firms, with holding companies, like Hammond's Astoria Company. Legalizing holding companies spawned the Great Merger Movement from 1895 to 1904, when 1,800 firms were absorbed by consolidations. Forty-two of these combinations soon controlled more than seventy percent of

[12] Ibid, Nov. 25, 1903.
[13] George McLeod (FHS), 25.

their respective industries. Similarly, Hammond would spend the next thirty-five years of his life attempting to gain control of the West Coast lumber industry.[14]

Furthermore, in 1896 New Jersey rescinded the "rule of unanimous consent" that held that fundamental corporate changes, such as the sale of assets, required unanimous approval of stockholders. Hammond, along with many other businessmen, sought total control over their companies and would not countenance minority stockholders holding veto powers. Liberal charter laws in New Jersey also allowed a company to be run by a board of directors who did not own stock in the corporation, thus facilitating Hammond's control over his companies. This also permitted the control of other firms through interlocking directorates. By sitting on more than one board, directors could control competition and coordinate financial activities. Three years later, Delaware followed suit in loosening restrictions on corporate charters, setting off a "race to the bottom" and in the process engendering the establishment of the modern corporation. Hammond also avoided many restrictions placed upon corporations by providing stock to his directors, putting the shares in their names, while he retained actual ownership.[15]

After leaving Missoula in 1894, Hammond spent the next four years living out of hotels like the Waldorf-Astoria, shuttling back and forth between New York, Missoula, and Portland. His family remained east during the school year, the children attending The Gunnery, a private boarding school in Connecticut and spending their summers in Oregon and Montana. This was the beginning of an increasing physical separation between Hammond and his children. His sons, Richard and Leonard, preferred to spend their summers in Montana, camping and fishing. Although, he never used it himself, Hammond maintained a camp on the Blackfoot River for his

[14] Roy, *Socializing Capital*, 57; Porter, 74; Lamoreaux, 2.
[15] Ted Nace, *Gangs of America: The Rise of Corporate Power and the Disabling of Democracy* (San Francisco: Berrett-Koehler, 2003), 79-80; Lamoreaux, 2; Roy, 151-155; Hammond to McLeod, Dec. 26, 1905, box 17, folder 1.

sons' use. The girls, too, spent increasing less time with their father. Edwina, the eldest, in particular enjoyed the sunshine and social life of Los Angeles for months on end.[16]

Like many West Coast lumbermen, Hammond soon discovered that without an office in San Francisco, the financial center of the West, he would be at a great disadvantage. With a headquarters in the Bay City, Hammond could quickly assess both domestic and foreign markets, secure sales, have a hand on the financial pulse of the western U.S., and access capital more easily. Instead of settling in Portland where he had recently purchased a fine house, Hammond relocated again, this time moving permanently to San Francisco. In San Francisco, political, social and financial elements were intertwined. Lumbermen, financiers, industrialists, and politicians not only shared office buildings but lived in the same neighborhood. In building a new mansion in Pacific Heights, Hammond soon joined the other lumber barons – the Popes, Talbots, and Hoopers – all within a six block radius. Their offices, too, were all clustered along lower California Street. Hammond, however, moved his office into the newly-constructed Merchants Exchange at 465 Montgomery, a modern fourteen-story office building fashioned after Chicago's new skyscrapers. The ground floor opened into the great hall of the San Francisco Chamber of Commerce, "where captains of industry traded contracts for goods and speculated on future prices." The top seven floors housed the offices of the Southern Pacific. San Francisco's particularly tight geography would aid Hammond in forming a close social, political and financial network.[17]

San Francisco, however, was a multi-day journey from Portland and Missoula. With operations from western Montana to northern California, Hammond was stretching himself thin.

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[16] *Missoula Daily Democrat-Messenger*, Feb. 26, 1898, June 17, 1898; Hammond to McLeod, July 24, 1905, box 16, folder 9; *Los Angeles Times*, Feb. 20, 1904:6.

[17] James Michael Buckley, "Building the Redwood Region: The Redwood Lumber Industry and the Landscape of Northern California, 1850-1929" (Ph.D. diss. University of California, Berkeley, 2000), 523-545. George McLeod (FHS), 32.

His Montana operations were secure in the capable hands of Herb McLeod, but with two railroads, three lumber mills and several more in the works, and with the timber rush in full bore, he desperately needed a faithful lieutenant to oversee his Oregon operations. Just as he had done in Montana, he tapped his loyal New Brunswick clan.

In 1891 twenty-year old George McLeod had arrived in Missoula to join his cousin, Herb McLeod, in working for the Hammond organization. George's first job was at the Blackfoot mill as a janitor and stock boy. When Hammond sold the Blackfoot Mill to Daly, George stayed on as a clerk for the Anaconda Mining Company, but Hammond also employed him to look after accounts during the transition. George soon became disgusted with the new Anaconda manager who was stealing goods from the company store. Taking a substantial pay cut, he returned to Hammond's employ at the Kalispell Mercantile Company. With the formation of the Hammond Lumber Company in 1900, Hammond needed someone trustworthy to oversee his Oregon land acquisitions, and McLeod's honesty and background as a civil engineer recommended him. His marriage to Hammond's niece didn't hurt either. Eventually, he would become president of the Hammond Lumber Company,having the distinction of being its first and last employee. Throughout his career, George McLeod would balance Hammond's stubborn belligerence with a more reasoned approach.[18]

McLeod exemplified the rise of the professional managerial class and the decline of the owner-operator in the lumber industry. Similarly, the Weyerhaeuser Timber Company (also formed in 1900) employed George S. Long as its general manager. Hired in the same month to do the same job for two competing lumber companies, Long and McLeod would follow parallel career paths. Geography, however, provided a territorial separation between the two companies. Long based his operation out of Tacoma, while McLeod directed Hammond's Portland office.

[18] George McLeod (FHS), 20.

Even though he was a pioneer in the corporate development of the lumber industry, by the 1930s, Hammond, as an owner-manager, would be an anomaly.[19]

Historians generally agree that industrialization was one of the most profound developments in American history. But exactly how and why it occurred has spawned endless debate. Business historians, such Alfred DuPont Chandler, Jr., focus on changes in organizational structure, stimulated by technological advances, which increased production. Chandler traces the rise of the modern corporation to the expanding railroad network that connected the source of raw materials with urban markets and the vertical integration of industry, which required hierarchical structures.[20] He contends that big business arose from what he termed the "managerial revolution" as the "the visible hand of management replaced the invisible hand of market forces."[21] Chandler posits that this new organizational structure was more efficient than the older proprietary capitalism and thus allowed companies to grow large and dominate their particular industry.

While "efficiency theory" provides a compelling explanation for the rise of big business, it unfortunately omits some important elements, such as political, social, and environmental factors, which were also essential for the development of corporations.[22] After all, large firms as far back as the Hudson Bay Company relied upon their substantial political and financial power to create a favorable legal environment conducive to corporate growth and consolidation. Legal historian Charles McCurdy points out, "What the NAACP Legal Defense fund accomplished for black Americans under the Fourteenth Amendment in the twentieth century, the legal-defense

[19] Ficken; McLeod.
[20] Chandler, *The Visible Hand*, 2-12.
[21] Ibid., 12.
[22] See Alfred Chandler, Jr. *Strategy and Structure*: *Chapters in the History of the American Industrial Enterprise* (Cambridge, M.I.T. Press, 1962) and William G. Roy, *Socializing Capital*.

war chests" of meatpackers and other large companies accomplished for the corporation.[23] The corporate revolution was, thus, more of a product of deliberate changes in the legal structure than a natural progression based upon efficiency.

Although Chandler insists that technological rather than social or political factors were the major determinant of industrial organization structure, technology was heavily intertwined with both legal and social institutions of power. For example, corporations hired a veritable army of lawyers to gain control of patents, thus creating a monopoly over technological innovations. As historian Christopher Lasch points out, technology itself does not "dictate changes in production." He maintains that "far from revolutionizing society," technological changes "merely reinforce the existing distribution of power and privileges."[24] Viewing technology as a social process created and applied by individual people for their own purposes, presents human agents with a spectrum of choices.

While the lumber industry was quick to embrace technological innovations and increased production, it eluded corporate consolidation. By 1900 less than half of the value of American lumber was produced by corporations, and as late as 1919, only fifteen percent of the nation's lumber companies were owned by corporations. Even in the 1990s lumbering ranked among the least-concentrated of manufacturing industries, with the top fifty companies accounting for less than half of the total value produced. Entering the twenty-first century, ownership of many mills remained independent and family-based.[25] Chandler acknowledges that the textile, printing, furniture, and lumber industries provided exceptions to his model. He refers to these as

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[23] Charles McCurdy, "American law and the Marketing Structure," Journal of Economic History 38, Sept. 1978:649 quoted in Richard R. John, "Elaborations, Revisions, Dissents: Alfred D. Chandler, Jr.'s, *The Visible Hand* after Twenty Years," *Business History Review* 71 (2) Summer 1997: 187.

[24] Ibid. 154; David Noble, *America by Design: Science, Technology, and the Rise of Corporate Capitalism* (New York: Alfred Knopf, 1979), 167, Lasch quote, xi.

[25] Michael Williams, *Americans and Their Forests: A Historical Geography*, (Cambridge, Cambridge University Press, 1989), 5; W. Scott Prudham, *Knock on Wood: Nature as Commodity in Douglas-fir Country* (New York: Routledge, 2005), 91

"peripheral" firms, unable to take advantage of technological advances to achieve consolidation, as distinguished from "center" industries, such as oil, steel, petroleum, and chemicals.[26]

The lumber industry, however, could hardly be considered peripheral to America's industrialization. In 1910 it was the nation's third largest industry, and even as late as 1937, lumber ranked third among manufacturing entities in the number of employees. Well into the twentieth century, lumber was the primary construction material for ships, railroad cars, and of course, houses.[27]

On the other hand, the Hammond Lumber Company did partially follow Chandler's model. Hammond integrated both horizontally and vertically, controlling everything from raw materials to the retail sales of finished products. Eventually, Hammond would own timberlands, lumber mills, sash and door factories, railroads and shipping lines, wholesale and retail outlets, and even assume construction contracts. While technological developments did not necessarily lead to the "managerial revolution" in the lumber industry, the Hammond Lumber Company did meet Chandler's definition of "modern business enterprise" as having "many distinct operating units" and "a hierarchy of salaried executives."[28] Yet these operating units were employed less from technological advances and more from the dictates of nature and geography. Furthermore, Hammond's salaried executives were part of an extended kinship network, suggesting that modern business did not emerge in smooth transition following Chandler's cause and effect model, but rather adopted some modern aspects while retaining older, mercantilistic ones.

Hammond used new technology to increase production; he reorganized his business on the corporate model and employed a managerial hierarchy, yet control of the lumber industry

[26] Richard John, "Elaborations": 180; Alfred D. Chandler, Jr., "The Beginnings of 'Big Business' in American Industry," *Business History Review*, vol. 37. No 1:1-31; Chandler, *Visible Hand*, 52
[27] Buckley, 81; Alfred Van Tassell, *Mechanization in the Lumber Industry*, WPA report no. M-5 (Philadelphia, 1940), xvii.
[28] Chandler, *Visible Hand*, 2.

continued to elude him. Indeed, the industry as a whole resisted concentration, with small, independent firms continuing into the present day. Surely, there must be a more satisfactory explanation for both the rise of corporations in this essential American industry and the persistence of small, independent producers.

The omission of the lumber industry from the historical narrative of American business seems puzzling. Part of the neglect may be geographical. By the turn-of-the-century, the lumber industry, while certainly not peripheral to the economy, largely took place in peripheral regions of the country. As the lumbermen depleted the forests of the Northeast and Midwest, the industry shifted to the hinterlands of the West and South, where both the ecological and economic effects of lumbering were less obvious to those at the center of the nation's social, economic, and political power and could thus be ignored. This is still largely the case today.

Geographer Scott Prudham also suggests that the migratory nature of the lumber industry favored decentralization. Furthermore, unlike other industries, in lumbering both labor and transportation costs went up as production increased. After cutting nearby forests, lumbermen were compelled to travel farther from the mill, building more miles of railroad to access ever diminishing stands of timber. While small mills could move frequently to follow the timber, this mobility sacrificed the labor-saving machinery of larger mills.[29]

Prudham maintains that ecological constraints impeded the development of large-scale economies in the lumber industry. Topography, climate, soils, fire history, vegetative associations, and genetics were all factors in determining what species of trees grew, where they occurred, and how large they got. Prudham also points out that the unique quality of individual logs – each varying by species, diameter, density, and knots – limited mill standardization.[30]

[29] Prudham, *Knock on Wood*, 86-87.
[30] Ibid., 102-103.

Rather than an anomaly, the lumber industry provides a cogent example of the process of industrialization. Unlike those "center" industries in which the acquisition of raw materials (the natural resources upon which industrial existence is predicated) became hidden, the lumber industry was directly dependent upon very visible natural ecosystems that produced the raw materials for production. As long as the lumber industry remained contingent upon a heterogeneous natural resource that was widely dispersed, it would be impossible to establish a monopoly, no matter how hard men like A. B. Hammond tried.

By the dawn of the twentieth century, Hammond had acquired substantial capital from the sale of the Blackfoot Mill as well as from incorporating the Hammond Lumber Company. Both of his Oregon Railroads were operating at a profit. He had begun to purchase lumber mills in Oregon and was now well poised to put all the pieces into place and make the biggest move of his career.

Fourteen: California Dreaming

In late February 1854 the steamship *Santa Clara* edged across a hazardous sand bar into Humboldt Bay in northern California. On board was a thirty-five-year-old ship's carpenter from the Maritime Provinces who had joined thousands of others in the California gold rush. Like many of his fellow argonauts, John Vance found little gold and had fallen back on his former occupation. Building up a head of steam, the *Santa Clara* aimed straight for the small town of Eureka and rammed into the shore. Vance and the crew quickly converted the ship into a power plant and bunkhouse for Humboldt County's first substantial lumber mill.[1]

From Monterey Bay to Puget Sound, enormous trees flanked the Pacific Coast, but sheer cliffs and rocky shorelines discouraged landings. Surrounded by a seemingly endless expanse of the world's tallest trees, Humboldt Bay, the largest harbor between San Francisco and the Columbia River, attracted the attention of lumbermen hoping to supply the booming San Francisco market. With a circular bay to the north and a long extension to the south, Humboldt appeared to be a miniature version of San Francisco Bay and an ideal location to launch a timber industry. But rather than the Marin headlands, only twin sandy spits like crab pinchers protected the harbor from the ocean storms. An even more crucial difference was the entrance. Unlike San Francisco's deep channel, a shifting sand bar across the mouth of Humboldt Bay often proved treacherous. But with lumber prices in San Francisco jumping from $80 to $200 per mbf, it was worth losing a few ships and before long Humboldt's lumber industry was off and running.[2]

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[1] Hyman Palais and Earl Roberts, "The History of the Lumber Industry in Humboldt County," *Pacific Historical Review*, vol. 19, no. 1, Feb. 1950: 1-14; Mengel, "A History of the Samoa Division", 2.
[2] Palias and Roberts.

Two years after landing, John Vance purchased a sawmill at a sheriff's sale and began building his timber fiefdom. Before long, Vance was building more sawmills, acquiring thousands of acres of timberlands, and punching a railroad up the Mad River to access the groves of immense redwoods. By 1881 Vance employed 150 men and was producing more than eleven million bf of lumber annually, accounting for a quarter of all of Humboldt County's production. Humboldt soon dominated California's lumber industry, and Eureka grew to become the largest city on the West Coast between San Francisco and Portland.[3]

With a flowing white beard and pince-nez spectacles perched on a large bulbous nose, Vance personified the nineteenth-century lumber baron. Known as "Uncle John," each year he transported Eureka residents by ferry and railroad to his Big Bonanza Mill on the Mad River for a giant Fourth of July picnic. When Vance died in January 1892, during his second term as mayor of Eureka, the *Humboldt Times* produced a two-page supplement detailing his accomplishments and contributions to the development of the region. Mourners lined the street and packed the Pioneer Hall for his funeral. The paper noted, "In his death the working men of the county have lost a friend who was using all his means on their behalf." The paper described Vance as gruff, eccentric, forceful, and self-reliant, as well as intelligent and "a great reader," all characteristics shared by A. B. Hammond who, while buying Vance's lumber company, would impose on it a vastly different business model.[4]

Like many industrialists of the time, John Vance and other Humboldt's pioneer mill owners developed a paternalistic relationship with their workers. These men were their friends and neighbors and, like themselves, were hard working Anglo-Saxons from New Brunswick, Nova Scotia, and Maine. Owners often operated out of a belief in a reciprocal obligation between

[3] Mengel, 5-15; Lynwood Carranco, *Redwood Lumber Industry* (San Marino: Golden West Books, 1982),145.
[4] *Humboldt Times*, Jan. 27, 1892.

employer and worker. For example, during the 1887 depression, Vance kept on logging so his men would not be out of work. Similarly, Noah Falk, owner of the Elk River Mill, provided a bonus to all his employees after negotiating a major sales contract.[5]

Humboldt mill owners were not always so magnanimous, however. Faced with a severe economic depression in 1877, they all agreed to shut down until lumber prices rose, throwing 300 men out of work. When they resumed operations the following year, the owners cut wages by fifty percent or more. Architectural historian James Buckley suggests that paternalism stemmed from the mill owners' desire for "a steady, reliable workforce and [a] prominent position in local society." Lumbermen also sought to influence their workers politically. Like many businessmen, mill owner William Carson feared the populism of Democrat William Jennings Bryan, and in the 1896 presidential election promised his employees a raise if Republican William McKinley won.[6]

These men – Vance, Carson, Falk, among others – formed the nucleus of Humboldt County's economic, social, and political landscape. As pioneer settlers, they had spent the better part of their lives both in the woods and mills and had succeeded in getting rich off the redwoods. Combined with Humboldt's geographical isolation, this fostered a deep sense of community that often translated into a commitment to the welfare of their employees. Carson, for example, headed up a committee to raise funds to help the unemployed through the depression of 1885.[7]

Humboldt's lumber barons occasionally engaged in fractious trade, but also abided by informal rules of reciprocity. They shared the challenges of new technologies, finances,

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[5] Howard Brent Melendy, "One Hundred Years of the Redwood Lumber Industry 1850-1950," (Ph.D. diss., Stanford, 1952), 20; Jon Humboldt Gates, *Falk's Claim: The Life and Death of a Redwood Lumber Town* (Eureka, Pioneer Graphics, 1983), 38; Carranco, *Redwood Lumber Industry*, 145.
[6] Melendy, "One Hundred Years", 281, 322; Buckley, "Building the Redwood Region",73.
[7] Daniel Cornford, *Workers and Dissent in the Redwood Empire* (Philadelphia: Temple University Press, 1987), 79.

marketing, labor, and transportation. Just as it required a team of men to cut down a redwood, it took men working together to develop an industry, and no one man could dominate. Or so the pioneers believed. There were more than enough trees to go around, and with demand from Australia, South America, Hawaii, and California, the market was booming. While they were often rivals, Humboldt's pioneer lumbermen regarded each other as equals and often formed both business and social relationships. Yet Humboldt's cooperative ventures, social ties, labor relations, workforce composition, and proliferation of small and mid-sized lumber companies owned by local lumbermen would all change radically with the arrival of A. B. Hammond.[8]

While Hammond had also maintained a paternalistic relationship with his employees in Montana, his entry into the redwood industry in 1900 represented an entirely new way of doing business spawned by the corporate revolution. An analysis of the lumber industry suggests that American business did not universally embrace the move toward the corporate structure, nor was this a smooth transition, but often only occurred with the death of the original owner. Historian Martin Sklar refers to this transition as the "corporate reconstruction of American capitalism." He notes that this was "a historical event that requires explanation and interpretation," rather than a "natural process" or the "outcome of economic evolution." Sklar suggests that the rise of corporate America is better understood as a social movement, like populism, unionism, or feminism. Hammond's appearance in Humboldt County and his subsequent conflict with rival lumberman William Carson illustrates Sklar's contention.[9]

As an example of old-school proprietary capitalism, Carson even looked the part of the paternalistic mill owner. Over six feet tall, stately, with a well-trimmed beard and lacking a

[8] For specific examples see Mengel, "A History of the Samoa Division",16-26.
[9] Buckley, 91; Martin J. Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916* (Cambridge, Cambridge University Press, 1988),13.

moustache, he appeared as a "venerable and august patriarch drawn from Biblical scenes."[10] Carson, like Vance and Hammond, had emigrated from New Brunswick and then headed for the California gold fields. In 1852 Carson worked for Ryan and Duff as a logging contractor. Two years later, Carson bought a small mill in Eureka, and in 1863 formed a partnership with John Dolbeer. Eight years later, Dolbeer and Carson were tied with Vance as the second largest lumber producers in Humboldt County.[11]

In 1885 Carson built himself a lavish Victorian mansion on a bluff overlooking his Eureka mill and waterfront operations. At 16,000 square feet, the house sported an imposing tower and lavish trim. The Gothic fusion of Queen Anne and Italian Baroque styles made it one California's most distinctive buildings. James Buckley notes that the Carson mansion "calls up the image of a feudal manor house that marks the center of power on a medieval estate." This reinforces his contention that paternalistic mill owners "often constructed architectural landmarks that they hoped would announce their benevolence to the whole town and remind workers of their obligation to the lumber company."[12]

Carson solidified his reputation among his workers in 1890 when he cut his mill's working day from twelve to ten hours with no reduction in pay. Vance and Evans quickly followed suit. Nearly a thousand surprised workers accompanied a band to their bosses' mansions and gave them a rousing reception. Although unexpected and regarded by the press and most workers as supremely magnanimous, this action actually followed several years of union efforts to shorten the work day.[13]

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[10] Benjamin Sacks, *The Carson Mansion and Ingomar Theater* (Fresno Valley Publishers, 1979), 18.
[11] Palais and Roberts; H. Brett Melendy, "Two Men and a Mill: John Dolbeer, William Carson, and the Redwood Lumber Industry in California," *California Historical Society Quarterly*, vol. 38, no. 1 (March, 1959), 61-71.
[12] Sacks, 18. Buckley, 137, 127.
[13] Melendy, "Two Men and a Mill"; Mengel, 19; Cornford 101-102.

In his labor history of Humboldt County, Daniel Cornford attributes the mill owners' enactment of a ten-hour day to several factors, none of which was entirely benevolent. Employers and supervisors themselves wanted to work fewer hours, and the economic rebound in the lumber market provided an opportunity. Furthermore, the ten-hour day had already come into standard practice in the Great Lakes and Pacific Northwest, and the Humboldt mill owners likely regarded the move as means of defusing impending labor agitation. Cornford argues that paternalism, while alleviating social conflict, did not necessarily equal subservience on the part of labor. Once they had achieved a ten-hour day, nothing would induce mill workers to give it up.[14]

Carson, however, appeared to be genuinely altruistic, often donating to many causes and individuals. Not only did he provide Christmas bonuses, Carson and his wife hand-delivered Christmas turkeys to employees, driving their buckboard from house to house. Perhaps more meaningful, Carson also paid half to full wages to those employees incapacitated by injury or illness. In tacit recognition of Labor Day, on May 1, 1899, Carson raised wages across the board by $5 per month. Dolbeer and Carson adopted the nine-hour day, but then a boom in lumber prompted longer hours. Walking through the lumber yard, Carson noticed a group of men gathered around the bulletin board unhappily discussing the notice that read "Effective July 1, the mill will resume a ten hour day." Carson reportedly "took a blue lumber crayon out of his pocket and in big letters, he wrote 'eight hours straight time, two hours over time.'" And in his final gesture, Carson provided for thirty-three of his long-time employees in his will.[15]

Although far less philanthropic than Carson and notoriously tight-fisted, Hammond, during his years in Missoula, had also hosted community picnics, given Christmas bonuses to his

[14] Cornford, 108-112

[15]Ibid; Melendy, "One Hundred Years", 322. The original Labor Day as recognized by organized labor was on May 1. Transcript of speech by Wallace Martin, Nov. 28, 1961, Humboldt County Historical Society.

employees, and provided them with credit and loans. Even after relocating to the West Coast, Hammond regarded Missoula as his hometown and continued to support both the community and MMC employees. Indeed, he was often goaded by Herb McLeod into making contributions to the YMCA and other charities, including the rather uncharacteristic contribution of $1,000 toward the publication of a book on the butterflies of Montana. Also at the proposition of McLeod, Hammond permitted an employee profit-sharing plan for the Merc whereby long-time employees could purchase company stock.[16]

Occasionally, Hammond received a letter from someone in need, and he usually agreed to help. In granting a job to a young man as a favor to his parents, Hammond let Herb McLeod know, however, that, "He must be given to understand that we are not running a benevolent institution in Missoula, but that you expect him to earn every dollar he receives and, unless he can do so, that you have no use for him."[17] Hammond was considerably more sympathetic toward an old man laid up with rheumatism, unable to make a living, and living all alone in a shack in the mountains west of Missoula. Upon receiving a news of the fellow's plight, Hammond responded by telling McLeod to issue provisions for the old miner and to charge Hammond's account. All of these actions stood in sharp contrast to his operations on the West Coast.[18]

Hammond and Carson show how the business models employed by industrialists informed the relationship they had with their host communities. Carson represented the old way of doing business, owning and operating his company and building it from within by his own reinvestments. Although Hammond had started out in such a manner with the Blackfoot Mill, he

[16] McLeod to Hammond, April 7, 1906, box 17, folder 3, McLeod to Hammond, May 3, 1907, box 17 folder 4; Hammond to McLeod, Aug. 25, 1909, box 18, folder 2.
[17] Hammond to McLeod, Oct. 7, 1905, box 17, folder 1.
[18] Hammond to McLeod, April, 12, 1907, box 17, folder 4.

had transitioned into the corporate structure. While he maintained control over the company he owned, Hammond's capital came from his stockholders. The difference was profound. The corporate structure was a new way of organizing business and ultimately society. Business historians credit the corporate model's success to greater efficiency, but is this a sufficient explanation? Was proprietary capitalism outmoded and unable to compete, and the corporation a more advanced, more efficient model? Was consolidation a result of technology, organization, and production, or were other factors at work?[19]

The redwood industry during the first half of the twentieth century provides a continuum of business models all operating successfully and simultaneously. At one end was William Carson's proprietary capitalism. At the other was Hammond's arch rival, the Pacific Lumber Company, which typified the corporate model of multiple stockholders divorced from immediate management. Hammond, who owned and managed his organization through kinship ties but also tapped Eastern capital, embodied an intermediate approach. With all three methods in full production, which would prevail remained undetermined. As this three-way race for primacy illustrates, access to power and wealth, social conditions, geography, and legal structures – and even personality – all factored into both industry consolidation and resistance to corporate concentration.

Lacking a railroad connection, Humboldt County's only link to the rest of the country was by sea. Its isolation helped maintain a system of proprietary capitalism. However, the extraordinary profits emanating from the redwood country could not escape detection. With the depletion of white pine in the Northeast and Midwest, redwood was becoming the world's most

[19] See Chandler, *The Visible Hand*, Porter, *The Rise of Big Business: 1860-1920*, and Maury Klein, *The Genesis of Industrial America*, 1870-1920 (New York: Cambridge University Press, 2007).

valuable lumber. Resistance to rot, fire, and insects made redwood the premier choice for railroad ties and construction lumber and was in demand throughout the world, especially in the tropics, as nations embarked upon the industrial enterprise. Furthermore, a single 2,000 year-old redwood could produce as much lumber as an entire stand of white pine.

Hammond was not the first to attempt a takeover of the redwood industry. As early as the 1880s, the redwoods had attracted the attention of a Scottish syndicate, resulting in the infamous California Redwood Company. In much the same manner as in the Oregon land frauds that followed, David Evans and several others hired dummy entrymen to file claims under the Timber and Stone Act. With Eureka residents wary of such tactics, agents of the California Redwood Company took sailors from boarding houses to the courthouse where the sailors proclaimed their intention to become U.S. citizens. They then proceeded to the land office and filled out previously-prepared location papers. At a nearby saloon, the sailors received $50 for each claim transferred to the California Redwood Company and returned to their ships.[20]

The flood of patents emanating from the Eureka Land Office raised suspicions in Washington D. C. The first special agent sent in was bought off, but the second refused a $5,000 bribe and continued his inquiry. He ultimately determined that nearly 100,000 acres had been fraudulently entered. The investigation led to an indictment against David Evans in 1884. Drawing upon his political influence, Evans managed to have the charges dismissed and went on to become Eureka's mayor thirteen years later. Upon reviewing the entries, Land Commissioner William Sparks cancelled nearly 200 patents. Still, the California Redwood Company walked away with 57,000 acres containing $11 million in timber. Daniel Cornford attributes the

[20] Puter, 18; Palias and Roberts; Cornford, 65; *Land Office Report, 1886*,95.

animosity stemming from the land frauds as sowing the seeds of dissent, eventually leading to Humboldt Country's embrace of populism and labor movements.[21]

Like most of rural America in the 1890s, Humboldt proudly espoused the ideology of a democratic republic of independent farmers, artisans, and small-scale entrepreneurs and feared the rise of "monopolies." In 1890 the *Humboldt Times* warned of Eastern capitalists cruising the Coast looking for timberlands. The paper clearly favored locally-owned businesses, stating, "The large land captures by syndicates of foreigners for future sale of lumber markets are not nearly so desirable to the State as more modest ventures." Desirable or not, Hammond's purchase of the Vance Lumber Company marked a new era and conflict would be inevitable.[22]

Five months after forming the Hammond Lumber Company in 1900, A. B. made headlines up and down the West Coast when he outmaneuvered Charles. A. Smith and acquired the John Vance Mill and Lumber Co. for $1 million. Not only was Smith taken aback, as he believed he was the only lumberman with sufficient capital for such a purchase, the *Arcata Union* also expressed surprise as to what this foretold. Indeed, within a week, a letter to a local newspaper presciently declared that "this is but the beginning of the end" as "lumber lords and barons" consolidated their power. The lumber industry trade journal, *The Timberman*, noted Hammond's connection with the Southern Pacific and speculated that the Vance sale would lead to an extension of Hammond's Astoria and Columbia down the coast to California and eventually connect with the SP coming north from San Francisco, a not unwarranted claim given the close ties between the railroad, Hammond, and the timber industry.[23]

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[21] *Land Office Report*, 1888, 55; *Land Office Report, 1886*,43; Dunham, 264-266; Melendy, "One Hundred Years', 85-95; Cornford, 65-66.
[22] Cornford, 29-31. Quote from *Humboldt Times*, July 29, 1890:2.
[23] Puter, 300; *Arcata Union*, Sept. 1, 1900. Quote from *Blue Lake Advocate*, Sept., 8, 1900, Susan Baker Fountain papers 47:45; *Columbia River and Oregon Timberman*, Sept. 1900:5.

Hammond began buying as much prime redwood timberland as possible, most of it coming from the fraudulent acquisitions of the California Redwood Company. Having transferred their timber assets to the American Lumber Company to avoid government prosecution, the investors were willing sellers. Although fully aware of the ill-gotten lands, Hammond knew he would be immune from prosecution as an "innocent purchaser." The month after the Vance purchase, Hammond paid the American Lumber Company $400,000 for 12,760 acres. Wishing to avoid the problems of Oregon, in November, 1900, Hammond began placing ads in the local newspaper announcing that the Vance Redwood Company was buying timberland but "title must be clear."[24]

Then in May 1902, Hammond, in combination with the Merrill and Ring Lumber Company of Michigan, bought 36,314 acres of timberlands on Prairie and Redwood creeks for $600,000, also from the American Lumber Company. Containing 2.5 billion bf of timber, this was the second largest purchase of timberland thus far on the West Coast, exceeded only by Weyerhaeuser's deal with Northern Pacific. In 1908 Merrill and Ring sold their half interest to Hill-Davis, a Weyerhaeuser concern, for $800,000, making Hammond and Weyerhaeuser joint owners of the world's most valuable timber. Ironically, these lands, once part of the public domain and fraudulently obtained for $2.50 per acre, and bought by Hammond for $16.50 per acre, would eventually be reacquired by the American people as parklands from more than $400 per acre, 16,000 percent above the original price. (These redwoods along Prairie and Redwood Creeks would become the site of the longest and costliest conflict over trees in the nation's history, ultimately resulting in the creation of Redwood National Park in 1968.) In just two years, Hammond had become one of the largest owners of redwood timberland in the world with

[24] Melendy, "One Hundred Years", 90-95; *Humboldt Times*, Nov. 1, 1900,6. The Trinidad tract included 2936 acres of cutover land comprising the Trinidad town site.

outright ownership of 30,000 acres and partial interest in another 40,000. By 1911, the Hammond Lumber Company owned 94,000 acres of redwoods and had attracted the attention of the Bureau of Corporations.[25]

Created in 1902 by Theodore Roosevelt, the Bureau of Corporations was the investigative arm of the Department of Commerce and Labor. Historian Gabriel Kolko characterizes the establishment of the Bureau as a conservative move to head off more radical proposals to prohibit corporations from using discriminatory rates in interstate commerce. Kolko argues that the purpose of the Bureau was "not to enforce the anti-trust laws" but to gather information. This information was not to be used for prosecution, but for possible legislation and was released only at the discretion of the president. Kolko charged that James R. Garfield, the first commissioner of corporations, "moved to make the organization a shield behind which business might seek protection."[26] Indeed, upon investigating U.S. Steel, Standard Oil, International Harvester, and the meat packing and lumber industries, the Bureau's primary conclusion was the "absurdity of the [Sherman] antitrust act." Instead, the Bureau called for a national incorporation law supported by business leaders that would head off more drastic proposals for the nationalization of industries.[27]

In undertaking a detailed analysis of the lumber industry's timberland concentration in 1912, the Bureau's chief worry was that such concentration would allow a few companies to set prices and control the industry. Even lumbermen believed that if they could own the timber and hold it until other areas were exhausted, they would be able to get whatever price they wanted.

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[25]Lowell Mengel II, "A. B. Hammond Builds a Vast Timber Empire," *Humboldt Historian*, Nov-Dec., 1985; *Los Angeles Times*, May 21, 1902:3. Since the value of redwoods was recognized so early, nearly every grove ended up in private hands, and neither the railroads nor the government owned much in the way of redwoods, unlike the rest of the Pacific Northwest.

[26] Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (London: The Free Press of Glencoe, 1963), 71-75.

[27] Ibid., 131-133.

In a 1905 speech before the Pacific Coast Lumber Manufactures' Association, W. I. Ewart admitted as much. He stated, "the manufacture of lumber in itself has never paid a very large profit; the fortunes which have been amassed by the lumber manufacture have almost invariably resulted from enhanced values on reserved timberland holdings."[28]

Concerned that concentration of land ownership would lead to "serious and lasting effects upon the economic, social, and political life of the country," the Bureau noted that nowhere was ownership so concentrated as in the redwoods where ninety-three percent of the timber was held by the largest corporations with the top six owning forty percent of the land.[29] While the lumber industry as a whole was notoriously decentralized, the redwood industry did indeed become dominated by large corporations, in large part due to the timberland concentration. What the Bureau failed to realize, however, was that large, heavily capitalized firms required extensive tracts of land to guarantee a long-term return on their investment. Timberland concentration was more of a consequence of the emergence of corporate capitalism than of individual greed.

Especially offensive to the Progressive reformers at the Bureau was the discovery that people were profiting by pure speculation "without rendering any corresponding public service." The report noted, "That great profits should be made by artificially withholding a commodity from use is economically wrong; but such a withholding of the timber, for the very purpose of raising prices and increasing their own gains, is precisely the policy that the great timber owners are proposing."[30] Yet for the lumbermen and the land itself, overproduction was the great evil to be avoided. The Bureau thus contradicted another branch of the federal government, as Gifford Pinchot's Forest Service had promoted the creation of more National Forests in part to take timberland out of production to reduce the glut on the market.

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[28] Bureau of Corporations, *The Lumber Industry* (Washington: GPO, 1913), part I, xxi, quote p. 38.
[29] Bureau of Corporations, *The Lumber Industry*, part II, 109, quote p. 155.
[30] Ibid, part 1,39.

For most of its history, overproduction plagued the lumber industry. Unlike petroleum, copper, or iron ore, timber was widely available and easily accessible to nearly anyone. Furthermore, it required relatively little capital to set up a sawmill, thus small producers could supply local or regional needs competitively, and with little invested, they could shut down during a slow market. In describing nineteenth-century mills in Oregon and Washington, Norman Clark writes, "There were hundreds of mill owners around the two states to whom even simple bookkeeping was an esoteric art. Their manufacturing plants were simply a series of rusty saws in leaky shacks, powered by belts from steam engines, locked in a dreary rhythm of overproduction and close-down"[31]

New technologies, however, simultaneously permitted increased production and required greater capital investment. In shifting from proprietary to corporate ownership, the new, larger firms issued bonds to raise capital to purchase the latest machinery in order to increase production. The companies now had fixed costs they needed to meet. As Andrew Carnegie pointed out, it was better to lose one dollar by running at full production than to lose two by shutting down and defaulting on payments.[32]

While Hammond engaged in land speculation, he was also investing heavily in lumber production. Although well aware of the dangers of overproduction, Hammond thought he could out-produce his competitors to gain control of the redwood industry. In 1902 he spent $200,000 installing new machinery and increasing his Samoa mill's capacity from 25 to 80 million bf per year. This, however, would require shutting down the mill for six weeks.[33]

Traditionally, West Coast lumbermen closed their mills for repairs in the fall and ceased logging during the rainy winter months. Hammond instituted a new approach. Just as he had

[31] Norman Clark, *Milltown: A Social History of Everett, Washington*: (University of Washington Press, 1970), 69.
[32] Sklar, *Corporate Reconstruction*, 58.
[33] *Humboldt Times*, March 20, 1902.

done in Montana, he took orders regardless of his supply, ramping up production or contracting out if necessary. He ran his mills day and night and logged continuously through the year to insure a steady stream of lumber. To avoid a shutdown for the Samoa upgrade, Hammond leased the Bayside Mill in Eureka and used his Samoa mill workers to run the night shift.[34]

Hammond's production practices caught other mill owners by surprise. Their pause in production for repairs and winter weather cost them dearly, discovering they had no new orders waiting for them as Hammond had captured their business. Although the Samoa mill was "running full blast" through the winter, Falk's Elk River Mill closed until the weather improved. Its manager, Irwin Harpster, noted that with the "lumber market in such an unpromising condition . . . We do not feel that it would be prudent to begin manufacturing lumber until we have orders to begin."[35] When the Elk River mill finally started back up in mid-April, Harpster worried that Hammond's continuous production would lead the other mills to do the same, leaving industry "in a demoralized condition" as a result of overproduction.[36] Indeed, by 1905 the Vance Redwood Company had 18 million bf of lumber on hand in its Samoa yard.[37]

Hammond's year-round logging operation also took its toll on his workers and did little to ease rising labor tensions. The spring rains made the hillsides so slippery that the logs hit the landings out of control, creating even more dangerous working conditions. Moreover, the continuous rain kept the men in poor sprits. Nor did the millworkers have it any easier. In stark contrast to Carson's blue crayon, Hammond worked his men twelve to thirteen hours a day for

[34] Ibid.
[35] Harpster to Hanify March, 22, 1904, March, 12, 1904, letterbooks 21:76.
[36] Harpster to Hanify, May, 12, 1904, 21:190.
[37] *Columbia River and Oregon Timberman*, February 1905:40.

over a month. Finally, recalling their right to a ten hour day, the men simply stopped working after ten hours, citing exhaustion and illness.[38]

Following the upgrade in 1903, Hammond had a fully modern and mechanized mill at Samoa. Equipped with two double band saws, the mill cranked out 250,000 bf per day, the largest output in the county, and employed 875 men. With a mechanized system of rollers, chains and sixteen gang trimming saws, the wood was not even handled by humans until it was spit out on the sorting tables where it was graded for shipment. The dozen drying kilns could handle 100,000 bf per day, while the expanded docks at Samoa provided for the loading of eight ships at a time. Sixteen steam boilers fueled by sawdust and wood waste powered a 750-horsepower engine to drive the machinery while an electric plant furnished lighting. Hammond estimated the improvements would allow him to produce 100,000,000 bf annually.[39]

As he began to integrate vertically from raw materials to finished product, in late 1900 Hammond built a sash and door factory next to the Samoa mill that produced a thousand redwood doors per day. When the door factory burned down two years later, George Fenwick, the general manager and Hammond's brother-in-law, announced they would rebuild and double the capacity, making it the largest on the West Coast.[40]

Following the machinery upgrade, the Samoa mill made an unprecedented run of eighteen months of continuous operations. Finally in December 1903, Hammond had to close the mill for maintenance and repairs and lay off the mill employees for the next month. He took this opportunity to update equipment and double his lumber output capacity. While new technologies increased mill capacity, they also raised fixed production costs, which in turn demanded more trees. Thus Hammond needed to expand his logging operations by opening new

[38] *Humboldt Times*, April, 13, 1902, July 15, 1902.
[39] Ibid, April 18, 1902, Oct. 28, 1903:3; Hammond to Thomas Hubbard, July 7, 1903, HEH 5520, box 97.
[40] *Columbia River and Oregon Timberman*, Nov, 1900:3, Oct, 1902:15.

camps and punching logging railroads farther into the timber, decreasing the ultimate source of his wealth, the trees themselves.[41]

At the same time that he was ramping up production, Hammond plotted to take over the redwood industry. In June 1901, Hammond and Hugh Bellas, an international lumber tycoon, announced the formation of a combination that would consolidate and control the entire redwood industry. Capitalized between $15-20 million, the combination would own a total of 1,145,000 acres of redwoods in Humboldt, Mendocino and Del Norte Counties. Even before the plans were finalized, Hammond boasted that he "practically controls the lumber business of California . . . and will also acquire all new companies that may be started."[42]

Hammond ushered in a new era in the redwood industry, instigating a rash of acquisitions by outside capitalists. Sensing profits, in 1901 the Santa Fe Railway became "very anxious" to invest in the redwood industry and Hammond proposed a giant railroad/lumber combination between the Hammond Lumber Company and either the Santa Fe or the Southern Pacific. In his negotiations with both companies, Hammond's proposition included buying up vast acreage of the timberlands in Humboldt County, along with all the area's railroads and connecting these with the main lines to the south.[43]

Hammond's primary competitor in the redwood industry was the Pacific Lumber Company. After a fire destroyed Pacific's mill in Scotia, in 1895 the company rebuilt, constructing the world's largest redwood mill, only to have it be surpassed by Hammond's upgraded Samoa mill. Originally formed in 1869, by the 1890s numerous scattered investors held Pacific's stock. By 1900 Charles Nelson, who already owned stock in four other Humboldt mills, and Detroit lumberman Simon Jones Murphy, had purchased the majority stock. With

[41] *Humboldt Times*, Dec. 25, 1903, May 12, 1902.
[42] *Pacific Lumber Trade Journal*, June, 1901:30, July, 1901:22.
[43] Hammond to Huntington, Feb. 3, 1901, HEH 2391, box 43.

management divorced from ownership, Pacific Lumber epitomized the corporate lumber company even more so than Hammond's enterprises.[44]

With partial financing from E. H. Harriman, president of the Southern Pacific, Hammond attempted an industry coup d'état and dispatched his secretary William Gosslin to buy up the stock of Pacific Lumber. By November, Hammond had acquired forty-one percent, enough to install himself and Gosslin as directors of Pacific Lumber, but falling short of the majority interest, a fact that would soon prove critical.[45]

Hammond's negotiations with the Santa Fe proved fruitless, however, and the railroad instead opted to buy the majority stock in Pacific Lumber that Gosslin had failed to acquire. Gosslin soon began acting "rather strangely" and suspecting treachery, Hammond accepted his resignation. Backed by the Santa Fe, agents of Pacific Lumber began buying up timberlands and railroads in the southern end of Humboldt County. Turning back toward Harriman, Hammond implored the railroad executive to move quickly to take control of the redwood industry. Harriman, however, refused to have anything to do with his major competitor, the Santa Fe.[46]

Realizing that he was unable to acquire the majority interest to assume total control of Pacific Lumber, Hammond threw in with Harriman. In January 1903, Hammond sold his stock to the Santa Fe Railway for $250,000, making a tidy profit, but would spend the next three decades regretting this decision. Harriman continued to dither over the creation of a new company. Growing frustrated, Hammond noted, "his delay has enabled our competitor to

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[44] Melendy, "One Hundred Years," 183-195. Ironically, in the wake of the hostile takeover of Pacific Lumber by Charles Hurwitz in the 1990s, the lumber company (and environmentalists) employed the rhetoric of Pacific Lumber as being the "last family-owned" lumber company, indicating the popular affinity Americans still feel toward proprietary capitalism, but failing to appreciate that Pacific Lumber was a family-owned company in much the same way that the Ford Motor Company is "family-owned."

[45] Melendy, "One Hundred Years," 185; Mengel, "History of the Samoa Division", 46-49; Hammond to Huntington, Feb. 14, 1903, HEH 5511, box 97; Hammond to Huntington, Sept. 3, 1903, HEH 2436, box 44.

[46] Hammond to Huntington, Nov. 13, 1902, Sept. 3, 1903, box 44.

accomplish what we had expected to do." Giving up on Harriman, and despite the advancing prices, Hammond resumed his timberland buying spree.[47]

Abandoning his effort to form a giant combination, Hammond attempted another tactic – colluding with Pacific Lumber in attempting to control the redwood industry. Later in 1903, the *Los Angeles Times* began attacking the "Redwood Lumber Trust" for pushing prices "25% higher than what they should be." The *Humboldt Times* responded by defending redwood producers as having to charge higher prices to overcome past depression and high labor costs. The *Humboldt Times* noted that "For nearly 10 years our mills have been running without a profit" because of cutthroat competition and "the Democrats."[48] The political jab notwithstanding, "cutthroat competition" was precisely what the industry sought to overcome, but whether this would be through trusts, giant corporations, trade associations, or government regulation remained an open question.

Here, then, in a nutshell was the nation's foremost political and economic debate from the late nineteenth to the early twentieth century – the corporation (or trust) question. Would America continue to be the land of independent proprietors engaged in an open market and thus upholding the democratic tradition, or was property and the market to be reorganized along the lines of the unfolding corporate model? Even the Supreme Court was sharply divided on the issue, seesawing back and forth for more than twenty years in a series of decisions regarding the Sherman Anti-trust Act.[49]

While Hammond was busy trying to take over Pacific Lumber, others were also looking to consolidate the redwood industry. In 1903 Henry Jackson and Charles Nelson, a steamship

[47] *Humboldt Standard*, Jan. 10, 1903; Hammond to Huntington, Feb. 14, 1903, HEH 5511, box 97.
[48] *Humboldt Times*, April, 11, 1903:3.
[49] Sklar, *The Corporate Reconstruction of American Capitalism*, 167.

magnate interested in guaranteeing cargos for his ships, formed the Northern Redwood Company, buying the Korbel and Riverside mills. Northern Redwood instantly became Humboldt's third largest producer behind Pacific Lumber and Hammond's Vance Redwood Company.[50] Hammond quickly lined up the top redwood producers in a cooperative venture to control redwood prices and production.

With both the Northern Redwood and Pacific on board, the next largest firm in Humboldt was Dolbeer and Carson, and Hammond invited the venerable William Carson in on his project. On the first meeting between the two lumber barons, Hammond attempted to beguile Carson with his accomplishments and "sharp business dealings." To demonstrate his business connections and assert his place among America's elite, Hammond presented Carson with a favorable letter he had once received from C. P. Huntington. Repelled by Hammond's egotistical and pushy manner and appalled with collaborating with someone he viewed as unscrupulous, the pious Carson declined Hammond's offer to become one of the "big four" of redwood producers. By using such terminology and Huntington's letter, Hammond clearly wished to convey that he was the lumber equivalent to the railroad tycoon.[51]

Furthermore, Carson favored proprietary capitalism and was suspicious of Hammond's new corporate approach. But like Hammond, Carson did not wish to subsume control of his own company to that of another. Carson's refusal marked the beginning of a deteriorating relationship that put the two men at "swords points" for the rest of their lives. John R. Hanify, the San Francisco partner of the Elk River Mill, worried that "should a fight begin, it is hard to

[50]Ibid., 56; Palais and Roberts.
[51] William Carson to William Mugan, May 13, 1905, vol. 23: 341, July, 8, 1910: vol. 26:121, Feb. 28, 1908, vol. 25:223, Dolbeer and Carson records, letterbooks, Bancroft Library.

say where it will end."[52] Hanify had good reason to be worried, as the smaller Elk River Mill could easily be crushed in a battle between the giant lumber barons.

While Carson had no desire to join Hammond, he was by no means opposed to cooperative agreements among lumber companies. Realizing that "cutthroat competition" threatened their profits, as early as 1854 Humboldt mill owners had banded together to regulate prices and production. Trade associations attempted to infuse stability and order into wildly fluctuating markets. But as membership was voluntary, these waxed and waned with chaotic market conditions throughout the next fifty years. Attempts to extend these trade associations industry-wide repeatedly failed. Sooner or later one or more of the producers would bolt, undersell the others, and the agreements would crumple. By 1880 the Redwood Manufactures Association had brought some degree of control to the industry with dealers in San Francisco working in conjunction with mill owners in Humboldt and Mendocino counties, but then it collapsed by the end of the decade. The 1890s saw yet another attempt, but the two regions produced different types of lumber and failed to agree on standard grades.[53]

After years of depressed prices and overproduction, the incentive for cooperation vanished and mills engaged in unrestricted competition when the wholesale price of lumber increased and demand soon exceeded supply. But perhaps because of the isolation and close bonds of the Humboldt lumbermen, Carson and others kept the Humboldt Lumber Manufactures Association (HLMA) viable as it negotiated export sales and allocated quotas to each producer.

While competition could ruin smaller operators, associations enabled them to stay in business. But as Hammond would demonstrate, the trade associations could also be manipulated by the large corporations to eliminate competition. Both Carson and Hammond recognized the

[52] Hanify to Hapster, Jan. 10, 1905, Elk River records letterbooks, vol. 22: 475, Bancroft Library.
[53] Cox, *Mills and Markets*, 273-277; Melendy, "One Hundred Years", 289; William Robbins, *Lumberjacks and Legislators* (Texas A&M University Press, 1982), 7.

perils of unrestrained competition, but they employed two very different strategies based on two different ideologies. Carson sought cooperation by independent producers though the Association, while Hammond saw corporate control of the industry as the solution. Stymied for the time being on outright ownership, Hammond attempted another tack to gain control of the redwood industry through the HLMA, applying both the force of his personality and economic might.[54]

Carson was well aware of Hammond's intentions, noting that "his object is to run business on the Bay" and he feared that "if Hammond should join the Assoc, he will be a difficult man to control."[55] Carson believed Hammond was manipulating the association to increase his "former small quota" to one-third of HLMA orders and using it to hold up the price of export lumber just for his benefit. Carson also noted that the Association allowed Hammond to ship foreign lumber on consignment and charged him less than others for port towing fees.[56] Growing increasingly frustrated with these tactics, Carson repeatedly complained that the HLMA "has almost been turned over to Hammond" and threatened to withdraw unless the directors took "steps to bring Hammond in line."[57]

As Humboldt's fourth largest producer, Dolbeer and Carson's withdrawal from the HLMA was no idle threat. Dolbeer and Carson was a large enough producer to operate independently. In 1900 the firm owned 16,000 acres, and their Bay Mill was assessed at $1.3 million. Furthermore, Carson was widely respected in Humboldt County and in the industry in general. Thus he could align his own forces against Hammond's hegemony.[58]

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[54] See William G. Robbins, *Lumberjacks and Legislators.* Sacks, 16; George McLeod (FHS), 39; Melendy, "One Hundred Years", 290.
[55] Carson to William Mugan Jan. 5, 1905 letterbooks vol. 23:125 and March 9, 1905, 23:246.
[56] Carson to Mugan Dec., 17,1904, Dec., 30, 1904, 23:125, Dec., 9, 1905, 24: 98.
[57] Carson to Mugan, Dec. 30, 1904, 23:125, Dec. 17, 1904. 23;125.
[58] Palias and Roberts.

Withdrawal from the Association meant Dolbeer and Carson could negotiate their own export contracts and undercut their competitors. On the other hand, membership provided stable prices and a guaranteed quota of the export market. Carson was committed to both the association and abiding by its ground rules. Hammond, however, faced no such constraints and used the Association to get export contracts and then undermined it by selling below the set price. While this reduced his profit per unit, he made up for it by boosting production, which ultimately increased his business. Since the HLMA lacked any legal standing, all Carson could do was complain that it looked "as if the Hammond people intended to knock all the profits out of our local trade this season."[59] Furthermore, price fixing and combinations such as the HLMA were of dubious legality under the Sherman Anti-trust Act, which was now being furiously debated in the courts and applied on a piecemeal basis by the Roosevelt Administration.[60]

Irwin Harpster of the Elk River Mill also noted the discrepancy that was emerging between producers. He wrote to his partner, Hanify, "It has looked very strange to us for some time that some of the mills should have an abundance of orders and other mills very little business if all were holding for regular prices."[61] Harpster recognized Hammond's de facto control of the HLMA, and that smaller mills like Elk River now needed to negotiate with him for a percentage of the quota.[62]

Small mills like Elk River faced a conundrum. They were hard pressed to produce and deliver on large orders. "The amount we have to furnish staggers us," noted Harpster, preventing the mill from taking on more business. Having to decline orders in turn caused them to lose business and eventually shut down the mill for lack of customers. The quota system provided a

[59] Carson to Mugan, March, 13, 1906, 24:213.
[60] For more on the Sherman Anti-trust Act see Sklar, *The Corporate Reconstruction of American Capitalism.*
[61] Harpster to Hanify, March, 31, 1904, 21:90 letterbooks, Elk River company records.
[62] Harpster to Hanify, March, 11, 1905, 23:123.

solution, whereby large orders, usually from foreign railroads, were divvied up among the mills. In contrast, the size and financial resources of the Vance Redwood Company allowed Hammond to produce continuously, stockpile lumber, build greater mill capacity, or even purchase lumber from other producers if necessary.[63]

As the market began to slow in 1904, Harpster hoped to avoid a collapse in the redwood industry. He noted "considerable uneasiness among the manufactures" and regretted that they had "so little faith in each other." This was precisely the problem with trade associations – they were based entirely upon the good faith of all producers to hold prices steady. As soon as one, especially when it was a major manufacturer, broke ranks, the entire system collapsed. Indeed, anticipating a lull in the market, Hammond sold a considerable amount of lumber at $4 per mbf below the Association's agreed-upon wholesale price. Worried that this would have "a demoralizing effect on the business," Harpster lamented that "unfortunately the innocent have to suffer with the guilty."[64]

Just as Hammond had strategically blocked up timberland to isolate small owners who then had little choice but to sell their timber to him, he used a similar strategy to isolate smaller mill owners to go along with his schemes. Carson, however, proved more difficult. Even into his eighties**,** Carson stubbornly, perhaps heroically, resisted Hammond's attempts to control Humboldt's redwood industry.

In 1908 Carson was able to head off a move by Hammond, Jackson, and Pacific Lumber to move the office of HLMA to San Francisco. Fearing they would lose what influence they still had, Carson and Noah Falk again threatened to resign, and the "big three" relented. A year later however, the pioneer lumbermen paid for their intransigence when the "big three" cornered the

[63] Harpster to Hanify, Nov. 17, 1904, 22:338.
[64] Harpster to Hanify, Aug. 4, 1904, 22:91, Aug. 16, 1904, 22:112.

export railroad tie business, and denied the other HLMA members their quota. Carson correctly predicted that demand would exceed supply and that Hammond would have to contract with Dolbeer and Carson to supply some of their tie orders. Previously, Carson had wryly admitted that receiving such contracts "tends to soften our feeling toward him."[65]

For Carson, Harpster, and other mill owners, overproduction was the great evil to be avoided. But for many lumbermen, the need to meet bonded indebtedness was a major factor in pushing overproduction. Hammond's ramped up production, however, was a means to an end – the elimination of competition. Because of his financial prudence, Hammond rarely became overextended and had little need to issue bonds. Nonetheless, Hammond's large capital investments in new saw mill machinery, railroads, and factories necessitated continuous production. His substantial financial resources allowed him to operate at a thin margin. His ability to undercut prices while continuously producing could eliminate smaller producers, giving him an even greater share of the market.

The HLC began posting profits almost from its inception. While the Missoula Mercantile Company produced fewer profits that Hammond's lumber operations, it had a much higher credit rating in the financial world, which was leery of the volatile lumber industry. Therefore, in times of shortage, Hammond could draw on the Merc and his banks for credit and cash, and often did so to pay off short term loans or buy more timberlands. In 1905 when the average worker earned $400 per year, Hammond's various enterprises posted profits totaling $724,000, just over half coming from the Vance Redwood Company alone. (This would be equivalent to roughly $348 million in today's terms.)[66]

[65] Carson to Mugan, Feb. 28, 1908, 25:223, March, 31, 1908, 25:441, March, 21, 1906, 24:226.
[66]Hammond to C. H. McLeod, Jan. 30, 1906, box 17, folder 2. Comparison of dollar values across 100 years is problematic as there are several different measures of worth. While the consumer price index measures cost of commodities, wages and relative wealth have changed at much greater rate. In this calculation I use the relative

Eventually, Hammond's attempts to control the HLMA unraveled as the "big three" got into a fight over exports to Australia, in large part due to personality conflicts. In 1911 they agreed to fix export prices and limit sales for six months. The following year, James Tyson, president of the Northern Redwood Company, sold 1.5 million bf of lumber below the fixed rate. When Hammond discovered this, he berated Tyson for not holding up his end of the bargain and threatened to withdraw from the Association. Tyson agreed that they had set a price for 1911, but not for 1912, and then accused Hammond of violating the agreement himself. Tyson reminded Hammond that his withdrawal from the Association would benefit no one "except perhaps the consumers in Australia."[67] In turn, Hammond pointed out that Tyson's sale would prevent them from selling at a higher price the next year. Hammond insisted that the Association needed to restrict sales and keep prices high. As a compromise between the two men, the Association agreed to limit sales to 10 million feet at $23.50 per mbf, dividing it among each producer. Although he did not withdraw from the HLMA, Hammond remained angry at the outcome.[68]

What occurred in the HLMA mirrored the debate between proprietors and corporations that dominated the national discourse from 1890 to 1920, the resolution of which historian Martin Sklar calls, "the single most important issue in the nation's politics." He argues that the transition from proprietary to corporate capitalism proceeded through human agency like other social movements with wide "disparities between intentions and consequences."[69] Indeed, the clash between Carson and Hammond shows how trade associations functioned as an arena for power struggles between individuals for personal gain and control over production.

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share of the GDP as a means of comparing net worth or economic power rather than the price of consumer goods, which would yield an equivalent of $41 million. See /www.measuringworth.com/uscompare.

[67] File 307: Hammond to Tyson, May 9, 1912, Tyson to Hammond May 20, 1912, LRRC files.

[68] File 307: Hammond to Tyson, May 23, 1912.

[69] Sklar, *Corporate Reconstrution*, 172, 3.

In his voluminous history of the American lumber industry, Michael Williams writes that corporate ownership, holding companies, mergers, consolidations, and vertical integration succeeded where trade associations failed. However, as the dispute between Carson and Hammond demonstrates, the failure of associations and the success of industry consolation were as much a product of personal ambition, cooperation and coercion, political influence, and power as institutional efficiency.[70]

Dolbeer and Carson's continued existence also suggests the viability of proprietary capitalism, despite Alfred Chandler's contention that technology spurred the "managerial revolution" that created the corporate structure. Dolbeer and Carson quickly embraced new technologies, and were even at the forefront with Dolbeer's inventions of the steam donkey and logging locomotive, which revolutionized the industry. Yet the firm maintained its moderate size, avoided mergers, and continued to operate in a manner that embraced paternalism, cooperation, and mutual aid. American business, apparently, could incorporate other values besides the bottom line. Rather than an inevitable "natural" outcome based upon efficiency, the rise of the modern corporation proceeded through multiple pathways. Specific circumstances and individuals shaped institutions to guide the process of industrialization, often tailoring the process to fit their own needs and desires. In doing so, they also shaped the world around them.

In articulating capitalism as an economic model, the Scottish economist Adam Smith suggested that individuals pursuing their own economic interests and engaging in free competition would create a stable economic order. While Smith pinned his argument on a basic human quality – greed – he failed to take into account another fundamental human trait: that all humans are, by nature, social beings who interact, cooperate, bargain, and act, both as

[70] Michael Williams, *Americans and Their Forests: A Historical Geography*, (Cambridge, Cambridge University Press, 1989), 221. See Gabriel Kolko, *The Triumph of Conservatism.*

individuals and as a group. When unrestrained competition began to reduce profits, the free market quickly yielded to collusion and cooperation among producers, prompting the government to intervene in order to regulate and restrain a "free market," undermining Smith's basic premise. Was monopolistic control of an industry the "natural" outcome of free market capitalism? A. B. Hammond seemed to think so.

Fifteen: Assembling an Empire

Late on the night of April 21, 1901, a crew of men surreptitiously gathered on the Eureka docks. Under cover of darkness and speaking only in whispers, they quietly unloaded steel rails, a small locomotive, and construction equipment. At one minute past midnight, the men – employees of the California and Northern Railway – began laying track along the waterfront. The hammering of steel upon steel soon awakened the town. It was now Sunday morning and the crew no longer had any reason for secrecy, as A. B. Hammond would be unable to stop them. Any other day of the week, Hammond could have obtained a court injunction. By the time Monday arrived, it would be too late as the track would already be in place.[1]

Two weeks earlier, the Eureka City Council had unexpectedly granted a franchise to the California and Northern (C&N), owed by lumbermen Charles Nelson, Francis Korbel and the Pacific Lumber Company – Hammond's rivals. However, the neighboring town of Arcata had already granted Hammond's Eureka and Klamath River Railroad (E&KR) a franchise and Hammond was counting on his request pending before the Eureka City Council. With only room for one rail line through Eureka's waterfront, crowded with warehouses, mills, and wharves, the competing railroads were furiously laying track in a race to be first to the city when the council made its surprise announcement. When word reached him in New York, Hammond was livid and immediately wired the mayor and city council. He then hurried back to San Francisco to seek legal action to stop the C&N.[2]

Despite the late night ploy, a few days later Hammond persuaded the city to grant him a franchise as well, whether through force of reason, legal arguments, or some other, less legal

[1] Stanley Borden, *Humboldt Historian*, no. 5, 1961;. *Humboldt Times*, April 13, 1900, April 26, 1900; Mengel, 26.
[2] *Columbia River and Oregon Timberman*, Sept. 1900:5; Borden; Susan Baker Fountain papers 104:451, Humboldt State University.

inducement. With both railroads having laid track into Eureka, an impasse was imminent, and the two companies began negotiations. In a series of meetings over the next few months, Hammond appeared particularly acrimonious and hostile, repeatedly requesting proof that the C&N's lawyer was authorized to execute a contract. Finally after much wrangling, the two sides came to an agreement at two o'clock in the morning of July 11. Each railroad would give the other one half interest in its track already laid through town and a right-of-way along each other's track.[3]

Hammond's objections proved well founded. The next year, the C&N denied that they ever entered into any authorized agreement with the E&KR. This threw the dispute into the courts, which, despite Hammond's terse and contradictory testimony, ruled in his favor and compelled the C&N to comply fully with the contract and fulfill their obligations. In the end, the C&N never got off the ground, or under steam, as it were, and leased their four miles of track to another railroad.[4]

The conflict between the railroads racing toward Eureka and the midnight construction ploy formed the basis of Peter Kyne's dime novel, *Valley of the Giants*, and three subsequent Hollywood film versions. In the novel, William Carson and Hammond appear as thinly-disguised caricatures. Kyne portrays Carson as a kind, doddering old man named John Carrington and Hammond as a ruthless aristocrat named Colonel Pennington. In this Harlequinesque romance, Carrington's son and Pennington's niece fall in love, resolve the railroad dispute, and the evil Colonel flees the county. Hammond, of course, did no such thing, and the dispute with Carson dragged on for years. Kyne, who worked in Carson's office and received $1,000 from his will to begin his writing career, was well-poised to overhear

[3] Eureka and Klamath vs. California and Northern Railway, transcript of settlement, Oct. 22, 190: 188-218, Humboldt State University; Borden.
[4] Ibid; Fred Stindt and Guy Dunscomb, *The Northwestern Pacific Railroad*, (1964), 41.

conversations and know the details of everything that transpired between the lumber barons. Unfortunately, all he wrote was a fictional account. Kyne, however, correctly personified the conflict as one between paternalism and the emerging corporate model.[5]

What Kyne and other observers seem to have missed, however, is that this was less of a feud between railroads than a competition as to who could make his railroad most attractive to the big railroad corporations by acquiring right-of-ways. Beyond accessing timber, none of these smaller railroads had any intention of actually building an outside connection; they were mainly speculative ventures.

At the turn-of-the-century, California's north coast was one of the few regions in the continental U.S. without a rail connection. Blocked by rugged terrain, steep canyons and swollen rivers, the redwood region was effectively isolated from the rest of the world except by sea. Railroad capitalists eyed the region's vast natural resources and anticipated fat profits if they could only get there. Similarly, local entrepreneurs saw the shipment of lumber as a means toward great wealth if they could somehow monopolize a rail connection to the outside world.

When A. B. Hammond purchased the Vance Lumber Company in 1900, it included the 18-mile-long E&KR railroad, and he suddenly found himself embroiled in a tangled web of railroad ownerships that merged social, political, business, and family interests into a confusing morass. As he had done in so many other circumstances, Hammond, however, turned chaos to his advantage, drawing upon his forceful personality, legal maneuvering, business connections, superior bargaining ability, and knack for playing powerful interests off each other. In typical fashion, in March 1901 Hammond incorporated the Humboldt Railroad Company, a paper railroad, but capitalized at $2 million (an outrageous sum for a logging railroad) and chartered to

[5] Peter Kyne, *Valley of the Giants*, (New York: Grosset and Dunlap, 1918); Buckley, "Building the Redwood Region": 132-133.

run a line from Dyerville on the Eel River to Crescent City, well beyond the plans of other railroads. With spurs up the Eel River, Van Duzen River, Mad River, Little River, and Redwood Creek drainages, Hammond's rail lines would blanket the entire region.[6]

Given Hammond's ownership of two railroads in Oregon and his close ties with Southern Pacific, industry observers drew the logical conclusion that he had both the intent and wherewithal to run a line clear up the coast, connecting Eureka with his Corvallis and Eastern Railroad in Oregon, despite the formidable topographic challenges. On May 7, 1903, Hammond's secretary William Gosslin announced they would be building a railroad from Eureka all the way to San Francisco.[7] It was not only the public Hammond was hoping to impress; he also wanted to attract the attention of the nation's two largest railroads. In doing so, Hammond had a dual purpose. While he endeavored to sell his Eureka railroad at a handsome profit, more importantly, he wanted to gain a rail connection from Humboldt to the outside world so as to reduce shipping costs and better access the national market.

What was unfolding in Humboldt County was only a piece of the larger conflict between two railroad giants – the Atchison, Topeka, and Santa Fe and the Southern Pacific – for control of California's transcontinental traffic. Gaining access to Humboldt County, California's largest timber producer, would be quite a coup for a railroad with imperial ambitions. A week after Gosslin's grandiose announcement, the Santa Fe bought the Eel River and Eureka Railroad for $700,000, and then purchased the C&N and several smaller lines, intending to link together a line from San Francisco to Eureka. Holding out the E&KR as an inducement that would give the Santa Fe control of Humboldt County, Hammond put a $1 million price tag on his railroad.

[6] *Blue Lake Advocate*, March 16, 1901, Susan Baker Fountain papers 50:193, HSU.
[7] *Humboldt Times*, May 7, 1903; *Columbia River and Oregon Timberman*, Sept. 1900:5.

Meanwhile, Hammond was also secretly bargaining with E. H. Harriman, president of the Southern Pacific.[8]

Behind the scenes, Hammond and his partner, Henry Huntington, worked out a strategy. Dropping an insider tip, Huntington let Harriman know that Hammond and the Santa Fe were on the verge of an agreement. The ploy worked. As E. P. Ripley was on the way to Eureka to look over the E&KR, Harriman took the bait and bought Hammond's railroad for $1,150,000, sight unseen. Furthermore, Harriman offered cash, while Ripley proposed railroad bonds. Both railroad giants were now racing toward the last untapped market, and Hammond had successfully played them off each other. Not only had he sold the E&KR for a hefty profit, he received a twenty-year lease of the tracks to continue to operate his railroad, which he reincorporated as the Oregon and Eureka.[9]

Like his connection with the Northern Pacific, Hammond's entire relationship with the Southern Pacific "octopus" remains murky. As one of the original incorporators of the Hammond Lumber Company, C. P. Huntington, president of the Southern Pacific, owned one sixth of the stock, and enjoyed a cordial and supportive association with Hammond. But Huntington's sudden death in 1900 diluted Hammond's financial and personal connection to the SP. C. P. Huntington's widow, Arabella, and his nephew, Henry Huntington, inherited the railroad empire. But Henry failed in his bid to become the SP president, and they sold most of their interest to E. H. Harriman, although Henry retained a seat on the board of directors. While, a portion of the HLC stock went to Harriman, the two Huntington heirs kept most of their stock in the HLC, and industry observers assumed a tight connection between the SP and the HLC. Not only did Hammond sell two of his railroads to the SP for far more than he paid, he also purchased

[8] Borden; Lynwood Carranco, *Redwood Lumber Industry* (San Marino: Golden West Books, 1982), 133; *Humboldt Times*, May 12, 1903:1; Hammond to Huntington, April 24, 1903, HEH 2425, box 44.
[9] Ibid; Hammond to Huntington, May 12, 1903, HEH 2428, box 44.

thousands of acres of Oregon timberlands from the SP for a fraction of their value. It certainly looked as if "The Octopus" was growing a new tentacle to supply its huge demand for railroad ties and construction lumber. Purchasing railroads from a company in which they owned stock simply made financial sense to Harriman and Huntington, as did selling railroad grant lands to Hammond so he could exploit the timber resources.[10]

Despite the interlocking directorate, the two companies operated independently of each other, and there is no evidence to suggest that either Henry Huntington or Harriman played an active role in the management of the HLC. Furthermore, the personalities of both Hammond and Huntington were such that neither would tolerate any interference from others in running their respective organizations. Indeed, their management practices were nearly identical. Henry Huntington set up his southern California enterprises, such as the trolley company and Pacific Power and Light, as syndicates in which he owed the majority stock. Not only did Huntington sustain a firm grip on ownership and policy, like Hammond he depended upon a handful of trusted managers to carry out his operations.[11]

Hammond also insisted on maintaining complete control over his business and disliked having any of the other major stockholders on the board of directors. When John Chafin attempted to increase his share of the Astoria Company, Hammond borrowed money from his Missoula enterprises to ensure that he would remain the majority stockholder and retain the capacity to hand pick his board of directors. Considering that Henry Huntington held less than

[10] William B. Friedricks, *Henry E. Huntington and the Creation of Southern California* (Ohio State University Press, 1992), 46, 7. While Frank Norris applied the octopus analogy to the title of his 1901 novel about the Southern Pacific, no doubt, it had been in popular usage previously. As early as 1891, Hammond had been called "the Missoula Octopus" for his economic domination of western Montana.
[11] Ibid., 6, 49.

thirteen percent of the HLC stock and Harriman had even less, viewing Hammond as an agent or HLC as a subsidiary of the Southern Pacific seems unwarranted.[12]

Nevertheless, these men were part of an economic oligarchy dominated by white, Protestant males with shared values and objectives who formed the nation's "power elite." For example, both Hammond and Henry Huntington became heavily invested in the development of southern California. Huntington's enterprises dominated Los Angeles with street cars and housing developments, while Hammond flooded the region with cheap lumber, assumed construction contracts, and invested in hotels and apartment buildings there. With such similar interests, both Hammond and Huntington were members of the anti-union Citizen's Alliance, held to a "no concession to labor" policy, fired any union employees, and worked hard to keep organized labor out of Los Angeles. This power elite also formed a tight social network. Although Hammond eschewed social engagements, his oldest daughter, Edwina, who wintered in southern California, often graced the society pages, attending the same exclusive weekend parties as Henry Huntington.[13]

Just as railroads restructured the business world, they redefined the lumber industry as well. Before the advent of steam power, the cheapest and easiest way to get redwood logs to the mill was via water. Just as Hammond had done as a youth, loggers simply piled the cut logs into the rivers. The winter rains filled the waterways and floated the logs out to Humboldt Bay where a boom of logs chained together caught the timbers. That was the theory anyway, and lumbermen had used this method for nearly two centuries from New Brunswick to the Great Lakes with great efficiency. But unlike the large, placid waters of the East, in the Pacific

[12] Hammond to McLeod, May 24, 1906.
[13] See C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1959). Friedricks: 135-6; *Los Angeles Times*, Feb. 20, 1904:6.

Northwest the rivers tended to be steep, rocky, and choked with debris. Furthermore, the winter storms could quickly turn a creek into a torrent filled with thousands of logs capable of tearing out bridges and booms and washing out to sea, wasting an entire season of logging. On the other hand, in a dry year, the logs often failed to make it down the river altogether. Nature dictated how and when timber resources would be transported.[14]

As had happened in New Brunswick and Maine a generation earlier, by the 1870s the redwood industry had stripped Humboldt's tidewater and river corridors of their trees. As lumbermen pushed farther up the valleys they sought other means of hauling out the massive logs, and had begun building crude railroads. These were simply wagons pulled by horses over rough 2x4s placed end to end for rails. Then the combination of capital investment, potential profits, increased mill capacity, and timberland concentration allowed for the construction of standard gauge lines capable of hauling huge loads towed by steam locomotives.[15]

Railroads also permitted mills to move away from the bay and toward the source of timber, leading to the rapid expansion of the lumber industry. Back in 1874, John Vance had punched a railroad five miles up the Mad River to his new mill. Other lumbermen followed suit, extending lines up the river valleys to reach each timber "show" or logging operation. These logging railroads had to bridge steep gullies, cross tidal flats, or snake up steep mountainsides. Consequently they required substantial capital investments in bridges, trestles, and pilings. Construction costs typically ran from $30,000 to $60,000 per mile.[16]

Building a main line multiplied the costs. In conducting surveys up the north coast, the Santa Fe and Southern Pacific discovered that because of the rough terrain it would cost $150,000 per mile or $15 million to build a line into Humboldt County from Willits, California.

[14] Melendy, "One Hundred Years", 37.
[15] Ibid., 39; Lynwood Carranco, *Redwood Lumber Industry* (San Marino: Golden West Books, 1982), 18.
[16] Melendy, "One Hundred Years", 177; Mengel, "A History of the Samoa Division", 12; Carranco 60-69

While there was significant freight traffic to come out of the region, it was not enough to justify two competing railroads. So in November 1906, the Santa Fe and Southern Pacific declared a truce and combined their resources to form the Northwestern Pacific (NWP) to serve northern California. While this saved the railroads expense, the lack of competition delayed Eureka an outside rail connection until 1914.[17]

Long dependent upon railroads to transport their logs to the mills, Humboldt's lumbermen were now at the mercy of two of the world's largest corporations – the Southern Pacific and the Santa Fe railroads. While the E&KR was now owned by Northwestern Pacific (NWP), it was Hammond's de facto control over the tracks through his lease that frustrated his competitors. Controlling the transportation corridor was yet another method by which Hammond attempted supremacy over the redwood industry.

Back in 1896 when Edgar Vance had reincorporated his father's old Mad River Railroad as the E&KR, he signed a ten-year contract with Dolbeer and Carson to haul logs from their logging camp near Fieldbrook to Humboldt Bay. But when the E&KR, now controlled by Hammond, refused to renew the contract, it forced Dolbeer and Carson to close its logging camp, throwing 120 men out of work. At great expense, Dolbeer and Carson now had to build their own line, the Humboldt Northern, paralleling that of the E&KR, driving an even greater wedge between Hammond and Carson. The animosity between the two lumber barons carried over to their employees as reoccurring brawls broke out between the rival railroad workers. Hammond piled on an additional injury by refusing to grant Carson's railroad a crossing so that it could

[17] Stindt and Dunscomb, 48; Hammond to Huntington, May 29, 1903, HEH 2430, box 44.

reach Humboldt Bay. Carson, in turn, brought a condemnation suit against Hammond's railroad.[18]

Carson was not the only lumberman impeded by Hammond. By October 1906, the Little River Redwood Company had acquired timberlands not far from Hammond's extensive holdings and wanted to begin logging but lacked a means of transport. The E&KR line, however, was less than a mile away. Although forewarned of Hammond's business practices, Levi Crannell, an officer of the Little River Redwood Company (LRRC), met him in Eureka to negotiate an agreement to haul timber from its logging camps to Samoa.[19]

Six months later, Crannell was still asking for a formal contract, but Hammond kept putting him off, citing the inability of the directors of NWP, who owned the tracks, to obtain a quorum. By May 1907, Crannell was getting impatient as the delay was causing "serious inconvenience." Although Hammond continued to haul their timber on his railroad, the lack of a formal contract precluded Little River from making investments in building a mill and establishing logging camps. Crannell let Hammond know that "unless such approval is given immediately we shall be obliged to give notice cancelling contract."[20]

Hammond assured Crannell that he had a "good lease" but they still needed Harriman's approval and awaited his arrival in San Francisco. Although he may have been legally compelled to get Harriman's authorization, it was a convenient excuse to keep LRRC from developing its timber, as Hammond was interested in buying their timberlands. Despite his conciliatory tone, Hammond's delaying tactic was transparent to Crannell, for by the time

[18] Mengel, 26; *Humboldt Times*, Nov. 25, 1905; Susan Baker Fountain papers 70:534, 70:534; George Murray to William McGillivary June, 15 1906, file 17, Little River Redwood Company files, Timber Heritage Association, Eureka, CA. (hereafter LRRC).
[19] Dolbeer to McGillivary, June 16, 1906, Dolbeer and Carson Company files, Bancroft Library. File 63: Freighting Agreement, LRRC files,
[20] Correspondence between Hammond and Crannell, Nov. 26, 1906, April, 6, 1907, May 2, 1907, file 1, LRCC.

Hammond finally informed LRRC that NWP had approved the agreement, Crannell had already contracted with Carson's new Humboldt Northern to haul lumber for eighty cents per mbf, thirty-five percent less than what Hammond was charging. Apparently, Crannell found the supposedly inefficient proprietary capitalism of William Carson much more receptive than the corporate bureaucracy of the "managerial revolution" that A. B. Hammond embodied.[21]

Although he was willing to do it to others, Hammond had no intention of being held hostage over transportation rates. Building his own railroads enabled him to get the trees out of the woods and to the mill, but Humboldt still lacked a rail connection to the outside world. Shipping costs factored heavily in the cost of lumber production. During the 1890s it cost about $7 per mbf to turn a redwood tree into lumber, then about $4.50 per mbf to ship it to San Francisco, plus additional rail costs to the eastern market. With redwood selling at $13 this made for a very tight profit margin, which could only be justified in volume, thus favoring larger companies. Even as improved technologies made shipping easier, transportation costs remained steady. In 1915 the shipping rate from Oregon to southern California remained at $4.50 per mbf.[22]

Given the lack of outside rail connections, West Coast lumbermen had long used ships to get their product to market at the lowest possible cost. While Hammond, primarily a lumberman, moved into shipping, others, like Charles Nelson, used his lumber mills to provide a cargo market for his shipping empire. Still others, like William Carson and the Weyerhaeuser Timber Company, contracted out their shipping needs. More than anyone else at the time, however, Hammond pioneered the integration of transportation and marketing as part of the production

[21] Humboldt Northern and LRRC agreement, July 5, 1907, file 64, LRRC.
[22] William G. Robbins, *Colony and Empire: The Capitalist Transformation of the American West* (University Press of Kansas, 1994), 104; Melendy, "One Hundred Years", 289; *Los Angeles Times*, Dec. 15, 1915:II7.

process. Hammond soon controlled everything from raw materials to retail sales and construction contracts.

With his purchase of the Vance Lumber Company in 1900, Hammond had acquired four sailing schooners. But within the year, he sold them in favor of building up a fleet of oil burning steam schooners. The first of these was the *Arctic* with a lumber capacity of 325,000 bf. Hammond would eventually acquire some seventy-two ships (although not all were owned simultaneously) and the "Hammond Navy" would be one of the largest and the only non-union lumber shipping line on the West Coast.[23]

Shortly after purchasing the *Arctic*, Hammond contracted with Henry Huntington's Newport News shipyard to begin construction on the largest lumber vessel ever built in Newport to date. In an age when most steamers were coal-fired, the *Francis H. Leggett* would be an oil-burner, taking advantage of California's low oil prices. With a capacity of 1.5 million bf, the ship would also be the largest to enter the Pacific lumber trade at the time. His fellow lumbermen derided Hammond for building such a large vessel and referred to it as "Hammond's Folly," as it could only enter deep harbors, which were in short supply on the West Coast. But Hammond had no intention of making local runs.[24]

The *Francis H. Leggett* arrived on the West Coast in 1903 and began shipping wheat from Portland as well as lumber from Hammond's mills. Hammond also used the *Arctic* and *Leggett* to deliver labor and equipment to Eureka, including fifty flat cars for his Oregon & Eureka Railroad. In 1905 the two ships posted a net profit of $62,000, greater than the combined profits of Hammond's Curtiss Lumber Company in Oregon and his retail outlet in southern

[23] Thomas R. Cox, "Single Decks and Flat Bottoms: Building the West Coast's Lumber Fleet, 1850-1929, *Journal of the West* (July 1981): 65-74; Mengel, 29; Bill Stoddard, "The Hammond Navy," (manuscript, author's possession); *Columbia River and Oregon Timberman*, Dec. 1901:15.
[24] *Los Angeles Times*, March 24, 1902:3. McLeod, 33.

California. Clearly shipping was a highly profitable enterprise, and Hammond commissioned the building of more ships.[25]

The disastrous fire that followed the San Francisco earthquake of 1906 resulted in a massive rebuilding effort. The increased demand for construction materials pressed every ship on West Coast into service. With the accelerated demand for shipping, Hammond leased the Bendixsen shipyards that neighbored his Samoa mill and entered the shipbuilding industry himself. Over the next ten years he would build thirteen more ships there. By this time, shipbuilders recognized that Douglas fir –strong, lightweight, and available in great lengths – was just good as oak for wooden ship construction and the West Coast shipbuilding industry took off.[26]

With the *Francis H. Leggett*, Hammond began a long line of ships named after his business partners. These included the *General Hubbard*, the *Edgar H. Vance*, the *George W. Fenwick*, and the *John A. Shaw*. The next steam schooner, built on Humboldt Bay, however, departed from this trend. In December 1905 Hammond informed Herb McLeod of the launching of the *Ravalli* "bearing the name of the Grand Old Missionary, whose memory we all revere," suggesting the influence the Italian Jesuit priest had upon Hammond during his years in Missoula.[27] Beginning in 1910, Hammond began naming ships after places, rivers, and towns from which he had extracted significant wealth, beginning with the *Nehalem* and *Necanicum*, watersheds on the Oregon Coast. This continued with the *Astoria, Eureka, Samoa, Stantiam, Tillamook, Watsonville*, and, of course, the *Missoula*, the largest of them all. Although he continued to build wooden ships in Samoa until 1918, the larger ships required steel hulls and

[25] *Humboldt Times*, March 27, Dec. 25, Dec. 30, 1903; Hammond to C. H. McLeod, Jan. 30, 1906, box 17, folder 2.
[26] Cox.
[27] Hammond to McLeod, Dec. 15, 1905, box 17, folder 1.

were built elsewhere. But all flew the Hammond flag: a blue H set in a white diamond, an insignia that also appeared on the smoke stacks.[28]

All of these ships were specially designed lumber schooners, peculiar to the northern Pacific. Modeled on the old sailing schooners, with low-cut gunwales that allowed forty-foot long logs to be stacked on deck, these ships were so heavily laden that the water nearly reached the rails. The broad, flat hulls provided a larger load capacity and allowed them to enter the shallow harbors of the West Coast. They also boasted twin booms, permitting easy loading and unloading.

As Hammond increased his mill production to meet both domestic and redwood exports to Australia and South Africa, he subsequently boosted his shipping capacity. In 1913 Hammond launched the largest lumber carrier on the West Coast to date. Costing $300,000 to build, the *Edgar H. Vance* was 308 feet long and could carry 2.5 million bf. In 1912 Hammond's fleet earned more than $200,000. Four years later, with the lumber industry in a slump, Hammond noted, "We have passed through the worst year that we ever experienced in the lumber business; still the results are better than we expected. This is due to the operation of our steamships." So much for "Hammond's Folly."[29]

While ships allowed for bulk transport at a low cost, from his native New Brunswick Hammond adopted an even cheaper way of moving his product to market. Back on the St. John River, lumbermen had long constructed log rafts composed of several "joints" of 100 logs each, all chained together, and they floated these downstream to the port of St. John. Then in 1884, Hugh Robertson, a crusty old sea captain, attempted to tow one of these rafts from Nova Scotia

[28] "Ships of the Hammond Navy" complied by Jack Blanchard, author's possession; Dan Strite, Oct. 1953, "45th Annual Report of Board of Harbor Commissioners," (mss copy, author's possession).
[29] *Los Angeles Times*, May 16, 1913:II9; Hammond to C. H. McLeod, Jan. 22, 1912, box 19, folder 1. Hammond to McLeod, Feb. 5, 1916, box 20, folder 3.

to Boston. Running low on coal, the tug cast loose the raft and headed to the nearest port. A few months later, the raft was discovered intact off the coast of Norway, demonstrating the viability of the concept. Moving to the Pacific Coast, Robertson experienced several more false starts before linking up with A. B. Hammond.[30]

Robertson, who was just determined and as stubborn as Hammond, kept improving the design of the log raft. Using a floating cradle, Robertson shaped the raft into a cigar shape with a rounded bottom and tapered at both ends, thus increasing the draft so it could withstand the ocean's lashing. In 1898 Robertson convinced Hammond to give his new design a try. Hammond quickly recognized the economic potential; log rafts could greatly reduce shipping cost. In 1901 he purchased a half interest in the Robertson Raft Company, renaming it the Oregon Rafting Company.[31]

Hammond had been steadily acquiring timberlands on both sides of the Columbia. Timber flowed off his lands on the Oregon Coast Range toward Astoria where it could be transported via Hammond's Astoria and Columbia River Railroad. But on the Washington side, Hammond's timberlands were more fragmented and often interspersed with Weyerhaeuser holdings. Furthermore, since the railroads in Washington were controlled by James J. Hill, it was much easier and cheaper for Hammond to tow the logs to California where they could be sold for piling. Rapid worldwide industrialization had created a market for pilings to build trestles, docks, and port facilities up and down the West Coast, as well as overseas. These pilings required long lengths of logs, up to 100 feet, with little to no taper, a requirement that could only be met by the stately Douglas fir of the Pacific Northwest.

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[30] Edmond Meany, Jr. "The History of the Lumber Industry in the Pacific Northwest to 1917" (Ph.D. diss., Harvard, 1935), 253; Kramer Adams, "Blue Water Rafting: The Evolution of Ocean Going Log Rafts," *Forest History* vol. 15(2) July 1971: 16-27.
[31] Adams; Stoddard, 6.

In a slough of the Columbia River near Stella, Washington, Hammond and Robertson set up a large cradle in the shape of the cigar raft, which was then filled with logs and bound together with chains. These rafts ran up to 700 feet long, were 55 feet wide, and contained 5 to 10 million bf of timber. Using his big steam schooners, primarily the *Francis H. Leggett* and *Edgar H. Vance*, which had been specially equipped to tow these rafts, Hammond could greatly multiply each shipment of raw logs from his operations on the Columbia to southern California.[32]

Other lumbermen were unwilling to chance such an unproven technology and Robertson and Hammond enjoyed a monopoly for five years until Simon Benson began assembling rafts across the Columbia River from Hammond's operation. In response, Hammond and Robertson built the largest raft of all time. At 60 feet wide and 835 feet long, it contained 11 million bf, enough to build a thousand houses. In just six days, the *Francis H. Leggett*, laden with her own 1.5 million bf of lumber, towed the raft to San Francisco. But then after several successful years of rafting, in 1910 one of Hammond's rafts broke up off Point Reyes, and a few months later he lost another off Astoria. At $60,000 each, these represented substantial losses to the company. Furthermore, ocean storms scattered these logs up and down the coast creating a significant menace to shipping. Thus in 1912 Congress introduced legislation banning ocean rafting. The bill failed, and Hammond continued the practice until 1922, saving thousands of dollars in shipping costs despite the occasional loss. In twenty years, Hammond shipped fifty-three rafts from the Columbia River to San Francisco, only losing three.[33]

Up until the twentieth century, lumber sold itself, mostly on a local basis, since it was needed for everything from building bridges, houses, and railroads, to manufacturing railroad

[32] *Pacific Lumber Trade Journal*, Dec. 1906:24; Jack Blanchard log rafts file, author's possession.
[33] *Los Angeles Times*, Sep. 11, 1911:I3; Hammond to C. H. McLeod, April 16, 1912, box 19, folder 1. McLeod, 8.

cars, barrels, cigar boxes, and wagons. Nearly every lumber producer on the West Coast simply dumped their product on the wholesale market in San Francisco. Nationally, white pine was still the preferred lumber species, and redwood lumbermen began to recognize the need for national distribution and marketing to promote their product as superior. So in 1903, California's largest mills, including the Pacific Lumber Company, Union Lumber, Northern Redwood, and Hammond's Vance Redwood, formed the Redwood Manufactures' Company. Notably absent from this venture was the old proprietary firm of Dolbeer and Carson. In order to coordinate lumber shipments, the Redwood Manufactures' Company purchased a large storage area in Pittsburg, California, just east of Oakland. On the Sacramento Delta, the site offered deep water access and transcontinental rail connections to both the Southern Pacific and the Santa Fe. Furthermore, Pittsburg was beyond the influence of San Francisco's powerful labor unions.[34]

San Francisco's small firms competing in a regional market had led to the establishment of a strong union tradition. Lacking the leverage of large corporations with mass production, city employers largely acquiesced to union demands. By 1900 San Francisco's Building Trades Council represented 15,000 construction workers, who refused to handle non-union building materials. As if it were a contagious disease, Hammond told his friend, Herb McLeod, "This City is still in the throes of Labor Unionism. The business men seem to have surrendered unconditionally to the labor unions."[35] Indeed, the City Front Federation Strike of 1901 had nearly paralyzed San Francisco in a battle between the Employers Association and sailors, teamsters, and longshoremen striking for right to organize. It was no surprise, then, that lumbermen who were ardently anti-labor began to look beyond San Francisco to establish their shipping yards and wholesale facilities. In 1903 Hammond leased thirty-nine acres from the City

[34] Melendy, "One Hundred Years", 310; Buckley, "Building the Redwood Region:" 637-638.
[35] Hammond to McLeod, Oct. 9, 1906, box 17, folder 3.

of Los Angeles and Southern Pacific Railroad at the San Pedro harbor to construct a massive distribution center that would become the world's largest lumber yard.[36]

Hammond had an even bigger vision than a distribution center, however. His rival, William Carson, picked up on Hammond's intentions, observing that his "mill at Samoa manufactures lumber pretty fast which forces him to make an outlet for it."[37] Carson astutely noted that large-scale production required large-scale consumption. As both Hammond and Carson were well aware, the lumber industry suffered from chronic overproduction, which decreased prices. While Carson and other manufacturers attempted to curtail production industry-wide, Hammond's solution was to move into the retail trade. In doing so, he pioneered the fully-integrated lumber corporation.

While other lumber companies had previously established retail yards, Hammond was among the first to establish an aggressive sales and marketing arm as an integral part of his operation. Just as he had taken lumber manufacturing to a whole new level, he did the same with marketing. No doubt, much of this emphasis upon retail sales was a result of his long association with the Missoula Mercantile Company, which he continued to rely upon for cash loans and its "gilt-edged" credit rating with New York financiers. Moreover, merchandising lumber was nothing new to Hammond. When Marcus Daly pulled his lumber contract in 1889 in retaliation for Hammond's political activities, Hammond changed his operating plan. Instead of cutting mine timbers, he began making building lumber, such as 2x4s, sheathing and roof boards. In addition to setting up retail yards along the Northern Pacific route from Idaho to North Dakota,

[36] Buckely, 422-431. See also, Robert E. L. Knight, *Industrial Relations in the San Francisco Bay Area, 1900-1918.* (University of California Press, 1960), 375. *Los Angeles Times*, Oct. 30, 1903:A7.
[37] Carson to Mugan, March 27, 1905, Dobleer and Carson records, vol. 23:266, Bancroft Library.

Hammond assembled a fleet of salesmen to market his lumber. Retail sales would prove indispensible to the success of the HLC.[38]

In Montana, Hammond had made a fortune off the combination of lumber and real estate development, and he had long recognized the potential of southern California. In the beginning of the twentieth century, as the real estate market began one of its many booms, Hammond purchased twenty acres in Los Angeles from Henry Huntington for a lumber yard. Meanwhile, Perry Whiting, a thirty-two-year old former logger, supporting a crewcut, jug handle ears, and an "innocent hayseed look" had already established a retail lumber yard in L. A. and found his business growing rapidly. By 1902 Whiting had expanded his operations into the Imperial Valley and, needing to keep a large amount of lumber on hand, was buying lumber on credit from the Caspar Lumber Company. When the head salesman from the HLC discovered this, he made a deal with Whiting to make HLC his exclusive supplier in exchange for a $100,000 line of credit. In a single stroke, not only was Hammond making six percent interest off Whiting's credit, he had eliminated his competition and found an outlet for his product. Furthermore, if Whiting should default, Hammond would own his retail yards outright. Indeed within two years, Whiting had racked up $70,000 in debt, and Hammond showed up in person to collect.[39]

Looking over Whiting's yard, Hammond asked how much he owed. When Whiting told him $100,000, Hammond said, "Well, you may not realize it, but you are broke." Whiting disagreed, stating he had that much in assets. Hammond replied, "You owe me $70,000, and if I should demand that money you would have to close your doors, as you could not pay." Whiting reminded Hammond that he could not demand payment until the notes came due and when they were, he would have the money to pay them. Failing to intimidate Whiting, Hammond glared at

[38] George McLeod (UM), 7.
[39] George McLeod (FHS), 25; Perry Whiting, *The Autobiography of Perry Whiting, Pioneer Building Material Merchant of Los Angeles* (Perry Whiting, 1930), 166-173.

him with "his piercing gray eyes for at least five seconds, then said, 'You are a smart young man, and I hope you come out all right; as long as you pay your notes when they are due, we will give you credit.'"[40]

But the next year, Whiting was $125,000 in debt, and Hammond returned, this time with a proposal: Hammond would pay off Whiting's debts, buy his lumber yards, form the National Lumber Company, and allow Whiting to buy one-fifth interest in the new organization and become manager for a salary of $500 a month. Backed into a financial corner, Whiting assented, and Hammond wrote him a check for $265,000, out of which Whiting paid off his debts and invested $50,000 in the new firm.[41]

All of Hammond's accomplishments during the early twentieth century were even more remarkable considering that for seven months, from October 1905 to May 1906, he was largely confined to his bedroom with severe rheumatism. During this time he visited several hot springs resorts throughout California seeking alleviation, but with little result. Despite the nagging and often acute pain, he conducted business hobbling around between his bedroom and office on the third floor of his four-story mansion. In the spring of 1906, his condition had gotten so bad that he scarcely left his bed.[42]

Then, just before dawn on April 18, a terrific rumble shook Hammond awake. Temporally forgetting his condition, he ran into the street in his nightclothes, joining thousands of others as the buildings began to collapse, the result of San Francisco's most infamous earthquake. Later, when Hammond told his friends that he was not afraid, George McLeod

[40] Ibid.
[41] Ibid., 215.
[42] McLeod to Hammond, Oct. 17, 1905, Hammond to McLeod, March 22, 1906, box 17, folder 2.

pointed out that he had gotten to the street rather quickly. Hammond replied that this was not fear but, "just a natural business precaution."[43]

George McLeod, who happened to be in San Francisco on business, witnessed the downtown bursting into flames. He quickly hired an express wagon to take him to Hammond's mansion at 2252 Broadway, which had survived the earthquake. Assured that the fire was confined to the city below, Hammond directed his Chinese cook to prepare breakfast for his guest. He then sent for his car to take McLeod to the office on the fourth floor of the Merchants Exchange Building to save the company records. Weaving in and around those killed by the collapsing wreckage, they transferred the most valuable records before the building caught fire that evening. For the next two years, the HLC operated out of the third floor of Hammond's house while the Merchants Exchange was rebuilt.[44]

The Hammond house also served as a safe haven for friends and associates during the chaos, and A. B. used his influence to obtain a permit to light a fire in the house, the only one in the section to have heat and hot water. Upon discovering that Ed Stone's widow and her daughter-in-law's were now homeless, McLeod brought them to Pacific Heights, joining another forty people, mostly women, who slept on the floor.[45]

The earthquake and fire shook Hammond to his very core and pried open a degree of compassion previously unacknowledged. Although his house remained unscathed, just a few blocks away, Hammond witnessed 300,000 homeless residents of the city cooking their food "on fires built in the street." The head of the Red Cross stopped by to inform Hammond that hundreds of thousands would need food and clothing for the next six months. Sympathetic to

[43] McLeod, 29.
[44] Ibid., 29-32.
[45] Ibid., 31-32; Hammond to McLeod, May 12, 1906, box 17, folder 2.

their plight, Hammond dispatched his largest ship, the *Francis H Leggett*, to bring 200 tons of fresh water and food from Los Angeles.[46]

Hammond quickly recovered his business sense and recognized the tremendous need for building materials that would soon arise He observed that a majority of the leading citizens "are dazed and still fail to comprehend what a tremendous task it will be to rebuild the City." Hammond complained that landlords refused to repair damages "claiming that it is the business of the tenant to do so," and that "the insurance companies are seemingly in no hurry to pay losses. . . . delaying matters in every way they can." Many of the homeowner policies contained clauses that voided the policy "as soon as any part of the building fell to the ground." Since nearly every building lost its chimney during the earthquake, the insurance companies denied claims from fire damage.[47] Although seemingly siding with tenants and homeowners over the business community, Hammond recognized that the actions of insurance companies were delaying the rebuilding of the city. He also noted that if the insurance companies would pay up there would be plenty of money in circulation. This latter point affected Hammond directly, as San Francisco banks threatened to summon their call loans.[48]

Should all the banks call in their loans, it would throw Hammond into a financial crisis. For the first time in his business career, he was overextended. Hammond had just spent $165,000 on timberland purchases; he had taken out loans to upgrade the Samoa mill, build ships, and stitch together his lumber empire. In doing so, he had suddenly and with uncharacteristic carelessness racked up a debt of $1.4 million, with $540,000 owned to San Francisco banks alone. He thus decided to offer $1 million in HLC stock to current stockholders. Yet, this would allow John Clafin to acquire the majority stock in the Astoria Company, one of

[46] Ibid; Quote from Hammond to McLeod, May 12, 1906.
[47] Hammond to McLeod, May 12, 1906.
[48] Hammond to John Claflin, May 24, 1906, McLeod papers, box 17, folder 2.

Hammond's holding companies, and he desperately wanted to prevent this. Normally, Hammond would have turned to his old standby, the Missoula Mercantile, to bail him out, but it was also more than $200,000 in debt and unable to advance Hammond sufficient money to cover his purchase of more Astoria stock.[49]

To Hammond's great relief, the San Francisco banks declined to call in their loans, (although they began issuing scrip to the general public in lieu of cash), and the HLC sold its treasury stock to pay off some debts. Hammond had also sold his Missoula Light and Water Company to William A. Clark for $900,000 a few months earlier, and the first payment would soon put $150,000 into his pocket. Hammond also realized that First National Bank of Eureka, of which he was president, was in solid financial condition with "more money than they know what to do with and are quite anxious that we should use more of their funds." But by far the largest factor in erasing Hammond's debt was the rebuilding of San Francisco.[50]

Although the earthquake and fire had destroyed most of the city, causing financial ruin for hundreds of businesses and pushing others to the brink, the disaster proved profitable for Hammond and other lumbermen. When the rebuilding got underway, demand for lumber skyrocketed. Pilings, to rebuild the docks, shot from eleven cents per foot to fifty cents. Redwood lumbermen quickly pointed out that many of the buildings that survived the fire were built of fire-resistant redwood, thereby increasing the demand for their specialty product. The rebuilding of the San Francisco led to the West Coast lumber industry to one of its best years ever.[51]

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[49] Hammond to Thomas Hubbard, May 14, 1906, Hammond to McLeod, May 24, 1906, McLeod to Hammond, May 24, 1906, McLeod papers, box 17, folder 2.
[50] McLeod to Hammond, Nov. 28, 1905, box 17, folder 1. Quote from: Hammond to McLeod, May 28, 1906, box 17, folder 1.
[51] McLeod, 27

The earthquake was an unexpected windfall. Suddenly Hammond was flush with cash, and the HLC posted its highest net profits to date: $825,573, plus another $250,000 from the Missoula Mercantile. Hammond quickly poured the profits back into his company, purchasing a half interest in 31,000 acres of redwood timberlands in conjunction with Weyerhaeuser for $1.5 million. With another 46,000 acres of redwoods owned outright, plus mills, lumber yards, and steamships, HLC held about $12.5 million in real assets with "practically no liabilities" except $200,000 owed for a new ship that was under construction.[52]

Then in the midst of the boom, the panic of 1907 "descended upon Los Angeles like a thunderstorm from a clear sky. Every creditor demanded their money," recalled Perry Whiting, now manager of Hammond's National Lumber Company. To make matters worse, the wholesale price of lumber dropped from $26 to $11.50 per mbf in thirty days. But just as he had done in the Panic of 1893, Hammond saw opportunity in the financial crisis. Because of the rebuilding of San Francisco, Hammond was well positioned to ride out the depression and even profit from it.[53]

Perry Whiting, however, was not so fortunate. Speculative irrigation ventures in the Imperial Valley had encouraged an over-optimistic Whiting to sell lumber on credit to area farmers. In 1904 one of the most ill-conceived water projects of all time attempted to irrigate the below sea level valley with a channel cut into the Colorado River. Not surprisingly, the spring flood burst through the cut and flooded the valley, destroying farms and entire towns and creating the Salton Sea. Finally in 1907 the Southern Pacific Railroad succeeded in stemming the flow. Whiting had accrued $20,000 in bad debts in the valley, and Hammond, who had always disliked the practice of extending merchandise credit to farmers, insisted that as manager,

[52] Hammond to McLeod, June 20, 1907, Aug. 5, 1907, box 17, folder 4.
[53] C. H. McLeod to Hammond Jan. 13, 1908. Hammond to McLeod, Jan. 13, 1907, Aug. 5, 1907, box 17, folder 4.

Whiting was responsible. With Whiting deep in debt, Hammond took direct charge of the Los Angeles lumber yard and sent Harry McLeod (brother of George McLeod) to oversee the operations. Hammond demanded full accounting of Whiting's every move. Whiting stated, "I became just a figurehead with no authority. I was unhappy, dissatisfied and a nervous wreck, trying to please them, so I resigned and made a settlement with Mr. Hammond." Whiting settled for a several thousand dollar loss in selling out to the HLC.[54]

Despite being manhandled by Hammond, Whiting recalled in later years:

> It was time and money well spent, because of what Mr. Hammond taught me about business has been a large factor in our success since that time. I was a green hayseed, he made me a business man and all through our twenty-eight years of acquaintance and business relations we have always been good friends.[55]

Whiting was not the only retailer who found himself pulled into the Hammond orbit. Across southern California and Arizona, numerous lumber yards had fallen so far in debt to Hammond that his sales force could obligate them to accept a set wholesale price or sell out. In this manner, the HLC continued to expand across the booming Sunbelt.[56]

The Panic of 1907 resulted in a substantial drop in the price of lumber, and Hammond admitted that the retail yards of southern California "will probably show a considerable loss." On the other hand, redwood, because of its now broadly recognized qualities, had retained its value, especially in overseas exports. Thus Hammond also noted, "On the whole, however, our business is fairly good and we expect to show a profit of over half a million dollars."[57]

Having simultaneously reduced his debt and recapitalized the HLC, Hammond surged ahead. In 1908 he turned back toward Astoria and bought the newly-renovated Tongue Point Lumber Mill for $1.25 million, finally providing a manufacturing facility for his extensive

[54] Hammond to McLeod, Feb. 20, 1906; Whiting, 216.
[55] Whiting, 217.
[56] Dan Strite to Bill Stoddard, June 14, 1983, author's file.
[57] Hammond to C. H. McLeod, Jan. 4, 1908, Jan. 6, 1908, box 17, folder 6.

timberlands in the Oregon Coast Range. The next year, Hammond purchased controlling interest in the F. A. Hihn Lumber Company of Santa Cruz, which included redwood timberlands, two sawmills and three lumber yards. Capitalizing on the explosive growth in southern California, Hammond opened retail yards in Pomona, Pasadena, and Riverside, bought up existing outlets in the Imperial Valley, and eventually expanded to twenty-six lumber yards from L.A. to Arizona. The retail yards would prove so profitable that Hammond would even buy lumber from other manufacturers to sell.[58]

By 1907 Hammond thought he had everything in place. He was one of the largest owners of timberland on the West Coast, giving him a nearly unlimited supply of raw materials; his production facilities included some of the nation's largest lumber mills; he had a vast transportation network to move his product to market, and he owned retail and wholesale outlets throughout America's fastest growing region. Hammond told the National Bank of Commerce, "We are now in a position to control our output from the stump to the consumer." He estimated the HLC's property value at $18 million with practically no liabilities. Company profits were netting $750,000 a year at a time when the average annual wage was only $500. By avoiding indebtedness and fully integrating his company to control production from raw material to retail sales, Hammond had prepared his businesses not only to endure but profit from the seemingly endless cycle of boom and bust that characterized the extractive economy of the American West.[59]

[58] *Astoria Daily Budget*, June 17, 1908; *Timberman,* Nov. 1909:39; Dan Strite, "Growth Rings" manuscript, author's possession; George McLeod (FHS), 11.
[59] Hammond to J. S. Alexander, Feb. 11, 1909, McLeod papers; Scott Nearing, *Wages in the United States: 1908-1910,* (Macmillan and Co., 1911),144.

Sixteen: Oxen, Horses and Donkeys

When A. B. Hammond began building his lumber empire in the late nineteenth century, the timber industry stood at the cusp of a dramatic shift. Nature still constrained the industry when Hammond first entered the woods as a teenager in 1864. With sawmills confined to waterways, the rivers and mountains determined the location of lumber mills. Climate, soils, and topography influenced where and how the most valuable timber species grew. Genetics and environment combined to produce straight, clear-grained wood as a premier building material. Additionally, trees could only be cut and hauled out of the woods by human and animal muscle power.

By the turn-of-the-century, however, capital intensive technologies, consolidation of land ownership, increased market access from transcontinental railway connections, and changes in business organizational structure had all converged to restructure the timber industry. In New Brunswick, this process unfolded across three generations of Hammonds, but in the Pacific Northwest the transformation was compressed into just a few decades. Hammond and other lumbermen believed that new technologies would allow them to escape the dictates of nature. This belief would eventually prove to be an illusion.

In a relatively narrow band, stretching from Alaska to San Francisco, lies the world's most productive forests in terms of biomass per acre. A rare combination of climate, geology, environmental conditions, and genetics converged to produce the biggest and tallest trees on the planet. Until an asteroid struck the Yucatan and precipitated the end of the dinosaurs 65 million years ago, conifers had dominated the earth's vegetation. Douglas fir, hemlock, spruce, cedar

and redwoods all survived the impact, but faced competition from rapidly-evolving deciduous hardwoods. Then about seven million years ago, the climate of the West Coast of North America became cool and dry during the summer growing season, a condition that favored conifers and eventually eliminated hardwoods from the region. As the Pleistocene ice sheets inched south 100,000 years ago, the north-south coastal mountains isolated the forests on the west side, where the moderating effect of the Pacific Ocean provided an ice-free refuge for hundreds of plant species. This high vegetative density encouraged shade-tolerant species and multi-layered canopies. Reproductively isolated in a relatively stable environment, West Coast conifers developed an intense genetic selection for height.[1]

The forests of the Pacific Northwest are a product of this climatic history and the subsequent fire regime. A reconstruction of western Oregon's fire history from charcoal deposits indicates a warm, dry climate with frequent fires from 11,000 to 7,000 years ago. Then, under cool and wet conditions that developed about 3,000 years ago, fires became less frequent, with a return interval of a lengthy 275-300 years. These, however, were intense, stand-replacing fires. Trees of the Pacific Northwest, therefore, display a wide variety of adaptations, from the highly fire-resistant Douglas fir and redwood, with their extraordinarily thick bark, to the Sitka spruce, which only survives in the wettest locations. Changes in the fire regime, from large stand-replacing to low-intensity fires, resulted in a diversity of forest structures from even-aged to old-growth stands. Both climate and fire shaped the species composition and structure of the forests from which Hammond extracted his fortune.[2]

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[1] Paul Alaback, "Biodiversity Patterns in Relation to Climate: The Coastal Temperate Rainforests of North America," in Richard G. Lawford, Paul B. Alaback, Eduardo Fuentes, eds., *High-Latitude Rainforests and Associated Ecosystems of the West Coast of the Americas*, (New York: Springer, 1996).

[2] Stephen D. Hobbs, John P. Hayes, Rebecca L. Johnson, Gordon H. Reeves, Thomas A. Spies, John C. Tappeiner II, Gail E. Wells, eds. *Forest and Steam Management in the Oregon Coast Range*, (Oregon State University Press, Corvallis, 2002),37-38; James K. Agee, *Fire Ecology of the Pacific Northwest Forests* (Washington D.C.: Island

As modern residents of the Pacific Northwest are well aware, warm, moisture-laden air moving west from the Pacific and bumping into the continent results in prolific plant growth and a profusion of coffee houses. The Coast Ranges and the Cascades pull even more moisture from the clouds, producing between 60 to 140 inches of rain per year, depending on elevation. The ocean currents moderate the temperatures so that Astoria, Oregon, averages forty-three degrees in the winter and sixty-one in the summer. Farther south, Eureka, California experiences one of the smallest variations in daily temperatures in the U.S., varying from only fifty-two to sixty-two degrees in July. In summers, high pressure cells move in and create relatively dry conditions. Resistant to summer drought and more efficient than hardwoods at photosynthesis at lower temperatures, conifers also tolerate the low nutrients and the highly variable ph of Coast Range soils.[3]

In addition to climate, fire, and genetics, a unique suite of historical events converged to create these particularly large trees. About five hundred years ago a catastrophic fire swept through the Coast Range and Cascades. In the wake of this monumental disturbance, alder – which has the ability to fix nitrogen in the soil – sprang up in the newly-created clearings. Scattered among the alder were young Douglas fir seedlings that profited from the increased nitrogen in the soil. Because of the dense brush, however, only a few scattered seedlings managed to overtop the alder, yet those that did could draw a perfect combination of nitrogen,

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Press, 1993), 128-9; Peter D. A. Tennsma, John T. Rienstra, and Mark A. Yeiter, *Preliminary Reconstruction and Analysis of Change in Forest Stand Age Classes of the Oregon Coast Range From 1850 to 1940* (Portland: BLM T/N OR-9, Oct. 1991), 52. In this discussion, I focus on the forest ecology of the Pacific Northwest. Douglas fir, a widespread and generalist species, exhibits very different characteristics in the Rocky Mountain region. Ecologists Jerry Franklin and Thomas Spies developed a working definition of old-growth as a forest containing "multiple structural characteristics," including large, old trees, snags, down logs and multiple canopies. See Jerry Franklin and Thomas Spies, "Ecological Definitions of Old-Growth Douglas Fir Forests," in *Wildlife and Vegetation of Unmanaged Douglas fir Forests* (USDA, PNW-GTR-285, May 1991).

[3] Edmond Meany, Jr. "The History of the Lumber Industry in the Pacific Northwest to 1917" (Ph.D. diss., Harvard, 1935), 8-9; Jon Evarts and Marjorie Popper, eds. *Coast Redwood: A Natural and Cultural History* (Los Olivos, CA:Cachuma Press, 2001), 14; Agee, 34; Alaback, "Biodiversity Patterns."

abundant sunlight, and virtually no competition from other trees. These low stand densities permitted the trees to grow rapidly during their first thirty to forty years. Early growth, it turn out, is extremely important in attaining large diameter trees at 100-300 years old.[4]

These Douglas firs could top 300 feet in height and 13 feet in diameter – so large that seven men with arms outstretched could not encircle one.[5] Not surprisingly, such forests inspired awe. One turn-of-the-century traveler in the Coast Range encountered "nature untouched by man" with "trees straight as a lance, six feet, yes often eight, or ten feet in diameter, their smooth trunks unbroken by limbs for a hundred feet." This visitor found himself "in a mysterious semi-twilight" where "dim cathedral like aisles radiate in all directions."[6]

A more pragmatic survey by Henry Gannett in 1903 for the U.S. Geological Survey placed Oregon as the state with the most standing timber, with more than twenty million acres containing 225 billion board feet. Ten years later, the Bureau of Corporations pegged Oregon with 546 billion bf. This increase was largely due to including hemlock (previously disparaged as a timber species) and areas once deemed inaccessible, such as the mountainous Coast Range. Gannett estimated that Oregon's original forests would yield 75,000 board feet per acre, while others reported yields of more than 100,000 bf per acre, twenty times that of eastern forests. Recent scientific surveys confirmed these claims, with old-growth Douglas fir running from 50,000-100,000 bf per acre and hemlock stands containing up to 200,000.[7]

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[4] Meany, 8-9; Paul Alaback, personal communication, Nov. 4, 2007; Sarah E. Green and Jerry F. Franklin, "Middle Santiam Research Natural Area," Supplement no. 24 to *Federal Research National Areas in Oregon and Washington: A Guidebook for Scientists and Educators*, (Portland, Ore.: USDA, 1987); Nathan Poage and John Tappeiner,"Long-term patterns of Diameter and Basal Area Growth of Old-growth Douglas fir Trees in Western Oregon," *Canadian Journal of Forest Research*, 2002, 32:1232-1243.

[5] Meany, 8-9.

[6] Fred Lockley essay in *Pacific Monthly*, 1908, in William Robbins. *Landscape of Promise*, 234.

[7] Meany,16,18; P. Donan, *The Columbia River Empire*, (Portland, Oregon Railroad and Navigation Company, ca. 1902),38; Jerry Franklin, "Natural Regeneration of Douglas fir and associated species using modified clear cutting systems in the Oregon Cascades" (PNW-3, Sept, 1963); Laurence Walker, *The North American Forests: Geography, Ecology and Silviculture* (Boca Raton: CRC Press, 1999), 289, 312.

All forests require some sort of disturbance for their perpetuation. Until large-scale logging and fire suppression, wildfires were the primary disturbance in most western forests. The intensity and frequency of fire varied widely across the Pacific Northwest, from recurrent low-intensity fires in dry ponderosa pine forests to rare but catastrophic fires along the coast. Over millennia, different species evolved varying responses to fire. The ecological role of fire determined the forest composition, with important implications to the timber industry.

Hammond and other western lumbermen built their fortune largely off three species – ponderosa pine, Douglas fir, and redwood – all of which displayed remarkable adaptations to fire. In sculpting the forest, fire promoted these species over all others. Ironically, however, lumbermen failed to recognize the importance of fire to their industry and attempted to reverse natural fire cycles by suppressing fire in dry areas while burning extensively in wetter sites to reduce their slash piles.[8]

East of the Cascades, the light-loving ponderosa pine with thick bark and high crown, experienced a fire on average every four to seven years. For centuries Native Americans had deliberately set many of these fires to increase game forage and berry production. At the other extreme, Sitka spruce forests rarely burned, perhaps once every 1,200 years. In the 1840s, however, fires in the Oregon Coast Range burned into the Sitka spruce zone and all the way to the sea, driving Indian tribes in the area into the ocean for safety. While significantly less extensive than the fires of the fifteenth century, the fires of 1845-49, nonetheless, burned more than 800,000 acres between the Siuslaw and Siletz rivers, creating conditions for extensive Douglas fir regeneration, providing the raw materials for Oregon's timber industry in the

[8] Agee, 59.

following century. Indeed, Douglas fir became the "money tree" largely responsible for the development of the Pacific Northwest.[9]

Compared to Montana's ponderosa forests, tracking the effects of fire in the Coast Range and Cascades was more complicated, with multiple species vying for dominance. Although ecologists consider western hemlock the climax species in the lower elevation forests of the Cascades and Coast Range, Douglas fir, an early successional species, dominated the region because of the presence of fire. Douglas fir/hemlock forests averaged 230 years between fires, well within the lifespan of an individual Douglas fir. Therefore, the less fire-resistant hemlock rarely succeeded in reaching the climax state and overtopping the Douglas fir before a fire returned. In areas with a longer fire-interval of 300-600 years, hemlock and Douglas fir became co-dominant, and if fire was absent for more than 700 years, Douglas fir dropped out of the stand altogether. When a fire did occur in a hemlock forest, it could be high-intensity and stand-replacing. This allowed for reestablishment of Douglas fir once again, provided the fire did not destroy the organic mat, which would have encouraged red alder as the pioneer species. [10]

Lengthy fire intervals allowed for the development of extensive old-growth stands that covered most of the Coast Range, while the mix of stand-replacing and low-intensity fires created a wide range of stand structures and patch sizes. This variable fire interval, which ecologist James Agee characterizes as "episodic" rather than displaying a regular cycle, created a highly diverse forest, from old-growth hemlock groves to thick stands of 100-year-old Douglas

[9] Agee, 324, 189-190. Agee shows that fire-return intervals can vary widely even within forest types. For example, ponderosa pine forests show a fire-return interval ranging from 1.9 to 16 years. Peter D. A. Tennsma, John T. Rienstra, and Mark A. Yeiter, *Preliminary Reconstruction and Analysis of Change in Forest Stand Age Classes of the Oregon Coast Range From 1850 to 1940* (Portland: BLM T/N OR-9, Oct. 1991), 25

[10] Agee, 205-209. Tennsma, Riensta, and Yeiter, 25-32.

fir. In contrast to ponderosa forests, a lengthy and erratic fire interval suggests that Indian burning was not a widespread or regular occurrence in the mountains of western Oregon.[11]

Southward down the Pacific Coast, a slightly different set of conditions resulted in a different forest, although fire continued to play an important part in determining species composition. Once distributed throughout the northern hemisphere, about thirty million years ago redwoods (*Sequoia* sp.) began contracting their range. The uplift of the Cascades, Sierra Nevada, and Coast Ranges three to five million years ago further confined the these trees to a strip along the West Coast. Although the coastal redwood is the only remaning Sequoia species, two relatives also survive in remnant populations. The larger, but slightly shorter, giant sequoia (*Sequoiadendron giganteum*) is restricted to seventy-five groves in the Sierra Nevada, while the critically endangered dawn redwood (*Metasequoia glyptostroboides*) hangs on in central China.[12]

The availability of moisture further restricted the range of coastal redwoods. Although the summers are generally dry, prevailing northerly winds along the coast create an upwelling of subsurface water resulting in cold surface temperatures forming clouds and fog. Fog, it turns out, is so vital to redwood survival that they only grow along a narrow belt stretching 450 miles from Big Sur into Oregon, where fog drapes the coast. Moving inland just a few miles, Douglas fir soon replaces redwoods as the dominant tree species.[13]

Summer fog moderates the summer aridity and heat, restricts water loss, and, most importantly, provides a unique water source. The towering redwoods actually strip the fog of its moisture. Recent studies indicate that each redwood can contribute 2.5 inches of moisture a day to the soil through fog drip, equal to one-fourth to half of the year's water input to the ecosystem.

[11] Agee, 205-209. Tennesma, Riensta, and Yeiter, 47-52.
[12] Reed Noss, ed. *The Redwood Forest: History, Ecology, and Conservation of the Coast Redwoods* (Washington D. C.: Island Press, 2000), 8-25; Evarts and Popper, 14-17.
[13] G. A. McBean, "Factors Controlling the Climate of the West Coast of North America," in Lawford, Alaback and Fuentes.

When redwoods are cut down, water input declines by thirty percent. Some botanists think that fog may explain why redwoods are so tall. By absorbing fog directly through their leaves, redwoods can overcome "the hydraulic limitations to height that are faced by species growing in other climates."[14]

While redwood thrives in cool, moist habitat, it can also survive frequent wildfires. With bark up to forty inches thick, redwood can withstand heat that can kill its competitors such as Sitka spruce and hemlock. Unlike in Oregon's wetter Coast Range, the Yurok and other tribes of northern California regularly burned the redwood forest to encourage tanoak and a rich understory of herbaceous plants and berries. Although Native burning affected understory species composition, large redwood trees were unharmed by these low-intensity fires. These relatively frequent fires also benefited redwood regeneration by killing soil pathogens, removing duff and preventing the establishment of Douglas fir, grand fir, and hemlock. (Douglas fir only becomes fire-resistant when mature.) Larger stand-replacing fires, on the other hand, favored Douglas fir, which thrives in open, sunny conditions, compared to the shade-tolerant redwood. In many respects the fire-return interval played a large part in determining whether Douglas fir or redwood dominated a site. The fire-return interval in the redwood region varied from five hundred years near the coast to thirty-three years farther inland. Studies indicate a fire interval of as short as nine years in some areas. This wide range led to a variable forest in terms of species composition and physical structure.[15]

Although fire-resistant, redwood, unlike Douglas fir, is not fire-dependent. Redwood can become established on mineral soil in sunny glades or on logs in deep, shaded forests. But its

[14] Noss, 103-105, quote 105; T. E. Dawson, "Fog in the California redwood forest: ecosystem inputs and use by plants," *Oecologia* (1998)117:476-485.
[15] Evarts and Popper, 9; Noss, 27, 111-115; Peter Brown and William Baxter, "Fire History in Coast Redwood Forests of the Mendocino Coast, California," *Northwest Science*, vol.77(2) 2003: 147-158.

most favored location is on alluvial terraces that provide deep soils, mild temperatures, and a year-round supply of water. These areas, however, are prone to flooding. But here, too, redwood has readily adapted. Although intolerant of prolonged flooding when high sediment loads deprive the roots of oxygen, redwood, when toppled by floods, wind, fire, or logging, has the unusual ability (for a conifer) to resprout from the base of a tree, earning its scientific name, *Sequoia sempevirens* (ever living). Furthermore, young redwoods can grow incredibly quickly, up to six feet in one year, pushing their flammable needles and crown above the reach of ground fires in just a few years, or quickly becoming established in a flood zone.[16]

Sempervirens can also apply to the seemingly immortal age of redwoods. While most of the few remaining old-growth redwoods were established during the medieval era, some even predate Christianity. Much of this longevity is due to the tree's ability to repel fungi, insects, and disease. Redwood's immunity stems from tannins and phenolics present in the heartwood, making it difficult for microbes and insects to digest and providing its deep, rich color. While 320 species of fungus species are associated with redwood and 54 insect species feed on the tree, none can kill it. Additionally, as redwood grows older it increases the volume of decay-resistant heartwood. In logging terms, this means, that old-growth is more valuable as commercial product than younger, second-growth trees.[17]

The redwood flaunts a plethora of superlatives. As one of the fastest-growing trees, it can shoot up to thirty feet in its first two decades. With most of its vertical growth in the first century, a redwood can reach 300 feet in 200 years. The world's tallest trees scrape the clouds at 360 feet. With a diameter of more than twenty feet, a single redwood can contain 360,000 board feet – enough to build twenty-two five-room houses and equivalent to five acres of old-growth

[16] Noss, 86, 112.
[17] Evarts and Popper, 26, 59.

Douglas fir. Although the giant sequoia with a twenty-five-foot diameter and 52,500 cubic feet of volume is considered the world's largest living tree (and largest non-clonal organism), many coastal redwoods – before being cut down and turned into lumber – exceeded 63,000 cubic feet. Several stumps of coastal redwoods measured more than thirty feet in diameter; one such stump in Humboldt County was even used as a bandstand. At thirty feet in diameter and over three hundred feet tall, the "Biggest Redwood in the World" was found on the lands of the Northern Redwood Lumber Company in 1911. Humboldt Country residents wished to preserve it, but lumbermen could not resist and it was soon felled and turned into planks.[18]

The early twentieth century witnessed a variety of perspectives toward the ancient forests of the Pacific Northwest. From a lumberman's viewpoint, the huge trees were unsurpassed in the quality of their lumber. The trunks rose 150 feet before even the first branch, thus producing incredibly straight and clear-grained lumber. From a forester's perspective, these "decadent" should be cut down and replaced by plantations of younger, fast growing Douglas fir. An aesthetic perspective, however, regarded ancient forests, especially the redwoods, as "cathedrals." Theodore Roosevelt summed up this latter view:

> We should not turn into shingles a tree which was old when the first Egyptian conqueror penetrated to the valley of the Euphrates . . . There is nothing more practical in the end than the preservation of beauty, the preservation of anything that appeals to the higher emotions in mankind.[19]

Even the lumber industry acknowledged the aesthetic value of ancient redwoods. An 1884 booklet promoting California's redwood industry admitted, "Almost the first thought

[18] Evarts and Popper, 24; Howard Brent Melendy, "One Hundred Years of the Redwood Lumber Industry 1850-1950," (Ph.D. diss., Stanford, 1952), 13, 21; Lynwood Carranco, *Redwood Lumber Industry* (San Marino: Golden West Books, 1982), 39; Noss, 91.
[19] Quoted in Francois Leydet, *The Last Redwoods and the Parkland of Redwood Creek* (Sierra Club Books, 1969), 77.

passing in one's mind, as he enters a virgin forest of redwoods, is one of pity that such a wonderful creation of nature should be subject to the greed of man for gold."[20]

Perhaps botanist Willis Linn Jepson best summed up the dependency that turn-of-the-century Californians had with redwood trees. In his 1909 edition of the *Trees of California*, Jepson wrote:

> The writer of these lines is a Californian. He was rocked by a pioneer mother in a cradle made of Redwood. The house in which he lived was largely made of Redwood. His clothing, the books of his juvenile library, the saddle for his riding pony were brought in railway cars chiefly made of Redwood, running on rails laid on Redwood ties, their, course controlled by wires strung on Redwood poles. He went to school in a Redwood schoolhouse, sat at a desk made of Redwood and wore shoes the leather of which was tanned in Redwood vats. . . . Boxes, bins, bats, barns, bungalows, were made of Redwood. Posts, porches, piles, pails, pencils, pillars, paving-blocks, pipe lines . . . were made of Redwood.[21]

While humans depended upon redwood lumber, hundreds of other species relied upon the trees themselves. Old-growth forests harbored an amazing profusion of biodiversity and ecological processes that even now remain elusive. Old-growth forests host a wide range of tree sizes, including towering old trees with multiple canopy layers, and younger trees shooting up in the gaps created by toppling giants. Broken snags provide high biological and structural diversity, housing 39 bird and 24 mammal species, while more than 1,500 species of invertebrates reside in the canopy of a single stand. Even rotting logs offer important wildlife habitat and serve as "nurse logs" for tree seedlings. Acting as sponges, down logs retain moisture and supply essential nitrogen for plant growth.[22]

Just as wood provides the framework of a house, the trees themselves are the foundation of an entire ecosystem perched in the sky with its own soil, water system, and biota. Only in recent years have scientists begun to appreciate the complexity of life in the forest canopy, which

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[20] *Redwood and Lumbering in California Forests* (San Francisco: Edgar Cherry and Co, 1884), 34.
[21] Quoted in Evarts and Popper, viii.
[22] Jerry Franklin, et. al. "Ecological Characteristics of Old-Growth Douglas fir Forests," (USDA, PNW-118, Feb. 1981), 76.

is especially developed in ancient redwood forests. With a lifespan that exceeds 2,000 years, redwoods develop biological and structurally complex canopies. Winds shear off the crown while new trunks branch off the main stem. One crown on a single 250-foot redwood sports 62 such reiterated trunks. Some of these trunks reach 140 feet tall and five feet in diameter, large enough to be considered substantial trees in their own right.[23]

This structural diversity in turn supports a surprising abundance of plant and animal growth. Horizontal branches and tree crotches provide a platform for the build-up of soils and humus, up to six feet thick. Retaining water for weeks after a rain, these canopy soils provide sites for numerous plants including Douglas fir, Sitka spruce, and hemlock, all growing on the branches of a redwood. In addition, researchers have discovered beetles, crickets, earthworms, millipedes, mollusks, and amphibians – including the clouded salamander, which nests 120 feet high in redwood canopies. Altogether, the redwood region currently houses 134 rare and endangered plant species and 42 vertebrate species. So many specialized invertebrates inhabit old-growth forests that biologists discover dozens of new species every time they look and now believe that "a wave of invertebrate extinctions already has accompanied the catastrophic loss of coastal old-growth forests."[24]

In many ways old-growth trees function like coral reefs in that they support a multitude of other organisms, most of which reside in the soil. A single square meter of old-growth soil can house tens of thousands of mites, beetles, centipedes, springtails, and spiders with an arthropod diversity rivaling that of tropical rainforests. Researchers estimate that 8,000 species of soil arthropods, only half of which taxonomists have described, exist within the 16,000 acre Andrews Experimental Forest in the Oregon Cascades. But more important for sustaining trees

[23] Noss, 95-97.
[24] Noss, 35, 56-57, 141, quote 146.

and other vegetation is the extensive network of mycorrhizae fungi that supply essential nutrients to tree roots. Much more than dirt, old-growth soil is really a teeming mass of life functioning in a symbiotic relationship with the trees above. This underground biotic community allows the forest to regenerate following a wildfire or other disturbance. Clearcutting and heavy slash burning, however, can severely damage, and even destroy this life support system.[25]

The two highest-profile species dependent upon old-growth habitat are the northern spotted owl and the marbled murrelet, both of which the U.S. Fish and Wildlife Service listed as threatened species during the 1990s, setting off a firestorm of controversy, still unresolved. After a century of heavy logging of old-growth forests, both species suffered a precipitous decline in population. Their remaining habitat is now so highly fragmented that their long-term survival remains questionable. Less well known, but far more endangered, is the Humboldt marten, which may already be extinct. Extensive surveys in 1990 and 2002 turned up no sign of the large, weasel-like animal.[26]

The single most salient feature of the forests of the Pacific Northwest, whether dominated by Sitka spruce, costal redwood, Douglas fir, or western hemlock, was the sheer size of the trees, their longevity, and long-term stability. Ecologist Reed Noss notes that, "In the absence of human activities . . . the late-seral redwood ecosystem is one of the most stable on the planet, achieving a self-perpetuating steady state with a low incidence of severe fire."[27] Recurrent disturbances like fire, floods and wind, were largely localized, with large-scale catastrophic disturbance extremely rare. Although some costal tribes, especially the Tillamook and Yurok,

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[25] Louma, 96-123. Burton Barnes, Donald Zak, Shirley Denton, and Stephen Spurr, *Forest Ecology*, (John Wiley & Sons, Inc., 1998, 4th ed.), 384.
[26] Noss, 155, 161; Keith M. Slauson, William J. Zielinski, and Gregory W. Holm, "Distribution and habitat associations of the Humboldt marten (*Martes americana humboldtensis*), and Pacific fisher (*Martes pennanti pacifica*) in Redwood National and State Parks: A report to Save-the-Redwoods League" (Arcata, CA: USDA Pacific Southwest Research Station, Redwood Sciences Laboratory. 2003), 3.
[27] Noss, 177.

did set fires, these tended to be confined to limited areas. Following the California gold rush, however, logging introduced an entirely new disturbance on an unprecedented scale and rate.[28]

By the late-nineteenth century, lumbering had developed into a well-coordinated endeavor that combined skilled human labor and raw animal power. Swinging double-bitted axes, a team of two men working in tandem could chop down a five-foot diameter Douglas fir in less than three hours, although it could take three days to bring down a large redwood. (Left-handed choppers were always in short supply and Hammond was continually advertising for such men.) To avoid the swollen, pitch-filled base that would sink the log when it was dropped into a nearby river, fellers inserted a springboard six to fifteen feet up the trunk to provide a chopping platform. Dropping the tree required great skill for if it landed wrong and splintered, the whole day and tree had been wasted. To prevent such breakage, the crew removed the smaller trees surrounding their target and prepared a bed of boughs on which it could land. Such practice, while selective in theory, actually removed a substantial quantity of forest in felling a single tree.[29] One eyewitness described the sound of a redwood falling as a dry, tearing sound "as though the clouds were being ripped apart. Then there comes a brief moment when this tearing, ripping, splitting noise has an undertone of a great swishing, like a hurricane being born. And then the long, rumbling crash that booms in your ears and sends a vast noise echoing through the hills."[30]

After limbing the branches, a team of peelers moved in and, standing atop the huge logs, stripped the thick bark with long crow bars as if they were peeling blubber from a whale carcass.

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[28] Robert Boyd, ed. *Indians, Fire and the Land in the Pacific Northwest* (Corvallis, Oregon State University Press, 1999), 8, 167; Noss, 177.
[29] Stewart Holbrook, *Holy Old Mackinaw: A Natural History of the American Lumberjack* (New York: Macmillan, 1938), 164; Melendy, 31.
[30] Holbrook, 173.

Selecting only the choice sections, sawyers, wielding twelve-foot-long "misery whips," then cut the tree into manageable lengths that could be hitched to an ox team. With twenty-five percent of a redwood wasted by cutting so high above the swell, plus leaving the top behind, and adding another ten percent from breakage, only about sixty-five percent of the tree made it to the mill. In his 1884 *Report on the Forests of North America*, Charles Sargent deplored this practice as "waste" that contributed to forest fires. This accumulation of fuel indeed contributed to the intensity of fires in drier regions such as the Intermountain West. On the rainy West Coast, however, leaving behind this woody debris may have inadvertently maintained nutrients, such as nitrogen, and provided structural diversity to the forest and wildlife habitat for small mammals.[31]

In the redwood region, the practice of setting fire to the forest following logging soon developed. Because of the fir-and rot-resistant quality of redwood, lumbermen typically cut a year's supply of logs in the spring and summer. Then, in the fall they set fire to the downed logs to burn away the slash and bark, leaving the winter rains to wash off the soot. Although these slash fires made it easier for logging crews to haul out the logs, all too often the fires burned off the protective duff and humus leaving, the "countryside barren and incapable of natural reforestation."[32]

Since each tree required substantial investment in time and effort, rather than capital, loggers removed only the best trees (from a lumberman's perspective). Furthermore, the contract system of paying loggers for the board feet they delivered to the mill reinforced selecting the choicest logs. They viewed the oldest Douglas fir as too decayed to be worth the trouble, and the

[31] Melendy, 30-33; Jerry Franklin, et. al., "Ecological Characteristics of Old-Growth Douglas fir Forests," (USDA, PNW-118, Feb. 1981), 76.
[32] Melendy, 34.

biggest redwoods were simply too large to handle with animal power. A few innovative individuals, however, simply dynamited large logs for ease of transport.[33]

Ring rot was often prevalent in Douglas fir over 300 years old, and loggers left these standing, along with the younger trees. These cull trees provided seed sources for cutover areas. Therefore, this selective process did not alter the reproduction and function of forests to the extent that later practices would. Subsequent studies concluded that animal logging left the forest in a productive condition. One study reported that ninety-two percent of areas logged by ox teams between 1860-1890 regenerated successfully. In later years, loggers even returned to older cutting areas to find ample merchantable timber.[34]

Although environmental historians have characterized animal logging as "ecologically benign," other evidence suggests substantial impacts. While extracting the trees by horse or oxen team caused comparably little damage to saplings, falling trees often scarred the thin bark of the hemlock and Sitka spruce that occurred in mixed stands with the more desirable Douglas fir. Bark damage made the remaining hemlock and spruce highly susceptible to rot fungus. [35]

While constrained in its scope and scale, animal logging also greatly altered the forest composition, as loggers selected Douglas fir and left hemlock and spruce standing. This opened the canopy and allowed for increased growth of remaining trees. Alder, however, soon dominated the cleared sites, and hemlock, as the climax species, out-competed the remaining Douglas fir. Animal logging thus shifted a Douglas fir-dominated ecosystem to spruce and

[33] Carranco, 55.
[34] Richard White, *Land Use, Environment and Social Change: The Shaping of Island County, Washington* (Seattle: University of Washington Press, 1980), 88, 109.
[35] Quote from White, 91; Ernest Wright and Leo Isaac, "Decay Following Logging Injury to Western Hemlock, Sitka Spruce, and True firs" (USDA, technical bulletin #1148, 1956).

hemlock. Eventually, lumbermen recognized the economic value of these species and returned to cut them as well.[36]

With animal logging restricted to within a mile or two of a river, the heaviest impacts were on these riparian areas, yet reverberated throughout the ecosystem. As in New Brunswick, logging activity along rivers on the West Coast substantially impacted salmon and other fish populations, even extirpating many species and pushing California and Oregon's salmon populations toward extinction. Impacts on fish populations were perhaps even greater on the West Coast than in New Brunswick because of the compressed time span in which the impacts took place. Furthermore, West Coast rivers were relatively short and steep; therefore, whatever logging occurred upstream quickly affected the entire watershed.

The wet winters and unstable geology of the Coast Ranges caused the region to experience some of the highest recorded rates of natural erosion and sedimentation. Fortunately, down logs in the streams slowed the water and mitigated the frequent landslides and flooding. River drives, however, converted structurally complex rivers into conveyor belts for logs, dramatically increasing the downstream sedimentation and erosion and resulted in heavy losses in aquatic habitat. Despite the obvious impact to the region's fisheries, the economic value of river drives was such that in 1889 Oregon allowed counties to declare non-navigable streams "log highways." Not until the 1950s did environmental considerations lead states to pass legislation that finally ended the practice.[37]

Logging in the riparian zone quickly transformed a stream filled with pools, riffles, moss covered rocks and overlain with down trees into a shallow, muddy torrent. Logging increased

[36] White, 91; Richard A. Rajala, *Clearcutting the Pacific Rainforest* (Vancouver, University of British Columbia Press, 1998), 91.
[37] Noss, 176; Meany, 258; William Robbins, *Hard Times in Paradise: Coos Bay, Oregon, 1850-1986* (Seattle: University of Washington Press, 1988), 64.

stream sediments by eighty-nine percent over unlogged areas in the redwood region. These fine sediments, while increasing short-term nutrients, settled over the gravel stream beds and eliminated spawning sites for salmon for decades, possibly centuries. Removing the large overhanging trees along a river reduced cover and pool habitat needed by fish and amphibians and quickly increased the water temperature, often to the point of being lethal to salmon. The end result was that by the twenty-first century, Chinook, chum, coho, sockeye, and steelhead had became federally listed as either endangered or threatened species in Oregon and California.[38]

Excellent indicators of ecosystem health, amphibians have also declined dramatically throughout the redwood region. Redwood forest streams contained a variety of amphibians, up to eighteen species. Splash dams from historical logging eliminated at least one – the torrent salamander – from the Mattole watershed. Although pre-industrial animal logging was confined to relatively narrow corridors along rivers, the impacts far exceeded simply removing a few selected trees from the site.[39]

Cutting trees was a skilled but rather straightforward process that remained non-mechanized until the 1930s. The greatest obstacle was getting the log to the mill and this was limited by the physical ability of animals. Both oxen and horses tired quickly in the summer heat and could not work in the cold or muddy conditions of winter. Not only was moving the log to the mill the major obstacle for loggers, it was the activity that could potentially cause the greatest environmental impact. Skidding logs across bare ground tore out vegetation and plowed a deep furrow into the soil two to four feet deep, leading to erosion, stream sedimentation, soil compaction, and prevented regeneration. Furthermore, it was highly energy intensive. In New

[38] Noss, 190; Jon R. Louma, *The Hidden Forest* (New York: Henry Holt, 1999), 186.
[39] Noss, 194-196.

Brunswick and Montana, Hammond and his crews hauled out logs in the winter by horse drawn sleighs that slid over the ice or snow causing minimal soil damage. On the West Coast, where winter rain replaced snow, lumbermen had to devise another method.[40]

Driven by the highest paid member of the crew, the teamster (or bull puncher), the oxen dragged the logs chained together down a gulch. Crews built skid roads, half-burying small logs crossways like railroad ties over which the logs could slide. Chains clanking, oxen huffing, hooves plodding and men cussing, the animals sweated the logs to the river where they awaited the winter floods that would carry the logs to the mill downstream. Limited by their own energy, as well as terrain, the ox teams could only haul the logs a mile or so. Yet an oxen team could haul about 10,000 bf every trip and make four mile-long trips per day.[41] Inadvertently, skid roads prevented deep soil scaring and ruts. Multiple passes of oxen and heavy logs, no doubt, resulted in soil compaction. Skid roads distributed the weight and probably resulted in less damage that would occur otherwise. Eventually the skid road would begin to rot back into the soil, providing nitrogen and retaining water for new vegetation.

During the 1880s advances in one technology spurred others. When Hammond acquired the Northern Pacific contract, he built mills using the newest technology – steam power and band saws – that increased a mill's production from 40,000 to 250,000 bf. By 1904 ninety percent of West Coast mills operated under steam power. As mills cut lumber faster, demand for raw logs increased, giving rise to logging railroads to move the logs to the mill. Horse and oxen teams could scarcely keep up with the increased pace in getting logs to the railroad landing. Then the steam donkey arrived, revolutionizing logging and turning it into an industrial activity.[42]

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[40] George Garrison and Robert Rummell, "First-year effects of logging on ponderosa pine forest range lands of Oregon and Washington," *Journal of Forestry*, (Oct, 1951): 708-713.
[41] Melendy, 33; White, 87.
[42] Williams, 303.

In 1881 William Carson's partner, John Dolbeer, modified a ship loading steam engine, combining an upright boiler with a capstan gypsy head on a horizontal shaft. Using a 140-foot-long manila rope, this device towed logs to the yarding area. Mounted on a wooden platform, the Dolbeer Steam Donkey could even winch itself up a steep hill to a logging area. Another donkey at the yard then pulled logs in from the surrounding area and loaded them onto rail cars. In 1892 steel cable replaced manila rope, and the next year the "bull donkey" appeared on the scene. With a larger, more powerful engine and with twin spools that could pull in the haul-back line while towing the log, the bull donkey eliminated the need for animal power altogether. The bull donkey could haul up to twenty logs bound together from 2,000 feet away, greatly increasing the scope of a logging operation. As donkeys became more powerful there was less need to negotiate live trees or stumps, and both were often uprooted by incoming logs.[43]

When Hammond purchased the John Vance Mill & Lumber Company in 1900, a few oxen teams still remained on the coast; horses had become more common, but the trend toward donkeys was well underway. Oregon camps contained 35 steam donkeys, California had 61, mostly in the redwood belt, and Washington led the way with 293 donkeys. Because of the size of the trees, the well-capitalized redwood industry had largely shifted to steam logging, employing both donkeys and gypsy locomotives. The gypsy, another of Dobleer's inventions, wedded a steam donkey and a geared locomotive into a tiny workhorse.[44]

For Hammond and other lumbermen, mechanization of logging had multiple advantages. With donkeys and branch railroads, the industry was no longer limited to the forests along rivers, but could now access remote and mountainous terrain. In 1909 a typical Hammond logging operation would punch in a railroad to the mouth of a gulch where a crew would build a

[43] Melendy, 44-47.
[44] Thomas R. Cox, *Mills and Markets: A History of The Pacific Coast Lumber Industry to 1900* (Seattle: University of Washington Press, 1974), 233.

200 to 300-foot-long landing. Skid roads branched out and up the gullies. At the top of each road, smaller donkeys pulled logs into loads of fifteen to thirty logs, which were bound up and dragged to the landing by the bull donkey. Weather ceased to be a factor as well. In 1911 Hammond became the first redwood lumberman to run his logging camps year-round instead of shutting down during the rainy season.[45]

The pace and scale pace of logging now increased dramatically. With the donkey engines, ten logs could be hauled down a skid road with the same effort it took to remove one from the bush by horse. Worker productivity rose five-fold, from 3,000 bf per day with horse logging to 15,000 bf with mechanical skidding. Since steam donkeys did not need to be fed (fuel was lying on the ground all around), nor cared for during the off season, they reduced the cost of a logging operation by more than half.[46]

Capital investment in a logging operation had profound ecological impacts. With railroads running $30,000 to $60,000 per mile to build and donkey engines costing more than $10,000, this represented a substantial investment in a single location. Removal of all merchantable timber became an economic necessity. Unlike horses and oxen, donkeys could easily haul out the largest trees, as well as everything else. By 1917 a market for spruce and even hemlock had developed, and only small diameter trees were left behind. In a self-reinforcing cycle, increased capital investment required maximum production to meet bond payments, and in turn, more production required more capital investment.[47]

Development of markets, steam technology, and railroad transportation encouraged the transition from selective to clear cutting. Donkeys increased the pace and scale of logging

[45] Melendy, 48-49, 200.
[46] Rajala, 91. Peter Murphy, Roger Udell, and Robert Stevenson, "The Hinton Forest 1955-2000, a case study in adaptive forest management," (Foothills Model Forest, Alberta, 2002). Cox, 232.
[47] Carranco, 69.

operations with resultant environmental damage. In 1909 a forest official conceded that the steam donkeys caused "a much greater menace to the forest than team logging."[48] A 1932 Forest Service study confirmed that of the stands that had germinated following steam donkey logging, only fifty-nine percent could be considered "well stocked" as compared to the ninety-two percent that regenerated following animal logging.[49]

Cable or ground-lead yarding by donkeys tore up the forest floor, knocked over young trees, and left massive slash piles, increasing the likelihood and intensity of fire. One study found ground skidding denuded twenty-two percent of the surface and destroyed seventy-two percent of trees smaller than 3.5 inches.[50] The heaviest damage occurred along the skid trail. Even without a skid road, animal logging caused substantially less deep soil disturbance, as it was confined to planned routes, compared to subsequent cable logging that impacted a large area. A study of logging in Oregon's ponderosa pine forest calculated total forest disturbance from horse logging at seventeen percent compared to thirty percent for cable logging.[51] Nevertheless, "logging was confined to relatively small areas open to reseeding from adjacent stands."[52] Ground-lead logging was still selective to a degree, leaving behind small diameter trees, and the slash fires were largely restricted to the actual operation.

Within a few years, however, increased production demand led to the highly destructive practice of high-lead logging. Introduced to the West Coast in 1906, high-lead logging soon became widespread as it increased output tenfold over ground skidding. Typified by the Lidgerwood skidder, this technique required a spar tree equipped with a complex system of block and tackle and a spiderweb of steel cables that enabled the donkey yarder to hoist logs

[48] Rajala, 99.
[49] White, 88, 109.
[50] Garrison and Rummell.
[51] Ibid.
[52] Rajala, 91.

through the air across a large area. Although some systems carried the logs in a carriage high above the forest floor, most simply dragged the logs along the ground with one end hoisted up. Incoming logs became "enormous battering rams," uprooting stumps, saplings, rocks, and else anything in their path. High-lead logging required total clearcutting to give logs room to be yanked into air and move across the landscape unimpeded. Dragging logs to a central point also prevented natural regeneration as saplings were uprooted and the soil scrapped clean. These large clearcuts with no trees remaining prevented any regrowth and produced the infamous "logging deserts," a seemingly endless landscape of stumps where nothing could grow.[53]

High-lead logging again increased the speed of logging operations, such that the pace was now set by the machine rather than by workers or the terrain. A Lidgerwood skidder could clear an area up to 1,500 feet around the donkey and could yard up to 200 feet from the main cable line. It only took ten seconds to run the line out 700 feet, and a log could be hauled in less than five minutes. With its continuous operations, high-lead logging pulled in 100 logs per day, compared to 30 per day with a ground lead. It also reduced the skilled labor that had evolved with ground skidding. One proponent of this new system proclaimed that it eliminated skid roads, swampers, chasers, snipers, barkers, and the skilled hook tender "upon whose caprices hangs the day's output."[54]

One observer described a high-lead operation as:

> [A] somewhat disconcerting maze of large and small cables running through the air in every direction, and the ground covered with stationary engines, pumps, wood-bucking power saws, steel rails, switches, locomotives, cars, telephones, humidity gauges, movable power plants, and traveling machine shops. It is, in short, a gigantic factory without a roof.[55]

[53] Williams, 315-316, quote page 257.
[54] Ibid. Rajala, 35. Quote from *Columbia River and Oregon Timberman*, Dec. 1904, "The evolution of coast logging:" 21-24.
[55] Holbrook, 186.

Industrial logging reversed the forests' relationship with fire. At the same time that lumbermen tried to prevent low-intensity fires in mature forests, they created conditions for widespread conflagrations. High-lead logging left behind massive quantities of slash – tree tops, branches, and stumps – up to 24,000 cubic feet per acre. Lumbermen recognized a high correlation between slash and catastrophic wildfire and thus pushed for and got legislation in Oregon that required slash burning to protect the forest. They also believed that slash burning would prevent reburns. Clearcutting and slash burning went hand-in-hand and became standard industry practice.[56]

While slash burning reduced the immediate fire danger, it hindered regeneration. Because these fires burned so hot – up to 1,841 degrees – they eliminated the protective duff layer and future sources of organic matter. The blackened soil absorbed sunlight and produced surface temperatures of 140 degrees when the air temperature reached 85 degrees, thus killing off forty-five percent of Douglas fir seedlings that had managed to find their way into the clearcut. Not only did these extremely hot slash fires eliminate eighty-nine percent of soil's organic matter, they also changed the soil ph from acidic to alkaline, and increased nitrogen and other plant nutrients. The excess nutrients favored rapid colonization by pioneer species, such as alder, and caused Douglas fir seedlings to develop large crowns and shallow root systems, making them susceptible to drought.[57]

The extensive soil damage was perhaps the longest-lasting legacy of industrial logging. In addition, stripping steep mountainsides of trees contributed to erosion and frequency of landslides in a region of already unstable slopes, increasing sedimentation of streams and rivers. A recent study in the Cascades found that clearcutting and road building directly caused more

[56] Leo Isaac and Howard G. Hopkins, "The forest soil of the Douglas fir region, and changes wrought upon it by logging and slash burning," *Ecology* vol. 18:2 (1937): 264-279.
[57] Isaac and Hopkins.

than half of all landslides. In contrast, in old-growth forests, large landslides historically occurred only every 300-400 years.[58]

Despite evidence to the contrary, early twentieth-century government foresters endorsed clearcutting as a silvicultural practice that would foster regeneration of Douglas fir. Allowing clearcutting on western public lands was a dramatic departure from eastern practices where horse logging prevailed and foresters opposed the use of steam donkeys. But on the West Coast, they maintained that steam logging was the "only practical method" because of the rough terrain, and large trees. Foresters even developed a scientific rationale for clearcutting based on the notion that Douglas fir reproduced best on open ground exposed to direct sunlight.[59]

In a 1903 study, forester E.T. Allen declared that Douglas fir was shade-intolerant and therefore advocated clearcutting and burning slash to expose the mineral soil. Ten years later, government forester J.V. Hoffman theorized that Douglas fir seedlings could be retained in the soil for up to eight years. He suggested that when exposed to sunlight, the stored seeds would naturally regenerate the site following clearcutting. A few years later, researcher Leo Isaac demonstrated the error of this theory, but did not release his results until 1935 and Hoffman's notion persisted for decades.[60]

In 1909 George McLeod, manger of Hammond's Oregon operations, and eighteen other lumbermen formed the Western Forest Conservation Association and hired E.T. Allen, as the executive director.[61] Four years later, Allen issued a report declaring that regeneration was "exceedingly swift and certain unless destroyed by fire" and the best practice was to clearcut, burn the slash and "let the seed stored in the ground sprout." Allen maintained that good forestry

[58] John Cissel, Fredrick Swanson, et. al., "A landscape plan based on historical fire regimes for a managed forest ecosystem: the Augusta Creek Study" (USDA PNW-GTR-422, 1998), 20; Franklin, et. al.
[59] Rajala, 92.
[60] Ibid., 93, 115.
[61] George McLeod interview with Elwood Maunder and Clodaugh Neiderhauser, Feb. 19, 1957, FHS, 22.

"coincides with common logging practice."[62] Later studies demonstrated that the high surface temperatures in clearcuts were detrimental to regeneration and that Douglas fir was actually moderately shade-tolerant, growing best in about fifty percent full sunlight.[63]

Despite Allen's contention, by the 1920s it was apparent that cutover lands were not regenerating and that clearcutting had severe ecological consequences. Foresters began to advocate leaving behind mature seed trees for regeneration, yet these were soon toppled by wind or slash fires. With bureaucratic understatement, a 1916 US Forest Service inspector reported that high-lead logging "presented difficulties in ensuring reservation of individual trees or groups of trees for seed purposes"[64] In 1922 forester Thornton Munger offered a more candid assessment in his report on forest conditions on private land in the Douglas fir region, concluding, "whatever reproduction takes place does so, for the most part, in spite of present methods, not as a result of them."[65] Five years later, he examined logging on Forest Service lands and found that forty percent of logged land was completely barren. He noted that the reproduction that did take hold occurred in areas prior to the advent of high-lead logging.[66]

Ironically, these findings prompted a move toward total clearcutting followed by artificial regeneration. Foresters saw old-growth forests as "over-mature" and "decadent" and an obstacle to sustained-yield management. They continued to justify clearcutting as the first stage in scientific management. By liquidating the mixed hemlock/Douglas fir old-growth stands, these

[62] Rajala, 110.
[63] Jerry Franklin, "Natural Regeneration of Douglas fir and associated species using modified clear cutting systems in the Oregon Cascades (PNW-3, Sept. 1963); Peter, A. Twight, *Ecological Forestry for the Douglas Fir Region* (Washington, D.C: National Parks and Conservation Association, 1973), 5
[64] Rajala, 101.
[65] Ibid, 108.
[66] Ibid., 117.

could be replaced with perfect even-aged stands of Douglas fir for a second crop with no restriction on logging methods.[67]

Not only did industrial logging conveniently inform the scientific community, the introduction of steam power and the subsequent speed-up in production forever changed the nature of work. While Hammond worked twelve-hour days in his youth, the pace of logging was no faster than a man could chop or an ox could walk. By 1910, however, machines set the pace. Bigger and more powerful donkey engines appeared in the woods every year, and men raced to keep up with the logs hurtling through the air on steel cables. The factory model, in which machines dictated production, replaced what was once fairly skilled occupation, whereby workers selected trees and controlled the pace of operations. Improved technology stripped workers of their power. Formerly, a bull puncher could shut down the whole operation if he walked off the job. Historian Richard Rajala argues that the power of such skilled workers gave owners additional motivation to adopt steam power. Not only did technology increase the pace of logging and milling, but as companies became larger and more consolidated, they needed to increase the rate of throughput to maintain profits and pay off bondholders. All of this increased the pressure on men to work harder and faster, leading to more deaths and injuries. When workers protested the new technology and ramped up production, owners simply replaced them with unskilled labor. In Humboldt County, that issue came to a head in 1907.[68]

[67] Ibid., 91, 94, 118.
[68] Ibid., 3-19.

Seventeen: The Great Strike of 1907

By all indications 1907 looked to be a most prosperous year for A. B. Hammond. He and his family had survived the San Francisco earthquake and fire; his house and business were both intact. In fact, the destruction of the city proved to be a financial boon with the demand for pilings and lumber. Over the previous ten years, Hammond had acquired tens of thousands of acres of timberlands for a fraction of their worth. He owned one of the largest and most advanced lumber mills on the West Coast, and had assembled an extensive transportation network. Furthermore, lumber prices were advancing steadily. It certainly appeared that all aspects of lumber production were under Hammond's control. To top it off, the recurring bouts of rheumatism that had plagued him over the past year seemed to have dissipated. Yet, discontent rumbled from deep within his empire.

Hammond's trouble in Humboldt had begun in 1903, just three years after he purchased the Vance Lumber Company. Updating the Samoa mill with the latest machinery in 1902, he also installed a corporate management system, well-suited for Hammond operating from the distant financial capital of San Francisco, but less amicable to his employees accustomed to the paternalism of Humboldt County. Pioneer lumber barons like Carson, Vance, and Elijah Falk lived in the same town as their workers, walked the same streets, and greeted their employees by name. Men knew who they worked for, and if they had a complaint they knew who to see about it. In contrast, with Hammond's arrival, improved technology and a new bureaucratic structure coincided to alienate workers.

The updates to the Samoa mill allowed it to run day and night. Unaccustomed to working nights, men resented having to leave their homes in Eureka early in the evening and not return home until the next morning. Furthermore, their ten-hour shift did not begin until 7:00 pm, yet the *Antelope* (the Hammond ferry) left Eureka at 5:45. When workers asked to have sailing time pushed back to 6:30, the company ignored them.

One night in late October 1903, night shift workers had gathered at the Eureka dock for the *Antelope* to carry them across the bay to Samoa. After they had waited in the cold for an hour, a company representative informed the men that dense fog had grounded the ferry and they should wait until launches returned with the day crew. Several men simply grew tired of waiting and returned home. Others decided it was too dangerous to board the crowded boats in the dark and fog. Regardless, when they showed up for work the next night, twenty-three men found themselves unemployed. In a letter to the *Humboldt Standard*, one of the fired workers wanted people to "know the methods of these Eastern timbermen and beware of them." Their primary complaints stemmed from the impersonal corporate nature of the Hammond Lumber Company: no response to their request for later departure time, $1.50 taken out of wages for boat fare regardless of whether they missed the boat – a not infrequent occurrence as it often left early – the non-resident owner of the company, and the convoluted bureaucracy involved in getting their paychecks after being fired.[1] The incident marked the beginning of an ever-widening fissure between workers and owners in Humboldt County.

In Eureka and across America, workers struggled to come to terms with the new corporate reality that redefined their relationship with employers. Because of its isolation, however, Eureka remained an "island community" where workers still believed

[1] *Humboldt Standard*, Oct. 27,1903

they had some degree of control over their lives and could determine the work pace and job organization. Furthermore, workers in Eureka could count on the support of local businessmen in their community in their struggle with outside capitalists such as Hammond.[2]

Eureka housed a strong democratic tradition of political dissent that originated in the labor and populism movements of the late-nineteenth century. Concerned about the concentration of economic power and indignant over land frauds, during the 1880s residents of Humboldt County formed the local chapters of the International Workingman's Association and the Knights of Labor. Labor historian Daniel Cornford argues that this strong populist tradation politicized Humboldt's working class and provided a sense of legitimacy. In addition, the labor theory of value, which held that the value of a good was proportional to the labor required to produce it and therefore workers were entitled to the profits received, permeated the city's consciousness. Cornford notes that this paradigm "provided union men with a profound belief in the righteousness of their mission" in opposing capitalism. Although residents retained their ideology, the depression of the 1890s had dissolved these early labor affiliates.[3]

By 1900 the global building boom had stimulated Humboldt's economy and created a labor market that reinvigorated Eureka's unionization effort. This also reflected a national trend; in the U.S., membership in trade unions jumped from 440,000 to more than two million between 1897 and 1904. In Eureka the 1905 Labor Day parade drew

[2] Melvyn Dubofsky, *Industrialism and the American Worker, 1865-1920* (Wheeling, IL: Harlan Davidson, Inc., 1996), 37-38.
[3] Much of my assessment of Humboldt County's early labor history is based on Daniel Cornford's excellent account, *Workers and Dissent in the Redwood Empire* (Philadelphia: Temple University Press, 1987), and his "Lumber, Labor, and Community in Humboldt County, CA, 1850-1920," (Ph.D. diss., University of California, Santa Barbara, 1983), quote, 438.

2,500 people representing twenty-five unions. By the following year, nearly every occupation in Humboldt County had a union. The AFL-chartered Eureka Trades Council boasted 4,000 members, and most had gained wage increases and formal collective bargaining agreements. Most importantly, Eureka's craft unions had won the eight-hour day. The Trades Council even had its own newspaper, the *Labor News*, one of California's only labor newspapers outside of San Francisco, owned and edited by Joseph Bredsteen, an avowed socialist. In 1906 Eureka unions began building their own hospital, and the newly-formed International Brotherhood of Woodsmen and Sawmill Workers (IBWSW) boasted more than 2,000 members. Unionism soon began spreading from Eureka into the backwoods timber camps.[4]

Daniel Cornford notes that while important, the economic boon in the early-twentieth century was not the only factor in Humboldt's labor revival. He points to the county's social, cultural, and political institutions that gave labor a broad appeal, as well as the deep grievances many workers held against the lumber barons. Cornford finds that Humboldt's unionization was almost entirely a grassroots effort. With virtually no help from national or state organizations, Humboldt's labor movement "became a formidable bargaining force that was able to secure increases in wages and improvements in working conditions."[5] Nonetheless the lack of outside support meant Humboldt unions were little match for the organized power of employers.

Humboldt County, however, provides an excellent case study in how workers themselves attempted to exert power over their lives with relatively little influence from either the conservative American Federation of Labor (AFL) or the emerging

[4] Humboldt Times, March 29, 1905; Cornford, *Workers and Dissent*, 135-155.
[5] Cornford, *Workers and Dissent*, 150.

revolutionary International Workers of the World (IWW). Although both these organizations eschewed political involvement, Eureka and San Francisco proved notable exceptions where labor became a significant player in municipal politics. In Humboldt, workers formed a branch of the Union Labor Party (ULP), which dominated San Francisco politics from 1901 to 1911. The ULP advocated better schools, compulsory education, civic improvements, parks and playgrounds, public ownership of utilities, abolition of child labor, direct election of president and senators, immigration restriction, better workplace sanitary conditions, and women's suffrage. By 1908 the ULP had merged with the local Socialist party and succeeded in electing Eureka's mayor in 1915, pioneer mill owner Elijah Falk. While far from politically homogenous, Eureka displayed a remarkable degree of support for unionism and third-party politics that transcended class boundaries but was firmly grounded in a strong sense of community. Indeed, the case of Eureka countered Eugene Debs' contention that, "The choice is between the AFL and capitalism on one side and the industrial workers and socialism on the other."[6]

Most of Humboldt's lumbermen, however, were not like Falk. They disliked unionism, but resigned, did little to oppose it. A. B. Hammond, however, refused to accept the growing power of labor. Indeed, he viewed the developments in Humboldt with mounting concern.

Hammond was in San Francisco for scarcely a year before the city's most pivotal labor conflict erupted. In January 1901, San Francisco's sailors, longshoremen, teamsters,

[6] Cornford, *Workers and Dissent*, 137, 148, 184; "Lumber, Labor, and Community", 426-7. Quote in Melvyn Dubofsky, *Industrialism and the American Worker, 1865-1920* (Wheeling, IL: Harlan Davidson, Inc., 1996), 117.

and six other unions organized into the City Front Federation led by a gaunt Norwegian sailor named Andrew Furuseth. Scrupulously dedicated to addressing the plight of his fellow sailors, Furuseth had become secretary of the Coast Seaman's Union in the wake of the disastrous sailor's strike of 1886 in which triumphant shipowners had lowered wages and instituted a system of grade books that tracked a sailor's employment history. In 1891 Furuseth folded the Coast Seaman's Union into the Sailor's Union of the Pacific (SUP). In his position as secretary of the SUP, Furuseth would remain the head and face of the union for the next forty-four years. For thirty-five of those years, Furuseth and A. B. Hammond would engage in a protracted struggle.[7]

Sailors were among the world's most exploited workers. Living in virtual wage bondage, sailors were subject to physical and psychological abuses from ships' captains who wielded absolute authority, as it was against the law to disobey a ship's officer. If conditions became intolerable, sailors could not quit as they could be imprisoned for desertion. In 1896 the Supreme Court ruled that the thirteenth amendment that abolished slavery and involuntary servitude did not apply to sailors. In addition, sailors were at the mercy of boardinghouse crimps who often stole and swindled their pathetic wages, which were as low as $20 a month.[8]

In all of Hammond's battles – legal, political, economic, and social – including those with Sparks and the Cleveland administration, with Higgins and Daly in Montana, with Carson and other Humboldt lumbermen, and those with unions, none of his opponents was as formidable, determined, and tenacious as Furuseth. Only the scowling, hawk-nosed Andy Furuseth could match Hammond's stubbornness and

[7] Hyman Weintraub, *Andrew Furuseth, Emancipator of the Seamen* (Berkeley: University of California Press, 1959), 7, 14-15.
[8] Weintraub, 35.

intransigence. The battle was not just one of personalities; indeed, the men eventually came to respect each other and even engaged in cordial conversation, Furuseth even personally informing Hammond when the sailors would go on strike. Instead, the two Andrews represented two sides of a deep divide between labor and capital that America itself struggled with for more than fifty years. The core issue was: Who should control the means of production, the workers who provided the labor, or the industrialists who provided the capital? The debate threatened to tear American apart in the first two decades of the twentieth century.

Andy Furuseth was not quite the ideological opposite of Hammond. That position would be reserved for Big Bill Haywood and the radical IWW, which advocated revolution and the overthrow of the capitalist system. In contrast, Furuseth's primary concern was to improve the lot of seamen, and in this he was absolutely dedicated. As a "bread and butter" unionist, Furuseth aligned the SUP with the conservative AFL and Samuel Gompers. Hammond, however, saw little distinction and would eventually lump all unionists – AFL and IWW alike – as radical "Bolshivikis." At bottom, Furuseth and other union leaders subscribed to the labor theory of value and upheld the right of workers to organize and bargain collectively, a right not enshrined in the American legal system until the Wagner Act of 1935. Hammond and other capitalists, on the other hand, insisted that no one could tell them how to run their businesses. Generally speaking, they were not opposed to men seeking higher wages *individually*. It was the idea of organized labor and collective bargaining they found reprehensible. While Hammond and other industrialists decried the tactics of unions – boycotts, picketing, and strikes – they engaged in boycotts of their own, as well as lockouts and importing strikebreakers.

Although owners opposed government intervention in their businesses, they had no qualms about enlisting the power of the state to defeat organized labor, and often used federal troops and court injunctions to break a strike.

Above all, businessmen feared a general strike that could paralyze a city and shut down all business activity. In the spring of 1901 such a mass strike appeared imminent in San Francisco with the rising tide of union power. In response, fifty of the city's preeminent business leaders formed the Employer's Association to resist the unions. Although membership was secret to avoid boycotts, Hammond was likely part of the Employer's Association, as he became president of its successor, the notoriously anti-union Citizen's Alliance.[9]

In July the Employer's Association forced labor's hand with a lockout of the teamsters, informing them they must either quit the union or their jobs. In response, 6,400 teamsters went on strike and were soon joined by some 20,000 workers from other trades. The strike indeed shut down the port and brought the West's largest city to a standstill. The ensuing violence between strikers and scabs on San Francisco's waterfront left four men dead and hundreds wounded. Finally, Governor Henry Gage brokered a secret agreement that resulted in the creation of a virtual closed-shop city and catapulted organized labor into the city's political sphere. The ascendency of union power allowed San Francisco's Building Trades Council to refuse to handle any building material originating in a non-union shop or one working longer than an eight-hour day. While this gave Bay Area planing mills that agreed to union demands a guaranteed market, it shut

[9] Kazin, 53; *Labor News*, July 23, 1910:1

all of Hammond's finished wood products out of San Francisco, a situation he resolved to reverse.[10]

The City Front Strike also provided Andrew Furuseth with the opportunity to negotiate a contract with West Coast shipowners guaranteeing SUP sailors a minimum wage of $40 a month. For the next four years, sailors and owners maintained a cordial relationship, largely because Furuseth insisted sailors hold to the contract prohibiting sympathetic strikes. Then in the spring of 1906, Furuseth and the shipowners began negotiating for a $5 increase in monthy wages. By now, however, Hammond had entered the coastal shipping trade and become a prominent member of the Steamship Owners Association. Taking a lesson from the City Front Strike, Hammond and other shipowners decided to hold the line, band together, and hold other owners accountable should they give into union demands. The shipowners joined the United Shipping and Transportation Association, which required members to post a $60,000 bond to prevent them from raising wages without consent of the executive board. Such associations had become commonplace as a move to thwart unions. Indeed, Hammond employed the same strategy with Humboldt Lumber Manufactures Association (HLMA) in attempting to keep lumbermen from raising wages.[11]

But in April 1906, geologic forces tore San Francisco apart, but the earthquake brought labor and capital together, briefly. In light of the crisis, shipowners suspended their planned increase in freight rates. Likewise, SUP agreed not to charge overtime for relief work. But after a month had passed, Furuseth resurrected the demand for increased wages and improved working conditions. Pointing out that wages in San Francisco had

[10] Ibid., 50-56; Sailor's Union of the Pacific website, www.sailors.org/history.
[11] Weintraub,72-74

risen considerably as result of the earthquake and that to keep seamen on the job they, too, should receive higher wages, Furuseth declared a wage increase to go into effect May 29.[12]

The executive committee of United Shipping and Transportation Association, composed of Hammond, other shipowners, and Southern Pacific Railroad officials, refused the SUP demands. As committee spokesman, Hammond accused the union of trying to take advantage of the situation and using the earthquake as a lever. At the same time, Hammond himself realized huge profits as a result of the disaster. In response to the shipowners' refusal, sailors walked off, idling seventy-seven steam schooners in San Francisco's port.[13]

Despite the strong-arm tactics of the committee, a number of owners, who could scarcely afford to let their ships sit idle, broke with the Association, and agreed to the new pay scale. Hammond, however, remained steadfast. The *Labor News* framed the conflict as "one between labor and capital; the question at issue has ceased to be one of wages and other conditions of labor and has become one between trade-unionism and the 'Open Shop.'" Hammond would have certainly agreed with this assessment. Indeed, the drive to create open shop conditions along the entire West Coast reinvigorated the infirm, sixty-year-old man who had been contemplating retirement.[14]

The sailors' strike dragged on through the summer of 1906 and spread up and down the coast. In Los Angeles, Hammond's ideological twin, Harrison Gray Otis, editor of the *Los Angeles Times*, cast the conflict as a "Bloody Fight for Freedom" led by Furuseth, the "pirate" and "despot of the Sailor's Union." At the Los Angeles' port of

[12] *Oakland Tribune* June 2, 1906:19
[13] Ibid.
[14] *Labor News* June 23, 1906:1

San Pedro, where Hammond had just begun building his massive retail and wholesale lumber yard, the longshoremen union supported the SUP strike and refused to load non-union ships. In Eureka, however, longshoremen continued to work with non-union sailors, creating conflict between the two unions, but as the strike dragged on longshoremen finally aligned with the SUP.[15]

In the meantime, Hammond had secured a permanent injunction against SUP from interfering with his ships. Twelve years earlier, in a twist of irony, a conservative U.S. Supreme Court had ruled that under the Sherman Anti-Trust Act, strikes were a disruption to interstate commerce and therefore corporations could use court-issued injunctions to break a strike. Hammond was not alone in employing injunctions. From 1880 to 1930, U.S. courts issued more than 4,000 injunctions against striking workers. Furuseth and his sailors, however, refused to be intimidated by the legal system and repeatedly violated the injunction, insisting that it was contrary to "constitutional guarantees of individual freedom."[16]

In carrying out the strike, Furuseth hit upon a unique tactic that proved particularly effective and aggravating to shipowners. While in port, union sailors would hire on to a non-union ship. But once a crew had been assembled and the captain prepared to hoist anchor, the sailors would grab their duffels and jump ashore. This forced the captain to spend several more days in port finding another crew at considerable expense to the shipowner. Hammond and other shipowners responded by importing non-union sailors from the Great Lakes, Mexico, and Australia.[17]

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[15] *Los Angeles Times,* Aug. 18, 1907:III1; *Labor News* Nov. 10, 1906:1
[16] Nace, *Gangs of America*, 125; Weintraub, 77, Furuseth quote p. 97.
[17] Weintraub, 76.

Finally after five months, those shipowners still remaining in the Association conceded to SUP demands. There were only two holdouts – the Hammond Lumber Company and the Union Lumber Company, owned by Hammond's good friend, Charles Johnson.[18] Disappointed in what he saw as lack of courage on the part of other shipowners to stand up to the union, Hammond complained to Herb McLeod:

> The business men seem to have surrendered unconditionally to the labor unions and so far have about granted their demands as made. We are still fighting the Sailors Union, but about one half of our organization has flunked and a majority of the balance has not much fight left in them.[19]

Hammond admitted that with the high prices of lumber, "the temptation to run their boats . . . and sell their lumber was too great for most operators to resist."[20] Despite having lost nearly half a million dollars by strikers impeding his business, Hammond refused to yield. Although the Association dropped its claim against SUP for violating the injunction, Hammond persisted, eventually winning the case against Furuseth for contempt of court. When asked about the possibility of jail by the *San Francisco Bulletin*, Furuseth replied, in what became a classic quote in the labor movement, "I would put the inyunction in my pocket and go to yail, and in yail my bunk would be no narrower, my food no worse, nor I more lonely than in the forecastle [sic]."[21]

Despite the capitulation of the Association, Hammond had won a decisive court victory. He also appeared to be winning on the ground as well, taking on the now-united front of sailors and longshoremen unions. When Hammond's *Ravalli* attempted to dock in Eureka, longshoremen prevented the ship from landing. The captain, however, simply

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[18] Ibid., 77.
[19] Hammond to McLeod, Oct. 9, 1906, box 17, folder 6.
[20] Ibid.
[21] *Labor News*, Feb. 2, 1907:8; Quote from Judge William Denman in *A symposium on Andrew Furuseth* (New Bedford, Mass, The Darwin Press), 16.

sailed across the bay to Samoa where Hammond's mill workers unloaded the ship. Other lumbermen had no such options and were forced to hire union crews. William Carson reasoned that it was, "a bitter pill for me to take but we have too much property unprotected here." He admitted that, "the union men are not all outlaws."[22] Hammond, however, would make no such concession and imported fifty "roughnecks" from San Francisco to break the strike. But when they learned they were to be strikebreakers, most of them left for Eureka. Finally, to break the longshoremen's hold on the waterfront, the HLMA formed the non-union Humboldt Stevedore Company to unload ships. Tensions mounted between the two groups of workers and soon ended in tragedy.[23]

On the night of January 9, a group of union longshoremen confronted fourteen strikebreakers. A gunfight broke out resulting in the death of two stevedores, William and Albert Jenks, and causing serious injury to one of the union longshoremen.[24] The two sides quickly accused each other of instigating the violence. The *Labor News* charged Hammond with importing "gunfighters" who brandished their weapons "while they were working as sort of an object lesson and eye-sore to any union men that might be around."[25] Hammond, in turn, blamed Joseph Bredsteen of the *Labor News* for instigating the violence. Hammond publicly declared that Bredsteen's "teachings influenced the miserable wretches guilty of the crime to commit the deed. . . . I deem it my duty to expose this anarchist who is masquerading as a Socialist."[26] The HLC General Manager, George Fenwick, testified that "the strikers went around in gangs of from eight to twenty. I have seen thirty strikers together going around intimidating the non-union

[22] *Los Angeles Times,* Aug. 18, 1907:III1; Carson to Mugan, Sept. 4, 1906, Vol.24: 369, D&C records.
[23] *Labor News*, April 20, 1907:4; Carson to Mugan, Nov. 12, 1906, Vol.24: 417, D&C records.
[24] *Los Angeles Times,* Aug. 18, 1907:III1; *Labor News*, Oct. 2, 1909:2.
[25] *Labor News*, Jan. 19, 1907:2.
[26] Ibid, June 6, 1909:4

men."[27] The Eureka community was less acrimonious and acquitted the accused longshoremen in a jury trial. Hammond, however, would for years cite "the murder of the Jenks brothers" as evidence of union violence and anarchy.[28]

The bloodshed shocked Eureka and awoke workers into realizing that their grievances were not with each other. A few weeks later, the longshoremen agreed to work alongside non-union Humboldt Stevedore employees. Then, in April 1907, the Longshoremen's Union declared a closed shop on the waterfront. In response, the Humboldt Stevedore Company declared it would no longer hire any union members.[29]

Not all workers supported organized labor. In a letter to the *Labor News*, eighteen employees of Humboldt Stevedore Co. elaborated on their experience working on the waterfront:

> Under instruction from the union, each man did as little as he could so as to make a little work go a long ways. Individual effort was 'no good' as the poorest mans' capacity was the pace set, and it was best to do no more. . . . We as employees are proud to say that we are loading vessels for less money, and in less time that ever was done under union rule . . . it is all the same to us as we would just as soon get our money out of two vessels as one. And when we go home at night, we have the satisfaction of knowing that we have pleased the men that PAY us instead of some AGITATING Patrolman.[30]

For these men the longshoremen's union had carried solidarity too far. They noted that "the closed shop kills ambition" and clearly preferred working under open-shop conditions. While this letter echoed the sentiments of many workers, it also appeared the same week that Hammond was making one of rare visits to Humboldt and was engaged in a vicious debate with the editor of the *Labor News* over the open shop issue.

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[27] Ibid, Feb. 2, 1907:8.
[28] Hammond to James Rolph, March 29, 1917, box 20, folder 4.
[29] *Los Angeles Times*, Aug. 18, 1907:III1; *Labor News*, April 13, 1907:1.
[30] *Labor News*, June 12, 1909:3.

The meaning of open and closed shop varied considerably. For Elk River Mill manager Irving Harpster, running an open shop meant, "We are perfectly free in the employment of men not asking whether they are union or non-union, nor have the Unions made any demands upon us to employ strict union men."[31] Publicly, Hammond professed a similar position; privately, however, the open shop meant "we will not have a union man in our employ."[32] For early labor organizers, the open shop meant a worker could join a union without discrimination. However one defined open shop, the effect of joining a union was virtually meaningless without recognition and collective bargaining.

Nearly everyone agreed that a closed shop, on the other hand, meant that all workers belonged to the union. Labor organizers believed that only through such solidarity could workers confront the enormous power of the owners. For sailors and loggers, the closed shop had the added benefit of union hiring halls, which eliminated the parasitic practices of crimps and employment agencies. To Hammond, the closed shop meant giving labor organizers such as "a Caesar in the person of Andrew Furuseth . . . the exclusive right to make rules as to what you shall wear, what material you shall use in building your house, who shall work, who shall not work, and to enforce these rules through the boycott and by violence and intimidation."[33] Hammond and other businessmen maintained that the closed shop stifled free trade and economic growth. Certainly in Hammond's case, San Francisco's closed shop had shut out his lumber in a boycott against his policies.

The creation of the Humboldt Stevedore Company effectively broke the longshoremen's union hold on the Eureka waterfront. Although the SUP became firmly

[31] Harpster to Hanify, April 29, 1907, Vol.26:328.
[32] Hammond to C. H. McLeod, Feb. 28, 1908, box 17, folder 6.
[33] *Humboldt Times*, June 2, 1909:4.

established in the shipping industry, Hammond's steadfast refusal to negotiate insured that the HLC would remain the only non-union shipping company on the West Coast. In his first major battle with organized labor, Hammond emerged victorious; more importantly, he asserted the depth of his anti-labor commitment and discovered a successful strategy in confronting organized labor – using strikebreakers and injunction while purging union members. Although the coalition of shipowners had collapsed, Hammond remained convinced that if owners and businessmen united and organized they could defeat unionism. He soon got his chance to prove it.

As a young man, Hammond had witnessed how Pope and Talbot effectively controlled its workforce at Port Gamble in Puget Sound, where "isolation precluded outside interference, by government agents, business competitors, or early-day labor organizers."[34] Hammond replicated this model at Bonner, Montana, but Samoa would be the exemplary company town and nearly as isolated as Port Gamble. Although just across the bay from Eureka, the peninsula was only accessible by the *Antelope* ferry or the Oregon and Eureka, both owned by the HLC.

When Hammond purchased the Samoa town site in 1900, it already included a cookhouse, several cottages, and a large bunkhouse. He soon put his brother, Henry, in charge of building a new company town. Henry's first action was to move the main office of Vance Redwood Company from Eureka to Samoa, signifying a break with the larger community. Samoa and the operations of the HLC would be independent of the political and social influence of Eureka. Unlike William Carson, who hired local men as much as

[34] Ficken, *The Forested Land*, 31.

possible, underscoring his community ties, Hammond had no such loyalty, especially when those workers belonged to a union, and so imported several crews of carpenters.[35]

In a spurt of construction, Henry built seventy-five cottages and nineteen houses in less than a year. He also constructed a new bunkhouse and cookhouse capable of seating the entire workforce, as well as a large two-story general store with a social hall on the second floor. To accommodate the clerks and managers arriving from San Francisco and other points of Hammond's rapidly expanding empire, Henry built a small hotel that included a private dining room and suite for A. B. While the main office would remain in San Francisco, Hammond would make Samoa his operational headquarters and flagship mill.[36]

The new construction more than doubled Samoa's housing capacity to 250 and increased lodging at the cookhouse from 200 to 350. Still, at least 200 employees continued to reside in Eureka and ride over on the daily ferry packing their own lunch pails. The purpose of housing workers in Samoa was not necessarily to alleviate commuting problems, such as happened with the *Antelope*, but to create a captive workforce entirely dependent upon the company not just for jobs, but also housing, food, education, recreation, and a social network. From Hammond's point of view this would reduce worker turnover and the potential for labor unrest and strikes. Although workers repeatedly cited poor working conditions, low pay, and long hours, Hammond was convinced that labor unrest was a result of "outside agitators." At Samoa, the HLC could easily discover and expel such "undesirables." Furthermore, all workers, especially those with families, would be highly reluctant to go on strike as they could lose their houses as

[35] *Humboldt Times*, Jan. 27, 1903, May 17, 1903, Oct. 28, 1903.
[36] *Humboldt Times*, Oct. 28, 1903.

well as their jobs. Samoa, however, was no gulag. The size and quality of houses were comparable with any in Eureka. The streets were wide and clean. By 1910 Samoa boasted parks, a school, a company baseball team, fraternal societies, and a recreational hall that sponsored weekly dances.[37]

Hammond's new corporate model demanded efficiency, and one way to cut costs was to centralize the cooking and food production. Not far from the cookhouse, the company established a large poultry farm with more than 1,000 chickens, turkeys, and ducks. On the neighboring five acres, a hundred hogs gorged on the cookhouse scraps. To keep all this meat fresh, the company installed a 10,000 square-foot cold storage facility brimming with beef, pork, eggs, chicken, fruit, and vegetables. Not only would this supply a retail butcher shop, the cookhouse, and woods camps, but also the sea-going vessels that docked at Samoa's port. On the HLC's cutover lands, men raised both beef and dairy cattle to supply the store and camps. The company also installed a bakery capable of baking 4,000 loaves at a time. The Vance properties had included Humboldt's second largest orchard that now supplied 1,500 pounds of prunes to the logging camps each week. A special daily service of the Oregon and Eureka Railroad delivered the baked goods and meat to the logging camps.[38]

While centralization reduced costs, workers were less enthusiastic about such "efficiency." Reversing the tradition of having the camp cook in charge of ordering food, the HLC hired W. A. Markham to oversee all the camp cookhouses with instructions to lower expenses. The result was that in July 1906, two of Hammond's camps walked out.

[37] *Humboldt Times*, Jan. 15, 1904.
[38] *Humboldt Times*, Oct. 28, 1903, Jan. 1, 1904. *Arcata Union*, Aug. 12, 1905.

The loggers complained that the meat was moldy and unfit for consumption. Even the camp dishwashers left, saying they did not get enough to eat.[39]

Although living conditions in the company town were quite satisfactory, those in the logging camps were a different matter. The move into Humboldt's backcountry forced loggers to relocate from town into temporary camps. To keep expenses low, lumbermen built primitive camps largely unchanged since Hammond's boyhood, except that with the ramped-up production of industrial logging, camps now housed hundreds of men. Crammed into the vermin-and lice-invested bunkhouses, men, often two to a bunk, bedded on dirty straw mattresses and filthy blankets. With no running water or bathing facilities, men returned muddy and wet from the day's work and donned the same damp clothes day in and out. Camps lacked even the most basic sanitation. Fly-infested open-pit latrines squatted next to the unscreened cookhouse. In reporting on timber camp conditions, the American Red Cross pointed out that when thirty-five men are housed under one roof, "police regulations could hardly maintain hygiene."[40]

Poor working conditions in the woods led to an incredibly high turnover. Most lumbermen viewed their loggers as expedient chattel to be worked to exhaustion and then replaced by a fresh crew. Loggers joked with some truth that logging camps had three crews working at one time: "one coming, one going and one working." Particularly infuriating to workers was the apparent collaboration between foremen and employment agencies to split fees. Agencies charged those seeking employment a fee in advance, and thus were financially motivated to send as many men as possible into the camps and

[39] *Labor News*, July 28, 1906:2.
[40] Cloice R. Howd, *Industrial Relations in the West Coast Lumber Industry*, U.S. Department of Labor, bulletin No. 349 (Washington D. C.: GPO, 1924) 41-42; Jenson, *Lumber and Labor*: 106; quote from report to Pacific Logging Congress 1917, 37 in Andrew Mason Prouty, *More Deadly Than War: Pacific Coast Logging 1827-1981* (New York, Garland, 1985), 31.

mills. Receiving kickbacks from the agencies, foremen had little desire to retain workers. When workers arrived they often found the higher paying job they had applied for, such as carpenter or chokesetter, was taken and they were put to work swamping and bucking. Discovering the miserable work conditions, low pay, and long hours, many simply asked for their time and moved on.[41]

More than anything else it was the quality and quantity of food that could make or break a camp. Humboldt's first strike had occurred in 1881 when John Vance's woods crew walked out in protest over poor food. Quickly capitulating, Vance responded by firing the cook. Such small-scale, spontaneous walkouts were not unusual, and owners generally conceded to workers' demands over issues such as food or an abusive foreman. When dissatisfied with their working conditions, the independent-minded loggers simply "struck with their feet" by packing up and looking for work elsewhere. This independence and transience made labor organizing in camps especially challenging.[42]

While a dedicated and productive workforce was essential to maintaining consistent production, the lumber industry, by and large, regarded workers as temporary and expendable. At the same time, the industry was extraordinarily labor intensive. Until the 1930s trees were still felled by hand. Even as new technologies decreased the skilled positions, it still required substantial manpower to extract the tree from the forest, bring it to the mill, and turn it into a finished product. Labor was one of the industry's highest costs, but unlike the relatively fixed cost of a mill or a railroad, the cost of labor could be

[41] Meany, "The History of the Lumber Industry", 331; Prouty, 27; Benjamin Rader, "The Montana Lumber Strike of 1917," *Pacific Historical Review*, Vol. 36, No.2 (May, 1967):189-207; *Labor News*, June 20, 1908:1.
[42] Cornford, *Workers and Dissent*, 27.

ratcheted up or down through layoffs and rehiring, depending on market demands. This resulted in a highly transient and seasonal workforce.

Although the shift to the corporate organizational model aided Hammond in stitching together far-flung enterprises, workers resented the new bureaucratic structure. The older paternalistic style as embodied by William Carson provided a stark contrast. By 1906 workers could readily discern these very different approaches to labor emanating from Humboldt's lumber barons. Under Carson's paternalism, workers sensed a personal connection with their employer, an almost reciprocal relationship between labor and capital. Workers held a degree of control over working conditions, hours, and pay. Although Carson and other pioneer lumbermen refused to recognize unions, they usually conceded the wage and hour conditions that workers demanded. The corporate approach of the Big Three (HLC, Pacific Lumber, and Northern Redwood) was entirely different. Here workers were at the mercy of a foreman, with little recourse for their grievances; the owners lived elsewhere and ran their companies through general managers and corporate hierarchies. Not only did workers experience different managerial strategies at work, the two different approaches also affected their daily lives. Carson's employees lived in Eureka, while each of the Big Three built company towns that largely circumscribed workers' lives. Carson sought loyalty, and many of his workers stayed with the firm for decades. Hammond, on the other hand, experienced rapid turnover and imported workers every year to replace those who quit or were fired. While the paternalism of many mill owners originated from their own experience in working in camps and mills, Hammond was less sympathetic. Predictably, he maintained

that, "I worked at the hardest kind of work in logging camps when I was sixteen years old and did a man's work at very low rates, and it did me good."[43]

In the early twentieth century, the scale of lumber operations compromised paternalism. Companies that once had 75 employees exploded to 700. Some attributed labor troubles to the impersonal aspects caused by such massive growth. In a speech before the Pacific Logging Congress in 1910, Hammond's logging superintendent, W. W. Peed, articulated the change:

> The logging business has grown from a camp handled or owned by one man, and working only a few men with a small equipment of teams, up to the large operations of the present time . . . With the earlier small operations the manager was able to keep in close personal touch with all the details of the work and with the men employed by him. The present conditions are such that, with the large and complex organizations, scattered over a more or less extended territory, it is not possible for the manager to maintain the close relations that heretofore existed.[44]

If nothing else, sheer size of a company apparently doomed paternalism. Still, the philosophy of the individual manager and type of business could soften the impersonality that growth inevitably entailed. Although Hammond owned both the Hammond Lumber Company and the Missoula Mercantile Company, the two companies employed very different managerial approaches that highlighted the personality differences between Hammond, who was very active in overseeing the HLC, and Herb McLeod, who ran the Missoula Mercantile with a free hand.

While McLeod was as notoriously anti-union as Hammond, he firmly believed in taking care of his employees and fully integrating business activities into the community. McLeod often loaned employees money and donated to local charities. He repeatedly

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[43] Hammond to McLeod, Jan. 30, 1915, box 20, folder 2.
[44] Proceedings from second annual session Pacific Logging Congress, 1910: 28, in Cornford, *Workers and Dissent,*199

besieged Hammond with requests to allow employees to buy stock in the Merc, and when confronted with a union picket line in front of the store pulled several coats off the racks inside to give to the women marching in the cold and let the picketers keep their signs in the store overnight.[45]

After Hammond criticized him for "coddling" local businessman Frank Keith, McLeod, in a startling candid letter, informed his boss of his rationale:

> We have had to coddle the people of this section ever since I have been connected with the Missoula Mercantile Company. I thought it was necessary to do so in order to develop the business that we have. . . . No doubt this Company would have been just as successful, or more so, had you remained in Missoula and managed the Missoula Mercantile Company, still if I had undertaken to run this business your way, I would have been ridiculous and unsuccessful, as I cannot see from your viewpoint any more than you can see from mine. By coddling the people tributary to the territory in which we operate, we have built up one of the strongest and most respected business institutions in this commonwealth. You and I aim for the same results, but we have different ways of accomplishing our purposes.[46]

Conciliatory, Hammond withdrew his objection and reiterated his faith in McLeod's ability. He conceded that he was too far from Missoula to understand local conditions. Besides, by this point the MMC had become a minor part in his empire and Hammond began entertaining the idea of selling it off. The Merc, however, would eventually prove its worth.

Although Hammond fell short in his attempt to organize the redwood industry into one giant combination, he succeeded in coalescing the largest producers around his open shop campaign. By 1904 the Big Three accounted for more than sixty percent of Humboldt's lumber production. With Hammond as the ringleader, the Big Three acted in

[45] Hammond correspondence, McLeod papers; Dale Johnson, per. comm. Oct. 20, 2007.
[46] McLeod to Hammond, May 21, 1918, box 20, folder 6.

concert and exerted an extraordinary degree of hegemony over the redwood industry. As the primary stockholder, Hammond wielded total control over his company and could engage in polices of his own creation, while both E. A. Blockinger (manager of Pacific Lumber) and Henry Jackson (president of Northern Redwood) answered to their board of directors. Jackson, however, appeared so much in line with Hammond's directives that the *Labor News* rhetorically questioned who he actually worked for – Hammond or Northern Redwood. Furthermore, Hammond had cemented a very close friendship with Charles Johnson, owner of the Union Lumber Company, the largest in neighboring Mendocino County. Indeed, the two men perennially discussed merging their companies. While union leaders assailed lumber companies in general, they often targeted Hammond in particular. Not only was he the most intransigent anti-labor lumberman in Humboldt, he was also the most visible and became the lightning rod for labor's wrath, a role he heartily welcomed. He acknowledged the war between the classes and intended to win it unconditionally.[47]

The *Labor News* hinted that Hammond deliberately antagonized workers into striking so he could crush unions in their infancy. Hammond's anti-labor practices stood out even in an industry renowned for its poor labor relations. On the other hand, Hammond's desire to achieve efficiency, standardization, and cost cutting measures were probably what led him, Henry Jackson, and Blockinger to announce a universal wage scale for HLMA members in January 1905. Regardless of ultimate intentions, the proposal antagonized workers. Not only did it cut wages ten to fifteen percent, the plan also contained a $15 deduction for cookhouse meals from each logger's $35-$100

[47] Cornford, *Workers and Dissent*, 153; *Labor News*, May 11, 1907:1; Hammond to McLeod, July 13, 1908, box 17, folder 6. The name of Johnson's firm was no reflection of his labor practices.

monthly paycheck. Traditionally, lumber companies provided room and board without charge in the logging camps. But loggers consumed a prodigious amount of food, some 6,000-8,000 calories a day, double that of a normal adult. Breakfast alone consisted of bacon, eggs, biscuits, potatoes, coffee, doughnuts, and pancakes. At dinner, each man consumed at average of one pound of meat and another pound of potatoes. Particularly annoying to workers was that they would be charged for meals whether they worked or not. On many days operations shut down because of weather or equipment failure; the men received no pay on those days but still needed to eat at the cookhouse. Mill employees living in the company towns also opposed the board plan since the company charged them whether they ate at the cookhouse or at home. Furthermore, both the cost of living and the price of lumber had increased over the previous year, and workers were livid at having their pay slashed. But they had little recourse other than to seek work elsewhere.[48]

William Carson deplored Hammond's wage and board plan as "just as vicious a scheme as any that labor unions try to force." He recognized that it would quickly lead to a worker revolt, averring that Hammond and Pacific Lumber were doing "more to foster the growth of labor unions here than anything else in the County."[49] The manager of Falk's Elk River Mill, Irving Harpster, agreed with Carson to maintain present wages and not adopt the board proposition. He informed his partner in San Francisco:

> [W]e feel our woodsmen will have no cause whatever to walk out on a strike as far as we are concerned . . .the mills that will introduce any radical changes will meet with more or less difficulty with their men. We are told that it was common

[48] Cornford, *Workers and Dissent*; 157; Howd, 42; *Labor News*, Feb. 16, 1907:1, March 6, 1907:1; William Carson to J. R. Hanify, Jan. 11, 1905, Vol. 23:141; Meany, 281.
[49] William Carson to J. R. Hanify, Jan. 11, 1905, Vol. 23:141-142.

> talk on the streets of Eureka yesterday, 'That Carson's and the Elk River Mill Co. were the only ones who treated their men fairly.'[50]

Both Carson and Harpster worried that the actions of the Big Three would provoke an industry-wide shutdown and that their mills would be dragged into the conflict. Unlike Hammond, Harpster was reluctant to stir up trouble among workers. He noted, "There is considerable unrest among the masses in this country."[51] As an astute businessman, Hammond was no doubt aware of the volatile labor situation, yet was willing to risk confrontation. It certainly seemed that Hammond wished to crush organized labor, as the *Labor News* had charged.

Indeed, by the spring of 1906, it was apparent that Hammond was deliberately provoking a strike in order to purge the union from Humboldt's lumber industry. He began flooding Humboldt's' labor market to drive down wages and replace union workers. Directed to train the inexperienced men, six of Hammond's older loggers quit in protest. The Big Three began advertising in Midwest newspapers for workers, offering a $25 refund of the $50 fare to Humboldt after six months of work. [52] The HLC produced an elaborate twelve-page pamphlet to entice workers to Humboldt County. Shameless in its boosterism and outright falsehoods, it pictured a "bachelor's cabin" with drapes and a rocking chair out front. The text read:

> There's a good job for you in the land of sunshine, fruit and flowers . . . California is the Garden of the Pacific and Humboldt County is the Paradise of California. Here it never snows or freezes in Winter, or scorches in summer. Fogs are unknown . . . Work under pleasant conditions among agreeable surroundings for better wages, with bright prospects for the future . . . If he is single he is furnished with a cabin rent free and his board at the camp restaurant,

[50] Harpster to Hanify, April 10, 1905, Vol.23:169, Elk River Lumber Company Records, Bancroft Library. (hereafter, ERLC)
[51] Harpster to Hanify, April 15, 1905, Vol.23:192, ERLC.
[52] *Labor News*, April 14, 1906:2, May 5, 1906:2.

> where the best of food is supplied costs him 50 cents a day. . . A common laborer can save $45 a month clear.[53]

The reality was quite different. When workers arrived not only did they find summer heat, winter fog, heavy physical labor working around deafening steam engines in a clearcut, and meals in the "camp restaurant" wolfed down in twelve minutes, they also discovered that after deductions for board, transportation, and purchases at the company store, they were lucky if they had $10 in their pockets at the end of the month.[54]

The workers in the timber camps, meanwhile, had begun to organize. Despite the widely-scattered camps and long work weeks that made it difficult to attend meetings, by April 1905 more than 1,000 had joined the nascent International Brotherhood of Woodsmen and Sawmill Workers (IBWSW). In August they received their official charter from the AFL. Instead of preventing organized labor, Hammond had galvanized a movement.[55]

Organizing continued throughout 1906, and the heightened rhetoric and promises from the union increased worker expectations, yet they saw little change in their condition. Daniel Cornford points out that the IBWSW was caught in precarious position – they realized that a confrontation with the lumber barons would be risky with only half of Humboldt's lumber workers as members, yet "workers were anxious to redress their grievances."[56] Indeed, some took matters into their own hands and set fire to the Samoa lumber yard. This just seems to have hardened Hammond's resolve. By November he

[53] *Labor News*, June 1, 1907: 2.
[54] Payroll records, box 8, HLC files, Mss1716, OHS.
[55] Cornford, *Workers and Dissent*, 158-160.
[56] Ibid., 163.

was Humboldt's only employer not to grant a wage increase in either his planing or shingle mills.[57]

Finally at the start of the 1907 logging season, IBWSW drew up a list of demands: restoration of free board, a return to 1904 wages, a minimum wage of $40 per month for mill workers, time and half for overtime, and breakfast no earlier than 6:00 am and dinner no later than 6:00 pm for woods workers. (Loggers often had to walk three to four miles from camp to the logging operations which meant they often had to arise before dawn and returned after dusk.) The union informed owners, "Kindly give same your careful consideration and inform us whether or not the enclosed schedule is acceptable."[58]

Under Hammond's direction, the HLMA not only flatly rejected all the demands, but refused to recognize or meet with any union representatives. As Daniel Cornford suggests, "The humbling of the once powerful Longshoremen's Union emboldened the lumber owners to take a tough stand against the IBWSW."[59] Other lumbermen attempted to defuse the situation. Pacific Lumber granted a $5-a-month wage increase. But any worker with a pencil could figure out that this still resulted in net reduction of $5-$10 a month from the 1904 level. Carson, who had not reduced wages nor imposed the board charges, responded to the growing discontent by raising wages $2.50 a month.[60]

On April 28, 1907, Humboldt's local unions voted by a thirty-six to one margin to strike. Three days later, on International Labor Day, 2,500 men walked out in the largest strike in the history of Humboldt County. Hammond's manager, George Fenwick,

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[57] *Blue Lake Advocate*, May 4, 1907; Cornford, *Workers and Dissent*, 164
[58] Ibid., 164; *Labor News*, Feb. 16, 1907:1; Ernest Pape to Little River Lumber Company, April 15, 1907, file 42, LRRC files
[59] Cornford, *Workers and Dissent*, 164.
[60] *Labor News*, Feb. 28, 1907:5, March 9, 1907:2; *Humboldt Times*, May 1, 1907.

declared that, "Any of our men who want to quit are certainly privileged to do so." Fenwick expected about ten to fifteen workers to leave, stating that "their places can be readily filled." No doubt Fenwick was surprised to find himself short 400 workers the next day. Hundreds of men, with their all their belongings packed into their bedrolls, flooded into Eureka from the company towns and woods camps. Flush with their final paychecks, strikers filled the streets and hotels. Yet the *Humboldt Times* reported, "peace and order have prevailed" and "the saloons have not done an overwhelming business." The strike initiated an orderly exodus of workers. By the end of the week, 600 men had boarded steamers to seek employment elsewhere.[61]

Hammond had prepared both his business and his fellow lumbermen for the strike. The lumbermen had a strategy as well as an underlying philosophy. Parroting his boss' position, Fenwick stated, "It is simply a question of running our own business and now is just as good a time as any to determine that question."[62] Furthermore, the mill owners had been stockpiling lumber and logs. Although only six men remained in all of Hammond's camps, the Samoa yard had enough logs accumulated to continue running for two weeks with a skeleton crew. Other mills simply intended to shut down and wait it out. Seemingly nonchalant about long-term repercussions, mill owners took the opportunity to make repairs. Hammond, too, appeared unconcerned about the outcome and announced plans to build the world's largest sawmill in Astoria, Oregon, employing 5,000.[63]

Although the strikers were not specifically asking for union recognition, but a restoration of the 1904 conditions, lumbermen viewed the strike as a battle for the open

[61] *Humboldt Times*, May 1, 1907:1, May 2, 1907:1, May 3, 1907: 1, May 7, 1907:1.
[62] Ibid, May 1, 1907:1.
[63] Ibid, May 2, 1907:1, May 3, 1907:5.

shop. The HLMA issued an ultimatum signed by ten of the county's largest mills, (Falk and Carson excepted), that declared that "under no circumstances will [we] recognize the unions or treat with them." They also announced that they considered the present wage scale to be fair.[64] The power of the Association over its members soon became evident when Isaac Minor, with many orders on hand, reached an agreement with the strikers, but quickly rescinded it after pressured by Henry Jackson. The Eel River Valley Lumber Mill also appeared willing to settle the strike but claimed that as a member of HLMA they were unable to grant the demands without the Association's approval.[65]

Jackson also attempted to bring Carson into the fold to present a united front against the union, but the old lumberman declined. While Carson certainly did not support unions or strikes, he maintained that "some of those large companies (especially the Hammond company) have not treated their employees fairly and for that reason D and C don't care to assume any other troubles at this time as we have many friends among the labor unions when Hammond seems to be the bad man."[66] Indeed, the union singled out Dobleer and Carson and Falk's Elk River Mill as exempt from the strike. The day before the walkout, union organizer Ernest Pape, "a very warm friend" of Carson's son, Milton, informed the lumberman that his company "had already met the conditions proposed by the Union" and he "considered the differences settled."[67] Nonetheless, Carson fretted that the union would realize they had made a tactical mistake by not calling a strike at all the mills and camps.[68]

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[64] Ibid, May 3, 1907:1.
[65] Ibid, May 4, 1907:1; *Labor News*, May 4, 1907:1, May 11, 1907:4.
[66] Carson to William Mugan, April 27, 1907, letterbooks Vol. 25:19, Dolbeer and Carson records
[67] Carson to San Francisco office, April 30, 1907, Vol. 25:22
[68] Carson to Mugan, May 7, 1907, Vol. 25:22

By the end of the week, the IWW had decided to join the strike as well. The owners had assumed that because of the fundamental differences between the conservative AFL unions and the radical IWW that the Wobblies would refuse to respond to a strike call by the IBWSW. Workers in the lumber industry, however, all faced the same conditions and pragmatically looked to whichever organization might improve their conditions regardless of ideological orientation.

As the walkout surged to 3,500 workers and Eureka unions threw their support behind the strike, Ernest Pape, secretary of the IBWSW, raised the stakes. He called for an eight-hour day as a condition for the men to return to work, arguing:

> The work of a woodsman is on one the most dangerous occupations known . . . men employed in the woods usually meet with accidents towards the close of the day and this would indicate that . . . shorter hours are really what are needed to prevent such losses of life as have been occasioned in years past.[69]

Although some mill owners "declared they would just as soon see the mills closed down for five months" as capitulate to the unions, Hammond was not even willing to concede this much power to labor and kept the Samoa mill running. Fenwick reported thirty non-union men had returned to work and two Hammond camps had reopened the following week. The *Labor News*, however, countered Fenwick's claim, pointing out that the HLC only had twenty-two left in their camps and that foremen and bosses were running the steam donkeys and even greasing the skid roads.[70]

The newspaper blamed Hammond personally for the conflict and claimed he had twin motives for prolonging the strike, "one is to fight his lifelong enemy, organized labor, and the other is that this will give him a chance to run competition to the wall." While Hammond certainly had both goals in mind, it is less certain how labor conflict

[69] *Humboldt Times*, May 5, 1907:1
[70] *Labor News*, May 11, 1907:1; *Humboldt Times*, May 11, 1907:4.

would have accomplished the latter, especially since his primary competitors, Dolbeer and Carson and Elk River, were exempt from the strike and continued to operate. Realistically assessing the situation, Carson noted, "there is no question in my mind that if the mill owners in this strike hold together they will burst the union."[71] Hammond, too, knew that the longer the strike went on the better his chances of breaking the union.

The hardline stance of Hammond, Jackson, and Blockinger contrasted sharply with the paternalistic approach of Carson and Falk. Carson observed that for the Big Three the strike "made almost a clean sweep going out almost to a man," yet not a single worker left his employ.[72] Similarly, Harpster noted that at Falk the men declined to strike because the company granted all of the workers demands. Like Carson, Harpster believed "The secret of the whole matter is we have tried to be fair with our men for one thing and we did not unite with the other mills . . . in charging the men board." Both companies operated from the core principle that "if the men feel they are treated fairly they in turn will return value received in the way of honest labor [but] when men are dissatisfied with conditions they are not apt to take the interest they otherwise would in their work . . . fair treatment lessens the chances of unionization."[73] Harpster expressed a willingness to back up this contention. He wrote that although the union had not approached Elk River for recognition or increase in wages, if they did demand "an advance in wages for 5-10% over last year [we] would be inclined to give it . . . for surely the mills have reaped a gold harvest the past year. And in all fairness, are not the men who helped to roll up the profits entitled to some of the good things as well? . . . [A] small advance over what they have been receiving would not at all cripple the

[71] Ibid. Carson to Mugan, May 13, 1907, Vol.25: 29, D&C records.
[72] Carson to Mugan, May 7, 1907, Vol.25:22, D&C records.
[73] Harpster to Hanify, May 2, 1907, Vol.26:323, ERLC records.

Manufacturers."[74] Clearly, Harpster and Carson were operating under a different set of assumptions than the Big Three. The pioneer lumbermen regarded workers as partners in their business, while the corporations saw labor as an overhead cost.

The strike was larger and longer than the owners anticipated. Lumbermen admitted their greatest loss would be the experienced workers - head sawyers and camp bosses – but fully expected the men would return. Owners had attempted to retain these employees by offering them a significant increase in wages at the expense of less skilled laborers. This had the added effect of undermining worker solidarity. Failing this, owners increased the importation of replacement workers. Working class solidarity, however, proved resilient, for when these men discovered their role as scabs, many returned to San Francisco. Ten days into the strike the HLC announced it was opening two camps with 300 men and all prospective employees should show up at the wharf in Eureka on Sunday afternoon. Although a crowd gathered to see what would happen, no one boarded the *Antelope* for Samoa. The union was holding the line.[75]

A week later, owners began circulating reports that the strike was settled, that men were returning to work, and the camps were running full blast. Owners also began offering workers everything they were asking for if the men returned to work as individuals. The HLC, however, blacklisted many of their former workers for being union members. The *Labor News* urged the strikers to disregard the reports and hold out. Nevertheless, men began trickling back to work.[76]

Three weeks into the strike, the Hammond camps gradually filled back up with workers, and began producing one or two train loads of logs a day. A few days later, the

[74] Harpster to Hanify, April 9, 1907, Vol.26:267, ERLC records
[75] *Humboldt Times*, May 3, 1907:1; *Labor News*, April 27, 1907:2, May 11, 1907:6.
[76] *Labor News*, May 18, 1907:1; Carson to Mugan, June 1, 1907, Vol. 25:40, D & C records.

IWW reached an agreement with the Eel River mill for a wage increase and free board. Their conditions having been met, IWW members returned to work, effectively breaking the strike. The IBWSW held on another ten days, until June 4, when its membership voted to return to work. Both sides claimed victory; strikers received increased wages on an *individual* basis and free board at many mills, but solidarity had failed, and many workers tore up their union cards in frustration.[77]

Labor News editor Joseph Bredsteen attempted to put a positive spin on the strike, positing that workers had discovered their strength and begun to develop a class consciousness. He wrote that, the strike "made a profound impression on the men and several thousand are thinking as they never thought before."[78] Consciousness aside, workers discovered that their union was ill-matched against the power of the mill owners, and the IBWSW gradually disintegrated, folding for good in 1911. Furthermore, the action on the part of the Wobblies in breaking the strike plagued their reputation and doomed their subsequent attempts to attract Humboldt's workers into the "one big union." Although their organization was broken, workers were far from complacent. The conditions that precipitated the strike remained and even worsened with the HLMA now firmly in control of Humboldt's lumber industry. The fight was far from over.

If anyone could claim victory, it was A. B. Hammond. Not only had he purged his company of labor "agitators" and union organizers, he had demonstrated to other lumbermen that if they held firm and refused to negotiate with organized labor, they could continue to dictate the terms of employment and working conditions. Above all, he firmly established the open shop and effectively eliminated organized labor from

[77] Carson to Mugan, May 28, 1907, Vol. 25:35, D & C records; *Humboldt Times*, May 21, 1907:1; May 22, 1907:4, May 24, 1907:1, June 4, 1907:1
[78] *Labor News*, June 8, 1907:12.

Humboldt's lumber industry, a condition that prevailed for the next twenty-eight years. Not until after Hammond's death would unions again have the strength to challenge mill owners.

Having established the open shop in Humboldt, Hammond resolved to carry it to the rest of the West Coast. As the 1907 strike demonstrated, Hammond's extreme anti-union position was based less upon achieving industrial efficiency and more upon a personal obsession in defense of a principle. Although, he had won a decisive battle in Humboldt County, nationally both the forces of labor and capital were gaining strength and headed for a showdown.

Chapter Eighteen: Socialists and Progressives

Having crushed the lumber strike, A. B. Hammond seized the offensive. For Hammond, Humboldt County became the frontlines of a national campaign for the open shop. While Samoa, as a company town, was firmly under Hammond's control, across the bay, Eureka continued to be a hotbed of radicalism, a place where IWW leader "Big Bill" Haywood was welcomed enthusiastically following his release from an Idaho jail. Hammond could blacklist union leaders, impose "yellow-dog" contracts (which prevented workers from joining a union as a condition of employment), and use company spies to ferret out labor agitators or unfaithful workers, but Eureka eluded his grasp. Although Hammond was the county's largest employer, many men still worked for Carson, Falk, and smaller outfits; others worked as contract loggers, in shingle mills, or as farmers, carpenters, merchants, or lawyers. While economically dependent upon the redwood industry, Eureka retained its political independence as a thriving community with a well-established pro-labor atmosphere, a situation that aggravated Hammond to no end.

During the first two decades of the twentieth century, three great social forces battled for political and economic primacy in America. Industrialists, like Andrew Carnegie, and giant corporations, such as Standard Oil, clearly held the upper hand as they gobbled up greater and greater slices of the economic pie. Farmers, workers, and artisans in the independent-minded American West, however, continued their Populist resistance to the corporate hegemony. Simultaneously, immigration and the demise of family farms led to an greater supply of wage laborers who were becoming increasing

alienated from their work and their employers. All of these groups began to look toward Socialism, radicalism, and labor unions to improve their conditions. Meanwhile, upper and middle-class reformers, loosely called Progressives, acknowledged the inequities spawned by industrialization and advocated government intervention to address the nation's social, economic, and environmental issues. The Progressives occupied a middle ground between the industrial and the radical forces. Historian Gabriel Kolko argues that Progressivism was essentially a conservative response to preserve America's economic structure by granting small reforms to stave off more radical change. Trapped between the large corporations and labor unions, many of America's second-tier capitalists, on the other hand, strenuously resisted any reforms. Hoping to preserve the conditions of the Gilded Age that had engendered their success, conservative businessmen like Hammond desperately clung to the status quo and regarded the Progressive Movement with nearly the same distain and hostility that they held toward Socialists. Hammond even considered Progressive Republicans, such as California Governor Hiram Johnson, Wisconsin Senator Robert Lafollette, and Montana Representative Jeannette Rankin, to be Bolshevik sympathizers.[79] Up until the end of World War One, the outcome of this three-way struggle among Socialists, Progressives, and Conservatives for America's future economic and political direction remained an open question. Firmly in control of the nation's economic system, conservative industrialists, however, had the upper hand from the beginning.[80]

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[79] Hammond to Elizabeth Clements, Oct. 26, 1918, box 20, folder 7.

[80] Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (London: The Free Press of Glencoe, 1963). Progressivism and Kolko's thesis are the subject of seemingly endless debate among historians. Compelling alternatives to Kolko include: Robert Wiebe, *The Search for Order, 1877-1920* (New York: Hill and Wang, 1967), Arthur Link and Richard McCormick, *Progressivism* (Wheeling, IL.: Harland Davidson, Inc., 1983), Daniel Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge: Harvard University Press, 1998), Michael McGerr, *A Fierce Discontent: the*

Although bereft of a formal education, Hammond saw himself as the intellectual vanguard of the business community. For the rest of his life he carried out a campaign to stamp out unionism, not only in his own companies, but in all industries. While this was largely based on his economic self-interest, Hammond regarded organized labor as a step toward socialism and thus a threat to fundamental American values. Hammond's battle with labor, however, often ran counter to pragmatic economic interests and assumed the character of a crusade. Humboldt County lay at the forefront.

With a strong craft union tradition, Eureka gravitated toward trade unionism and socialism as remedies for societal ills. Although nationally at odds, on a local level, Socialists and trade unions espoused the same goals and often cooperated politically. This cross-fertilization between unions and Socialists in the pre-WWI years, along with the rise of industrial unionism, provided Hammond with plenty of rhetorical ammunition. He wasted little time in putting it to use.

The case of the Union Labor Hospital illustrated the continuing vitality of Eureka's labor movement, even after the failed lumber strike. Local unions and individuals, primarily timber workers, purchased $25 bonds to finance construction of their own hospital. In one of the earliest forms of health insurance, union members paid $10 a year for a ticket that entitled them to medical care. In addition to providing a tangible benefit and an incentive to join the union, the hospital had an immeasurable psychological effect. As the *Labor News* noted in 1909, "The Union Labor Hospital

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rise and fall of the Progressive Movement, (New York: Free Press, 2003); Melvyn Dubofsky, *Industrialism and the American Worker*, 1865-1920 (Wheeling, IL: Harlan Davidson, Inc., 1996), 113.

awakened a new hope and instilled a new ambition in the hearts and minds of the woodsmen and saw mill workers."[81]

Hospital coverage was particularly important in the timber industry, which saw more injuries and deaths than all other occupations combined. While Humboldt County contained only two percent of California's population in 1914, it accounted for twenty percent of all industrial accidents, nearly all of which were in the timber industry. In Oregon, 1906 saw 151 sawmill accidents, one fourth of which were fatal, and over half of logging accidents ended in a fatality. Citing more deaths per month from logging in Washington State than in the Spanish-American War of 1898, the state Board of Safety declared the timber industry "more deadly than war."[82]

While everyone admitted the problem, different groups sought radically different solutions. Drawing upon their faith in government, Progressives suggested state worker's compensation plans, while unions instituted their own insurance plans and built their own hospitals. Employers, on the other hand, unwilling to cede control, devised their own unique solution – welfare capitalism. The basics of welfare capitalism had been around for decades. Indeed, the company town of Port Gamble served as early example in which the company provided housing, a store, church, and meals. The lumber industry, because of its isolated working conditions, led the way in providing for the needs of their employees. But as the repeated strikes of 1907 demonstrated, loggers viewed company housing and board as a fundamental right, not as an added benefit. By the-turn-of-the-century, welfare capitalism was gaining currency across the country as big businesses

[81] *Labor News*, Feb. 15, 1908:1. For more on the Union Labor Hospital, see: Elizabeth Claasen, *A Card for all Seasons: A history of General Hospital, Eureka, CA 1906-2000* (Bayside, CA: Union Labor Health Foundation, 2002).
[82] *Labor News*, Jan. 16, 1909:3; Classen, 20; Prouty, *More Deadly Than War*, xxvii.

recognized that providing benefits could insure employee loyalty and discourage unionism. In addition to medical care, benefits included housing, recreational facilities, libraries, and profit sharing. But without corresponding wage increases, many workers regarded these benefits as token efforts. The real issue boiled down to worker autonomy versus company control.[83]

George Fenwick had advocated a company hospital plan for the HLC for several years. The construction of the Union Labor Hospital, however, appeared as a threat to corporate hegemony and prompted quick action by employers. In February 1908, Fenwick, and the managers of Northern Redwood and Pacific Redwood companies, Henry Jackson, and E. A. Blockinger, met in the back room of the Hammond-controlled First National Bank of Eureka to hatch a plan to destroy the Union Labor Hospital. They intended to undermine Humboldt's labor movement while simultaneously providing employee benefits. The following month, the Big Three lumber companies imposed a compulsory hospital fee, deducting $1 a month from each worker's paycheck while granting themselves a commission of 12.5 cents from every dollar.[84]

Although seemingly well-intentioned, for workers the compulsory hospital fee was an additional insult on top of the "fleece me" company stores, the dangerous working conditions, and unsanitary camps. While a dollar a month might seem insignificant, it represented another example of corporate domination. From employee paychecks the companies already deducted: merchandise purchased at the company stores, meals at the

[83] See Stuart Brandes, *American Welfare Capitalism: 1880-1940* (Chicago: University of Chicago Press, 1970). Many otherwise conservative lumbermen also endorsed state worker's compensation plans.
[84] *Labor News*, July 4, 1908:1. While the *Labor News* certainly displayed an editorial bias, it published the transcripts verbatim from the hearing of June 22, 1908 held in the Superior Court of Humboldt County. Much of the evidence I use on the Union Labor Hospital comes from the testimony of George Fenwick and others. In 1907, Pacific Lumber had built their own hospital and imposed the $1 deduction beginning in January 1908, Classen, 14.

company cookhouse, rent, utilities, and fuel wood for company housing, and transportation on company ferries and trains. All the fees quickly added up. For example, in January 1914, Hammond employee Charles Clay earned $42.80. Subtracting store charges, rent, lights, and hospital fee, he netted $6.60 in take-home pay. If a worker had a family to support, store charges chewed up even more. Another of Hammond's employees, J. M. Wassam, working for $3.40 per day, had store charges of $73.58. Minus his rent, lights, and hospital fees, Wassam ended up with $1.42 for the month. An extreme case was L. H. Blean who worked ten hours a day for $1.75 a day. Out of his $49 in monthly pay, $39.95 went to the store, $6.50 to rent, $1.80 for lights and a $.75 hospital fee. Blean ended up with an empty paycheck after working twenty-eight ten-hour days.[85] Nor was it any better in the woods camps. The *Labor News* cited the case of one worker who came from San Francisco expecting to do carpentry, but was put to work in the woods. He quit after a week and received his pay of $8, out of which fifty cents per day was deducted for board, $2.75 for two blankets, $1 for a bed tick without straw, and $1 for the hospital ticket. His paycheck thus amounted to two bits.[86] Even the foremen found their take-home pay only amounted to one third of their $150 monthly salary.[87]

While it was one more deduction from their paycheck, the real issue for workers was that a company-imposed hospital fee restricted their autonomy, as they previously had purchased tickets in the hospital of their choice. For the Union Labor Hospital, it was a matter of life or death. By excluding it from their list of providers, the Big Three,

[85] HLC payroll records, Jan. 1914, 1921, box 8, Mss1716, OHS.
[86] *Labor News*, June 20, 1908:1
[87] HLC payroll, Jan. 1914.

who employed 4,500 out of the county's 6,000 lumber workers, could financially strangle the Union Labor Hospital.[88]

In response, the hospital filed suit against the HLC and six other lumber companies. Using the same argument that Hammond used against the Sailors' Union, the hospital charged that the lumber companies had conspired to boycott, coerced and intimidated their patrons, and thus injured their business. After six months of litigation, a jury found that Fenwick and the other defendants "acted maliciously with intent to injure the plaintiff in the hospital business" and were therefore guilty of conspiracy and combination. The judge issued an injunction against the lumber companies from discriminating against the Union Labor Hospital.[89] Bayside Lumber Company "complied" by posting the following notice:

> [W]e are including the Union Labor hospital in the list from which you many choose and if any employee wishes to change his former selection, and FOR OUR MUTUAL BEFEFIT WE TRUST THERE ARE NONE, he will call at the office and make such selection on a blank [form] that has been prepared.[90]

Hammond, too, reluctantly abided by the court injunction. However, he publicly declared:

> The Union Labor hospital was promoted by a number of professional agitators, too lazy to labor, who make a living by preying upon the working men of this country. . . It was intended for, and is a breeding place for anarchy, socialism . . . We know that a great majority of the self-respecting working men of this county do not wish to have anything to do with it, and we do not propose that they shall be intimidated into contributing toward it. For these reasons, our company will not give it support, and will do all that it legally can to prevent its employees from patronizing it.[91]

[88] *Labor News*, July 4, Oct. 10, 1908:4, Dec. 5, 1908:1.
[89] Ibid, July 25, Oct. 10:1, Nov. 14, 1908:1.
[90] Ibid, Nov. 28, 1908:1
[91] Ibid, June 12, 1909:6.

Indeed, the next summer the HLC announced it would build its own hospital in Samoa. Apparently, this was just a threat, as the company continued to patronize the Sequoia Hospital, part of the Humboldt Stevedore Company, which in turn was owned by a consortium of lumber companies, including the HLC.[92]

Clearly economics played a vital role in shaping Hammond's labor polices, yet the issue transcended economics; for Hammond, it was a moral crusade between right and wrong. Hammond put himself in the firing line as he traveled up and down the West Coast, imploring lumbermen to stand with him in his open shop campaign. The building trade unions had been successful in keeping non-union produced lumber out of San Francisco, and Hammond fervently battled for the hearts and minds, not of workers, but of middle-class professionals and businessmen who were often sympathetic toward the plight of labor. With the nation and much of the industrialized world plunged into a prolonged struggle between labor and capital, the two sides embraced fundamentally opposing values and philosophies.

In Humboldt, Hammond's ideological challenger was Joseph Bredsteen, Socialist editor of the *Labor News*, and in June 1908, the two men engaged in a prolonged and heated public discussion. Hammond applied his powers of persuasion, which he believed superior, to convince Humboldt residents of the rightness of his position. Employing a combination of economics, patriotism, and morality, he wrote letter after letter, which the local press was happy to print in their entirety. While Hammond and Bredsteen focused on a specific place and industry, their views were indicative of a much larger discourse and captured the *zeitgeist* of the time. Both men realized that this was not necessarily a battle for Humboldt County, but one over the future direction of the nation.

[92] Ibid, July 17, 1909:1; File 963, LRRC files.

Ironically, the pro-business *Humboldt Times* fired the opening salvo in the dispute when it reported that the Hammond Lumber Company had fraudulently acquired large tracts of timberland on the Klamath Indian Reservation.[93] Hammond, making his first visit to Humboldt in four years, caught sight of the article and quickly responded. Denying any connection with land frauds on the Klamath, he quickly shifted to labor issues, suggesting that any criticism of the HLC was solely due to the negative influence of organized labor rather than any wrongdoing.[94]

Hammond saw the world as deeply divided. On one side there was prosperity, law and order, and the open shop. On the other lay "the rule of the boycott, with the violence and intimidation with which it is invariably enforces."[95] Hammond repeatedly insisted that the editor of the *Humboldt Times* declare which he stood for. The editor, however, declined to engage in Hammond's rhetorical trap and instead turned the debate over to Bredsteen.

Bredsteen riposted Hammond's declaration with his own divide. He wrote "the time is now here when the people of Eureka must choose between a rule of organized labor and a rule of the mill owner's association." He pointed to Samoa as an example of "what company domination means" and accused Hammond's company store of hurting Eureka businesses. He noted, "Practically every penny worth of business that goes into that store would go to Eureka merchants if it were not there."[96] In response, Hammond pointed to the positive aspects of Samoa as a company town having fewer saloons, no

[93] Ibid, June 5, 1909:1.
[94] Hammond letter of May 29, 1909 to *Humboldt Times* in *Labor News*, June 5, 1909:1.
[95] *Humboldt Times*, June 1, 1909:4
[96] Ibid, June 2, 1908:4, May 30, 1908:1.

labor unions, nor a Woman's Union Label League, but a "community of nearly 500 law-abiding people living under conditions that are apparently satisfactory."[97]

While both men used the deteriorating economic conditions of Eureka to bolster their positions, they held the other responsible. The Panic of 1907 had hit Humboldt County hard with a corresponding drop in lumber shipments. As he had elsewhere, Hammond turned the depression to his advantage, cutting wages and flooding the labor market. The *Labor News* blamed the "arrested growth of Eureka," including business failures, population decline, and economic stagnation, explicitly on the policies of the Hammond Lumber Company. According to Bredsteen, "When unions are injured the community is injured. . . .When wages are raised [local] business booms."[98] If the plethora of advertisements from local businesses in the *Labor News* were any indication, many agreed with this assessment. Both workers and local businesses regarded the large, corporate lumber companies as an alien force that sucked the economic vitality out of the county.

In a wild shotgun blast of vitriol, Hammond attacked the principle of unionism. Pinballing from one subject to another, he blamed unions for imposing a closed shop in Eureka that raised lumber prices, accused organized labor of "foully murdering two farmer boys venturing to seek employment," insisted that Eureka was beset by Socialists who "intimidated by the threat of boycott" and held the city hostage though political bosses. All of this, Hammond charged, was the real cause of the decline in population and real estate values.[99]

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[97] Ibid, June 5, 1908:4-6.
[98] Ibid, May 5, 1908:1.
[99] *Humboldt Times*, June 1, 1909:4.

Accepting Bredsteen's challenge to engage in a debate in the local press, Hammond insisted that "parties confine their statements to facts that they can substantiate, and to the question at issue." He then proceeded to abandon both conditions. In answering Bredsteen's charges, Hammond stated that in Missoula "we have employed thousands of men. We never had a strike of our employees, or even a suit or threatened suit for damages for injuries sustained by our employees engaged in the lumber business."[100] Both of these contentions were patently false.

In answer to Bredsteen's support of an eight-hour day, Hammond noted that "Eureka has two union mills running eight hours. Because of this their business is confined to Eureka and San Francisco and their product could not be sold at a profit even in those places if not protected by the Boycott." Falling back on the traditional argument used by Pacific Coast lumbermen, Hammond insisted that the HLC needed to compete with Midwest mills that ran ten hours, and if Samoa went to an eight-hour day, 200 men would be unemployed.[101]

The root dispute, however, was over who should wield economic power. Privately Hammond insisted "we will not have a union man in our employ," but publicly he declared that he was not opposed to organized labor, just the closed shop, collective bargaining, and boycotts. These, of course, were the very elements that gave unions any power.[102] Hammond claimed his only issue was "the question of the Open shop that brought prosperity to Los Angeles." Unaware of the hypocrisy in his letter, he wrote, "Mr. Bredsteen cannot dodge [these issues] by injecting his political affairs into the

[100] *Labor News*, June, 5, 1908:1.
[101] Ibid: 4-6.
[102] Hammond to McLeod, Feb. 28, 1908, box 17, folder 6.

discussion; neither can he ball them up by dragging in outside matters in which the people have no interest, the invariable resort of the man who feels he has a weak case."[103]

In advocating the open shop, Hammond believed he was supporting the rights of non-union employees. Like many others infused with the frontier spirit, he was appalled that unions would compel workers to join in order to get a job. Mixing both Biblical and historical references wrapped into a lumberjack language, he took a potshot at his nemesis, Andrew Furuseth:

> If a Caesar in the person of Andrew Furuseth …should claim exclusive right for members of his organization, I would not agree with him, and if attempting to enforce those exclusive rights the Caesar should smite me on the cheek, I would soak him in the solar plexus.[104]

This would not be the last time that Hammond would publically advocate violence to resolve labor disputes and not just metaphorically.

Bredsteen traced the labor troubles back to 1905, "when the wages of the woodsmen were reduced . . . [and] Hammond and rest raised [lumber] prices."[105] Hammond refuted Bredsteen's charges as "an absolute and unmitigated falsehood" before launching into a fanatical tirade. Hammond denied that he cut wages, but rather that the companies adopted "a daily wage schedule instead of monthly." In justifying this action, Hammond contented, "This arrangement was a satisfactory change for all industrious men. It did not, however, please the loafers who were in the habit of lying around the camp, refusing to work, and eating the employer's food without rendering any services." He then added that even if the companies had cut wages, "they were acting entirely

[103] *Labor News*, June 5, 1908:4-6.
[104] Ibid, June 2, 1908:4
[105] *Humboldt Times*, June 4, 1909:4

within their rights."[106] Although he presented it as an aside, this was the core question – who would control the conditions of employment – workers or capitalists?

Like many employers, Hammond refused to believe that his employees would willingly go on strike. Instead, he insisted that the 1907 strike was the work of outside agitators, "General Zandt and Pape, the former acting under instruction of McCarthy [the mayor] of San Francisco." Hammond maintained that the strike was settled by fistfight in which his foreman beat up the union organizer. Hammond wrote, "General Zandt having abandoned his troops, General Pape decided to surrender unconditionally." Hammond, in his infatuation with Napoleon, regarded labor conflict as a military campaign.

Bredsteen credited Hammond with "being frank enough in stating his true position" but took issue with his definition of an open shop. Bredsteen noted that Hammond's open shop was one:

> [I]n which the most rigid discrimination is maintained against union men . . . In his open shop sawmill at Samoa there is not a single member of the IBWSW. In his open shop stevedore association . . . there is not a member of the Longshoremen's union. . . . No members of the Sailors' union get work on the Hammond boats. . . . By maintaining the open shop in the mills . . . in these local company towns men and women of independent spirit can easily be weeded out.[107]

Eliminating union workers was precisely Hammond's intent. Like Hammond, Bredsteen understood this debate as part of a much greater battle – one over control of the means of production. In an editorial titled "Shall Humboldt be Hammondized?" Bredsteen affirmed, "Hammond is merely a type. . . . The real question is not Hammond versus Humboldt but company domination versus the rule of the people." Bredsteen insisted that neither the mill owners nor their capital created any actual wealth for the

[106] *Labor News*, June 12, 1909:7.
[107] Ibid.

residents of Humboldt. Instead he attributed Humboldt's wealth to "our bountiful forests of giant redwoods." Bredsteen truthfully asserted "Most of this forest land was fraudulently obtained from our government in the first place."[108] He accused Hammond of extracting and appropriating this natural wealth and further charged that "through his steamboat, bank and the company's stores, he has managed to get back a considerable portion of what he has paid out in wages."[109]

Ascribing to the labor theory of value, Bredsteen pronounced:

> The workers are the foundation of all the wealth extracted from the natural resources of mother earth. They produce all the lumber. They transport it and deliver it. They make all the machinery used in manufacturing or moving the lumber. They constitute directly a large portion of the consuming public that buys the lumber. Labor has produced all the capital that exists. The capitalist of today is merely a parasite who reaps the fruit of others' toil.[110]

The battle between Bredsteen and Hammond was less about wages and hours and more about two opposing economic systems. Like many Americans, Bredsteen regarded the growth and consolation of corporations with trepidation. Bredsteen correctly discerned Hammond's intentions of merging the lumber companies of Humboldt "into one gigantic combination." He predicted "this combination will continue Hammond's tactics until our hills are stripped of their forests, our people are impoverished, local business largely ruined."[111] Echoing Hammond's opponents in Missoula twenty years earlier, Bredsteen accused Hammond of doing "business under so many different names that nobody seems to know where its branches of business begin or end." He warned his readers:

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[108] Ibid, May 16, 1908:1.
[109] Ibid, May 15, 1909:1
[110] Ibid, Jan. 7, 1911:1.
[111] Ibid, May 15, 1909:1.

> It will not be long before the Hammond oligarchy will own and control practically every enterprise of consequence in Eureka. . . . The octopus, having its head across the bay, has been very busy stretching out its multitudinous arms with the greed and perniciousness of a Rockefeller.[112]

To prevent this tragedy, Bredsteen called upon organized labor as "the one power that can defeat the aims of A .B. Hammond . . . for this reason he is determined to crush the labor unions." When Hammond threatened to close the Samoa Mill as a response to union organizing, Bredsteen suggested that the workers take it over and run it themselves.[113] All across the country ideas such as collective ownership gained traction as a solution to the excesses of capitalism. American Socialism had inherited the mantel of the Populist outcry against "monopoly."

In Montana, the anti-monopoly chorus had become so loud that it had persuaded Hammond to sell off the Missoula Light and Water Company in 1907. Herb McLeod summed up the problem, telling Hammond, "It was hard to get the best results out of the store and bank when we owned so much property in Missoula. People were jealous and some of them vicious."[114] Although willing to dispose of his interests in Missoula, at a good price of course, Hammond was not about to concede in Humboldt.

Safely ensconced deep within the confines of the large, Victorian-style company hotel at Samoa, Hammond lobbed verbal missiles across the bay and beyond. While engaged with Bredsteen, Hammond also carried on a similar exchange with Andrew Furuseth in the *Coast Seaman's Journal*. Given the accusations of murder and vitriolic tenor in these letters, it seems unlikely that Hammond intended to persuade his

[112] Ibid, June 12, 1909:1.
[113] Ibid.
[114] McLeod to Hammond, Jan. 6, 1906, box 17, folder 2.

opponents. Rather, he hoped to use the Eureka press to address the general public, but this seems secondary to his primary agenda – he simply enjoyed a good fight.

But after ten days of back and forth with Bredsteen, Hammond grew increasingly agitated and frustrated. Using the press as a mouthpiece did not appear to be working. Despite his illusions, Hammond was not very persuasive in print. His epistles tended to be long and rambling; he accented valid points with wild accusations and inflammatory rhetoric. His insistence on equating unions with violence and lawlessness won few converts in pro-labor Eureka. Like a modern radio talk show host, he enjoyed inciting opposition and being a lightning rod for controversy. Unfortunately, more often than not, this worked against his interests. It was time to try another tack, one he excelled at – behind the scenes manipulation. Hammond's devoutly loyal cadre of managers, being far less abrasive, could implement his policies without ideological ranting.

As a union town, Eureka, like San Francisco, maintained a boycott against Hammond lumber. The Eureka building market was insignificant to such a massive company as the HLC, which had a booming and seemingly insatiable market in Los Angeles. Nonetheless, it was a source of irritation to Hammond. More importantly, if he could pry open Eureka to non-union building materials, he should be able to employ the same strategy to the largest closed shop city in the West – San Francisco. As he controlled the largest bank in Humboldt County, Hammond and his lieutenants coerced local merchants into signing an agreement to support an open shop.[115]

Flexing his economic muscle, Hammond deliberately antagonized organized labor even further when he leased the Bendixen shipyards at Samoa for his shipbuilding enterprise. Pacific Coast ship carpenters had already won the eight-hour day, but

[115] *Humboldt Times*, July 4, 1909:1.

Hammond announced that he would institute a nine-hour day in his shipyards. The refusal of the carpenters union to work the extra hour provided Hammond with the excuse to fire union workers.[116] The action prompted an editorial in the *San Francisco Clarion* comparing Hammond to Harrison Gray Otis, the notoriously anti-labor publisher of the *Los Angeles Times*:

> Few men have so bitterly opposed the trade-union movement as A. B. Hammond . . . His 'open shop' tendencies have not been very successful in the metropolis, but in the vicinity of the northern city [Eureka] his influence is more pronounced . . . long hours and low wages seem to the Otises and the Hammonds the cure for our industrial troubles[117]

Hammond indeed joined forces with Otis and Henry Huntington to ensure Los Angeles would remain an open shop city. Although Hammond could provide dock pilings and raw timber, he was essentially shut out of the San Francisco market for finished lumber because of his anti-union practices. He was determined not to let this happen in Southern California, where the Southern California division of the HLC had recently surpassed all others as Hammond's primary profit-making enterprise. But in 1910, San Francisco unions sent labor organizers to Los Angeles, and like many cities in the West, the Socialist Party was on the upswing and appeared poised to capture the mayor's office in the upcoming election. Then on October 1, 1910, an explosion rocked the building housing Otis' *Los Angeles Times*, killing twenty-one people. A year later, James and John McNamara of the Bridge and Structural Ironworkers Union confessed to the crime, sinking any hopes of political or industrial victory for organized labor in Los

[116] *Labor News*, Feb. 5, 1910:8.
[117] Ibid. March 12, 1910:2

Angeles. From then on, Otis and Hammond would point to the *Times* bombing as an example of the violence and lawlessness that organized labor engendered.[118]

Nineteen-ten proved tragic for Hammond as well. Not only had his workers grown alienated, but so had his children. For two decades he had been so intent upon building his empire that he had scarcely recognized their emergence into adulthood. Thoroughly immersed in the Protestant work ethic, Hammond derided the young men who neglected serious employment in favor "of the companionships of young men and young ladies."[119] Often intimidating and demanding when it came to his own children, he could also be quite indulgent. Despite his antipathy toward higher education, Hammond sent his sons, Richard and Leonard, to Harvard and Stanford. During the summer they spent considerable time hunting and fishing in Montana and in Humboldt County. While Hammond expected his sons would soon join him in the lumber business, he also provided them with plenty of spending money and a comfortable life. Hammond's insistence upon hard work and pulling one's self up by the boot straps apparently did not apply to his own family. In insulating his children from the necessities of life, however, Hammond also isolated them from himself.[120]

A. B. and Florence had also grown increasingly estranged, and during his long business absences, she sought refuge in the presence of the children. Together, Florence and the children spent several summers touring Europe. On one such vacation in 1905,

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[118] Michael Kazin, *Barons of Labor: The San Francisco Building Trades and Union Power in the Progressive Era* (Chicago: University of Illinois Press, 1987), 204-207; Kevin Starr, *Inventing the Dream: California Through the Progressive Era* (New York: Oxford University Press, 1985), 269.
[119] Hammond to McLeod, Oct. 29, 1909, box 18, folder 2.
[120] McLeod to Harry Cole, Aug. 20, 1934, box 24, folder 2.

Richard contracted tuberculosis in London. His doctors sent him to Switzerland to recover, while Florence and the others came back to California.[121]

Upon returning to the U.S., Richard remained frail. Unable to provide a cure, doctors prescribed the dry air of the mountain west. Richard spent the next summer in Montana trying to recover and then moved to Colorado, where Hammond stopped by for a visit on his way to New York in 1910. The following January Richard's condition worsened, and Florence travelled to Colorado to take him to Tucson in hopes that a lower altitude would provide some relief. A week later, Hammond penned an uncharacteristically short letter to his old friend, Herb McLeod – "Richard died at noon today."[122]

Like most men of his background, the hardships of life conditioned Hammond to display little emotion, especially regarding personal matters, and he remarked little on Richard's death. Nevertheless, it affected him profoundly. Now that his offspring were adults, it seemed too late to reconcile the past, and he plunged into his work. With Richard's illness, Hammond had turned to his second son, Leonard, and in 1909 made him secretary and treasurer of the Eddy, Hammond Company, A. B.'s multi-million dollar holding company. Leonard now bore the full burden of his father's expectations, and while he would prove competent, he also rebelled against Hammond's overbearing authority in his own ways.[123]

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[121] *Humboldt Times*, May 26, 1950; *Los Angeles Times*, Feb. 20, 1904:6; McLeod to Hammond, Sept. 22, 1904, box 16, folder 8; Hammond to McLeod, Oct. 7, 1905 box 17, folder 1.
[122] Hammond to McLeod, April 23, 1910, box 18, folder 4; Jan. 31, 1911, Feb. 6, 1911, box 18, folder 7.
[123] Hammond to McLeod, March 16, 1909, box 18, folder 1.

Simultaneous with Richard's illness, Hammond had to contend with the expansion of one the Progressives' most favored endeavors – the conservation of the nation's forests. Championed by President Theodore Roosevelt and his Chief Forester Gifford Pinchot, Progressive Conservation swept the country in the early twentieth century. Progressives simultaneously sought to rationalize timber production, conserve forests for future uses, and to protect watersheds. Part of the Progressive agenda was to correct past abuses. Theodore Roosevelt had already given Hammond fits with his pursuit of the Oregon land frauds, but it was the administration of his successor, William Howard Taft, that caused Hammond the biggest problems. Ironically, Taft's Secretary of Interior, Richard Ballinger, would soon face accusations of being in league with timber companies.

Rising like Lazarus from a bureaucratic purgatory in 1907, the General Land Office reopened the investigation of the timber suits against A. B. Hammond that had been suspended since 1889. Back in 1887, the U.S. Government had originally charged Hammond with stealing 23 million bf of federal timber worth $472,000, but then reduced the complaint to 13.5 million bf. Three years later, Attorney General William Miller had dismissed the case. Then in 1907, Louis Sharp, division chief of the GLO, "after a careful investigation" concluded that the dismissal was for political rather than legal reasons. Nevertheless, Roosevelt's Attorney General, Charles Bonaparte, decided that the dismissal, regardless of reason, was "a bar to any further proceedings."[124]

Two years later, however, a conservation-oriented Congress appropriated money specifically to examine old timber poaching cases. Continuing his investigation, Sharp

[124] T. C. Marshall to Hammond, Jan. 15, 1910, box 18, folder 4; Bonaparte to Secretary of Interior, Dec. 30, 1907; J. E. Wilsen to Attorney General, July 6, 1907, National Archives, RG 48, file 2-7 GLO Timber Trespasses, Montana, Johnson files.

excluded all the lands from 1888 lawsuit, but still determined that Hammond had poached twenty million bf of timber off public lands and recommended filing suit for $211,000. Ballinger's Interior Department, however, was more interested in compromise settlements than criminal prosecution. When faced with prosecution, W. A. Clark and Anaconda both settled out of court regarding their respective timber suits. Kenneth Ross, the manager of the Bonner Mill, now owned by Anaconda, jumped at the offer to settle a $60,000 suit for $45,000. The following year, Sharp suggested the government settle Hammond's case for $20,000, in what amounted to a token stumpage fee of $1 per mbf. From Missoula, Herb McLeod concurred and advised Hammond to settle as soon as possible "as it will cost a lot of money and trouble to defend this case."[125]

During the intervening years, however, Hammond had grown increasingly uncompromising. He saw himself as a political power broker who was firmly in control of one of the largest lumber companies on the West Coast. His friends and business associates ranked among the most powerful men in the country. He could count on the support of Senator Thomas Carter, or so he thought, and was not about to let some government bureaucrat push him around. Furthermore, he had successfully evaded prosecution in the Oregon Land Fraud trials when there was greater evidence against him.

Indignant that the government could bring up a twenty-year old court case, Hammond maintained his innocence and blamed the logging on others. He fingered his mentors, Bonner and Eddy, his brother, Henry, and his brother-in-law, George Fenwick, as the culprits and wondered why he was taking the heat for all of them. Hammond

[125] Frank Pierce to Attorney General, April 27, 1910, RG 48; T. C. Marshall to Hammond, Jan. 15, 1910, McLeod to Hammond, Jan. 20, 1910, box 18, folder 4.

stated, "In neither of these operations had I any interest, nor did I receive any benefits therefrom."[126] That claim was preposterous, and everyone knew it.

By interviewing witnesses, examining stumps and shipping dates, and surveying timberlands, Sharp concluded that as general manager of the Montana Improvement Company and the Big Blackfoot Milling Company, Hammond "was very active in employing men and contractors and directing their cutting on government land." Even more damning, Sharp reported that not only had Hammond deliberately cut federal timber but that he had "discharged foremen and others who refused to carry out his orders with reference to government timber."[127]

In the face of such evidence, Thomas Marshall, Hammond's old attorney in Montana, suggested that instead of declaring total innocence, Hammond rest his defense on the nebulous category of "mineral lands." Marshall stated that since the cutting occurred on public "mineral lands" and since this was legal under the policy of the time, there was "no liability then, and can be none now." Furthermore, the lumber went to Anaconda for mining purposes within the state, a theoretically legally valid use.[128]

Although he rejected this defense, Hammond was not in total self-denial over his involvement. Writing to Herb McLeod, he mused over possible options:

> So far as the Montana Improvement Company is concerned, I was not a partner with Mr. Bonner or Mr. Eddy; I simply owned a certain amount of stock in the company, and if these suits can be resorted by the Government, the point would arise as to whether a stockholder in the company is responsible for the acts of other stockholders; in other words would a man who owned one share in the Montana Improvement Company be financially responsible for the acts of the other stockholders, except his pro rata.[129]

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[126] Hammond to McLeod, Jan. 24, 1910, 18/4
[127] Frank Pierce, Assistant Secretary of Interior to Attorney General, April 27, 1910, RG 48.
[128] Marshall to Hammond, Jan. 15, 1910.
[129] Hammond to McLeod, Jan. 24, 1910, 18/4

Hammond, of course, owned more than one share of the MIC. Although convinced of his innocence, he told McLeod that one of the old contract loggers "should be 'braced up' and told not to talk or give any information whatsoever. He should not go into court unless subpoenaed and represented by counsel."[130]

Sharp, too, wished to settle the case without going to court, and proposed a meeting, but Hammond informed him:

> [T]hat under no conditions would we make any settlement with the Government, as we had nothing to settle . . . the timber that was cut around Bonita was cut by Fenwick, who was appointed by the Anaconda Company as their agent to cut timber for the Butte mines, and that all timber cut on the Blackfoot was cut on Northern Pacific lands or lands on which we had a permit from the government to cut.[131]

This was Hammond's defense in a nutshell. Faced with such intransigence, in June, 1910, the government filed suit. But Hammond confided to McLeod, "I do not think it is going to be a very formidable affair."[132] Nevertheless, he dispatched George McLeod to Missoula to search the papers of the Blackfoot Milling Company to find the government permit that had authorized logging along the Blackfoot River. In the meantime, Hammond's attorney and son-in-law, W. S. Burnett, countered with a series of legal maneuvers seeking to have the case dismissed. On one hand, Hammond maintained that the government had to file two separate suits, one each for the Montana Improvement Company and the Big Blackfoot Milling Company "on account of the two companies having different presidents, directors and stockholders."[133] Yet as the prosecutors were well aware, Hammond controlled both companies, a fact that he steadfastly denied. Burnett rested his case on the government's inability to specify which

[130] Hammond to McLeod, Jan. 31, 1910, 18/4
[131] McLeod to Hammond, May 10, 1910, box 18, folder 5
[132] Hammond to McLeod, June, 30, 1910, June 28, 1910, 18/5
[133] Hammond to McLeod, July 7, 1910, 18/5

company had done the cutting and where exactly it occurred. Although he continued to maintain his innocence, Hammond also asked McLeod to keep track of Sharp and his effort to locate witnesses, many of whom still remained despite the twenty-five year lag time. One such witness approached McLeod proposing that if Hammond ponied up $500 he would "make himself unavailable to testify." Believing that the government had a weak case, Hammond declined the offer.[134]

Hammond's confidence in his case, however, was not absolute, and he called upon Senator Thomas Carter, whose political career Hammond helped launch twenty years earlier. In return, Carter had been instrumental in getting the suits dismissed in 1889. In Washington, Hammond discovered that Sharp and Carter were "intimate friends" and that Carter was a "champion of Secretary Ballinger." Carter assured Hammond that he would discuss the timber suits with his friends in the Interior Department. A short time later, Hammond learned through a third party that Carter "did not consider he was under any obligations whatever to A. B. Hammond or his associates."[135] By this point, Hammond had become disillusioned enough with politicians that the information came more as a confirmation than as a surprise.

Like Hammond, McLeod had once thought Carter would use his influence with Ballinger to dismiss the cases, but by September 1910 he became convinced that Carter was purposefully delaying efforts until after the upcoming election. McLeod believed that Carter's strategy was to convince the MMC political machine that it needed him, but McLeod was also getting tired of "Corkscrew Tom's" rather transparent manipulations. He told Hammond that Carter did not seem to appreciate the efforts of his friends in

[134] W. S. Burnett to Robert Bevlin, US Attorney, Aug. 14, 1911, box 18, folder 8, McLeod files; Hammond to McLeod, July 7, 1910, box 18, folder 5; McLeod to Hammond, July 8, 1912, box 19, folder 3.
[135] Hammond to McLeod, Sept. 27, 1910, box 18, folder 5.

Missoula and instead acted as if he were the big boss. Referring to the election of 1889, McLeod wrote, "If he [Carter] gets gay, I think we had better adopt Daly's tactics and 'trash him.'" McLeod also noted, "if the Democrats win, I cannot see how we can suffer by their victory" as would result in W. A. Clark replacing Carter as Montana's senator. McLeod added that Clark "seems very friendly towards Missoula, and especially friendly towards our company."[136]

Hammond was also growing disgusted with the Progressive orientation of the Republican Party. With surprising prescience, he told McLeod, "I would not be sorry to see Montana go Democratic; in fact I hope to see a Democratic Congress elected, and I believe my hope will be realized, and I further believe it will be followed by the election of a Democratic President in 1912." As a consequence of the renewed timber suits, he added:

> I must say I have mighty little use for the Republican party in Washington or elsewhere. . . . I think it is about time that the whole nest was cleaned out . . . We have never received any favor from the Republican party, nor asked for any, but for thirty years we have given aid and assistance to the party in Montana. We have given this aid on general principles without asking for any returns, and I hardly think it has been appreciated; at any rate I do not believe we can be treated worse by the Democratic party than we have been treated by the Republican party."[137]

Although Hammond felt he was being personally persecuted, the timber suits were part of a larger effort of the Progressives to mitigate the consequences of the land polices of the Great Barbeque of the late nineteenth century. Coinciding with the timber theft investigation, Progressives also sought to recover portions of the railroad land grants in cases where the railroads had failed to comply with the grant provisions. In 1908 Congress directed the Attorney General to recover 2.5 million acres from Southern

[136] McLeod to Hammond, Sept. 23, 1910, 18/5.
[137] Hammond to McLeod, Sept. 27, 1910. 18/5.

Pacific which had inherited the Oregon and California Railroad land grant. One of the stipulations of the original land grant was that lands be sold to homesteaders, with no more than 160 acres going to any single purchaser. Since Southern Pacific had violated this and other provisions, Congress demanded forfeiture of the grant. However, by 1908 SP had sold off 813,000 acres, most of it going to large timber companies. Hammond's close ties with the Southern Pacific had allowed him to acquire 66,000 acres, making the Hammond Lumber Company the second largest recipient. In addition to the railroad, the Interior Department commenced lawsuits to recover the lands from Hammond and forty-four other lumbermen who had bought more than 1,000 acres.[138]

In comparison, the suits over timber poaching in Montana seemed a minor irritation. Not only did Hammond fully believe he would win in court, but at the very worst he would have to settle for paying a portion of the $211,000 in stumpage fees. The effort to reclaim the Oregon and California grant lands posed a far greater concern. Not only would Hammond lose the purchase price of $7 an acre, but those lands could now fetch $100-$200 an acre. Even more important, the tracts lay in alternate sections purchased to round out other holdings; forfeiting these lands would greatly reduce the worth of all his timberlands. Furthermore, anticipating they would be able to log the grant lands, Hammond and other lumbermen had heavily invested in their mills and railroads.[139]

Although the Justice Department sympathized with the lumbermen, it believed they needed to be included in the suit to avoid compromising their case against Southern

[138] House Report 1301, "Instructing the Attorney General to Institute Certain Suits," Serial Set No. 5225, Vol. No.1. 60th Congress, 1st Session; W. S. Burnett to McLeod, March 1, 1912, 19/1; *Los Angeles Times*, Feb. 21, 1913:I4.
[139] W. S. Burnett to McLeod, March 1, 1912, 19/1; Hammond et al. v Oregon & C. R. Co, 117 Or. 244, 243 P. 767.

Pacific. Seeking a solution, Congress proposed that the lumbermen be considered "innocent purchasers" and upon surrendering their title, be allowed to buy back from the government those same lands for $2.50 an acre, thus satisfying the terms of the grant, albeit not the intent. Fortunately for Hammond, both of Montana's senators, Henry Myers and Joseph Dixon, sat on the Public Lands Committee, and he dispatched Herb McLeod to lobby on his behalf. Dixon, a Progressive Republican, threw his support behind the bill and helped usher it through Congress. The Progressives thus succeeded in forcing Southern Pacific to forfeit the land grant while recasting lumbermen as "innocent purchasers" and providing for a continued timber harvest. Containing vast stands of Douglas fir, these grant lands were now split between large timber companies and the federal government. Neither land owner, however, would prove capable of providing a sustainable yield – the primary goal of Progressive Conservation.[140]

The timber poaching trial continued to drag on, and Hammond spent two grueling days on the witness stand. His testimony failed to sway the jury who had heard depositions of thirty Montanans who admitted to cutting timber under Hammond's direction.[141] Nevertheless, Hammond must have made some impression, for while the jury returned a guilty verdict, they reduced the award to $51,000, less than a fourth of what the government had sought. This was substantial sum in 1913, to be sure, but only a portion of the $875,000 net profit posted by the Hammond Lumber Company that year.[142]

The prosecutor offered a compromise: if Hammond accepted the verdict, the Justice Department would give him clear title to the Oregon and California grant lands.

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[140] Ibid; McLeod to Hammond, Aug. 22, 1912, 19/4. The O and C grant lands not privatized ultimately fell under the Bureau of Land Management and were heavily logged precipitating the spotted owl crisis of the 1980s. Nearly all of the spotted owl management units are on the old O and C grant lands.
[141] Hammond to McLeod, Feb. 2, 1913; *Labor News*, Jan. 18, 1913:1.
[142] McLeod to Hammond Feb. 11, 1913; Hammond to McLeod, Feb. 1, 1913.

Confident that he would receive title regardless under the new legislation and still maintain his innocence, Hammond rejected the deal and appealed the case. Hammond believed the outcome of the trial was politically motivated, and attributed the renewal of the suits and the verdict to Progressive reformers. He insisted politicians and the press created prejudices against wealthy and successful businessmen. Popular culture had indeed shifted from the late nineteenth century that upheld the "self-made man" in the Horatio Alger tradition. As much as they were vilified, these "captains of industry" were also held in high regard at that time. Despite the shift in social values, the facts remained and blaming the outcome of the trial on Progressivism appeared rather delusional on Hammond's part.[143]

Hammond believed that he was fighting for a principle in the courts, on the waterfronts, and in the woods. Although he enjoyed a good fight, it seemed that not only were labor unions and the government allied against him, but so was the general tenor of the times. Wearily, he wrote to McLeod:

> You must bear in mind that there is a growing class hatred, not only among laboring men, but among the small merchants, against those who have been successful in business where they have failed. In fact, it is human nature, and they almost owe it to themselves to feel this way in order to maintain and preserve their confidence and self-respect. This feeling is shared by the politicians, courts, and the press, and I feel that instead of enlarging and increasing my business I would much prefer to curtail it, and turn the property into cash or securities that can be handled without care and responsibility and annoyance that goes nowadays with conducting a large business.[144]

Hammond's ennui did not last long, however. The rising tide of radicalism soon reinvigorated the fight in the sixty-five-year-old man.

[143] Hammond to McLeod, Feb. 25, 1913
[144] Hammond to McLeod, Feb. 10, 1913.

Nineteen: Class War and World War

At the eve of World War One, America stood at a crossroads. The nation's conflicted relationship with laissez-faire capitalism seemed to be at the breaking point, as alternative visions pummeled the economic citadel. Following his timber trespass trial in 1913, Hammond dreaded the growing appeal of Progressivism. He also saw Socialism and unions as a genuine threat to both his business and country. Six years later, however, organized labor was in decided retreat, Socialism in the U.S. had been effectively crushed, the government had imprisoned hundreds of labor radicals, and the Progressive moral crusade appeared to be more concerned with instituting Prohibition than trammeling capitalism. The European war proved to be the decisive factor in charting America's future direction.

In August 1914, the eruption of war in Europe all but eliminated the export lumber trade, and the industry took a nose dive. By the end of the year, Hammond had to borrow money to meet his payroll, again relying on the "gilt-edged" credit rating of the Missoula Mercantile to secure a low interest rate. Nearly half of the sawmills on the coast shut down, and Hammond believed that by the first of the year, production would drop by another twenty-five percent.[1] He informed an old friend of industry conditions:

> Our mills would have been closed down long ago if it were not for the fact that we have in our employ a number of men, many of them with families, who would have no way of supporting themselves during the Winter, consequently we have been operating our mills on two thirds time at a loss in order to furnish them employment. Here in San Francisco there are many thousand unemployed men and a great many of them are from the sawmills and lumber camps in Oregon and California. The question of taking care of them has become a serious one.[2]

Although Hammond did reward and support loyal employees, he was not keeping

[1] Hammond to McLeod, Aug. 12, Oct. 17, Nov. 11, 1914; McLeod to Hammond, Dec. 4, 1914, box 20, folder 1.
[2] Hammond to Ronan, Jan. 30, 1915, 20/1.

the mill open out of altruism. Unlike the small owner-operated mills that could simply close when lumber prices dropped, the large mills like Hammond's had fixed costs that needed to be met regardless of production. Shuttering his mill meant docking his steamships, closing his lumber yards, and laying off his sales force. In short, it meant admitting economic failure, and Hammond was not one to concede defeat. Furthermore, he recognized the mass of unemployed workers presented a potential threat. Indeed, during the winter of 1913-14, some 30,000 unemployed men flooded the streets of San Francisco seeking work.[3]

Despite his lumber company losses, Hammond's Columbia River Packers Association "had a very successful season"[4] His shipping line also continued to turn a profit, and after two years of "very hard times in the lumber business" he could report entering the season of 1916 "under much more favorable conditions than have existed for a long time."[5] With orders pouring in from Europe as a result World War I, the economy recovered. While employment rose, so did prices, and wages could scarcely keep up with inflation. From 1906 to 1916, wages in San Francisco rose sixteen percent, but food costs went up thirty-nine percent. In 1917 food prices shot up another fifty-nine percent, and unions began demanding corresponding wage increases.[6]

On June 1, 1916, employers rejected the demand of the longshoremen's union to increase wages, and 10,000 men walked off the job in the first unified coast-wide strike. In Los Angeles, 1,200 longshoremen and mill workers struck, paralyzing the San Pedro harbor, the heart of the HLC distribution and retail network. During a similar strike a decade earlier, Hammond had replaced union workers with Russian and Italian immigrants. But now, they too walked out,

[3] Robert Knight, *Industrial Relations in the San Francisco Bay Area, 1900-1918* (Berkeley: University of California Press, 1960), 285
[4] Hammond to McLeod, Dec. 12, 1914
[5] Hammond to McLeod, Feb. 9, 1916, box 20, folder 3.
[6] Steven Levi, *Committee of Vigilance, the San Francisco Chamber of Commerce Law and Order Committee, 1916-1919: a case study in official hysteria* (Jefferson, N.C.: McFarland and Co., Inc., 1983), 17.

demanding higher wages and a closed shop. In defiance of the strike, the HCL yard in San Pedro continued to limp along with forty men remaining on the job. Under protection of deputy sheriffs, the HLC sent in strikebreakers, but after three weeks of clashes between the strikers and strikebreakers, the company suspended operations. Hearing of the strike, Hammond, who was in New York City on business, rushed to Los Angeles.[7]

Upon arrival, Hammond immediately seized control of the situation. Convinced that the city government and local businessmen were too passive in combating the unions, Hammond joined other lumbermen in obtaining an injunction against picketing and convinced the city council to pass an emergency ordinance creating an armed force of 500 men to break the strike. By the end of the month, San Pedro was essentially under martial law. Hundreds of uniformed police patrolled the lumber yards and docks dispersing striking workers. The local Merchants and Manufactures Association trumpeted that Los Angeles would remain an open shop city.[8]

Two weeks later, however, when the HLC attempted to unload the first ship since the strike began, a riot broke out between longshoremen and strikebreakers. The men hurled stones and swung clubs at each other. As the violence escalated, strikers shot at one of Hammond's steamships while guards returned fire. At the locked gates of the HLC yard, longshoremen declared their intent to assault any strikebreakers. Inside the compound, Hammond organized his workers into a defensive force as they waited for the police. With forty police standing guard, Hammond's non-union workers spent the next four days living inside the enclosure and successfully unloaded the 2.5 million bf of lumber that had been shipped from Hammond's mill in Astoria.[9] With the help of the local police force, the lumbermen finally succeeded in breaking

[7] Knight: 302; *Los Angeles Times*, June 2, 1916: I4, June 7, 1916: I4; Hammond to McLeod, Jan. 2, 1917, box 20, folder 4.
[8] *Los Angeles Times*, June 22, 1916: II1, June 27, 1916: II 1; Hammond to McLeod, Jan. 2, 1917.
[9] Ibid, July 11, 1916: II 1, July 31, 1916: II 3.

the strike by the end of July. Coastal longshoremen discovered that workers were no match against the combined power of the businessmen and government.

In Los Angeles, lumbermen pressured a compliant city council and relied upon a strident anti-union propaganda machine in Harrison Gray Otis' *Los Angeles Times* to crush the strike. Long a bastion of union labor, San Francisco, also shut down by the waterfront strike, proved more problematic for employers. Mayor James "Sunny Jim" Rolph balked at the lumbermen's demand for 500 police to protect the waterfront; instead he ordered the police to search strikebreakers for concealed weapons. Rolph's refusal to back employers provoked a dramatic impromptu meeting of the San Francisco Chamber of Commerce.[10]

On the afternoon of July 10, 1916, some 2,000 white men in dark suits with starched collars crowded around the marble columns on the ground floor of the ornately decorated Merchants Exchange Building. Declaring themselves "victims of a labor tyranny and domination that threatened the entire community, its welfare, progress and future prosperity," the business leaders quickly adopted three essential resolutions: 1. Integrity of contracts, 2. Maintenance of law and order, 3. Unequivocal support for the open shop. To carry out this resolution, the Chamber of Commerce appointed a Law and Order Committee, and within five minutes businessmen pledged $200,000. Busy confronting the strike in Los Angeles, Hammond missed the July 10 meeting, but was soon drafted into the Committee to help with its open shop campaign.[11] It looked as if his dream of a unified business front in San Francisco had finally come to fruition.

Ever since his arrival in San Francisco, Hammond had implored Bay Area businesses to take a strong stand against organized labor, yet many employers continued to sympathize with

[10] Knight, 305.
[11] San Francisco Chamber of Commerce, *Law and Order in San Francisco, A Beginning*, 1916, 13-17. Hammond to McLeod, July 26, 1916.

worker demands. When the 1901 City Front Federation strike ended in a stalemate, many businesses engaged in collective bargaining with unions. The Employer's Association withered as many employers found that union agreements worked to their advantage, as these set uniform wage rates and avoided wildcat strikes. Furthermore, local businesses also benefited from the restricted competition brought about by San Francisco's closed shop. Such acquiescence to unions frustrated Hammond and led the National Association of Manufactures to describe San Francisco as "a city where employers spinelessly accepted dictation from union leaders and lived under a labor government."[12]

Partly in response to such criticism, Bay Area businessmen including Hammond and his best friend, Charles Johnson of the Union Lumber Company, formed the San Francisco chapter of the Citizen's Alliance. By 1903 they had amassed $500,000 to battle organized labor. The Citizen's Alliance began one of the first modern publicity campaigns, hiring professional organizers, placing ads in newspapers, and systemically promoting the open shop. The Alliance also employed a fleet of lawyers to besiege the courts for injunctions. As early as the fall of 1904, the Alliance boasted 16,000 members, the largest such organization in California. But after a two-year campaign, the Alliance failed to unseat organized labor, and by 1907 had dwindled to fewer than 1,000 members. As president of the Alliance during its waning years, Hammond was unable to rally Bay Area businesses to break the union boycott of nonunion lumber in San Francisco.[13]

The 1916 longshoremen strike, however, presented anti-labor forces with another opportunity. The longshoremen strike primarily affected lumbermen, who provided the core opposition to the unions. They were joined by Standard Oil, Wells Fargo, and Southern Pacific.

[12] Knight, 124.
[13] Ibid., 136, 140-141,202, 291. *Labor News*, July 23, 1910:1.

Smaller firms, on the other hand, remained reluctant to battle the unions as it might well result in more violence and property destruction than reaching accord with unions. The Law and Order Committee, thus, engaged in massive public relations campaign.[14]

Although technically under the purview of the Chamber of Commerce, the Law and Order Committee quickly overshadowed its parent organization. With Fredrick Koster serving as the president of both, the lines between the Committee and the Chamber became quite porous.[15] San Francisco Mayor Rolph took a dim view of what sounded like a vigilante committee from the previous century. Rolph informed Koster, "It is my profound conviction that the union of labor makes for the moral uplift of the country as a whole and places the prosperity of all on a fair basis. The system of collective bargaining is the essence of commercial progress."[16] With the stated opposition of the city government, the Committee faced an uphill battle.

But then, just twelve days later, as if to reaffirm the justification for the Committee, an event occurred that shocked the Bay Area and sent reverberations across the nation. On Saturday, July 22, the Chamber of Commerce sponsored a "Preparedness Day" parade to demonstrate their support for U.S. involvement in the European war. In the summer of 1916, organized labor, however, still opposed American participation, and the parade devolved into a symbolic fault line between business and labor. Two days before the parade, 5,000 people gathered to protest the event. Nonetheless, on Saturday, 50,000 people showed up to demonstrate their patriotism and support for the war. Then at two p.m. a bomb exploded in the crowd, sending body parts in all directions. The blast killed ten people and wounded forty.[17]

[14] Levi, 30.
[15] Levi, 21.
[16] Ibid., 32; Rolph to Koster, July 10, 1916 in Levi, 129.
[17] Knight, 309-322.

The Law and Order Committee wasted no time in capitalizing on the tragedy, equating the strike violence on the waterfront with the bombing. By implying that organized labor was responsible for both, the Committee channeled the general hysteria into kick-starting their campaign for the open shop. On the Thursday following the bombing, the Chamber of Commerce sponsored a mass meeting at the Civic Center, and 6,000 outraged citizens showed up. Rolph expressed his horror over the bombing, but then Koster maneuvered the event into an expression of support for the Law and Order Committee and its open shop campaign. Taking advantage of the outrage, Koster proposed the formation of the Committee of One Hundred to aid the Law and Order Committee. The allusion to frontier justice could only be intentional and suggested the city's impotence in addressing the situation. Antagonized, Rolph pointedly told Koster, "the attitude and the activities of you and your particular group have done much, in my opinion to engender industrial unrest and class hatred."[18] Clearly Rolph and Hammond stood on opposing sides philosophically, but the difference would soon translate into a tangible conflict over both trees and men.

To raise legitimacy, public profile, and financial resources, the Chamber of Commerce nominated San Francisco's leading businessmen and public figures to serve on the Committee of One Hundred. Culled from the top echelon of the city's elite, many of these men were also members of San Francisco's Bohemian Club and were neighbors as well as business associates. Reading like a social register, the Committee included such notables as: J. D. Spreckles, D. Ghirardelli, E. W. Hopkins, William Sproule, William Crocker, and Charles K. Field. West Coast lumbermen included Robert Dollar, John Hooper, James Tyson, George Pope and of course, A. B. Hammond, who took a leading role in the Committee.[19] While these lumbermen

[18] Knight, 311; Levi, 45, quote 112.
[19] Levi, 46; Chamber of Commerce, 17, 36.

savagely undercut each other in business competition, they quickly unified against a common enemy – organized labor. Whatever their differences, in the face of class warfare, these men formed an impenetrable front. For the working class, on the other hand, ethnic, religious, and cultural bonds often proved a greater glue than class consciousness. The difference would prove crucial.

With strikes breaking out in the transportation, restaurant, and steel industries, the Law and Order Committee quickly jumped on each one as an opportunity to confront labor head on. Rather than resolve the conflict over wages or hours, the Committee's goal was to break the unions and establish an open shop in each industry. To this end, the Committee actively sought court injunctions and promoted boycotts of closed shop businesses. Firms that signed agreements with unions suddenly found their supplies dried up and banks calling in their loans. Employing Hammond's model from Humboldt County, the Committee formed the American Stevedore Company to supplant union longshoremen with nonunion workers. In defiance of Rolph's authority, the Committee also supplied its own armed guards to protect the strikebreakers.[20]

The Committee's aggressive agenda prompted a backlash. Only a month after the formation of the Committee, a group of Methodist ministers passed a resolution condemning the Law and Order Committee. The following week, 279 members of the Chamber signed a formal statement opposing the open shop drive. As the Committee's influence began to erode, it responded with a massive membership drive. By September 1916, the Chamber of Commerce membership jumped 300 percent, from 2,500 to 7,300, making it the largest Chamber of Commerce in the U.S. By the end of the year the Chamber had stockpiled a million dollar war chest. Top contributors included Standard Oil, Southern Pacific Railroad, C & H Sugar, Wells

[20] Levi, 81-83, Knight, 320-321.

Fargo, and the Pacific Improvement Company, of which Hammond represented fifty percent of the ownership.[21]

Despite its dissenters, in November the Chamber entered politics and placed a ballot initiative to ban picketing within city limits. The Chamber employed a modern get-out-the-vote campaign, and using the new technology of the telephone, hired 400 operators to call every voter in San Francisco. Equating unions with violence and crime, the Law and Order Committee also placed full newspaper ads claiming:

> There is no such thing as peaceful picketing any more than there is lawful lynching or peaceful mobbing. Picketing leads to violence and crime. It is an un-American method by which small business men are ruined, the city kept in turmoil, and the city streets used for private strife.[22]

Although, it was the Committee that actually kept the city in turmoil, San Francisco approved the ordinance by 5,000 votes.[23] The victory proved ephemeral, however. As the Committee increased its political activities, resignations from its parent organization rose correspondingly. Like earlier vigilance committees, the Law and Order Committee operated outside the legal apparatus. The difference was that, in 1916, San Francisco had a fully functioning civil structure of police, governments, and courts. Rather than lynchings, the Committee employed more subtle and more insidious methods. When police arrested Tom Mooney and Warren Billings for the Preparedness Day bombing, the Committee pressured the District Attorney to prosecute and frame the two innocent men, in one of the nation's worst travesties of justice.[24]

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[21] Levi, 65, 67, 90, 133; Knight, 313, Hammond to McLeod, Aug 15, 1916
[22] Chamber of Commerce, 36
[23] Knight, 317.
[24] Although Mooney and Billings were convicted and sentenced to hang, California Governor William Stephens commuted their sentences to life imprisonment. Subsequent investigations revealed their innocence, as well as serious irregularities in the trial. Finally in 1939, Governor Culbert Olson pardoned both men. Levi, 126

By 1917 however, the Law and Order Committee was becoming an embarrassment to the Chamber of Commerce. In his study of the Law and Order Committee, Steven Levi concludes that while, on one hand, it was a throwback to the nineteenth-century vigilantes, the Committee was also a precursor of the Red Scare of 1919. Hammond and the Committee's battle with organized labor demonstrates the tight linkage between ideology and economics; as such it corresponded to the larger contest unfolding on the national stage.

America's entry into World War One in April 1917 created a sudden demand for lumber and catapulted the timber industry out of the doldrums. The Army needed lumber to build cantonments, military facilities, ships, and airplanes. High coastal shipping rates made for additional revenue, and Hammond was well-positioned to profit off the war. As part of the war mobilization effort, President Woodrow Wilson created the U.S. Emergency Fleet Corporation. Capitalized at $50 million, this government-owned corporation called for the construction of a 1,000 wooden steamships to offset Allied shipping shortages caused by the war. Although the Fleet Corporation directors "detested the idea of wooden ships," they recognized the wartime scarcity of steel and the abundance of timber, especially in the Pacific Northwest. The announcement of lucrative government contracts naturally drew a plethora of applications, some eighty percent without shipbuilding experience. Hammond, however, was better positioned than most to bid on shipbuilding contracts. Each of the 3,500 ton ships required 1.7 million bf of lumber, including forty-foot timbers and ninety-two-foot masts. Only the redwoods and Douglas firs of the Pacific Coast could meet these requirements. Hammond not only owned lands capable of producing such timbers, he also possessed mills, transportation networks, and

shipbuilding faculties. Thus, in addition to building steamers for his own lines, Hammond quickly snagged government shipbuilding contracts.[25]

Unfortunately, the HLC's lease on Bendixen shipyard at Samoa was about to expire. Even worse, Rolph bought the shipyard and "declared with great fanfare that he would only employ union labor." Nothing could have irritated Hammond more. Believing that Rolph purchased Bendixen to increase his political prospects in Northern California for his upcoming gubernatorial bid, Hammond accused the mayor of political pandering toward organized labor.[26] Writing the editor of the Portland *Oregonian*, Hammond referred to Rolph as "a weak, self-seeking, hypocritical demagogue, who, masquerading under the guise of altruism and respectability, is endeavoring to keep in the lime light."[27]

Rolph, who had his own shipping company, was probably more attracted by the lucrative government shipbuilding contracts than making political hay out of Bendixen. Hammond, however, refused to attribute economic motivation to Rolph, insisting that politicians, like Rolph, only acted out of political expediency and merely followed the will of the voters. He confided to McLeod, "A lot of these fellows think more of their political jobs than they do of their country, and that, in my judgment, is what is the matter with democracy."[28] Equating economic development with patriotism, on the other hand, Hammond believed that it was only the captains of industry, like him, who had the true interests of the country at heart.

Despite Hammond's accusation that he was catering to unions for votes, Rolph had assumed a progressive position regarding labor long before entering politics. The antipathy

[25] Levi, 103; William Joe Webb, "The United States Wooden Steamship Program During World War I," *American Neptune* (Oct. 1975):275-288, quote p.278; *The Timberman*, April 1917: 37; Neil R. Price, "The Hammond Shipyard," *The Humboldt Historian* (May-June 1976): 9-10; Hammond to McLeod, June 21, 1917, box 20, folder 4.
[26] Hammond to McLeod, July 2, 1917, box 20, folder 4.
[27] Hammond to Edgar Piper, Aug. 9, 1918, box 20, folder 6.
[28] Hammond to McLeod, Aug. 6, 1917.

between the two men extended back to 1901, when Rolph broke from the Shipowners' Association to negotiate with the Sailors' Union and undermined any hope of a united employer front. Just as Hammond was convinced of the rightness of his anti-union position, Rolph sincerely believed that union recognition and collective bargaining were beneficial to both worker and employer. Rolph's election as mayor of San Francisco in 1911 soured Hammond's taste for politics, but it was Rolph's entry into Humboldt County that Hammond personally resented as an intrusion into his fiefdom and put the two men on a collision course with the open shop at the core of their dispute.

Although Rolph had taken over the Bendixen yard, Hammond controlled most of the timberlands in northern Humboldt Country. Assuming that business trumped politics, Rolph proposed a cooperative agreement with Hammond, whereby the HLC would supply the lumber and Rolph would assume the contract to finish the vessels currently under construction. Hammond flatly refused, primarily because of Rolph's insistence on using union labor. But Hammond also intended to use his timber for his own endeavors, and built a new shipyard next to his Samoa mill "on modern lines," meaning non-union. Bidding on three more government contracts, Hammond believed he could net more profit in shipbuilding than running his lumber mills.[29]

But until then, Hammond had two half-built ships to finish. Three months earlier, in January 1917, Hammond's ship carpenters had walked out, demanding an eight-hour day in accordance with the Pacific Coast standard. The HLC, of course, refused the demand, but the wartime labor shortage forced it to pay double time for the extra two hours, although this was limited to the highly skilled workers. HLC General Manager George Fenwick filled the ranks of general laborers with men from the logging camps. Hammond could thus cling to the illusion

[29] Hammond to McLeod, July 2, 1917; G. W. Fenwick to Hammond, March 12, 1917, box 20, folder 4.

that he was maintaining a ten-hour day. With Rolph's purchase of Bendixen and commitment to the eight-hour day, the two crews worked side-by-side, although Hammond's crews arrived an hour earlier and stayed an hour later. Quite naturally, many of Hammond's workers migrated to the Rolph crew and Hammond angrily accused the mayor of stealing his workers, reminding him that these ships were for the government war effort and that Rolph had a patriotic duty not to interfere with the HLC employees.[30]

Rolph countered with his own patriotism, telling Hammond that he only wished to build as many ships as possible since "with every hull that slips into the water, the work of the Enemy U-boat is nullified by just one more degree." The mayor also appealed to Hammond's economic self-interest in explaining his position on organized labor. He wrote,

> The man who sells his labor is selling not a commodity but his life . . . in my own business I have found that organization of men in Unions . . . has helped me quite as much as it has helped the men.[31]

Hammond, however, refused to accept this "Marxist twaddle." After all, nine years earlier, the Big Three lumber companies had driven unions out of Humboldt lumber industry and ever since Hammond's 1,000 workers in Humboldt had "been enjoying the benefits of the open shop."[32] That is, until Rolph showed up and began to re-establish unionism and its "regime of bloodshed."[33]

In responding to Hammond, Rolph reiterated his support for the right of labor to organize and bargain collectively. His rather mild statement – "I am also sorry that my views on labor matters do not coincide with yours" – sent the old lumberman into a fit of anger. Conveniently ignoring facts, Hammond lectured the mayor that in 1907, union longshoremen had deliberately

[30] *Labor News*, Aug. 11, 1917:1; Hammond to Rolph, April 5, 1917, box 20, folder 4.
[31] Rolph to Hammond, April 4, 1918, box 20, folder 6.
[32] Hammond to Rolph, March 22, 1917.
[33] Ibid, March 29, 1917.

murdered the Jenks brothers because they were non-union employees. According to Hammond such "brutal violence" compelled Humboldt mill owners "to rid themselves of this tyranny, and their efforts in this behalf were strongly endorsed by the decent, law-abiding people." Referring to the Preparedness Day bombing and implying Rolph's complicity, Hammond rhetorically asked the mayor, "Do you suppose for a moment that our company . . . would favor the re-establishment of that reign of bloodshed . . . and impose . . . the terrorism and brutal violence which have characterized the city of San Francisco?"[34] Rolph, a thick-skinned politician, recognized the rhetoric of equating violence with unions, that was so easily bandied about by San Francisco's Law and Order Committee.

Hammond's statements echoed those of other conservative businessmen. As the open shop movement had become a nationwide phenomenon, employers across the country parroted each other in their attempts to equate violence and anarchy with organized labor. Lumbermen, in particular, were quick to draw parallels between patriotism and the open shop. Hammond embraced this strategy. Unloading on Rolph for his pro-labor stance, he told the mayor:

> [Y]our insipid truisms amount to this: You believe that no American citizen has the right to work in your shipyard unless he pays $30 for the privilege of joining a labor union. I believe that any decent, law-abiding citizen of this country has the right to labor in our shipyard regardless of whether he belongs to a labor union or not, and that the Union of these United States of North America is a good enough union for an American citizen and entitles him to the privilege of working in a shipyard that has for its purpose the furnishing to the Government material to carry on the war against the enemies of our country.[35]

Echoing his boss, George Fenwick asserted that Rolph's union shop would bring the nation's most radical union – the IWW – into Humboldt. However, it was Hammond's labor practices, not Rolph's, which fertilized radicalism. Rolph, and the other Progressives, recognized that the surest way of countering the appeal of the IWW was through improved

[34]Ibid.
[35] Hammond to Rolph, April 11, 1918.

working conditions and recognition of the conservative AFL. Lumbermen, however, appeared to be entirely oblivious to this rather obvious conclusion. In confronting organized labor, Hammond and other lumbermen drew the U.S. Army into the fray, and the timber camps of the Pacific Northwest became the home front in the First World War. While Hammond dug in his heels, the IWW began to organize.

For Hammond, 1917 was like a game of whack-a-mole as he raced up and down the Pacific Coast confronting strikes in the largest labor disturbance in the history of the lumber industry. It was no different in other industries; strikes broke out across the West as wartime inflation and labor shortages provided workers with both motive and opportunity. Nationwide, 4,500 strikes involving one million workers occurred in 1917. In the West, the IWW appeared to be at the center of the maelstrom.[36]

Not only in the lumber industry, but around the globe, industrialization alienated workers from their labor and from their employers. Since fewer and fewer could make a living on farms, industrialization produced a large underclass without skills or education. Migrants from European and American farms flooded into cites to find work only to discover most jobs already taken by skilled workers. Before long America's unskilled workers became a "womanless, homeless, vote less" labor force drifting between jobs, baling hay, picking apples, logging, or loading ships. As itinerant workers, they could not vote and thus regarded the ballot box with suspicion. For these men, capitalism no longer offered the wide-open opportunity it had for Hammond's generation, but rather a meaningless and miserable existence with no hope of improvement. In addition, they were often the victims of state violence, whether it came from

[36] Melvyn Dubofsky and Foster Rhea Dulles, *Labor in America* (Wheeling IL: Harlan Davidson, Inc., 2004) 212; Howd, 70.

local police or federal troops crushing strikes. Eventually, all of these conditions provoked a radical response culminating in the formation of a new industrial union.[37]

In 1905 workers from around the U.S. had gathered in Chicago to form the International Workers of the World (IWW). Unlike the AFL craft unions, the IWW was open to all workers regardless of skill, job, sex, or race. Their mission: to overthrow the capitalist system and replace it with "industrial democracy" whereby those who produced the labor controlled the means of production. The IWW (or Wobblies) attracted many followers who had also experienced the dark side of capitalism. They also irritated and frightened more established citizens. While their rhetoric was revolutionary, few actually engaged in violence or sabotage. For the most part, they stood on street corners, passed out pamphlets, and spoke out on the evils of capitalism.

The logging camps of the Pacific Northwest were a perfect breeding ground for the IWW. The migratory nature of the lumber industry, lumberjack culture, hazardous work, and above all, miserable living conditions, all contributed to turn the Douglas fir region into the nation's hotbed of worker radicalism. The very nature of the industry generated a workforce without homes or families. As the timber camps moved across the landscape, the loggers moved with them. Not only was logging seasonal, but wages rose and fell according to lumber prices. With labor as the primary non-fixed cost of lumber production, companies frequently laid off workers as demand waned.[38]

Isolation from society created a lumberjack culture and level of class-conscious solidarity that transcended ethnic divisions to a degree unusual in other industries. Men in the camps worked tougher, ate together, slept together, and drank and whored together. Lumberjacks, thus,

[37] Vernon Jenson, *Lumber and Labor* (New York: Farrar and Rinehart, Inc., 1945), 3-21.
[38] Howd, *Industrial Relations*, 22.

internalized the IWW's basic premise, "an injury to one is an injury to all." After a long work day, loggers had no homes to go to, but instead sat around the bunkhouse stove and swapped stories, most of which involved sexual exploits. Discussions of the "outrages of capitalism" also pervaded the dank and overcrowded bunkhouse. Dog-eared books and pamphlets passed from hand to hand, with the selections becoming increasingly radical after 1900. Works by Upton Sinclair, Voltaire, Rousseau, Marx, along with labor journals and IWW pamphlets, ranked among the most popular reading materials. Immigrants, especially those from Italy and Eastern Europe, also brought revolutionary ideas that were readily embraced by independent-minded and utopian Westerners.[39]

While infused with romantic and radical ideas, the vision and theoretical underpinnings of the IWW remained inchoate, a factor that eventually contributed to its demise. Nonetheless, the organization, with its interchangeable membership cards and rejection of electoral politics, resonated with transient workers who lacked voting rights. The IWW also provided a sense of belonging, with welcoming union halls and subaltern solidarity. The IWW, thus, witnessed explosive growth in the woods camps where the conservative AFL had difficulty organizing.[40]

Ultimately, loggers flooded into the IWW because of the atrocious living and working conditions. Concern over reports of poor conditions spurred an investigation of the logging camps of the Pacific Northwest by the Industrial Relations Commission in 1917. They discovered that bedbugs invested half the camps; one third had unusable toilet facilities, and only half contained showers. The Commission summarized their findings:

> Forty loggers occupied a bunk house that should not have accommodated more than a dozen – the men sleeping two in a bunk, with two more in a bunk on top; a stove either

[39] Melvyn Dubofsky, *We Shall be All: A history of the Industrial Workers of the World* (Chicago: Quadrangle Books, 1969), 25; Meany, "The History of the Lumber Industry", 295.
[40] Robert L. Tyler, *Rebels of the Woods: the I.W.W. in the Pacific Northwest* (Eugene: University of Oregon, 1967), 25-27.

> end, sending the steam rising from lines of wet clothes strung the length of the room; beds made in many cases by dumping hay into a wooden bunk; food that was unsavory; the crudest kind of provision for cleanliness and sanitation.[41]

Given their revolutionary rhetoric, the Wobblies instilled fear and hatred into industrialists. Lumbermen, a highly conservative group by nature, were particularly appalled at the IWW, but blinded by stubbornness and independence they failed to recognize their own labor practices and violent reactions had given birth to the IWW and continued to sustain it. As mechanization replaced skilled positions, timber workers became increasingly interchangeable. With turnover approaching 1,000 percent annually, workers charged management with creating unstable conditions. Employers, on the other hand, contended that the lumberjacks were filthy degenerates who would quickly contaminate a clean camp. Refusing to address worker complaints, employers simply fired anyone suspected of attempting to organize a union. The open hostility of lumber companies toward labor simply drove more men to the IWW. Lumber company files burst with reports from company spies who searched cabins, opened worker mail, and often acted as *agents provocateurs* to draw out anti-employer statements. Spies provided lists of IWW suspects, who were promptly fired. Companies shared these reports with each other, blackballing men throughout the region, which only increased the appeal of radicalism.[42]

As the AFL struggled to gain a solid foothold in the Pacific Northwest, the IWW doubled its membership to 100,000 in anticipation of strikes against the essential war industries of lumber and copper. The IWW's anti-war stance resonated with workers, at least until 1918 when a wave of patriotism sweeping the country turned many workers against the IWW. Sounding more like a trade union than revolutionaries, the IWW demanded an eight-hour day, minimum wage, better working conditions, sanitary camps, abolishment of hospital fees, and no discrimination against

[41] Howd, 41.
[42] Howd, 84; LRRC files # 581, #774, #779, #804.

its members. Unlike traditional unions and in keeping with its independent spirit, the IWW did not demand a closed shop. The lumbermen, however, refused to negotiate, fearing that any capitulation to worker demands would propel them down the road to union recognition.[43]

The labor situation in the lumber industry reached the boiling point in the early summer of 1917. As walkouts and wildcat strikes began breaking out in woods camps and mills, the IWW moved to control the situation and issued a general strike call for June 20, bringing logging to a virtual standstill east of the Cascades. The strike quickly spread westward, paralyzing the entire lumber industry from Montana to the Pacific Coast. Humboldt County, where Hammond had effectively suppressed the timber worker unions, remained a notable exception.[44]

At first, most of Hammond's mills and camps seemed largely unaffected by the strike, and he bragged that "there are mighty few, if any, I. W. W.'s working for the Hammond Lumber Company." Hammond based his claim on the liberal contributions his mill workers made to the Red Cross as an indication that his employees were " good patriotic citizens."[45] In Hammond's mind, one could not be a Wobbly and a "good patriotic citizen" at the same time. But while many Wobblies opposed the war, it did not necessarily mean they would refuse to contribute to the Red Cross.

Hammond believed that lumbermen brought the strike on themselves by carelessly employing union workers and Wobblies. He noted that the IWW had publicly stated "that they are opposed to law and order and are in favor of violence and intimidation. . . . any logger or millman who employs that class of labor to carry on his operations deserves about all that he gets."[46] Even at the height of the strike with more than half the camps and mills on the coast

[43] Dubofsky, *We Shall Be All*, 349; Howd, 72.
[44] Ficken, 143; Tyler, 92; Dubofsky, *We Shall be All*, 362
[45] Hammond to McLeod, July 3, 1917.
[46] Ibid.

shuttered, Hammond could crow "all of our operations, including Logging Camps, Saw Mills, Planing Mills, Lumber Yards, Shipyards and Steamships, are running at full blast." Hammond attributed this to his strict orders to dismiss "labor agitators of any description" and his company's explicit open shop policy, which he believed attached loyal, hard working men. Like many industrialists, Hammond believed he was protecting his employees from being coerced into joining a union. He proudly stated, "We have established a reputation here on the Coast that no men would have to join a Labor Union to get employment with our Company and that if they stayed by us we would see that they were protected." To counter the appeal of unions among his employees, Hammond raised wages, but with cost-plus government contracts, he simply passed this on as part of the price of manufacturing lumber.[47]

Despite all his precautions, including hiring illegal workers from India, in September 1917, Hammond found his mill in Astoria subject to a mass walkout. Just three years earlier, Astoria had hosted a gala reception honoring A. B. Hammond on the twentieth anniversary of his undertaking to build the railroad linking the city to the rest of the country. By now, however, Astoria's high proportion of Scandinavians who wholehearted embraced the IWW had recast the city's electorate so that even the mayor openly professed Wobbly sympathies. Predictably, Hammond's affection toward Astoria vanished. With the strike now threatening his mill, Hammond declared he was "not going to stand for much monkey business from the I. W. W's at Astoria" and appealed to Oregon Governor James Withycombe for protection. The Governor quickly responded by sending in the National Guard which cleared picketing strikers from the streets of Astoria. With nearly half the workforce out on strike the HLC continued to operate

[47] Hammond to McLeod, Aug. 2, 1917.

with the help of the troops guarding the plant.[48] While he admitted he could use 100 more men at the plant, he noted "we have to be very careful whom we employ." Discovering that the Portland shipyards had begun negotiating with the unions, Hammond extended his stay in Oregon to help the anti-union forces hold the line.[49]

Hammond and the other West Coast lumbermen began to gather their forces. No doubt inspired by the success of San Francisco's Law and Order Committee in presenting a united employer front, lumbermen convened in Seattle on July 9, 1917, to form the Lumbermen's Protective Association. Pledging to defeat the unions and the eight-hour day, the Association threatened firms that refused to join with boycotts and agreed to impose stiff penalties on those members who acceded to union demands. Despite their traditional independence, some sixty lumber firms signed up. Some lumbermen proclaimed, however, that it was only the threat of the IWW that compelled them to join.[50]

Hammond and other lumbermen also regarded themselves as patriots helping to defeat the Germans by supplying much needed lumber but were stymied by the IWW. Hammond informed the War Department, "labor unions, IWW and other enemies [of] our country [have] created conditions [in] which troops . . . are protecting our Astoria mill which is being operated under great difficulties in endeavoring supply ship timbers [to] fourteen government hulls."[51] By equating the IWW with the nation's enemies, lumbermen turned the war to their advantage, tapping into wartime hysteria and appeals to patriotism. Branding the IWW as un-American for striking during the war, employers painted the Wobblies as unpatriotic at best, Bolshevik agitators, revolutionaries, and Germans spies at worse. How they could be both German spies

[48] *Los Angeles Times*, Sept. 20, 1917: I 2; *Astoria Daily Budget*, July 9, 1914; Hammond to William Wilson, Oct. 11, 1917, box 20, folder 5; McLeod to Hammond, Sept. 19, 1917, box 20, folder 5.
[49] Hammond to McLeod, July 26, 1917, box 20, folder 4.
[50] Ficken, 143; Dubofsky, *We Shall Be All*, 363
[51] Hammond to F. W. Leadbetter, Oct. 2, 1917, box 20, folder 5.

and Bolsheviks simultaneously, they never explained. Lumbermen also saw little reason to distinguish between conservative trade unions and the IWW. Hammond's statement – "the I. W. W.'s and the Labor Unions all look alike to me. I see little difference between them" – accurately reflected the prevailing attitude of most Northwest lumbermen.[52]

Nevertheless, Hammond's patriotism was genuine and his companies took out more than $325,000 in liberty bonds. He also he offered to carry any employees who wanted to buy individual war bonds.[53] He privately told McLeod, "I would prefer to shut down our operations rather than employ men who declare their allegiance to the red flag of anarchy instead of to the Stars and Stripes."[54] Hammond even offered to place his Warrenton mill in Astoria and Oregon timberlands at the "government's disposal."[55] Hammond's patriotism, however, could also degenerate into jingoist hatred. Upon reading of German atrocities in Belgium (which turned out to have been manufactured by Allied propagandists), he stated, "I do not see what else can be done to these people but to exterminate them; they are not fit to live on the earth."[56]

While Hammond professed that his patriotism and ideology transcended economic concerns, he was not above renegotiating government contracts to increase his profit margin. In June 1918, Hammond sent his son-in-law, W. S. Burnett, to Washington D. C. to secure more shipbuilding contracts. Burnett succeeded in obtaining up to $50,000 more per hull than the HLC had previously received.[57] Above all, though, the nineteen months of U.S. involvement in the European conflict solved many of Hammond's lingering problems, most notably his labor

[52] Hammond to McLeod, Aug. 2, 1917
[53] Hammond to McLeod, Oct, 25, 1917.
[54] Hammond to McLeod, July 3, 1917.
[55] Hammond to Leadbetter, Oct. 2, 1917.
[56] Hammond to McLeod, Oct. 11, 1918, box 20, folder 7.
[57] Ibid, June, 11, 1918, box 20, folder 7.

issues and access to remote timberland. Both of these were wrapped up in a singular tree species – the Sitka spruce.

As the U.S. entered WWI, General John Pershing and the War Department regarded the new technology of aerial warfare as crucial to winning the war. Construction materials for aircraft were exceedingly scarce, however. Only lumber from the Sitka spruce had the requisite qualities of strength and lightness suitable for airplanes. Furthermore, the world's supply of Sitka spruce was confined to a narrow strip from Alaska to northern California. Unlike other conifers, Sitka spruce has a limited tolerance for drought and can only survive along the moist coast and river valleys of the Pacific Northwest. Highly susceptible to the white pine weevil, the tree is further limited to the fog belt where cool summer temperatures provided sufficient warm days for the beetle to complete its life cycle. On the other hand, Sitka spruce evolved a high degree of salt tolerance, allowing it to thrive right along the rocky coastline where sea spray prevents other trees from growing.[58] Growing along the coast, however, has disadvantages. While Sitka spruce obtains great size, its shallow roots make it susceptible to windthrow. When toppled by wind, gaps in the forest canopy allow for new spruce to become established.

The result was that along the Oregon coast, Sitka spruce tended to occur in scattered, localized groves. Therefore, Hammond and other lumbermen largely ignored it. Not only was spruce difficult to retrieve, but up to now, it had little commercial value and lumbermen had made no effort to build an infrastructure to access their stands. Additionally, spruce was held by a multitude of lumber companies, both large and small. Victory against Germany, however, appeared to rest on the spruce production of the Pacific Northwest. The Army identified A. B.

[58] Paul Alaback, "Biodiversity Patterns in Relation to Climate: The Coastal Temperate Rainforests of North America," in Richard G. Lawford, Paul B. Alaback, Eduardo Fuentes, eds., *High-Latitude Rainforests and Associated Ecosystems of the West Coast of the Americas,* (New York: Springer, 1996).

Hammond as the "largest individual owner of spruce in the world" and requested his presence at a meeting in Washington D. C.[59]

Hammond informed the War Department that while he would be "most happy [to] cooperate," labor troubles prevented him from leaving Oregon. Although he intended to build a railroad up the Necanicum drainage to access spruce, labor disturbances had halted construction and logging operations. In his telegram Hammond argued that he could not produce spruce unless the government would ensure protection and "give its unequivocal support to those who are endeavoring to maintain law and order [against] the mob I. W. W.'s, radical labor unions, pro-Germans, and the rotten press."[60] Hammond, like other lumbermen, exaggerated the labor strife in hopes the Army would provide a free security force to suppress labor unrest. The need for security was especially inflated, as the IWW had pledged nonviolence, and the strike was remarkably civil. Furthermore, by the time Hammond telegrammed the War Department, the strike had been over for a month. While the need for Sitka spruce attracted the attention of the Army to the labor situation in the Pacific Northwest, as historian Robert Ficken points out, Sitka spruce became more important "as a weapon to be wielded against labor than as a weapon of war."[61]

Finding their resources limited for a prolonged strike, the IWW hit upon a new strategy – the strike on the job. The men returned to work but engaged in a deliberate slowdown, often walking off the job after eight hours. The "strike on the job" allowed the Wobblies to draw wages while avoiding arrests, court costs, and confrontations with strikebreakers. More importantly, the workers now controlled the rate of production in the crucial war industries of

[59] James K. Agee, *Fire Ecology of the Pacific Northwest Forests* (Washington D.C.: Island Press, 1993), 189-193; F. W. Leadbetter to Hammond, Oct. 1, 1917.
[60] Hammond to Leadbetter, Oct. 2, 1917.
[61] Ficken, 141.

wheat, copper, and lumber. Spruce production actually dropped by twenty-five percent prompting concern in the War Department. In addition to supplying security, lumbermen hoped the Army would purge the woods of Wobblies, as well as provide strikebreakers in the form of uniformed soldiers.[62]

Hammond had yet another reason for wanting to ensure production of aircraft quality spruce. With the outbreak of war, his only remaining son, Leonard, had quit his job in his father's office and joined the Harjes Ambulance Corps. In 1917 Leonard transferred to the Army Air Corps and flew numerous missions in Allied planes built of Sitka spruce. While the U.S. intended to build 28,000 airplanes, by October 1918 the industry could only supply a scant fifth of the required lumber. Not only was the IWW impacting Hammond economically, but in his mind, they were also imperiling his son.[63]

Investigating the holdup of spruce production, the War Department discovered several bottlenecks. First, spruce was difficult to obtain and lumbermen were reluctant to invest in building the transportation and production infrastructure for what might be a short-lived market. Second, lumbermen – well familiar with the dangers of overproduction – were quite satisfied with the high prices that resulted from restricted supply. Finally, nearly everyone, from Progressive reformers to Army investigators to the lumbermen, agreed that the labor issue posed the largest hurdle to increased production. They did not agree, however, on a solution.[64]

Lumbermen saw the war as unprecedented opportunity to crush the Wobblies once and for all. In no particular order, they advocated: conscription, deportation, vigilante action, exposure, and a coordinated effort to drive the subversives out of the camps and out of the country. To this end, lumbermen relied upon their access to political power, especially on the

[62] Tyler, 97; Howd, 75.
[63] Hammond Lumber Company, *Redwood Log*, May 1950, vol. 3, no. 3.
[64] Hyman, 190.

local and state level. Like Hammond, lumbermen called upon governors for National Guard troops to protect their property and disperse strikers, and drew upon the extralegal, quasi-vigilante American Protective League. Sanctioned by the Wilson Administration's Justice Department, the APL consisted of businessmen, many of whom also belonged to the Lumbermen's Protective Association, and other volunteers devoted to ferreting out German spies. With spies in short order, the APL turned its attention to the Wobblies and aided the Justice Department in dozens of raids against IWW halls. But since most loggers belonged to the IWW, such raids inhibited rather than increased spruce production.[65]

Progressive reformers, like Carlton Parker, a professor at the University of Washington, on the other hand, saw the war as an opportunity to initiate social reforms. Parker also wished to eliminate the IWW, but he regarded radicalism as a symptom of substantial social ills rather than a cause. After much investigation, Parker concluded that the IWW had legitimate grievances and that the real threat to production was the intolerable working conditions. Parker pointed out that drafting subversives made little sense as this would simply reduce the labor supply – far better to make the Wobblies into patriotic citizens by improving their lives. Appointed to Wilson's Mediation Committee, Parker called for a reversal of government policy of outright suppression and instead advocated the creation of a federal agency that would insure workers of an eight-hour day, decent food and housing, protection from company spies, price gouging from company stores, and most importantly, provide workers with a sense of dignity and self-worth. Such actions, Parker maintained would increase spruce production and eliminate the threat of a worker's rebellion.[66]

[65] Ibid., 77-79.
[66] Ibid., 91-96.

Secretary of War Newton Baker agreed with Parker's conclusion that the best way to increase spruce production was to address working conditions. In the fall of 1917, Parker accompanied Colonel Brice Disque, who had assumed control of the Army's Spruce Production Division (SPD), on a tour of the lumber camps and mills of the Pacific Northwest. Disque was shocked at the conditions, noting "We treated captured Moros better in the Philippines during a war." He reported most of the camps would fail any Army inspection. One millworker "told him that the notches cut on the housing around a saw represented arms and hands that the huge blade had cut from workers."[67] Disque concluded: "My wonder was not that production was low but that there was any production at all."[68] Although Disque agreed that working conditions needed vast improvement, his assessment differed from Parker's that material conditions lay at the root of labor unrest. Instead, like Hammond, Disque saw social ideology as the problem. But unlike the lumberman, he believed Wobblies could be reformed.

Despite their differences, Disque and Parker hatched a remarkable plan that combined Army discipline with Progressive reforms. Under the auspices of the Spruce Production Division, they forged a unique organization – the Loyal Legion of Loggers and Lumbermen. The Legion, or 4L, was the first and only time the U.S. Army would form a labor union. By supplanting traditional unions and under the direction of the Army, the Legion proved palatable to the patriotic lumbermen. Furthermore, since it was composed of both workers and their employers, lumbermen could still maintain some control. Nationally, Progressives hoped that the war would push the government into implementing social reforms. Parker, however, actually

[67] Ibid., 109.
[68] Ibid., 112.

had the opportunity to enact a Progressive agenda. Even more importantly, he had the U.S. Army on his side.[69]

The Army, meanwhile, faced a manpower dilemma. From France, General John Pershing demanded a million trained men for the American Expeditionary Force. At the same time, he believed Disque would need 125,000 troops to check insurgency in the Pacific Northwest. Already, Washington Governor Ernest Lister had announced he would keep the National Guard at home to prevent "internal troubles." But if the Legion could alleviate the labor strife, this would free up much-needed troops for the AEF.[70]

Sanctioned by the War Department, the SPD and its Legion eventually grew to 100,000 loggers and mill workers and 25,000 soldiers, armed with rifles and axes, who moved into the woods camps to provide both labor and security. Already relying upon the Oregon National Guard to quell strikers at his Astoria mill, Hammond wholeheartedly endorsed the notion bringing soldiers and Army discipline into his camps. Lumbermen saw the soldiers as strikebreakers who would drive the Wobblies into the Pacific Ocean if necessary. Newton Baker, however, adamantly opposed using the Army in such a manner.[71]

Instead, Disque used his military and economic leverage to persuade lumbermen to make reforms. To qualify for the soldier-loggers, camps had to pass inspection by Army medical staff and be brought up to minimal Army standards, which included adequate sanitation and housing and acceptable food quality and preparation. Suddenly, for the first time in their lives, loggers slept on laundered sheets and clean blankets, had access to daily showers, and even dental care.[72]

[69] Ibid., 2.
[70] Ibid., 13
[71] Ibid., 84.
[72] Ibid., 110, 305.

Unlike Parker, Disque believed that material conditions alone would not dispel radicalism. Instead, he regarded patriotism, or as he called it "The Religion," as the remedy. The Army, through the 4L, would permeate the workers' consciousness and "bring each rootless logger into a direct connection with patriotism." According to Army Intelligence reports, in late 1917 the labor situation in the Northwest was "a smoldering volcano" checked only by "The Religion" of the 4L. The Legion decked bunkhouses with bunting, flags, and patriotic slogans.[73] Such hegemony was even more overt in the pledge that every member of the 4L was required to take. The oath for both employers and workers read in part:

> I swear . . . to faithfully perform my duty toward this company by directing my best efforts . . . to the production of logs and lumber for the construction of Army airplanes and ships to be use against our common enemies. That I will stamp out any sedition or acts of hostility against the US Government."[74]

While the oath, of course, appealed to lumbermen, many workers refused to take it. Such dissenters were ostracized by their fellow workers, who as Parker predicted found dignity by participating in military parades around the woods camps. The presence of armed troops, no doubt, helped convince the more reluctant. In addition, Disque could always count on local draft boards to conscript the revolutionary Wobblies who failed to convert to patriotic citizens.[75]

From the beginning lumbermen had served as advisors to the SPD; now sensing a comrade in Disque, they began to circle closer. At the same time, Disque, a bit paranoid, resented Parker's civilian oversight, and the two men became increasingly estranged. Lumbermen reciprocated the Colonel's patriotism and quickly moved into the ideological vacuum left by Parker. Russell Hawkins, a prominent anti-union Oregon lumberman, became Disque's assistant, while F. W. Leadbetter, a Portland lumber broker, served as Disque's liaison

[73] Ibid., 174.
[74] Tyler, 103.
[75] Hyman, 306-308.

with the War Department. Hawkins and Leadbetter also served as conduits between Hammond and the War Department, advocating for the lumberman and passing along confidential information. Furthermore, Disque moved his headquarters to the Yeon Building in Portland, where the HLC had its Oregon office, giving George McLeod, Hammond's manager, easy access to the Colonel. Surrounded by lumbermen, it was hardly surprising that Disque absorbed many of their ideas and values. In turn, they saw him as an ally in their war against organized labor.[76]

As 1917 drew to a close, spruce production began to rise and the labor strife seemed to dissipate. However, the nagging issue of the eight-hour day remained. The Wilson Administration was firmly committed to the reform, while lumbermen adamantly opposed it. Disque supported an eight-hour day in principle, but hesitated to impose it dictatorially. Employing a carrot rather than a stick, the Colonel suggested that lumber companies operating on an eight-hour basis would receive the most Legion assistance and priority shipping on railroads. Although lumbermen had united on the issue just a few months previously, the eight-hour day now divided them.

Many lumbermen saw the eight-hour day as inevitable, but they wanted it to unfold on their terms. Hammond, however, vigorously opposed adopting the eight-hour day and rallied his forces. On December 12, Parker gathered the region's top lumbermen to discuss the issue. Believing that labor unions would claim credit for the reform, Hammond, insisted, "eight hours should be adopted by Congress rather than be surrendered to agitators."[77] Hammond's motives were two-fold. On one hand, he thought that instituting the reform in the Pacific Northwest would give an unfair advantage to lumber companies in the South, which still operated on a ten-hour day, despite Parker's contention that men working eight-hours would be more productive.

[76] Hyman, 131, 148, 156, 159; Leadbetter to Hammond, Oct. 3, 1917, box 20, folder 5.
[77] Capt. E.A. Selfridge to R. H. Downman, Dec. 17, 1917, McLeod files, box 20, folder 5;

Second, he knew such legislation was unlikely. In fact, Senator Miles Poindexter, a leading Progressive from Washington, had already vowed to fight against the imposition of an eight-hour day by Presidential fiat.[78] But when one group of lumbermen – the Western Pine Association – announced it would adopt the eight-hour day, other employers began to weaken, and Hammond was unable to hold them in line. After much debate, sixty-four voted in favor of a resolution that all lumber manufactured during the war be done on an eight-hour basis. Nine, including Hammond, opposed it, thereby blocking any agreement.[79]

While they failed to achieve consensus, the lumbermen's lopsided vote indicated that resistance was quickly eroding. They agreed to hold another meeting to make a final binding decision. After a contentious all-day summit, at midnight on February 25, 1918, the last holdout finally acceded, and by a unanimous decision lumbermen accepted the eight-hour day in every mill and camp in Oregon and Washington. Significantly perhaps, Hammond was absent, represented by the more moderate George McLeod.[80]

In his history of the 4L, Harold Hyman notes that the lumbermen would never have accepted the eight-hour day if it had come from the Wilson Administration or from the unions. For the lumbermen, the Army was an acceptable mediator, and Hyman credits Disque's diplomacy, gentle pressure, and patriotic appeals. Whatever the method, the result was that Disque's reforms, including improved working conditions, a shorter work day, and patriotic appeals, successfully defused the labor unrest. But as Hammond had predicted, the unions claimed credit for the reforms and began to organize in the camps. Disque, however, resisted the AFL intrusion into the "his" union – the 4L – and for twenty years after Armistice, the Legion served as a company union dominated by employers rather than by workers.

[78] Hyman, 205.
[79] Selfridge to Downman.
[80] Hyman, 223; Maurice Crumpacker files, mss 4490, folder 2, OHS.

Not only did the SPD curtail union organizing, it also provided lumbermen with lucrative government contracts for supplying spruce to a guaranteed market. Although the Army saw labor issues as the primary barrier to increased production, it also recognized the difficulty of accessing spruce and the reluctance of lumbermen to invest in infrastructure. To overcome this obstacle, lumbermen suggested that the government underwrite the cost of building railroad spurs into the remote spruce stands.[81] In Oregon, George McLeod negotiated a contract with the SPD to build a railroad up the Necanicum and delivery airplane quality spruce. Hammond, however, decided, "that the work could not be done at the price the Government wished to pay, and withdrew the contract." Instead, he renegotiated more favorable terms. Hammond would now receive $12.50 per mbf for logs, and the government would pay sixty-five percent of the $1 million logging railroad. Hammond justified the increase on "On account of the high wage rate, inefficient labor, and the eight-hour day."[82] Despite such obstacles, Hammond ran his Warrenton mill day and night, cranking out 150,000 bf of government spruce every twenty hours. Furthermore, with the shortage of labor, the HLC used SPD soldiers to build the railroad and work in the mills, discovering "they make excellent labor."[83]

November 1918 brought a sudden end to the war and subsequently to spruce production. Even though the government canceled its contracts, Hammond had a railroad up the Necancium, built primarily at government expense. Now he could finally access remote stands of valuable old growth Douglas fir, as well as spruce and hemlock. He also had two expanded and upgraded lumber mills in Astoria, and most of all had a compliant labor force – for the time being.

West Coast lumbermen learned two important lessons from the war, suggests historian Robert Ficken. Like San Francisco's Law and Order Committee, they discovered that if they

[81] Hyman, 108, 190; Hammond to McLeod, May 27, 1918, box 20, folder 6.
[82] Hammond to McLeod, Sept. 24, 1918, box 20, folder 7.
[83] *Timberman*, Jan. 1918: 48, Oct. 1918: 38.

banded together they could present a united front. Even more importantly, they realized that government "could be the servant rather than the antagonist of business."[84] By mediating between the demands of workers and employers, Progressive reformers had defused a potential revolution. While Hammond accepted the Army's intrusion into his business affairs, he had a dramatically different reaction to President Wilson's Mediation Commission and the Labor Department's involvement in another labor dispute far to the south.

Shortly after the lumber workers in the Northwest returned to work, another strike had erupted in Los Angeles when more than 400 of Hammond's mill workers walked out in early October 1917. Hammond blamed the strike on mediators from the Department of Labor, in particular, Harris Weinstock, a wealthy San Francisco merchant largely sympathetic to organized labor. Counterposed against Hammond's involvement with the Citizen's Alliance and campaign to eliminate unions, in 1903, Weinstock founded the San Francisco Commonwealth Club to find solutions to labor strife through cooperation between business and labor leaders. Historian Michael Kazin credits Weinstock, "a highly respected and unusually objective mediator" with alleviating much of the Bay Area's labor conflict.[85] In 1914 President Wilson had appointed Weinstock to the U.S. Commission on Industrial Relations. After 154 days of hearings, the Commission had concluded that unions were the solution to industrial unrest and that anti-labor employers were "a bar to social tranquility and a detriment to the economic progress of our country." The report stated:

> Instead of any elaborate machinery for the prevention of strikes or lockouts we are convinced . . . that the most effectual course that can be pursued to bring about general contentment among our people, based upon a humane standard of living, is the promotion

[84] Ficken, 152
[85] Hammond to McLeod, Oct. 30, 1917, Hammond to Louis Post, Oct. 11, 1917, box 20, folder 5; Kazin, 225, 229, quote 289.

> of labor organization. . . . [I]n those lines of industry where organization of labor is the strongest, there is the least danger of industrial revolt. . . Where organization is lacking dangerous discontent is found on every hand; low wages and long hours prevail; exploitation in every direction is practiced; the people become sullen, have no regard for law or government, and are in reality, a latent volcano, as dangerous to society as are the volcanoes of nature to the landscape surrounding them.[86]

Weinstock, the embodiment of a Progressive businessman, and Hammond were headed for a showdown. In 1917 Wilson appointed Weinstock (along with Parker) to the President's Meditation Commission, to go beyond investigation and actually mediate labor conflicts. Although they succeeded in some sectors, they ran into a brick wall in the lumber industry where Hammond and other lumbermen flatly refused to meet with mediators or labor organizers.[87]

The Commission discovered that lumber mill workers in Los Angeles received, on average, one-third less pay and worked longer hours than other mill workers in California and concluded "that in the matter of wages and hours the men had just grievances."[88] Weinstock lectured Hammond that the only way for him to maintain an open shop was "by treating his employees as fairly, as liberally and as generously as they are treated by Union employers elsewhere." Hammond, of course, was not about to be told how to run his business by unions, much less by government officials whom he considered to be "labor agitators and self-seeking politicians."[89]

The ideological difference between Hammond and Weinstock degenerated into a tug of war over the workers themselves. When Weinstock informed mill workers of their right to organize and of the mill owners refusal to engage in mediation, the men went on strike. However, thirty-three of Hammond's employees informed the mill superintendent that they

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[86] *Final Report of the Commission on Industrial Relations*, 64th Cong., 1st sess., S.Doc. 415 (Washington: GPO, 1916); 165.
[87] Tyler, 99; Weinstock to Hammond, Oct. 31, 1917, box 20, folder 5.
[88] Ibid.
[89] Ibid.

"were perfectly satisfied with conditions in general. We were sorry that we had to walk out." Four days later, however, the men, presumably under Wienstock's influence, retracted their letter.[90]

Privately, Hammond admitted that the eight-hour day was inevitable. Noting that the cost of living had increased, he acknowledged that his workers were entitled to higher wages and instructed Harry McLeod, his manager in Los Angeles, to advance "the wages for your best men to a price that is satisfactory to them," but to avoid "having anything to do with the representatives of the Unions."[91] To Weinstock, Hammond insisted that the mill owners were preparing to raise wages before the government "butted in."[92]

Weinstock defended his involvement in the labor dispute in terms of the "world's greatest war." He informed Hammond that the government could indeed fix wages and prices, commandeer factories, and"butt into your private affairs." Evoking the ever-present theme of patriotism, Weinstock told the mill owners, "Stop our wheels of production and at once we are at the mercy of our enemies. . . . As mediators we feel we are performing the highest sort of patriotic service."[93] Although Hammond was quick to employ such rhetoric himself, he remained unswayed by Weinstock's appeal. Charging the Commissioner with using "intemperate" language to magnify the conflict, Hammond insisted that this was "a minor squabble over a local planning-mill company . . . that was not engaged in furnishing Government supplies of any kind," Hammond angrily added that while he was busy building ships and

[90] Hammond to Weinstock, Nov. 1, 1917, Weinstock to Hammond, Nov. 5, 1917.
[91] Hammond to H. W. McLeod, Aug. 27, 1917, box 20, folder 5.
[92] Hammond to Weinstock, Nov. 1, 1917.
[93] Hammond to Weinstock, Nov. 1, 1917.

producing aircraft spruce for the government, mediators were interfering with his business. He concluded by accusing the Department of Labor of impeding the war effort.[94]

In turn, Weinstock charged Hammond with exploiting his workers. He pointed out that Hammond had admitted his workers deserved higher wages and shorter hours, but was only withholding their demands "because of your strength and their weakness."[95] Furthermore, the Labor Committees had dropped the issue of the closed shop and union recognition. Challenging Hammond to do the right thing, the Commissioner appealed to the lumberman's masculinity and sense of fair play. He wrote:

> I have confidence enough in your manliness to believe that when your error is pointed out to you, that you will readily acknowledge it. . . . A just and fair-minded man does not permit his sense of fairness to be warped and crippled by personal feeling and by heat.

Hammond continued to insist that both the mill owners and employees were in the process of negotiating their differences before "a couple of busy-bodies . . . injected themselves into the negotiations . . . with the apparent determination that they and the union leaders should have all the glory of making the settlement." Nevertheless, Weinstock had backed Hammond into a rhetorical corner, and rather than admit any validity to the Commissioner's argument, the lumberman countered by attempting to play the bemused intellectual toying with an inferior. Sprinkling his letter with arbitrary quotes from Robert Burns and Henry James, Hammond ended the dialogue on a condescending note:

> The correspondence has been amusing and I have not taken it seriously. Notwithstanding the course you have pursued at Los Angeles I have considered you a well-meaning but highly temperamental person, carried away by the exuberance of your own emotions. I can assure you I have absolutely no personal feeling. I lay no claims to any superior mental attainments. It does not require great mental capacity to answer when one is in the right.[96]

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[94] Hammond to Weinstock,Nov. 8, 1917.
[95] Hammond to Weinstock, Nov. 1, 1917, Nov. 8, 1917: Weinstock to Hammond, Nov. 5, 1917.
[96] Hammond to Weinstock Nov. 27, 1917.

Despite the letter, Hammond, indeed, took Weinstock's charges personally and began "digging out his record" and contacted the *San Francisco Examiner* in an attempt to discredit his business deals. Not only did Hammond question Weinstock's masculinity by calling him emotional, but he closed with reference to his own sexual prowess. Clearly, Hammond was a man used to getting his own way. Despite the efforts of Weinstock and the Mediation Commission to encourage union organizing, the HLC held out, and the men gradually drifted back to work, effectively ending the strike. Harry McLeod informed his boss, "A number of these were union men, and from talks I have had with many of them I learned that they are disgusted with unionism." The strike gained nothing; although some skilled workers eventually received pay raises, the mill stayed on a nine-hour basis. Hammond could thus point to the workers themselves as validating his anti-union position. But just to be sure, McLeod insisted that the men destroy their union cards in order to be rehired.[97]

Wilson's administration often operated at cross purposes, perhaps demonstrating the ambivalence of many Progressives. While the newly-formed Labor Department actively supported union activity, the Justice Department under Thomas Gregory raided, tried, and imprisoned hundreds of IWW members and condoned the extralegal anti-labor activities of the American Protective Association. Meanwhile, War Secretary Baker forged ahead with a government sponsored union, the 4L. Hammond astutely recognized the fault lines between government agencies and used them to his advantage. By cooperating with the War Department, he could effectively offset and even undermine the efforts of the Labor Department.

Concurrent with the lumber workers strike in August 1917, Hammond was having trouble fulfilling his government shipbuilding contracts because of his anti-union stance. Upon

[97] Hammond to McLeod, Jan. 9, 1918, box 20, folder 6; H. W. McLeod to Hammond, Oct. 1917, box 20, folder 5.

completing the ship hulls in Samoa, Hammond had contracted with the Union Iron Works in San Francisco to install the machinery. The union workers, however, refused to work on HLC ships, as the company was on the "unfair" list. With the work stoppage, Hammond informed the A. F. Pillsbury of the Emergency Fleet Corporation that the delay would force him to cancel his contract to furnish government ship timbers, and "seriously interfere with our operations in furnish the Government this Spruce lumber for their aeroplanes." In playing one government agency against the other Hammond again accused the Labor Department of interfering with war effort and asked Pillsbury to address the Union Iron Works issue with Labor Secretary William Wilson.[98]

Finally, in late November, Hammond enlisted the assistance of the War Department in the form of fellow lumberman, Major Leadbetter. The two men met with a delegation of the Iron Trades Council for four hours. Hammond noted, "During all this time they made no demands; neither did they make any complaints . . . as usual, I did most of the talking." No doubt, he informed them of the error of their ways, the virtues of the open shop, and the importance of the war effort. After Hammond's lengthy lecture, the delegation rose to leave and simply stated that they would take it for granted that the HLC would pay the same wages as the Rolph shipyards. Hammond assumed credit for breaking the impasse; but two weeks earlier, Labor Secretary Wilson had informed union leaders that discriminating against non-union materials, such as Hammond's ships and lumber, "in the time of war would be intolerable."[99]

Hammond's conflict with the Union Iron Works made it into the national press when *Collier's Weekly* printed an article on Pacific Coast shipbuilding. The author, William Wolff,

[98] California Metal Trades Association to William Wilson, Nov. 17, 1917; Hammond to Pillsbury, Nov. 12, 1917, box 20, folder 5. Like Union Lumber Company, the name of Union Iron Works bore no relation to its labor practices.
[99] Hammond to G. W. Fenwick, Nov. 28, 1917; California Metal Trades Association to William Wilson, Nov. 17, 1917.

characterized Hammond as "a dour, two-fisted fighting man, [who] resents bitterly the idea that any union can come between him and the men who work for him." Wolff wrote that Hammond was "more interested in beating the unions than in beating the Germans" and that Colonel Disque had to take over the spruce operations because of the conflict between Hammond and unions. Wolff concluded his profile of the lumberman:

> There is absolutely no desire on the part of Hammond to hamper the production of ships. He would cut off his right hand rather than do anything of the sort. But he is firmly convinced that his way is the right way – his way being to beat the unions into submission. And it is a question as to which he hates most – the unions and their leaders or the shipbuilders . . . which have decided that the best way to build ships quickly is to come to terms with the unions."[100]

Although Wolff accurately summed up Hammond, the lumberman took offense at what he saw as an attack on his patriotism and enlisted Colonel Disque to come to his defense. Hammond told Disque, "more than one-half of the men in our shipyard are members of the labor unions, but are good, reliable, patriotic citizens, and not agitators, and we have never had any trouble with them."[101] Hammond, however, would have been hard pressed to find a union employee should anyone have challenged that claim.

After receiving notice from Hammond, *Collier's* issued a retraction, of sorts. The magazine withdrew their statement that Disque had taken over Hammond's spruce operations but stood by their characterization of his labor practices. The editor stated unapologetically:

> Mr. Hammond has very definite convictions and a very definite policy concerning labor, and convictions and policy may both be questioned without impugning Mr. Hammond's loyalty or his honesty or his Americanism – all of which are, as everyone who knows him is aware, beyond dispute.[102]

[100] William Almon Wolff, "They're Building Ships Out There," *Collier's Weekly*, May 25, 1918: 36.
[101] Hammond to Disque, Jun 4, 1918, box 20, folder 6.
[102] *Collier's Weekly*, Oct. 12, 1918: 15.

But Hammond remained unsatisfied. He wrote to McLeod, "I have not yet decided whether I shall drop the matter; it all depends on how much time I have to spare."[103] Although he was quick to take offense at the slightest affront, Hammond enjoyed being a gadfly, and provocative correspondence with newspapers, magazines, politicians, and government officials became something of a hobby for him. To McLeod he admitted, "I have had considerable fun with Collier's."[104] All across the country, he admittedly enjoyed harassing and antagonizing pro labor supporters and derived "satirical merriment" from it.[105] Hammond took pride in his intellectual dogfights and distributed copies of his letters to his managers and friends, when he appeared to be winning. Often his letters were filled with anger and vindictiveness, especially toward Progressive reformers and fellow businessmen, like Rolph and Weinstock. However, when the strikes were over and the dust settled, Hammond continued to needle his opponents. In Hammond's mind, the Progressives, with their notions of reform, pro-union sympathies, and affinity toward government regulation, were taking America down the wrong path. Although Rolph and Weinstock were ultimately correct in viewing organized labor as the antidote to industrial strife, Hammond's sheer tenacity kept unions in abeyance in his enterprises for another seventeen years.

Unions, however, emerged from the Great War in their strongest position yet. Under the Wilson Administration, which recognized the right to collective bargaining, labor made significant advances. The Clayton Act ostensibly barred the use of injunctions against labor unions. The Seamen's Act 1915, championed by Andrew Furuseth and Robert LaFollette, greatly improved working conditions for sailors, while the Adamson Act extended government authority into labor relations. Emboldened by such progress and beset by inflation, American

[103] Hammond to McLeod, Oct. 10, 1918, box 20, folder 6.
[104] Ibid.
[105] Hammond to Edgar Piper, Aug. 9, 1918.

workers walked out on an unprecedented scale, with some four million workers participating in 3,500 strikes. In Seattle, a five-day general strike in February 1919 paralyzed the city.[106]

Humboldt County was no exception to the wave of labor unrest. But unlike in the coal, steel, stockyard, railroad, and other industrial strikes, Hammond was able to crush quickly the strike at his Samoa mill. In a steady stream of letters to the Eureka mayor and the local press, Hammond kept pointing to how the union organizers had once belonged to the IWW. Equating IWW membership to a "readiness to commit murder . . . as a means to an end," Hammond maintained that "IWWism can best be propagated under the cloak of unionism." Substituting proverbs for logic, Hammond further insisted "The leopard cannot change his spots."[107] Therefore, according to him, it was only a matter of time before Humboldt labor organizers would incite mass violence, social upheaval and revolution.

Similarly around the country, industrialists were equating union activity with Bolsheviks, Communists, and Anarchists, no matter how spurious or absurd the connection. Nonetheless, massive labor unrest and a rash of bombings in the shadow of the Bolshevik Revolution instilled fear into many that America was on the verge of a great upheaval. Employers, politicians, and the media fanned public passions by associating organized labor with Communism, thus instigating the Red Scare of 1919. Conveniently, by painting organized labor "Red," Hammond could unequivocally state as an official company policy the HLC would not employ any union labor. Along these lines, Hammond and other employers began to refer to the open shop as the "American Plan." By capturing the rhetorical high ground with such a term, employers implied

[106] Dubofsy and Dulles, 191-216.
[107] Hammond to Mayor G. W. Cousins, Nov. 25, 1919, box 21, folder 5.

that any opposition to the open shop, such as collective bargaining, was "un-American" and therefore must be "Bolshevik."[108]

For years Hammond had been trumpeting the dangers of the Red Menace. Finally, it seemed that the rest of the country was ready to listen. Hammond, along with other businessmen, actively fed the mob mentality of the Red Scare as uber-patriots broke up Socialist meetings. Such hysteria reached the highest levels of government as newly appointed Attorney General A. Mitchell Palmer carried out his infamous raids against the IWW, radical organizations, suspected Communists, or anyone else who questioned the juggernaut of industrial capitalism.[109]

The pendulum of national sentiment began to swing back to Hammond's favor. By the end of 1919, the largest strikes had collapsed, and the backlash against organized labor sent unions into retreat. From a peak of five million in early 1920, union membership dropped by a third over the next three years. Making Woodrow Wilson's New Freedom seem positively Orwellian, the Palmer raids had jailed hundreds of dissidents, while duly elected Socialists had been expelled from the New York State Assembly. Although the Gilded Age was long past, the era of the businessman was about to begin.[110]

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[108] Lynn Dumenil, *The Modern Temper: American Culture and Society in the 1920s* (New York: Hill and Wang, 1995), 220; Hammond to McLeod, Dec. 26, 1919, box 21, folder 1; Hammond to McLeod, Jan 7, 1922, box 21, folder 5. See also: Lizabeth Cohen, *Making a New Deal: Industrial Workers in Chicago: 1919-1939* (New York: Cambridge University Press, 1990).
[109] Frederick Lewis Allen, *Only Yesterday, An Informal History of the 1920s* (New York: Harper and Row, 1931) 38-62.
[110] Dumenil, 226; David J. Goldberg, *Discontented America, the United States in the 1920s* (Baltimore, Johns Hopkins University Press, 1999), 168.

Twenty: "The Age of Consolidation and Cooperation"

Although it took a long time to build the frenzy, the Red Scare ebbed rather quickly. Nonetheless, it left an indelible mark on America, and one of its chief collateral casualties was Progressivism. Following the war, Progressives had brightened at the prospect of continued government intervention in economic and social affairs. As a wartime measure, Wilson had temporarily nationalized the railroads and many looked forward to a continuation of this policy. The Red Scare, however, effectively marginalized any such propositions.[1]

Although a general conservatism pervaded the country, political reform efforts persisted throughout the 1920s. Wisconsin Senator Robert La Follette rallied Progressives in his independent bid for president in 1924. La Follette selected Montana Senator Burton K. Wheeler, who had won his senate seat in large part because the Seventeenth Amendment (providing for direct election of U.S. senators) had broken the stranglehold that Anaconda Copper and the Missoula Mercantile exerted on Montana politics. The first line of the 1924 Progressive Party platform read, "The greatest issue before the American people today is the control of government and industry by private monopoly." Although he vehemently disowned radical Marxists, LaFollette was unable to shake the Communist label. Also lacking local organization, this last gasp effort fell flat, and the Progressive Party disbanded. Following his election victory over La Follette and the Democratic candidate, John Davis, Calvin Coolidge declared, "The business of America is business." A. B. Hammond could not agree more.[2]

By 1920 Americans, by and large, had accepted the permanence of large corporations. More and more people worked for wages and as middle managers; meanwhile farm and small business ownership declined. Although the transformation from an agricultural/producer society

[1] Goldberg, 41-42.
[2] Ibid., 63-64.

into a consumer/corporate one had begun decades earlier, the 1920s witnessed the full flowering of a consumer culture, a faith in unlimited material progress, and, perhaps most importantly, the fusion of big business and government. No longer antagonistic, these two forces had become mutually reinforcing and interdependent. Summing up the decade, Hammond declared, "This is the age of consolidation and cooperation."[3]

The Great War had made lumbermen aware of the benefits of cooperating with the federal government in bringing constancy and profits to the timber industry. A case in point was the Western Forestry and Conservation Association co-founded by George B. McLeod in 1909 and the West Coast Lumberman's Association. Such industry trade groups attempted to stabilize the market through price fixing, lobbied state and federal government for lower taxes, import duties, and fire protection. Long hampered in cooperative efforts by the Sherman Anti-Trust Act, industry groups successfully persuaded Congress to pass the Webb-Pomerene Act in 1918, which allowed companies to fix prices on exports. In his book, *Lumberjacks and Legislators*, historian William Robbins details the strong influence lumbermen exerted in shaping forest policy following World War One. Such influence led to the Clarke-McNary Act of 1924, which provided money for fire protection but failed to regulate forest practices on private timber lands. As Robbins writes, the Act "signaled industrial hegemony over the legislative and regulatory process and an attempt to rationalize and integrate forest resource policy in the United States."[4]

Despite the efforts of lumbermen to put cooperation ahead of competition, the lumber industry in the 1920s was as chaotic as ever. Just as it had for the previous century, the lumber industry provided a potent indicator of the state of American industry in the early twentieth century. Ever since the timber colony of New Brunswick the lumber industry had suffered from

[3] Hammond to Charles Donnelly, April 5, 1925, folder 21, box 10. For more on the 1920s see: Lynn Dumenil, *The Modern Temper*

[4] William Robbins, *Lumberjacks and Legislators* (Texas A&M University Press, 1982), 109-110.

chronic volatility and indicated the inherent instability of unfettered capitalism. As the lumber industry fared, so did the rest of the economy, if anyone bothered to watch.

Following World War One, the industry performed its usual gyrations – a short building boom and rising prices triggered overinvestment and overproduction. Expensive new technologies, such as diesel donkeys and Lidgerwood skidders, engendered faster and more efficient production, but created even greater debt. By now a familiar cycle, overproduction led to a glut and falling prices, which prompted producers to crank out more lumber on an ever-decreasing profit margin to meet their indebtedness.

In a letter to the president of the Northern Pacific Railroad, Hammond pointed out what was about to become a serious problem. Combining his astute modern business sense with nineteen-century Social Darwinism, Hammond noted, "In the lumber business there are too many sawmills and the business will not be profitable until the industry drifts into the hands of large companies through the inexorable course of the survival of the fittest."[5] Hammond, like many businessmen, economists, and even historians, regarded consolidation and combination as inevitable regardless of whether it occurred via efficiency or competition. Neither evolution nor economics, however, proceeds along a preordained and predictable path; both depend upon contingency and individual action.

Conveniently, Hammond's ideology of economic Darwinism put him at the top of the food chain. Nevertheless, his chosen occupation of industrial capitalist was in large part informed by the world in which he lived. In another age Hammond might have been a general, a politician, or even a football coach, anything that could track or enumerate his victories. But in America's Industrial Age it was the businessman who embodied the paragon of accomplishment. With the waning of Progressivism in the 1920s, the media even dropped its muckraking

[5] Hammond to Charles Donnelly, April 5, 1925, folder 21, box 10.

portrayals of "robber barons" and instead heralded "the captains of industry" as the models of high society.[6] Profits were a quick and measurable indicator of success. Yet, as he entered his seventies, Hammond no longer sought personal wealth. Instead, he was motivated by sheer ambition to make the HLC the largest redwood lumber company in the world, a mission to which he would devote the rest of his life.

During the 1920s, the U.S. economy seemed to be on a decade-long rollercoaster ride. One industry and region could be up, while another was down. The Great War had pushed up prices and employment. After Armistice, returning soldiers swelled the ranks of the unemployed, yet prices continued to climb. After a brief depression in 1921-22, the nation witnessed a huge growth in the electronics and auto industries concentrated in Great Lakes region, thus invigorating Midwestern cities. On the other hand, farmers in the South and on the Great Plains suffered from low commodity prices and drought. Nonetheless, much of the country enjoyed a few years of apparent prosperity before the long slide into the Great Depression. As the primary provider of building materials, the lumber industry bounced and tumbled with every bump on the ride.[7]

On the West Coast, the war industries resulted in a giddy surge of business, which appeared as if it would continue despite strikes and unemployment. Buoyed along on a surging tide of building construction in Southern California, Hammond saw his Los Angeles operations set one record-breaking month after another. Looking back at 1919, Hammond crowed, "Upon the whole our business was exceedingly profitable last year."[8] For 1920 he expected sales

[6] Goldberg, 168.
[7] Ibid., 87. For more on the latent depression during the 1920s see: David Kennedy, *Freedom From Fear: The American People in Depression and War 1929-1945* (New York: Oxford University Press, 2005).
[8] Hammond to McLeod, Jan. 28, 1920, box 21, folder 2.

"between $7.5 million and $8 million at Los Angeles.[9] Hammond had reason for optimism. In 1915 lumber prices had averaged $21.63 per thousand board feet. In 1919 the price more than doubled to $51.44. Although the quantity sold was roughly the same as in 1913, by March 1920 lumber prices shot up to $72.41.[10] Practically dazed by the money pouring in, Hammond informed McLeod, "Lumber prices are very good and all of our concerns are making money much faster than they ever have before."[11] In Montana, meanwhile, McLeod complained that high prices on everything were dramatically curtailing sales and making it so the working man could scarcely get by.

While lumber sales in Los Angeles for September 1920 broke all previous records, by January of 1921, business had dropped off sharply and sixty percent of the Pacific Northwest sawmills had shut down. Hammond believed that 1921 "will no doubt be a very lean year in the lumber business."[12] Gloomily, he wrote, "This year, if we can operate without losing money, I shall feel that we have done very well."[13] Not only was the lumber market slumping, but high expenses, especially labor and freight rates, eroded Hammond's profit margin.[14]

McLeod, a bit of pessimist, kept Hammond apprised of the situation in Montana, which had never recovered from the drop in wheat prices following WWI. The war in Europe had sent wheat prices skyrocketing. Induced by quick profits and government guaranteed prices, thousands of Americans drifted onto the Great Plains to take up homesteads. After the war, however, wheat prices collapsed. Busted homesteaders defaulted on their loans, causing rural banks to fail. Across the country more than one million farmers lost their lands to foreclosures in

[9] Hammond to McLeod, Dec. 23, 1919, box 21, folder 1
[10] Hammond to McLeod, Sept. 1, 1919, box 21, folder 1, April 19, 1920, folder 2.
[11] Hammond to McLeod, April 4, 1920, box 21, folder 2.
[12] Hammond to McLeod, Oct. 4, 1920, box 21, folder 3, Jan. 19, 1921, folder 4.
[13] Ibid, Feb. 26, 1921.
[14] Hammond to McLeod, March 1, 1921.

1920-21. The sagging agricultural sector combined with post-war inflation to tug the national economy into a depression in 1921.[15]

The post-war depression hit Montana particularly hard, sending the state's economy into a twenty-year downward spiral. Long before the rest of the nation, Montana began to suffer from the combined effects of an overextended economy, low commodity prices, harsh winters, and summer droughts. By the end of 1921, McLeod informed Hammond, "Montana is broke." Banks were hard up, merchants were losing money, and property values were dropping. At best the Merc would break even. Pessimistically, McLeod wrote that five years of drought "has placed the state in a position where it is going to take a long while to recover and a great many banks and business men are going to be wiped out."[16]

A few weeks later, McLeod sounded even more dire, writing "I know of no place in the U.S. that is in a worse condition financially than Montana is at the present time. Four years of crop failures and the closing down of the copper mines and saw mills this last year have had the effect of decreasing the purchasing power of the people at least fifty per cent." Conditions for famers were "worse here now than they were in 1893 for the reason that people have been living so extravagantly." With the rising cost of living, "men cannot work and support their families on the salaries they formerly received." Therefore, regardless of the bleak business outlook, Mcleod notified Hammond that he was unwilling to reduce wages. Despite light profits, McLeod declared that the MMC made enough to post its usual dividend of ten percent. Ever conservative, Hammond, however, advised against paying dividends on MMC stock for the year.[17]

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[15] Ibid., 57.
[16] McLeod to Hammond, Dec. 23, 1921, box 21, folder 4.
[17] McLeod to Hammond, Jan. 9, Jan. 25, Feb. 4, 1922, Hammond to McLeod, Jan. 28, 1922, box 21, folder 5.

Nationally, other businesses were in far worse shape than the Merc in 1921. Sears, Roebuck and Co. was $16 million in the red and the meatpacking giant Armour and Company lost a whopping $32 million. On the other hand, the HLC, largely on the strength of retail sales in Southern California, continued to post profits in the millions.[18]

Although the agricultural sector continued to languish, the rest of the economy quickly rebounded, at least for the time being. During the 1920s Los Angeles surpassed San Francisco as the largest city on the West Coast, and ranked as the second fastest growing city in the nation. Hammond, by luck or foresight, had banked on Southern California's growth. In 1922 alone, 18,000 houses sprang up in Los Angeles and sold as fast as they could be built. With each house averaging 20,000 bf to build, demand for lumber and construction materials boomed. By 1923, at 20th and Alameda streets, the HLC claimed the largest retail lumber yard in the world, where a homebuilder or contractor could choose from a variety of planks, boards and sheathing of Douglas fir, spruce, hemlock, or redwood. As the yard was also the largest roofing supplier west of Chicago, a builder could load up on roofing paper, trusses, and shingles. A nearby factory supplied both standard and custom flooring, trim, doors, and windows. Neatly displayed was all the hardware – nails, screws, paint, latches, and locks – everything necessary for any building construction except plumbing and lighting.[19]

Likewise at San Pedro, Hammond had expanded his operations into the planet's largest wholesale lumber yard. As the *Times* described it, "a birds-eye view of the harbor appears to reveal nothing but one vast wilderness of building material. . . . The harbor appears to literally gorge with lumber . . . being rapidly absorbed by local builders."[20] In Los Angeles alone, the two yards and office employed nearly 2,000 men and women. In addition to the houses,

[18] McLeod to Hammond, Feb. 4, 1922; Hammond to McLeod, Jan. 30, 1922.
[19] *Oregonian*, Jan. 4, 1923.
[20] *Los Angeles Times*, Nov. 28, 1920:V7.

apartments, and office buildings, Hammond lumber even supplied Hollywood movie sets. And more. Aqueducts and irrigation projects in the arid Southwest required redwood for pipes and storage tanks; the oil boom in Southern California led to a profusion of wooden oil derricks, each needing 30,000-40,000 board feet, and copper mines in Arizona demanded 150 million feet a year.[21]

Here then was the most crucial factor in Hammond's success – vertical integration. Certainly other lumber companies owned timberlands and mills, but Hammond had pioneered the move into retail markets. Forced by necessity back in the 1880s, when Marcus Daly pulled the Anaconda contract, Hammond had learned the value of an aggressive sales division. Forty years later, Hammond had established sales offices across the U.S., while the home office in San Francisco handled the export business. By 1920 more than eighty percent of HLC sales from the Los Angeles yard were in retail. Throughout 1923 the Los Angeles yards continued posting record breaking profits, boosting the HLC's total net profit for the year to nearly $5 million and prompting Hammond to buy two more steamships. One of these Hammond renamed the *SS Missoula* and transformed it into "the world's largest lumber carrier" with a 4.5 million bf capacity. From Astoria, the Hammond fleet brought both raw and finished Douglas fir and then stopped off at Samoa to load up on redwood. One after another, the ships unloaded at San Pedro where the lumber was sorted and then reshipped by rail or ship to customers from Australia to New York. Such integration allowed the HLC to weather the upcoming economic storms. Indeed, as overproduction drove prices below the cost of production, Hammond found it more

[21] Hammond to McLeod, Nov. 7, 1922, box 21, folder 7; *Oregonian*, Jan 4, 1923; *Los Angeles Times*, Nov. 28, 1920:V7.

profitable to buy raw lumber from other mills and resell it through his retail network than to cut and mill his own timber.[22]

The HLC stood out as the southern California's largest lumber supplier. Whether through direct ownership or as dealers, the company controlled sixty-five lumber yards in Los Angeles and another three hundred in the surrounding region. With one third of the business, Hammond could dictate industry prices. When other manufactures refused to maintain high prices, the HLC simply cut theirs until their competitors were forced into bankruptcy, after which the HLC raised prices back to their previous level. In Hammond's mind this was "survival of the fittest" and underscored the need for industry consolidation.[23]

Hammond set his sails with the prevailing winds, as he always had, and applied past successes to changing economic conditions. Although his need for control remained unabated, Hammond embraced new technologies and began to reorganize his business along more modern lines. Hammond's close managerial oversight, ruthless ambition, and tight financial control enabled the HLC to post profits and ensured its continued success even in the worst of times, while other lumber companies struggled to stay afloat. Essentially, Hammond's personality traits translated into three essential business elements: a hierarchical command structure that fostered organizational efficiency, vertical integration, and lack of debt.

Hammond's experience in New Brunswick and in the Panic of 1893 taught him the dangers of becoming financially overextended. Thus, when many corporations with dispersed ownership had to accede to the demands of stockholders to pay dividends, Hammond could reduce or even decline to pay dividends if he felt it prudent to do so. Hammond's fiscal control even extended to personally checking over company telephone and postal charges. Such

[22] Hammond to McLeod, April 19, 1920, box 21, folder 2, April 1, 1924, folder 9, April 26, 1923, folder 8; Mengel, "History of the Samoa Division": 77; *Los Angeles Times*, July 20, 1931: A8, June 4, 1933: 17.
[23] Hammond to McLeod, Aug. 10, 1923, box 21, folder 8, June, 22, 1920, folder 2.

conservatism and restraint allowed the HLC to maintain a positive cash balance and slash expenses when needed.[24]

Additionally, the old Missoula Mercantile played no small part in Hammond' success. Maintaining the "gilt-edged" credit rating of the MMC allowed Hammond to access short-term loans to meet payroll and other needs at times when banks were reluctant to extend credit to the floundering lumber industry. Hammond also used the Merc to avoid wholesalers in getting hardware direct from manufactures, and for obtaining clothing and groceries for his company stores. Like everything in his empire, Hammond operated these stores not as an employee service but as a profitable enterprise, averaging $250,000 in yearly sales.[25]

Hammond's hard line managerial style and insistence upon loyalty were evident in his conflict with John Shaw and his two sons. When Hammond had bought the Santiam Lumber Company at Mill City in 1899, Shaw retained his minority interest and continued as manager, a position that both his sons would eventually hold. But then in 1919, when the Merrill Lumber Company underbid the HLC for 1,300 acres of timber in the Cascade National Forest, Hammond accused Shaw of complicity. Arriving in Mill City, Hammond and George McLeod demanded $12,000 (the difference between the two bids) from John Shaw, saying they would otherwise institute criminal proceedings against him and send him to the penitentiary. Just as he had years earlier in Montana, Hammond freely used the threat of the state's power of incarceration for his own ends. Thoroughly intimidated, Shaw turned over his HLC stock in lieu of cash. Outraged, Shaw's sons filed suit charging Hammond and McLeod with extortion.[26]

[24] J. A. Rankin to Hammond, Feb. 22, 1929, box 22, folder 5.
[25] Hammond to McLeod, Jan. 31, 1922, box 21, folder 5, March 21, 1929, box 22, folder 5.
[26] Weatherford papers, box 3, HLC files, OHS; *Timberman* May 30, 1930: 128, Blanchard files; *Morning Astorian*, April 14, 1920.

The need for control, combined with his competitive drive, led Hammond to view business as a war, with himself as a general deploying troops and making tactical decisions. As early as 1890 the Missoula press had referred to Hammond as the "Napoleon of finance," a characterization he, no doubt, fancied. As in his campaign against organized labor, Hammond employed military analogies in addressing management issues. In ousting his Oregon partners he noted, "now that we have the Shaws *outside of the breastworks* they will not be in a position to do us much harm" [italics added].[27] As Hammond aged, he told McLeod, "I will arrange to throw more responsibilities on our field marshal (i.e. his son, Leonard) and major generals."[28] Hammond, however, would remain the generalissimo, and his tall, gaunt frame, piercing eyes, and sharp goatee presented an intimidating visage to his managers when he came to check up on their operations, which was frequent.

His managers had good reason to worry. Hearing that "old A. B." was on his way to one of his district offices, managers rushed to clean off their desks, for if Hammond saw a man's desk covered with papers, he would "sweep them off onto the floor with his cane."[29] They also hurriedly "locked their pretty girls in the office vaults," for ever since his early days in Missoula, Hammond had a reputation as a lady's man, and entering his seventieth year, Hammond scarcely slowed his skirt chasing.

Despite his diligent oversight, Hammond credited much of his success to his competent executives, the major generals, so to speak. The three McLeods, Herb, George, and Harry, all proved superior managers of their respective divisions – Missoula, Oregon, and Southern California. In Samoa, however, George Fenwick had "allowed his organization to run down,"

[27] Hammond to McLeod, March 3, 1920, box 21, folder 2.
[28] Hammond to McLeod, Feb. 26, 1927, box 22, folder 3.
[29] Dan Strite to Bill Stoddard, June 14, 1983, author's file.

requiring intervention from the generalissimo. Although Fenwick and Hammond were born the same year, A. B. believed that since his brother-in-law was "too old not to change, he will be retired with all due honors." Leonard then moved into the vacancy, but proved less compliant than the other generals and occasionally clashed with his father over management issues.[30]

Although Leonard shared many of his father's ideals – hard work, thrift, and patriotism – he also embodied the new age. A desire for indulgence and leisure was replacing the fading ethic of sacrifice and restraint. As historian Lynn Dumenil puts it, the nineteenth-century emphasis on character gave way to a twentieth-century preoccupation with personality. The emergence of a consumer culture quickly eroded Victorian restraints. Two of the more apparent manifestations of this shift were the emergence of "welfare capitalism" and spectator sports. Both converged at the HLC company town of Samoa.[31]

Leonard absorbed many of the ideas of welfare capitalism, including filling workers' recreational needs. Under his tenure at Samoa, not only did the HLC provide housing and medical care, but the company built a large gymnasium for workers, a women's clubhouse, and organized a baseball team. The Humboldt County league only consisted of four teams: Eureka, Arcata, Scotia, and Samoa, but competition was fierce. Engrossed in his team, Leonard provided incentives to attract top players, including easy work schedules, higher salaries, and new housing. When A. B. showed up on one of his periodic tours, he was aghast at such frivolity. Declaring that Samoa had plenty of housing, he halted construction. After he left, however, Leonard quietly resumed the building. Leonard also made improvements to the Humboldt

[30] Hammond to McLeod, Feb. 28, 1922, box 21, folder 5.
[31] Dumenil. For more on consumer culture see William Leach, *Land of Desire Merchants, Power, and the Rise of a New American Culture* (New York: Pantheon Books, 1993) and Richard Wightman Fox and T.J. Jackson Lears, eds., *The Culture of Consumption: critical essays in American history, 1880-1980* (New York: Pantheon, 1983). For welfare capitalism see: Stuart Brandes, *American Welfare Capitalism: 1880-1940* (Chicago: University of Chicago Press, 1970).

operations, adding new machines, new logging locomotives, and overseeing the transition from a steam powered mill to an all electric one in 1921. Having proved his worth at Samoa, Leonard moved back to San Francisco to assume the vice-presidency of the HLC.[32]

Convinced his business was in competent hands, Hammond began to contemplate retirement. He still suffered from bouts of illness, each of which left him thinner than the last. Nonetheless, back in 1918, the Astoria newspaper had noted:

> Mr. Hammond at seventy, would pass muster anywhere as a man under fifty. . . . His secret of eternal youth is the fact that he makes play out of work and this is the core of his great success. Follow him for a day and you will come to the conclusion that he is doing big business not for the money that in it, for he has enough of that . . . but for the keen enjoyment that he takes in seeing the wheels go round.[33]

Similarly, Herb McLeod fully grasped his old friend's primary motivation. He told Hammond, "I am not as ambitious to control large property interests as you are . . . we all cannot love the game as you do, nor do we all possess the ability, industry and aggressiveness that you do."[34] For half a century Hammond had devoted his life to acquisition, but unlike another business partner, Henry Huntington, who used his share of the HLC profits to finance a world class art collection and library, Hammond ploughed profits back into the company, buying up HLC stock as it became available and purchasing more timberlands and mills. Indeed, when Huntington invited Hammond to tour his art collection, the lumberman displayed little interest.[35]

Nine years Hammond's junior, Herb McLeod was also thinking of retiring, and the two old friends exchanged their thoughts on the subject. Indulging in a bit of self-reflection, Hammond acknowledged that the accumulation of wealth was no longer of interest. He told McLeod, "For some time I have been divesting myself of my worldly goods," and in an

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[32] *Arcata Union*, Feb. 1, 1923; Mengel, 85; *Timberman*, March 1920:53.
[33] *Morning Astorian*, Sept. 15, 1918.
[34] McLeod to Hammond, March 2, 1922, box 21, folder 6.
[35] Hammond to Huntington, Jan. 6, 1927, HEH 12228, box 43; Robert Schad to Farrand, Jan. 1, 1934, HEH 19/3, folder 2.

extraordinary admission, he stated, "I don't care to make any more money."[36] McLeod, however, did not believe the old lumberman could ever retire. He insightfully pointed out, "successful operations make men very ambitious, and I can understand . . . why it is that you are constantly looking for more worlds to conquer."[37] As McLeod implied, Hammond could no more retire than he could stop breathing.

Rather than philanthropy, Hammond's divestment took the form of setting up trusts for his children. Other industrialists, such as Andrew Carnegie and John D. Rockefeller, once they realized their fortunes, turned their energies toward charity. But the notion of giving away money ran counter to Hammond's very soul. Above all, he believed in hard work and making one's own way in the world, stating, "When a man earns something himself, he appreciates it more than when he gets it for nothing."[38] Nonetheless, in 1922, when the HLC posted profits of nearly $5 million, the company donated a total of $37,000, a sum that Hammond regarded as excessive. Beset by a seemingly endless line of petitioners, Hammond penned a humorous, albeit pointed, letter to Father Joseph Stack's request for a donation:

> The Episcopalians, Methodists, Presbyterians, Catholics, Salvation Army, YMCA, YWCA, Associated Charities, Sisters of Charity, Old Ladies' Homes, Institution of the Blind, Disabled War Veterans, Children's' Hospital, Association for Booming Northern California, the "be a Booster' Campaign, and about two dozen civic associations . . . and other charitable enterprise, etc. etc. raid us at our office, waylay us on our way to lunch and follow us home, and if by any chance we should succeed in eluding any of the pitfalls which they set for us, we are not to escape, because in some instances, as a last resort, fair blondes, dark-eyed houris, or Titian-haired beauties, arrayed in short skirts, high hells and low blouses, greet us with a smile and accomplish our undoing. We are no longer doing business, for under existing conditions the word is a misnomer, and as a consequence I propose to pull down the blinds, close up shop and seek refuge in the delectable isle where they count not the days.[39]

[36] Hammond to McLeod, Jan. 6, 1920, box 21, folder 2.
[37] McLeod to Hammond, Aug. 24, 1923, box 21, folder 8.
[38] Hammond to George L. Hammond, Jan. 6, 1930, box 22, folder 6.
[39] Hammond to Joseph Stack, July 17, 1922, box 21, folder 6.

Nevertheless, Hammond enclosed $200 for the Jesuits, seemingly the one charity he could never deny. Whether this was due to his friendship with Father Ravalli in his early days in Montana, or stemmed from his childhood in Madawaska is uncertain. Regardless, Hammond was proud of this epistle and kept a copy on file and sent it off to any future requests for donations he received. As he aged, however, he softened. While Hammond usually turned down requests for outright donations, he occasionally agreed to loan money if it was for a legitimate purpose or to repay a karmic debt. For example, he agreed to help Maude Wilson, the daughter of one of the many Acadians from Madawaska that he had brought to Montana to work on the Northern Pacific contracts.[40]

During the 1920s Hammond also moved to gain greater control over the HLC by consolidating the company stock, buying it up from the heirs of the original investors whenever it came available. When General Thomas Hubbard, former vice-president of the Southern Pacific Railroad, died in 1915, it left only John Claflin as one of the original six investors in the HLC, besides Hammond himself. Marcus Daly and C. P. Huntington had died in 1900, followed by grocery wholesaler Francis Leggett in 1909. Their heirs displayed little interest in the operations of the HLC other than receiving dividends and were represented on the Board of Directors by their proxy attorneys. Claflin was preoccupied by his own business troubles. Like Hammond's old partner, Samuel Hauser, Claflin eventually overextended his finances. To bolster his stock market rating in the 1920s, Claflin began paying dividends in excess of earnings and drew upon his personal fortune to pay off creditors. His business never recovered and was liquidated in 1926. But now, with his HLC stock forming the bulk of his family's assents, Claflin took an increasing interest in the company's affairs. Hammond's purpose in consolidating his stock

[40] Hammond to McLeod, Aug, 8, 1929, box 22, folder 5.

transcended his own need for control. As he began to contemplate his own mortality, he wished to keep control of the HLC "under the management of those parties who have helped me to build it up," in other words, the Hammond and McLeod families.[41]

In addition to securing his financial interests, Hammond also continued to buy up timberlands and smaller companies. With all his years of experience in the lumber industry, Hammond was convinced the best way to maintain a viable organization was through sheer size. With the failure of cooperation through voluntary associations, Hammond sought industry consolidation. If one company could dominate the redwood industry, it could set prices, restrict production, and thereby increase the value of its property.[42]

But at the same time, Hammond could display ambivalence about his own role in forging such a combination. At times, Hammond felt he "was too old to undertake any new enterprises, and . . . preferred to sell and let somebody else do the consolidating." More than once, he offered to sell off divisions of HLC, timberlands, sawmills, and equipment. In 1914 his price for the Humboldt operations was $11 million. Although Hammond had acquired extensive timberland and made significant improvements, this nonetheless represented a substantial profit over the $1 million he had paid for the Vance Lumber Company fourteen years earlier.[43] Not surprisingly, no one jumped at the offer. Eventually, Hammond admitted that selling or liquidating the business would not be profitable. Therefore, he gradually began to reorganize the company so "that the business will be handled at least as profitably in the future as it has been in the past, regardless of what may happen to me."[44]

[41] Hammond to McLeod, April 27, 1926, box 22, folder 1.
[42] Hammond to Thomas Hubbard, Feb. 14, 1914, box 19, folder 8.
[43] Ibid.
[44] Hammond to McLeod, Nov. 17, 1916.

Despite the turn-of-the-century claims of an "unlimited supply," even lumbermen like Hammond recognized by the 1920s that they faced a finite resource. To increase his supply, as well as consolidate his holdings and dispense with those fragmented by other landowners, Hammond continuously bought and sold timberlands from 1920 to 1922. By the end of 1921, he had boosted his redwood timberlands to 87,000 acres, providing his Samoa mill with an eighteen-year supply at the present rate of cutting. In addition to the HLC profits, Hammond used both the credit and finances of the MMC to finance many of his redwood purchases. With an eye toward consolidating his timberlands in Oregon as well, Hammond sold off the remote Necanicum operations to Crown-Willamette Lumber for $1.5 million and used the surplus funds to buy more timberlands near Astoria, where he had purchased the Tongue Point Mill in 1908. After he had made extensive improvements to the mill, brought it up to 400,000 feet per day capacity, and built one hundred houses for employees, on September 11, 1922 disaster struck.[45]

By any measure, fire was a lumberman's worst enemy, far more dangerous than the IWW. Surrounded by piles of sawdust and lumber and with sparks flying from machinery and waste burners, sawmills were highly susceptible to damaging fires. While many fires could be confined or put out in short notice, others could wipe an entire operation off the map. At Hammond's Tongue Point Mill, just as the day shift was getting ready to leave, a fire ignited in a pile of sawdust under one of the edgers. Moments later the entire mill was engulfed in flames. The fire quickly spread to the power plant, which exploded into, "a seething, whirling cauldron of orange and yellow flames shooting for hundreds of feet into the air together with black rolling clouds of smoke."[46] The power plant's dozen boilers generated electricity for Astoria and surrounding towns, and its sudden destruction plunged the city into darkness. The fire

[45] Mengel, 81-83; Hammond to McLeod, Dec. 23, 1921, box 21, folder 4. Hammond to McLeod, April 26, 1920, June 22, 1920, box 21, folder 2; *Pacific Lumber Trade Journal*, April, 1908:42, Aug. 1908: 24, Blanchard files.
[46] *Astoria Daily Budget*, Sept. 12, 1922.

department and mill workers battled the blaze, finally resorting to dynamiting the lumber yard to spare the company store, offices and docks. The trade journal, *Timberman*, estimated the loss at $1 million.[47] To McLeod, Hammond commented, "It was well insured."[48]

While Hammond was able to recoup the loss, Astoria was not so fortunate. Not only did the fire destroy the city's power supply, it threw six hundred men out of work and eliminated the city's largest payroll. Understandably distraught, Astoria officials telegrammed Hammond wanting to know if he planned to rebuild the mill. But then, two months later, another massive fire hit Astoria, this time wiping out thirty downtown blocks and causing $15 million in damages. Hammond quickly informed the city that he would indeed rebuild the mill and sent a $5,000 relief check.[49] A year later the mill remained in ruins and, in fact, would never be rebuilt.

Although Leonard Hammond readily advocated rebuilding the Astoria mill, A. B. was lukewarm to the idea. More than anything else the decision not to rebuild the Astoria mill rested on economics. While Hammond had a firm grip on the redwood industry and dominated the Southern California retail trade, he faced serious competition in the Douglas fir industry of Oregon and Washington. Everyone from the industry giant Weyerhaeuser to small "peckerwood mills" was cranking out lumber, flooding the market and driving down prices, often below the cost of production.

During the mid to late-1920's, the nation (and even Montana, briefly) enjoyed unparalleled prosperity, yet the lumber industry began to decline, just as Hammond had predicted. Having experienced the depressions of 1877, 1893, and 1907, Hammond noticed the signs of impending trouble ahead, yet also saw opportunity in the depression that hit the lumber

[47] *West Coast Lumberman*, Sept. 15, 1922: 48; *Timberman*, Sept. 1922:31, Blanchard files; *Astoria Daily Budget*, Sept. 12, 1922.
[48] Hammond to McLeod, Aug. 20, 1922, box 21, folder 6.
[49] *Astoria Daily Budget*, Sept. 12, Dec. 10, 1922.

industry well in advance of the rest of the economy. With falling prices, Hammond looked toward increasing efficiency and restricting production. In 1925 he told McLeod, "The lumber business . . . is in a rather serious condition and I do not look forward to any revival of trade within the next two or three years at least- perhaps longer; consequently were are reducing our expenses all along the line."[50]

Conditions were even worse in Montana, which, in addition to the drought had witnessed more than 150 bank failures in the early 1920s. By 1925 twenty percent of Montana's farmers had left the state, and by the close of the decade some 60,000 people had, making Montana the only state to lose population during the 1920s.[51] McLeod noted ominously, "there seems to be a lack of confidence among the people living in the state as to its future."[52] Predictably, Hammond blamed the state's economic woes on the Montana Progressives who had placed Thomas Walsh and Burton K. Wheeler in the U. S. Senate and Joseph Dixon in the governor's office, men whom Hammond regarded "as being in sympathy with Soviet Russia."[53]

McLeod, on the other hand, fingered the discriminatory railroad rates, which made it cheaper to ship consumer goods and agricultural exports from the West Coast to the Midwest than to or from Montana, which was closer. Enlisting Hammond to his cause, McLeod and A. B. employed a good cop/bad cop strategy to prod Northern Pacific into more equitable "common point" freight rates, whereby the transcontinental rate would be the same regardless of destination. Surprisingly, it was Hammond who wined, dined, and cajoled the railroad officials, while McLeod berated company officials and politicians. The HLC, after all, was a major shipper on transcontinental lines, and Hammond harbored no compunction about diverting half a

[50] Hammond to McLeod, June 20, 1925, box 21, folder 10.
[51] Hammond to McLeod, Jan. 24, 1924, box 21, folder 9; McLeod to Hammond, Jan. 3, 1924; Malone, Roeder, and Lang, *Montana, A History of Two Centuries* (Seattle: University of Washington Press, 1991), 283.
[52] McLeod to Hammond, Feb. 8, 1924.
[53] Hammond to McLeod, Feb. 19, 1923, July, 17, 1924, box 21, folder 9.

million dollars of business from one railroad to another. Hammond also repeatedly pointed out to the Northern Pacific and to Montana's senators that it was much cheaper for him to ship lumber through the Panama Canal to the East Coast than to use the railroads. Hammond's tenacity and eventual success regarding freight rates earned him the moniker, "Common Point" Hammond.[54] The essential question was: Were the economic conditions in Montana an anomaly or a bellwether for the nation? The question troubled Hammond to no end, and he began to prepare for the worst.

Preoccupied with his business, Hammond was, however, unprepared when the worst came from an unexpected direction. After suffering a lengthy illness, Florence, A. B.'s wife of forty-six years, died. By now their children were fully grown and scattered throughout California. Although financially bound to A. B., without Florence to hold the family together, their bonds to each other gradually unraveled. Out of the five remaining children, only Leonard was active in the in the management of the HLC. Years earlier, seeking to avoid income taxes, Hammond had divided his interest in the HLC into six parts, with five going to each of his children. While this provided for their financial future, it would soon prove problematic for the lumber company itself.[55]

After spending a few days at home to recover from Florence's death, A. B. threw himself into his business more than ever, zipping off to Samoa and Los Angeles. Feeling lonely, he encouraged visits from friends and relatives. Asking McLeod to bring a photo of Florence taken thirty-five years before, he wrote, "I am all alone, with a big house and plenty of servants, and it will be a great pleasure to have you visit me."[56]

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[54] Hammond to McLeod, June, 6, 1925; Hammond to James Woodworth, Oct. 30, Nov. 18, 1925, box 21, folder 10, March 19, 1926, box 22, folder 1.
[55] Hammond to McLeod, July 1, 1927, box 22, folder 3, Nov. 27, 1931, box 23, folder 2.
[56] Hammond to McLeod, Jan. 4, 1926, box 22, folder 1.

Following Florence's death, A. B. took an increasing interest in the lives of his Montana relatives, often providing unsolicited advice, along with his annual $100 Christmas presents. He was especially concerned with the fortunes, or lack thereof, of the family of his older brother. George, who had first cajoled A. B. into leaving New Brunswick and seeking their fortunes in the West, had died in 1904. George left behind a widow, and four grown children, whose sole inheritance was a ranch on the Blackfoot River. Perhaps during their travails, the brothers had made a pact to look after each other and their families, or possibly A. B. felt he owed George for his start in life. Whatever the reason, A. B. desired to provide money for the education of George's eleven grandchildren.[57] Hammond's support of his relatives, however, was not without tribulations. His nephews, also named George and Leonard, caused him endless headaches.

While full of entrepreneurial ideas, neither George nor Leonard seemed to have the dedication, drive, or the work ethic that their uncle valued so dearly. Hammond was especially irritated by how his relatives sought privileges by virtue of their name. Both George and his mother frequently purchased goods from the MMC on credit, racked up large bills, and made no effort to pay them off. To finance his schemes, George mortgaged the ranch, assuming his connection to the Merc would float his debts. Finally fed up with George's "improvident and irresponsible" ways, A. B. suggested that McLeod foreclose on the ranch. McLeod, however, pointed out that this might cause a local social backlash against A. B. and the Merc. But then in 1922, George was arrested for selling mortgaged property and lost the ranch when the American Bank and Trust indeed foreclosed. Although A. B. loathed the thought, he eventually transferred some of his Missoula assets to the MMC to pay the debts of his relatives.[58]

[57] Hammond to McLeod, Sept. 19, 1927, box 22, folder 3.
[58] Hammond to Rose Hammond, Jan. 30, 1922, McLeod to Hammond, Jan. 25, Jan. 28, 1922, box 21, folder 5; Hammond to McLeod, May 29, June 22, 1922, folder 6.

Giving up on George, A. B. turned his attention to Leonard and his family, although he had little confidence in him either. Chastising his nephew for his foolish and spendthrift ways A. B. told him, "You have been roaming around for the last twenty years, and what have you accomplished? Who is to blame for it?"[59] Quite naturally, Leonard and George resented their rich uncle's condescending and paternalistic attitude. Their wives, however, readily kowtowed and responded to A. B.'s charity with grateful appreciation.

Although Hammond berated his nephews for their failures, he genuinely wished to help them. His financial support, however, came with certain conditions; Hammond felt entitled to dictate where they should live and work. He told Leonard's wife, Ann, that he would send them $100 a month for their children's education, but they should move from central Montana to Bonner where Leonard could get a job and the kids could go to school. When Ann sent her children to St. Anthony's so they could learn "honesty, truthfulness and politeness and many little things that they do not learn in public schools," A. B. insisted that they should attend public school instead, where the "County furnished the books."[60] While Leonard resented his uncle's paternalism, no doubt coming as an insult to his manhood and ability to provide, as the economy worsened and his family faced a series of medical bills, he was left with little choice but to depend on his uncle's beneficence.[61]

Hammond's attitude toward education was often ambiguous. College, he believed, just produced young men intent on enjoying themselves rather than working. When the daughter of one of his old Missoula friends approached him to set up a $150,000 endowment for a college in Oregon in his son's Richard's name, Hammond pointedly informed her that neither Washington nor Lincoln had a college education. He added, "I was quite intimately acquainted with Collis P.

[59] Hammond to Leonard Hammond, Dec. 6, 1926, box 22, folder 3.
[60] Ann Hammond to A. B. Hammond, Oct. 12, 1927; A. B. to Ann Hammond, Oct. 17, 1927, box 22, folder 3.
[61] Hammond to McLeod, May 22, 1930, box 23, folder 1.

Huntington, E. H. Harriman and James E. Hill [sic], generally admitted to be the three greatest captains of industry in this country. None of them were college graduates; two of them were not even graduates of a high school." Furthermore, in the working world he told her, "we have in the service of our company ten men drawing salaries ranging from $10,000 to $20,000 a year, only one of whom is a college graduate. . . . We have, however, quite a number of college graduates drawing salaries all the way from $1,500 to $3,000." In case she had missed the point, he closed his reply, stating "We wish to say that the memory of our son is enshrined in our hearts; we do not wish to exploit it."[62]

Despite his apparent antipathy toward higher education, A. B. sent his grand nephew, George L. Hammond, $100 a month to keep him in college. He pointed out to George that with interest this amounted to $5,415. Criticizing George for his poor spelling and handwriting, A. B. wrote, "The money being put up to keep you at the University should produce return on the investment; the question arises, how are such returns to be made?" Concerned that most of the boys were going to college "for the propose of playing football," Hammond wrote to the president of the university asking him to keep him informed of George's grades.[63] Given his love of literature and history, it was not formal education itself that Hammond opposed, but rather the sense of entitlement that it seemed to engender. Both Hammond and McLeod grumbled that schools and universities were turning out men who no longer valued hard work. On the other hand, Hammond discovered that many of his older managers who had been with him for years had lost their edge and drive, and he began replacing them with ambitions young men, regardless of their education. Ultimately, no matter how much attention and energy Hammond gave to his extended family, it was through the success of his business that he measured his self-worth.

[62] Hammond to Mayannah Seeley, May 6, 1924, box 22, folder 1.
[63] Hammond to George L. Hammond, Jan. 6, 1930, box 22, folder 6.

Throughout the 1920s overproduction continued to plague the lumber industry, and many companies piled up debt, borrowing against their assets – primarily standing timber. Not surprisingly a large number of firms folded, and by 1927, the industry was in critical condition. Nonetheless, the HLC continued to operate in the black. Its strong financial condition and distribution and marketing network, which stretched from Los Angeles to New York, put it in an enviable position. Convinced that the depression would last at least three more years, Hammond again sensed opportunity in crisis and started buying. While he avoided taking over any companies with large indebtedness, the Whitney Lumber Company at Tillamook on the Oregon Coast appeared attractive. Not only did it not have any outstanding debt, its holdings were contiguous and interspersed with HLC's own timberlands.[64]

Valued at nearly $2.25 million, the Whitney Company owned logging railroads, camp buildings, residences, and one of the largest sawmills on the West Coast, with a 250,000 bf capacity. Whitney had also built a dramatic incline railroad with sixty to eighty percent grades to access the steep slopes of the Coast Range, much of which it had already clearcut by 1927. Hammond, on the other hand, had scarcely touched the 30,000 acres up the Nehalem River he had acquired from the Southern Pacific Railroad a quarter century earlier.[65]

Rather than buying Whitney outright, Hammond formed a subsidiary – The Hammond-Tillamook Lumber Company, capitalized at $5 million, with the HLC holding sixty-five percent of the stock. This new company combined Hammond's timberlands with Whitney's Garibaldi mill, railroads, and logging equipment. By all standards this would have seemed to be a natural

[64] McLeod to Hammond, March 31, 1927; Hammond to McLeod, April 4, June 16, Sept. 27, 1927, box 22, folder 3. For more on the Whitney Lumber Company see Dan Strite's four part series, "Up the Kilchis," *Oregon Historical Quarterly*, Dec. 1971-Sept. 1972.
[65] Strite; Bill Stoddard, "Hammond in the Tillamook," *Columbia River and Pacific Northwest Timberperson*,vol. 2, no. 1: 6-13; Hammond-Tillamook Lumber Company tax records, OHS.

and profitable merger. Economics, technology, and the physical environment, however, coalesced to make it one of the biggest mistakes of Hammond's career.[66]

The new company set Hammond back $1 million, with the debt carried by the HLC, and, much to McLeod's chagrin, the Missoula Mercantile Company. While he still had no outside debt, Hammond had now put himself in the same position as the other companies: he needed to cut timber fast and furiously to service the loan. There was a good reason, however, why the Nehalem lands had been spared thus far.

For years the topography of the Oregon Coast Range had thwarted logging endeavors. While it contained some of the largest trees on the planet, the stands of Douglas fir, western hemlock, and Sitka spruce grew on nearly vertical slopes in a crumpled mass of mountains bisected by twisting rivers and narrow canyons. Such conditions made access inordinately expensive. Previously, to access his holdings in the Coast Range, Hammond had relied on the federal government and its need for airplane spruce to foot the bill for building a railroad. Now he was on his own. After polishing off Whitney's timber in the Kilchis River, the Hammond-Tillamook Company began building a main line up the Nehalem River. Using portable lighting, crews worked day and night, removing and filling thousands of cubic yards of earth to form a roadbed. With costs running to $25,000 per mile at time when lumber prices were plummeting, Hammond's new company faced a $193,000 loss its first year. At the same time, technological advances, such as steam shovels, diesel trucks, more powerful donkey engines, and locomotives allowed logging crews to cut faster and produce more. To make matters worse, the stock market collapse of 1929 put the lumber industry in a desperate condition and seemed the only way was to keep cutting. The Tillamook was a recipe for disaster, and it arrived in 1933.[67]

[66] Hammond to McLeod, Oct. 3, Oct. 9, 1929, box 22, folder 5.
[67] Kramer Adams, *Logging Railroads of the West* (Seattle: Superior Publishing Company, 1961), 47; Stoddard.

None of the old time loggers could remember a summer as hot and dry as that of 1933. The ordinarily cool, wet forests of the Oregon Coast Range seemed like a desert as the spongy forest duff turned to powder. The clearcuts where the men worked were even worse. Stripped of their protective canopy of Douglas fir, spruce, and hemlock, the ground temperature inched upward past one hundred degrees. The understory of salmonberry, ferns, and salal wilted in the heat.[68]

Logging railroads laced a landscape filled with donkey engines and Lidgerwood skidders that were quickly converting old-growth forests into a wasteland of stumps. The high-lead logging operations left virtually no living trees. Looking like a scene from the apocalypse, the land was littered with "waste" – logs too small for the mill, tops of trees, and branches. Gullies of black earth streaked down the mountains where skidding operations had uprooted all the vegetation.[69]

As exceptionally hot and dry weather amplified the possibility of forest fires, Oregon Governor Julius Meier closed the state forests to logging. Lumbermen also worried about the possibility of forest fires on their lands. Although they posted lookouts and agreed to cease logging if the fire danger increased, lumbermen hated to interrupt production. They needed to pay off those bonds, and even if they were losing money by logging, as long as they could pay the interest, they could avoid bankruptcy. Throughout the 1920s lumber prices hand continued to slide downward and Hammond and other lumbermen tried to make up for this by increasing production. On nearly every mountainside and drainage of the Coast Range, logging crews were furiously cutting trees and hauling timber. Lumbermen encouraged their crews with yarding

[68] J. Larry Kemp, *Epitaph for the Giants: The Story of the Tillamook Burn* (Portland: The Touchstone Press, 1967), 1-4; Gail Wells, *The Tillamook: A Created Forest Comes of Age* (Corvallis: Oregon State University Press, 1999), 7.
[69] Photos 87-2B-5, 87-2B-27, Tillamook Pioneer Museum.

bonuses, whereby the logging boss would set a high footage mark and if the crew managed to exceed it, everyone received $1 more that day. The woods droned with the chugging and clattering of donkeys and locomotives. The Tillamook, indeed, seemed more like a "factory without a roof" than a forest.[70]

On the particularly hot afternoon on August 14, the fire-watchers called a halt to logging. Anxious to get another load in, one crew kept working. As they dragged in a log, sparks from the friction ignited a nearby slash pile. Fire spread quickly to downed timber and then into the forest crown. Despite the heroic efforts of two thousand firefighters, ten days later a gusting east wind exploded the fire into a conflagration that darkened the sky and rained ash across the region and even on decks of ships five hundred miles away. The mushroom cloud of smoke towered 34,000 feet high. Winds generated by the fire itself reached hurricane force and yanked 250-foot trees out of the ground and tossed them aside like toothpicks. In just three weeks, the fire incinerated 380 square miles (240,000 acres) out of the 722 that composed the Tillamook Forest before the rains finally put it out.[71]

The fire destroyed 13 billion board feet worth $275 million and more than $1 million worth of logging equipment. Ecologically, the fire had ripped the heart out of the most productive forest on earth, an area where Douglas fir, hemlock, cedar, and spruce often exceeded 100,000 feet per acre. Out of the ten major timber owners in the Tillamook, the Hammond Lumber Company suffered the greatest loss. Out of HLC's 58,000 acres, all but 2,150 went up

[70] Holbrook, 184.
[71] Wells, 7-11; U.S. Forest Service, "Summary of the Tillamook Burn Study, 1942-43," April 1944; Robert Ormond Case, "Big Timber Gets Religion," *Saturday Evening Post*, Dec. 30, 1944: 14-16; Peter D. A. Tennsma, John T. Rienstra, Mark A. Yeiter. *Preliminary Reconstruction and Analysis of Change in Forest Stand Age Classes of the Oregon Coast Range From 1850 to 1940* (BLM, Portland, T/N OR-9, Oct. 1991); Kemp, 32-33.

in flames, a total of 4.3 billion feet of timber or one third of the company's Oregon timberlands. The loss compelled the HLC to close its Garibaldi mill indefinitely.[72]

Although uncommon in the Oregon Coast Range, with its high rainfall, such catastrophic wildfires were not unknown. In the late 1840s, extensive fires had burned 800,000 acres and even drove several Indian tribes in the area into the ocean for safety. While destroying the old-growth stands of Sitka spruce and western hemlock, these fires set the stage for the extensive Douglas fir forest that followed in its wake. Despite the blackened landscape, foresters thus fully expected the Tillamook to recover.[73]

Two years after the fire, forester Leo Isaac conducted a study of the natural regeneration of the forest. Isaac found islands of green, primarily Douglas fir, in the blackened landscape. Such patches, Isaac believed, could provide future seed crops before these isolated trees eventually succumbed to exposure, insects, or disease. On several slopes, however, the fire burned hot enough to leave only mineral soil, while in other areas the ground cover was so dense from the sudden exposure to sunlight that it greatly inhibited tree seedlings. "For the most part, however, the seedbed conditions were fairly good," and Isaac reported a seventy percent restocking, except for the Cedar Butte area that had suffered a previous fire in 1918, where Isaac found no surviving trees and "reproduction was so sparse as to be negligible." While Cedar Butte had begun to recover after the 1918 fire with scattered second growth stands up to twenty feet tall, the second fire so close after the first had wiped out all vegetation and left the soil barren of all organic matter – an ominous portent of what was to come.[74]

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[72] Case; Kemp, 79; G. B. McLeod to Dan Strite, May 7, 1954, author's collection; Dan Strite, "Hurrah for Garibaldi," *Oregon Historical Quarterly*, Dec. 1976: 341-368; Recapitulation 1933 fire, State of Oregon, copy in author's possession.
[73] Tennsma, et. al.
[74] Leo Isaac and G. S. Meagher, *Natural Reproduction on the Tillamook Burn Two Years After the Fire* (Portland: Pacific Northwest Forest Experiment Station, 1936), 11

Unlike earlier fires, however, the Tillamook burned three more times in a bizarre six-year succession. Much of these subsequent burns were within the perimeter of the 1933 fire, an unnatural anomaly as reburns in the Coast Range had not occurred before European settlement. The 1939 fire torched 190,000 acres, followed by 180,000 in 1945, and in 1951, 32,000 acres went up in flames. Any regeneration that began to take hold was wiped out by subsequent fires that burned even hotter with all the downed trees and snags. The Tillamook fire interval had suddenly shifted from a five-hundred-year interval to a six-year one with profound ecological and economic repercussions.[75]

All told, the three Tillamook fires – consequences of industrial logging practices – destroyed 355,000 acres of timber worth $442 million. After salvaging what they could, the Hammond Lumber Company and other operators abandoned their cutover and burned timberlands. Concluding that "said lands are worthless," the HCL released its deeded lands to the county in lieu of taxes. The county then turned over the former HLC timberlands to the state to form the bulk of the Tillamook State Forest. Thus, a sizeable chunk of the Oregon Coast Range once again became part of the public domain, albeit in a much diminished condition.[76]

In the meantime, Hammond was a man on a mission. The more he aged, the more intense became his desire to make that one big deal. As the lumber industry, like the petroleum and agricultural sectors, continued on its self-destructive path of overproduction, Hammond, like many others, regarded industry consolidation under single ownership as the only solution. Beginning in 1926 the HLC, Northern Redwood, Union Lumber, Pacific Lumber Company, and

[75] Tennsma, et. al; Wells, 11
[76] Wells, 11; H. C. Patton to Tillamook Country, July 22, 1940; Quitclaim deed Nov. 7, 1941, misc. correspondence, HLC files, OHS.

a newcomer – the Little River Redwood Company (LRRC) – began a series of lengthy negotiations toward a merger into the world's largest redwood lumber company.[77]

The issue of control was problematic for all parties. Hammond was unwilling to form a partnership, and at first, insisted the others give him cash buyout of $47.5 million. Failing that, he proposed forming a new firm in which he would have seventy percent controlling interest. The differing organizational structures of the companies also complicated matters. Although he had distributed most of his stock to his children, A. B. was still the president and patriarch and had full discretionary authority from his Board of Directors. The HLC was essentially a one-man corporation. While they had begun as family corporations, by 1928 both Pacific and LRRC had become managed estates composed of multiple stockholders and were more representative of the modern corporation. As such, they had to appoint representatives and gain approval for each negotiating point from their boards. This became endlessly frustrating for everyone, as Hammond, acting on his own initiative and used to doing business one-on-one, kept changing the terms, proposing an option one day and then taking it back or refining it the next. With A. B. being so obviously manipulative and obstinate, Leonard, who was more accommodating and "very anxious" to achieve the merger, took over as lead negotiator, travelling to Detroit, home of the Pacific stockholders.[78]

The primary point of contention was determining the value of each company. In most industries this procedure would be fairly straightforward. Indeed, it was relatively easy to set prices on sawmills, railroads, ships, and buildings, but the value of standing timber was much more complex and problematic as no one really knew how much timber they owned.

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[77] 1926 merger file, Harry Cole papers, Bancroft Library, University of California.

[78] Ibid; Harry Cole to LRRC, Sept. 28, 1928; L. S. DeGraff to Harry Cole, Oct. 9, 1928; N. P. Wheeler, Jr. to Harry Cole, Oct. 9, 1928; E. C. Cronwell to W. A. Dusenbury Oct. 16, 1928, redwood merger file 1928-29, Harry Cole papers; Hammond to McLeod, June 16, 1927, box 22, folder 3.

Unquestionably, LRRC had the best timberlands, which Hammond highly desired as they were contiguous with his own holdings. Geographically, the HLC was well-poised to extend its railroads and operations up the Little River. Both the HLC and Pacific agreed on an assessment of 100,000 feet per acre, valued at $4 per mbf (except on the Prairie Creek and Del Norte tracts).[79] LRRC, in contrast, assessed its timber at 151,000 feet per acre at $4.70, a not unreasonable claim considering that the tallest trees in the world grew on their lands. Hammond, however, refused to allow for joint timber cruises to reconcile the disputed values, saying "he did not want anyone to tell him how much timber he had."[80]

Further complicating matters was the Save the Redwoods League which was building a publicity campaign to protect groves along the highway as a state park. The newly-completed Redwood Highway ran up the Eel River through the middle of Pacific Lumber's timberlands and exposed the public to the majestic beauty of the redwoods. LRRC officials worried that public opinion would prevent Pacific from logging along the Eel River and this would therefore drastically reduce the value of the timber. Another sticking point was that the LRRC stockholders insisted on receiving at least forty percent cash or bonds as part of the merger. Hammond, however, flatly refused any deal that would increase the debt of the consolidated company.[81]

Ultimately, both Pacific and the LRRC feared they would "be completely dominated by the Hammond organization." Indeed, part of Pacific's motivation for including the LRRC in the merger was to keep Pacific from being submerged by the HLC. A. B. had even been buying up Pacific stock in anticipation, or perhaps to force the merger.[82] For their part, the LRRC worried

[79] These eventually formed the core of Redwood National Park.
[80] N. P. Wheeler, Jr. to Cole, Oct, 9, 1928, Cole papers.
[81] Dusenbury to Cole, Oct. 27, 1928; Cronwell to Dusenbury, Oct. 20, 1928, Cole papers.
[82] N. P. Wheeler, Jr. to Cole, Oct, 9, 1928, Cole papers; Mengel, 132.

that the merger would give up control of the "best property in the redwood belt . . . and the identity of our business."[83] Frustrated at the impasse, the LRRC officials agreed that it was "pointless to continue discussions at this time."[84]

Two years before the infamous stock market crash, the lumber industry took a nose dive. In 1928, Hammond estimated that ninety-five percent of the lumber companies on the West Coast were operating at loss. Nearly all sawmills cut production, others suspended operations, and many simply went out of business; even the HLC was losing money on its sawmills. On the strength of its retail operations and shipping line, however, Hammond was still able to post profits, exceeding $1.6 million in both 1927 and 1928.[85] Even after the stock market crash at the end of 1929, Hammond could report, "we are in excellent financial condition."[86] He was even able to loan $100,000 to the Union Lumber Company.[87]

Lumbermen believed that as the economy worsened, their financial survival depended on consolidation. Continuing the negotiations into 1929, the HLC, LRRC and Pacific finally agreed to conduct an independent assessment of their timberlands. But then Pacific Lumber dropped out and the negotiations stalled. Undaunted, Hammond continued to buy and sell timberlands, consolidating and increasing his holdings. He also bought half interest in the Bayside Mill in Eureka, but he still had his eye on the Little River lands.[88] Despite the deepening depression, in 1930 Hammond told McLeod, "the time will come when stumpage will bring a good price, and then will be the time to sell and clean up all around."[89]

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[83] Dusenbury to Cole, Oct. 27, 1928.
[84] Dusenbury to Cronwall, Dec. 13, 1928.
[85] Hammond to McLeod, March 27, 1928, box 22, folder 4, March 8, 1929, folder 5; HLC Statement of Assets and Liabilities, Dec. 31, 1927, folder 4, Dec. 31, 1928, folder 5.
[86] Hammond to McLeod, Dec. 30, 1929, box 22, folder 6.
[87] Hammond to McLeod, Feb. 25, 1930, box 22.
[88] Cole to LRRC, Sept. 28, 1928; Mengel, 100.
[89] Hammond to McLeod, Jan. 6, 1930, box 22, folder 6.

Hammond was not the only one seeking consolidation. In early 1930 a delegation a lumbermen from Oregon and Washington headed by Robert Long, of the giant Long-Bell Lumber Company, came to see Hammond in San Francisco, proposing a merger. Nearly all of the companies represented had large bonded indebtedness and Hammond informed them that his company was free of debt and he did not want to join with any proposition that would prevent the HLC from paying its annual dividends. However, he said that if they did succeed in a mass merger he would be happy to cooperate in price setting and restricting production.[90]

As economic conditions deteriorated, Hammond began to cut costs, demanding that each division reduce expenses. The redwood division eliminated train crews, cut back on timekeepers, scalers, and foremen. Mill City cut thirty-six jobs. Los Angeles trimmed expenses by over $100,000, and A. B. even halved his own salary.[91] In addition to lowering expenses and eliminating jobs, Hammond sought increased efficiency from his workforce by "dropping out some of the old men that have been spoiled by the prosperous times which existed during the war and putting younger men that are not so set in their old-fashioned ways in their places."[92] These younger men, of course, also received a lower salary than those they replaced.

By the end of 1930 Hammond had slashed his annual overhead by $1.5 million. But such drastic salary and wage cuts led dozens of workers to quit in protest. On the other hand, despite an expected $500,000 loss for 1930, A. B. insisted on keeping all his plants open, although they were running at only forty percent capacity. Hammond recognized that if he closed his mills, the taxes, insurance and depreciations would continue. Furthermore, "there would be the loss of prestige," customers and organization. Remarkably, the Merc under McLeod's tutelage continued to make money, pay dividends, and keep its finances healthy throughout the

[90] Hammond to McLeod, Feb. 17, 1930, box 22, folder 6.
[91] Hammond to Claflin, April 14, 1932, box 23, folder 3
[92] Hammond to McLeod, Dec. 30, 1929, box 22, folder 5.

Depression.[93] The LRRC, however, having lost money for the last several years, had piled up $4 million in debt and faced possible bankruptcy. Thus, in late 1930 they reopened negotiations, and this time Hammond was in a position to dictate the terms.[94]

Hammond agreed to the nominal appearance of a merger and saddled the new company with the unwieldy name of "The Hammond and Little River Redwood Lumber Company." Nevertheless, the company would actually be a subsidiary of the HLC, which owned two-thirds of its stock and Hammond would be president. In exchange for taking on the $4 million debt, the HLC received all of the new company's preferred stock. While the LRRC property came with a railroad and sawmill, it was the fifty-year supply of old-growth redwood Hammond desired. Furthermore, he chortled that with the blocked up land ownership of the two companies, they could effectively isolate other timber owners who would have to "pay the taxes on their property" until the HLC needed their timber.[95] Assuming so much debt was an uncharacteristically risky move for Hammond. Perhaps his desire to make the one big deal before he passed from the scene clouded his judgment. He was confident that since it would be cheaper to log the LRRC holdings than the HLC lands, they could "wipe out the $4,000,000 indebtedness within at least five years."[96] McLeod, however, was not so sure.

Nevertheless, on Christmas Eve 1930, Hammond and the directors of the LRRC signed an agreement creating the world's largest redwood lumber company. The merger combined 3,500 employees with an annual payroll of more than $6.5 million and $42 million in assets, including three of Humboldt's largest mills, two railroads, and most importantly, ten billion feet

[93] J. A. Rankin to Hammond, May 1, 1930; Arthur Jones to Hammond, Dec. 26, 1930, box 23, folder 1; Hammond to Claflin, Jan. 3, 1931, McLeod to Hammond, Jan. 29, 1931, box 23, folder 2; Hammond to Claflin, April 14, 1932, folder 3.
[94] Hammond to Claflin, Jan. 24, 1931, box 23, folder 2.
[95] Hammond to McLeod, Feb. 2, 1931, box 23, folder 2.
[96] Hammond to Claflin, Dec. 24, 1930, box 23, folder 1.

of standing timber on 100,000 acres. Hammond then wrote to his principal stockholders, Claflin, and the Huntington, Leggett, and Harriman estates seeking their approval, retroactively.[97]

While Hammond found himself with thousands of acres of the largest unbroken tract of redwoods left on the coast, he also had to find buyers for $4.25 million in bonds. The HLC took on a fourth of the debt; he then turned to the Missoula Mercantile.[98] Despite his reluctance, McLeod agreed to approve the purchase of another $650,000 in bonds, which still left $2,350,000 to be sold to banks.[99] Once again the MMC provided a significant source of capital to fund western resource exploitation.

The HLC now had two subsidiaries – The Hammond-Tillamook and The Hammond and Little River Redwood lumber companies – laden with debt. Normally this would not be a cause for great concern, except that in 1932 the world economy hit rock bottom. The year marked the biggest loss ever for the HLC, and it did not look like things would improve any time soon. Furthermore, Hammond was now eighty-three years-old and many began wonder if the time had come for the old man to step down. Chief among these was A. B.'s son-in-law, Steward Burnett.

Burnett had long served as Hammond's attorney and company vice-president. Intelligent and ambitious, but also prickly and self-aggrandizing, Burnett, not surprisingly, ran afoul of his father-in-law, who not only demanded loyalty, but also a certain degree of obsequiousness. Disgruntled with Hammond's control over the company, Burnett resigned in 1923, only to return the following year. He quit again in 1925 when Hammond "found fault with some of his actions," and reduced his salary. Throughout this back and forth, Burnett remained on the board of directors. Enthusiastic about the company's expansion, Burnett rejoined the company as paid attorney to help negotiate the merger with LRRC, but insisted on more authority and a salary

[97] Ibid; *Wall Street Journal*, Jan. 29, 1931; *Blue Lake Advocate*, Feb. 21, 1931.
[98] Hammond to McLeod, Feb. 26, 1931, box 23, folder 2.
[99] Agreement between HLC and MMC, Oct. 1, 1931, box 23, folder 2.

equal to Leonard's. Hammond gruffly informed him he "would not allow any man to dictate . . . the terms of his employment." Although unhappy, Burnett stayed on but began to plot a takeover of the HLC.[100]

Control of the HCL rested with its holding company, the A. B. Hammond Co., whose stock was owned entirely by the Hammond and McLeod families. Burnett regarded dissolution of the A. B. Hammond Company as essential to wresting control of the HLC from Hammond. Unable to convince Hammond of the desirability of terminating the holding company, Burnett attempted to force A. B.'s hand. In 1917 Hammond, to avoid paying the new income tax, had put a large amount of HLC stock in a trust for his children and had Burnett draft the legal agreement. Leonard, and A. B.'s two son-in-laws, Burnett and Frank King were appointed trustees, but each vested with veto power. In 1932 Hammond, suspicious of Burnett, wanted to appoint Herb and George McLeod as additional trustees, but Burnett refused unless Hammond dissolved the A. B. Hammond Company. Despite his age, Hammond was not about to pushed around, and Burnett backed down, resigning both his job and directorship.[101] But the fight was far from over.

Seeking an end route around Hammond, Burnett secretly approached the other stockholders in his attempt to loosen the old man's iron grip on the company. Using the annual statements of the previous few years, he attempted to show that the HLC was being mismanaged. In February 1932 Burnett surreptitiously traveled to Georgia to meet with John Claflin at his winter home. Livid, Hammond dashed off a preemptive letter to Claflin warning of Burnett's purpose. The apparent treachery on the part of his son-in-law brought out A. B.'s paranoia. But

[100] Hammond to Claflin, March 5, 1932, box 24, folder 1.
[101] Ibid

what really infuriated the old lumberman was, as he told Clalfin, Burnett ‘s attempt to take control of assets that were “accumulated by me, alone.”[102]

Upon returning to California, Burnett sought another chief stockholder – the Huntington estate. Its executor, Henry Robinson, however, had just suffered a serious injury following an auto accident, and was unable to see Burnett. Undaunted, he tried again a few days later and presented his case while Robinson lay in his hospital bed. Hammond, in turn, dispatched Harry McLeod, manager of the Southern California division, to Robinson’s bedside as well. Robinson assured Hammond that while he was “in no way disturbed” about the condition of the company, he did want to see the annual statements for the last three years and discuss the issue with A. B. once he was out of the hospital.[103] Claflin, too, praised Hammond’s ability, but worried the HLC might keep expanding, putting stock value at risk. Agreeing with Burnett on the need to dissolve the A. B. Hammond Co., Claflin noted that “the Eastern stockholders are practically powerless to prevent new ventures which might prove successful or might prove disastrous.”[104]

Any mention of stockholders looking at the records or a change in organizational structure elicited a visceral response from Hammond. He had invested so much of his life and personality into his company that he regarding any suggestions of change as a personal affront and was aghast that anyone should question his judgment. Evoking the ghost of his hero, Collis P. Huntington, Hammond reminded Claflin that the success of the HLC was because “the Directors at the time the company was organized took Mr. Collis P. Huntington’s advice in regard to moving the office to San Francisco and giving me authority to buy and sell and run the business as I thought best.” Citing how Long-Bell was $42 million in debt and was about to default on its bonds, Hammond pointed out that all the other lumber companies except his were

[102] Hammond to Claflin, Feb. 23, 1932.
[103] Hammond to McLeod, April 8, 1932; H. W. McLeod to Hammond, March 25, 1932, box 24, folder 1.
[104] Claflin to Hammond, box 24, folder 1.

mortgaged to the hilt and losing money. Hammond attributed his accomplishments to his intimate knowledge of local conditions and how he had taught ambitious young men to build railroads, operate steamships, and manufacture and market lumber.[105] Yes, replied Claflin, that is all good and well, but what will happen when you are gone?

With his own finances in disarray, Claflin was upset that Hammond insisted on paying the interest on the bonds while refusing to issue dividends. Claflin suggested they shut down unprofitable plants and liquidate the company's holdings. Seeking to reassure Clafin while also chastising eastern stockholders "who have no first-hand knowledge of the lumber industry," Hammond listed all the consequences of mill closures. But if stockholders really wanted, A. B. was willing to sell off their entire holdings, but only "after the depression has passed and business returns to normal."[106]

The showdown with the stockholders to determine the future of the HLC was set for the annual meeting on May 8, 1933. In the meantime, Hammond began to position to prevent "the control from going into the hands of incompetent people."[107] Three of his children, Leonard, Florence Whitesides, and Edwina King, stood solidly behind their father. The McLeod family, too, was unquestionably loyal. This left Burnett with his wife, Grace, and her sister, Daisy, on his side. Daisy, however, was a bit of a wildcard.[108]

A. B. seemed to understand his youngest daughter's conundrum. Unmarried and childless, Daisy was very close to the Burnett family and had great affection for her nephew, Andrew Hammond Burnett, and wished to ensure his inheritance. After visiting with her, A. B. seemed reasonably confident that she would side with him. Although the "outside" stockholders,

[105] Hammond to Claflin, March 18, 1932.
[106] Hammond to Claflin, April 14, 1932, box 23, folder 3
[107] Ibid.
[108] Hammond to McLeod, April 8, 1932, box 24, folder 1.

such as Claflin, held forty-five percent of the HLC stock and could tip the balance one way or the other, ultimately, looking back on thirty years of uninterrupted dividends, they saw little reason for radical changes to the organization. Clearly outnumbered, Burnett backed off. Besides, at eighty-four, Hammond's health was in precipitous decline.[109]

A. B. Hammond died at home on January 15, 1934, and the age of the lumber baron came to an end. Since the days of his youth working in a soggy timber camp, he had dreamed of great wealth. For half a century, he had looked toward the great industrialists – Huntington, Harriman, and Hill – for inspiration. For four decades, he had sought a vast West Coast empire of lumber. He achieved it all. Hammond left behind an estate worth $60 million (about $2 billion in today's dollars); he was California's undisputed premier lumbermen and one of the West's top industrialists, and three years before his death, he had stitched together the world's largest redwood lumber company.

But at what cost? Had his desire and ambition to make that one last deal been a mistake? Hammond had built his reputation and entire empire upon one basic premise: retain control by staying out of debt. He now left behind two subsidiaries, both in debt and both losing money. In addition, years of cost cutting had left the HLC with crumbling infrastructure, out of date mills, decrepit railroads, and rusting equipment.[110]

[109] Ibid.
[110] *New York Herald Tribune*, Jan. 16, 1934.

Epitaph

Following his death in January 1934, A. B. Hammond did not, despite the legend, rise from his coffin and fire his pallbearers. Nonetheless, his presence, or lack thereof, was keenly felt by everyone inside his organization. Hammond had built his company on the force of his personality. While it was ostensibly a corporation, he controlled everything. Hammond's death decapitated the HLC. The division among the stockholders the previous year, combined with Hammond's own need for absolute control, prevented a smooth transition. Leonard, as vice-president, would seem to have been the heir apparent, but his alignment with his father during the recent conflict alienated the Burnett faction. While the owners dithered over the future of the company, it continued to hemorrhage.[1]

Uncertain of the company's actual financial condition, the stockholders ordered a report. Noting that the HLC had suffered losses of $2 million in 1932 and $1 million in 1933, the report attributed the deficit to "selling lumber below the cost of production." Cognizant of the structural conundrum that long plagued the timber industry, the report noted, "Sales prices were demoralized by our competitors who forced lumber on the market at ruinous prices in order to pay off their obligations." To their satisfaction, however, the stockholders concluded that the HLC "physically and financially, was in far better position and condition than any other lumber company on the Coast."[2]

Although the stockholders expressed confidence in the ability of Leonard Hammond and George McLeod as executives, they also wanted a full assessment of the

[1] L. C. Hammond to McLeod, Feb. 20, 1940, box 23, folder 12
[2] Gus Kirby to L. C. Hammond, Jan. 24, Jan. 23, 1934, box 23, folder 12.

company's operations and hired Robert Lea as an outside consultant and troubleshooter. After a seven-month investigation, Lea issued a scathing condemnation of everything from logging practices to bookkeeping procedures. Lea was especially critical of the merger between the HLC redwood division and the Little River Lumber Company. He noted that while each company lost about $1 million from 1925 to 1930, the merger greatly increased their debt to $4.2 million and put all the new company's timberlands and mills under mortgage. Instead of combining their operations and planning for long term development, the company continued the same ruinous logging practices – clearcutting everything as fast as possible. The report concluded that the "merger was an ill-advised and unwise business decision" as HLC "did not need the additional timber" and its facilities were not equipped to handle increased production.[3]

Lea noted that the rough terrain and logging methods:

> [C]aused excessive destruction of timber. Trees were shattered and broken when felled and damaged hauling to loading spurs . . . the practice prevailed of bringing in about everything available: that is about everything that could be called a log . . . as it cost as much to log and bring in carloads of worthless logs as it does to bring in the same amount of good logs it is easy to understand the disastrous effect.[4]

By "disastrous" Lea was referring to the economic rather than ecological consequences of clearcutting. He found the same issue at the Samoa mill with the practice of sawing for quantity rather than quality, which led to a surplus of lower grades and an accumulation of unsalable lumber, which resulted in "inordinate expenses in yarding and handling." Overstocked yards and warehouses had become labyrinths with employees wearing "themselves out working around and climbing over" stacks of "worthless lumber." Lea concluded that the HLC was producing a poor grade product at

[3] Report to R. W. Lea, May 24, 1935, 71, misc. papers, Harry Cole papers.
[4] Ibid., 44.

high cost. Furthermore, Hammond's parsimony had resulted in a situation where "practically every important piece of equipment [was] tattered and torn."[5]

Lea reserved his greatest criticism for Hammond's organizational structure, the very thing the lumberman had prided himself upon. Hammond's autocratic approach had resulted in a corporate culture where foremen and supervisors "could hold their jobs only by catering to the whims of the boss . . . actual operations were often at variance with the wishes of the San Francisco office; and this fostered the growth of an internal ring of secrecy."[6] Apparently, the practice of concealing inefficiencies and problems from old A. B. had become pervasive and institutionalized.

Lea then issued a set of recommendations to address the problems. To cut waste and inefficiency in the woods, he advocated switching from clearcutting to selective logging. This required replacing donkey engines and the destructive high lead logging with tractors, which the HLC had used sporadically since 1928. Rather than logging off entire watersheds, tractors, like the old bull teams, could pull out selected trees. Unfortunately, these were still the biggest and best redwoods – those most crucial to maintaining ecosystem integrity. Lea also recommended closing or selling off the Oregon sawmills, as well as the San Pedro distribution facility. Noting that the sash and door factory in Los Angeles had lost more than $500,000 over the past four years, he suggested closing it too.[7]

Faced with continuing losses, lack of direction, and infighting, the stockholders agreed to appoint Lea as the company president to succeed A. B. Hammond and gave

[5] Ibid., 45.
[6] Ibid., 46.
[7] Ibid., 67, Mengel, 120.

him complete authority to implement his recommendations. Lea quickly closed down the Oregon mills and put them up for sale.[8]

Lea's actions ran counter to A. B.'s strategy of buying during a depression and selling when prices were high. Leonard soon began having second thoughts about the new president and intervened before Lea sold off the Los Angeles facilities. Nine months after Lea assumed the helm, Leonard convinced the majority of the Board that Lea's liquidation policies were ill-advised. Insisting that Lea cost the company "at least a million dollars," Leonard later told McLeod, "Father . . . would not have scarified our assets as Colonel Lea did. He would have held on, head up, and disposed of assets when the market was more favorable."[9] In March 1936, Lea resigned and Leonard replaced him and immediately began to emulate his father's business approach. The HLC, apparently, was not quite ready to fully embrace a CEO-style organization.

Leonard inherited a company saddled with a $4 million debt and threw himself into the challenge. As the company's lead salesman, he initiated an aggressive retailing effort. Not only did the HLC have marketing offices throughout the U.S., it joined with other producers in a "vigorous foreign sales campaign with agencies in thirty-two countries."[10] At the end of his first full year as president, Leonard was able to pay out nearly half a million in dividends, maintain a cash surplus and claimed that the company was "in a better financial condition than it has been for a long time."[11] In 1939, Leonard acquired the financially strapped Hobbs-Wall Lumber Company, the largest timber owner in neighboring Del Norte County, for a mere $150,000. By 1940 Leonard had

[8] Mengel, 120-124; *The Timberman*, March 1936: 109.
[9] L. C. Hammond to McLeod, Dec. 29, 1937, box 23, folder 12.
[10] Melendy, 300.
[11] L. C. to McLeod, Dec. 29, 1937.

halved the HLC's debt, paid off all its bills, and posted a net profit of $586,000 on sales of $1 million a month.[12]

The recovering national economy greatly contributed to Leonard's success. President Franklin Roosevelt's acceptance of Keynesian economics with its emphasis upon deficit spending and the issuing of lucrative government contracts to feed the growing war machine in Europe stimulated the economy. But above all, it was the entry of the U.S. into the Second World War that snapped the lumber industry out of the doldrums. The HLC received massive orders from the government to build cantonments, nurseries for rubber plantations, and three million feet of lumber for "the first big Japanese concentration camp."[13]

Although Leonard enjoyed a high degree of worker loyalty and popularity, like his father, he took a dim view of organized labor. While much less vociferous and visible, he continued the HLC tradition of anti-union militancy. Leonard, however, had to take a more clandestine approach, as the passage of the National Labor Relations Act in 1935 recognized the right of workers to engage in union organizing and collective bargaining. With a pen stroke the federal government undid Hammond's thirty-year campaign to keep unions out of the lumber industry. Throughout the Pacific Northwest timber workers began to organize, and in May 1935, the Lumber and Sawmill Workers Union voted to strike for higher wages and fewer hours. Despite the reluctance of many workers, the Humboldt County local joined the region-wide strike.[14]

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[12] Mengel, 130; Melendy 113, L. C. to McLeod, Dec. 12, 1940, March 14, 1941.
[13] L. C. to McLeod, Feb. 16, 1942.
[14] Frank Onstine, *The Great Lumber Strike of Humboldt County 1935* (Arcata, CA: Mercurial Enterprises, 1980), 8-9.

Unlike previous strikes in Humboldt, this one was instigated by the Carpenters Union in Oregon and Washington and lacked local support. The political landscape of Eureka had changed as well. Eureka mayor Frank Sweasey created a "Committee of One-Thousand," essentially a vigilante force, whose members underwent formal attack training financed by the lumber companies. In addition to hired thugs, the HLC employed company spies and amassed an arsenal of tear gas and clubs to be used against striking workers. As in A. B.'s time, the anti-union rhetoric was couched in ideological terms. Communists replaced the IWW as the bogeymen.[15]

A virulent press and lack of worker solidarity led to increasing tension. On the picket line fist fights broke out between the strikers and those continuing to work at the Hammond mill. As the strike began to collapse, the union decided to concentrate its effort on a single mill, and on June 21, two hundred strikers set up a picket line at the Holmes-Eureka mill. Anticipating violence and determined to crush the strike, the police arrived and began firing tear gas into the crowd. Instead of dispelling them, this provoked the strikers into attacking the police with rocks and sticks. The police, in turn, started shooting. When the smoke cleared, ten workers had been shot, three fatally, and five officers had suffered beatings.[16]

Perhaps Leonard's role in the violence caused him to re-evaluate HLC's strident anti-labor practices, for when the Los Angeles operation voted in favor of union representation a few years later, he became resigned to getting "along with the unions in one way or another."[17] On the other hand, in Humboldt the HLC tenaciously held onto

[15] Ibid; *Humboldt Standar*d, June 11, 1935.
[16] Ibid., 14-16; *Humboldt Standard*, June 21, 1935.
[17] L. C. to McLeod, April 10, 1942.

A. B.'s policy of refusing to recognize unions, prompting a short-lived strike in 1942. World War Two put the issue on hold, only to have it erupt in force once the war ended.

Just as A. B. had confronted labor in the wake of the Great War, Leonard faced massive worker unrest following the Second World War. A wave of strikes attempting to address long simmering grievances swept the country. Ten thousand workers shut down the Ford Motor Company in a ninety-nine-day strike that resulted in formal recognition of the United Auto Workers. At General Motors 200,000 workers went on strike. Then in January 1946, 750,000 steel workers walked out. But the longest and most expensive strike occurred when 4,000 lumber workers in northern California went on strike against the nine major redwood lumber producers for twenty-seven months.[18] What redwood workers lacked in numbers they made up for in tenacity.

Although the lumber companies agreed to a significant pay raise, they held tight to A. B. Hammond's insistence on an open shop. This time, however, unions had legal standing and were much better organized. After a nine-month shutdown, the HLC had recruited enough strike breakers from returning war veterans to reopen Plant Two (the old Bayside Mill) in Eureka. Union carpenters retaliated with a nationwide boycott against redwood products. While the big firms held out, the strike broke their stranglehold on the redwood industry. With the post-war housing boom, new, smaller lumber companies using union labor sprang up to fill the gap in production. The number of sawmills in the redwood region, thus, exploded from nine in 1944 to two hundred in

[18] Dubofsky and Dulles, 326; historical sketch, Redwood District Council of Lumber and Sawmill Workers Collection, HSU.

1946. At the outset of the biggest construction boom in U.S. history, the HLC was sitting on the sidelines.[19]

No doubt old A. B. would have buckled down and held out against the unions. He might have imported workers from Mexico or India, pounded on the governor's desk, travelled to Washington D. C. and berated senators, or hired his own militia. Leonard might have followed a similar, albeit less antagonistic, route. Three weeks before the strike broke out, however, Leonard Hammond died of leukemia. He was sixty-one.[20]

Leonard Hammond had more than adequately filled his father's shoes. When he took over the company in 1936, the HLC had missed three years of dividends and was more than $4 million in the hole. By the time he died, he had retired all the company's debt, paid all the missed dividends, and cushioned the HLC with a cash reserve of more than $5 million.[21] Had he lived, the subsequent history of the Hammond Lumber Company would have turned out quite differently.

Once again, in the midst of a major crisis, the HLC was rudderless. This time, however, the animosity amongst the stockholders had diminished. Rather than repeat the experiment with an outsider, the Board selected seventy-five-year-old George B. McLeod as the fourth president of the HLC. McLeod, the first employee of the Hammond Lumber Company, had served as Hammond's right-hand man for three decades (even perjuring himself for his boss in the land fraud trials). With McLeod as the new president, it appeared that A. B. Hammond was still in charge, despite being dead for twelve years.

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[19] Ibid; Mengel, 147.
[20] Mengel, 143.
[21] HLC Memoriam of Leonard Coombes Hammond, copy in author's possession.

While McLeod shared Hammond's ideology, he was supremely rational and lacked A. B.'s vindictiveness and spite. After thirteen months of severely hampered production because of the strike, McLeod not only agreed to accept a minimum wage of $1.20 an hour, but more importantly, a union shop. It had been nearly forty years since the 1907 strike first raised the issue. The other mills, however, held out for another fourteen months until the unions finally gave up following the passage of the 1947 Taft-Hartley Act, which restricted union activities. Ironically, the only fully-unionized major redwood producer was now the Hammond Lumber Company.[22]

Unlike Hammond, however, McLeod, more than any other HLC executive, had a long and abiding interest in conservation. For McLeod, like Gifford Pinchot, founder of the U.S. Forest Service, conservation meant protecting the forest resources from fire and ensuring a continual supply of timber. Following the disastrous Yacolt Burn in 1902 in Oregon and Washington, McLeod, stationed in Portland at the time, grew concerned about fire protection. In 1905 McLeod attempted to organize a state Oregon board of forestry to patrol the forests for fires. Four years later, along with George Long of Weyerhaeuser and other leading lumbermen, McLeod formed the Western Forestry and Conservation Association (WFCA, an industry group) to lobby state and federal government for increased fire protection and lower taxes. The WFCA became powerful enough that it could influence, and often dictate, state and national forest policy in the early twentieth century.[23]

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[22] Mengel, 148-150; Redwood District Council.
[23] George McLeod interview with Elwood Maunder and Clodaugh Neiderhauser, Feb. 19, 1957, FHS, 22-24.
McLeod interview, Feb. 19, 1957, Forest History Society, 24.

Unfortunately, the more successful lumbermen's efforts at fire suppression became, the greater the buildup of fuels and potential for catastrophic burns. Fire suppression combined with the industrial logging practices of rapid clearcutting and massive slash piles led to such disasters as the Tillamook burn. Unfortunately, Tillamook was not an isolated incident. In a similar fashion, Humboldt County suffered its worst forest fire in history, when HLC operations started a fire that lasted for two weeks in September 1945. In addition to burning 20,000 acres of cutover lands, the fire destroyed fifty million feet of prime timber, a logging railroad, and twenty-two railroad bridges. The loss of the railroad compelled the HLC to switch to truck logging, while the fire prompted the company to build a system of fire roads and cease the practice of burning slash.[24]

McLeod and other progressive lumbermen realized they would eventually run out of trees and began looking toward "sustained-yield forestry." What exactly they meant by "sustained-yield" was vague, however. Certainly, lumbermen were not going to wait around two thousand years for the old-growth redwoods to replenish. Nor should they, according to foresters like E. T. Allen, executive director of the WFCA, who maintained that old-growth forests were "decadent" and should be clearcut and replaced with tree plantations. With McLeod now in charge of the HLC, sustained-yield came to mean a planned approach to timber harvest in which the company could log the same site two or three times over a period of ten to twenty years before converting it into a plantation.

[24] Mengel, 142; "Logging Practices on First Redwood Tree Farm," *The Timberman*, Aug. 1950: 56-62

McLeod continued Leonard's emphasis on shifting from clearcutting to selective logging, leaving behind everything less than a 48-inch diameter for future harvest.[25]

In 1950 the HLC entered a new era of "scientific forestry" in which timber management replaced total extraction. As part of a larger public relations campaign to dispel their cut-and-run reputation, the company deliberately chose the terminology of "tree farm" to describe their lands. With this in mind, McLeod hosted California Governor Earl Warren in a gala ceremony that dedicated the nation's first redwood tree farm at the HCL Van Duzen tract. With an eye toward the long-term future, McLeod declared that the new policy of the Hammond Lumber Company was, "to manage its lands on as close to a sustained yield production basis as possible, so as to perpetuate our operations in Humboldt County."[26] Lumbermen wished to convey that they had stopped mining the forest and had shifted toward the notion of growing trees as a renewable resource. Ecologically speaking, however, a monocrop of Douglas fir or redwood planted in rows eight feet apart hardly constituted a forest.[27]

Despite the conservation rhetoric, the HLC continued to cut its old-growth stands. By 1952 the company had logged off 47,000 acres of the world's most intact redwood forest in the Big Lagoon area. Two years later, the HLC continued to expand, purchasing the Geneva Lumber Company at Orick with its mill and cutting rights to 300 million feet on Lost Man Creek, an area that would soon be highly contested for inclusion in a new national park.[28]

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[25] Richard Etulain and Michael Malone, *The American West: A modern history, 1900 to present* (Lincoln: University of Nebraska Press, 1989), 29; "Logging Practices"; *Humboldt Standard*, Aug. 26, 1950:1.
[26] *Humboldt Standard*, Aug. 26, 1950:1
[27] *Redwood Log*, Aug. 1950.
[28] Mengel, 158, 162

With A. B. Hammond's death, the age of the lumber baron came to an end. Or did it? Fully understanding the importance of size in the lumber industry – the larger the company, the better its position to set prices and restrict production – A. B. Hammond spent thirty years buying up smaller companies and seeking mergers and consolidation. But Hammond's successors, by bringing the company back out of debt and acquiring more timberlands and mills, had created a very desirable target. The HLC was about to be gobbled up by an even bigger fish.

In 1946 while the HLC was moribund with the strike, on the other side of the country Owen Cheatham, a Virginia descendent of Benjamin Franklin, was assembling a system of lumber mills and sales offices to produce and market plywood, which was bringing three times the price of lumber. Based out of Augusta, Georgia, Cheatham had expanded throughout the southern U.S. In 1949 Cheatham's Georgia-Pacific Plywood and Lumber Company (GP) was on par with the HLC in terms of sales and profits. Unlike the HLC, however, the newcomer lacked a substantial timber base.[29]

Seeking lumber companies with old-growth Douglas fir, chiefly in Oregon, Georgia-Pacific, backed by massive stock offerings, went on a buying spree in the 1950s. By 1955 GP had acquired four billion feet of timberlands, but with annual sales approaching $92 million, it sought even more. The following year, GP made two big purchases, one in Oregon and one in California. For $70 million it picked up the Coos Bay Lumber Company, started by Charles A. Smith (A. B.'s old rival), with its 120,000 acres. Then, in what was billed as the "largest lumber deal in California history," GP entered the redwoods when the remaining HLC stockholders voted to sell their entire

[29] Ibid., 170-172.

company for $75 million.[30] Sounding like Hammond himself, Cheatham, when asked about his company's expansion, replied, "You've got to shoot when the duck is in your gunsight."[31]

Cheatham's gun, however, was loaded with borrowed birdshot. To assuage investors and ensure short term profits, Cheatham announced, even before the sale was finalized, that he would immediately liquate the HLC's thirty-three retail yards to raise $10 million. GP also sold off the Los Angeles distribution centers, as well as timberlands. The proceeds helped finance GP's purchase of the Booth-Kelly Lumber Company in Oregon for $93 million in 1959. Primarily interested in manufacturing plywood, the new giant lumber firm opened a plywood plant at Samoa next to the old HLC sawmill. Six years later, GP added a $30 million pulp mill, the first on the California coast and the first to use redwood chips. Then in 1966 the company torched the original Samoa mill as part of its modernization program.[32] A new era based upon acquisition and liquidation had arrived in the timber industry.

While smaller diameter second-growth trees from tree farms served the booming market for plywood and paper, GP continued to log old-growth redwood as well. As the company continued to eliminate ancient redwoods, public support for a Redwood National Park grew in proportion. As early as the 1860s people had expressed concern over the felling of the majestic redwoods. In 1880 the farsighted Interior Secretary Carl Schurz had recommended that 48,000 acres of redwood forest be set aside. Fifteen years

[30] Ibid., 172-174; Robbins, *Hard Times in Paradise*, 247; *Arcata Union*, Nov. 2, 1956. The original offer was closer to $80 million, Mengel, 166.
[31] *San Francisco Chronicle*, Oct. 23, 1956.
[32] Mengel, 175-187, *Arcata Union*, Oct. 11, 1963; Fountain papers 96:131, 96:129

later, the Sierra Club's William Dudley had urged "immediate establishment of several redwood parks under the control of the United States Government."[33] But long before the turn-of-the-century, nearly every acre of redwood forest had been snapped up by lumbermen or speculators. The worth of the trees as timber apparently superseded all other values. Nonetheless, Progressive reformers such as Theodore Roosevelt and California congressman William Kent, along with local women's clubs and chambers of commerce, began advocating for a redwood national park, seeking both preservation and tourism.[34]

Progressive Conservation was born in the battle over the nation's forests. The Oregon Timber Fraud trials illustrated the battle between capital and government for access and control over natural resources. While Progressives certainly were neither hostile nor opposed to capitalism, they wished to provide a space, both geographical and political, for other considerations. Part of this entailed preservation of the nation's scenic wonders. As the tallest trees on earth, the coastal redwoods ranked beside the Grand Canyon and Yosemite as part of the nation's heritage. But unlike these grand vistas and majestic landscape, the redwoods had high commercial value – the highest of any tree in North America. And so the timeless redwood forest became a highly contested zone between opposing cultural values.

But as often as not, the values of commercial exploitation coexisted with preservation and aesthetic sensibilities within the same individuals. In her book, *The Fight to Save the Redwoods*, historian Susan Schrepfer details how preservation, science,

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[33] Francois Leydet, *The Last Redwoods and the parkland of Redwood Creek* (Sierra Club Books, 1969), 19, 11.
[34] Susan Schrepfer, *The Fight to Save the Redwoods: A History of Environmental Reform, 1917-1978* (Madison: University of Wisconsin Press, 1983), 6, 12.

and commerce all converged into the Progressive mindset. Composed of businessmen, academics, and professionals, many of whom formed San Francisco's elite, the Save the Redwoods League was a case in point. During the 1920s oil tycoon and industrialist Joseph D. Grant served as the League's chairman. Not only did Grant live next door to Hammond, but many of the League officers were A. B.'s fellow members of San Francisco's Bohemian Club. Therefore, despite their anti-logging rhetoric, Hammond saw little threat from the League, as its members shared his socio-economic position and outlook. In 1922 Leonard even became a life member of the League, and the HLC donated several isolated groves of redwoods along the Eel River for inclusion in a new state park.[35]

By keeping the federal government out of the picture and working cooperatively with lumber companies and philanthropists to purchase redwood groves, the League succeeded in stitching together a patchwork of state forest reserves along the Redwood Highway. But then the heavy rains in the winter of 1954-55 demonstrated the inadequacy of this approach. The accelerated logging caused by the post-war housing boom had denuded the slopes above the Humboldt Redwoods State Park, allowing the ensuing floods to wipe out hundreds of the ancient trees that had been protected.[36]

As the twentieth century progressed, trees continued to fall at an every-increasing rate, becoming even more precious to both lumbermen and preservationists. Fighting over the scraps became increasingly divisive and the lines oddly drawn. The Sierra Club and Save the Redwood League endured bitter infighting between themselves, while

[35] Schrepfer, 21; Mengel, 122; Save the Redwood League 1922 report; *Timberman,* April 1922: 118.
[36] Schrepfer, 109.

timber workers, who had the most to lose from accelerated harvests, aligned themselves with the lumber companies.

At the close of the 1950s, only ten percent of the original two million acres of redwood forest remained. In addition, erosion and highway construction threatened the state parks, galvanizing the conservation community. Then in 1964 *National Geographic Magazine* announced the discovery of the world's tallest tree on a remote bend in Redwood Creek, surrounded by timberland owned by Arcata Redwood Lumber Company on the north and Georgia-Pacific's old Hammond timberlands on the south.[37]

By the mid-1960s support for a Redwood National Park had grown loud enough that Congress began to entertain proposals ranging from 50,000-90,000 acres, all of which included a sizeable portion of GP's timberlands. In 1966 GP and the other lumber companies agreed to a one-year moratorium on logging within the proposed park while Congress deliberated. But the following year, despite pleas from thirty-four congressmen, GP resumed logging along Redwood Creek.[38] Cutting the old-growth here would preempt the national park proposal, or at the very least allow GP to extract the most valuable trees while they still had the chance. The lumber company's actions prompted the *New York Times* to declare, "Decision by bulldozer is not democracy."[39]

Finally in 1968 Congress passed and President Johnson signed a watered-down act designating 58,000 acres as Redwood National Park. In comparison, Disney World, which was being built at the same time, comprised 30,000 acres. The Redwood National Park Act only protected 11,000 acres of old-growth, for by the time the bill passed the rest had been logged. In exchange for giving up 28,000 acres within the park

[37] Ibid., 111, 120; Metsker Maps, Humboldt County, HSU.
[38] *New York Times*, Sept. 9, 1966:32, Dec. 8, 1967: 46;
[39] Ibid, Dec. 29, 1967.

boundaries, lumber companies received 14,500 acres of timberlands and $92 million, making this the single most expensive park purchase to date.[40] Less than one hundred years earlier lumber companies had fraudulently acquired these same timberlands for $2.50 an acre from the federal government and were now selling them back in a much diminished condition for $3,300 per acre. The compromise bill would prove even more costly down the road.

While they stridently opposed the park, lumber companies heavily influenced the act, especially the park boundaries, as it wound through Congress. The former HLC timberland along Redwood Creek proved the greatest stumbling block and resulted in an oddly-shaped, half-mile wide corridor snaking up Redwood Creek. As Schrepfer writes, "Few political compromises have wrought a more untenable situation than the Redwood National Park Act, which devoted a narrow river valley to both clear cutting and wilderness recreation" As soon as the bill was signed, GP resumed cutting their remaining timber in Redwood Creek. When the Interior Department asked GP to moderate logging near the park boundary to alleviate erosion, the company informed the government that its experts recommended clearcutting to alleviate erosion and "the large old-growth heavy timber should be removed to reduce the threat."[41]

The continued logging in Redwood Creek prompted conservationists to advocate for additions to the park. In 1978, with only 9,000 acres of old-growth remaining in Redwood Creek, President Jimmy Carter signed a second Redwood National Park Act. This bill expanded the park by 48,000 acres, much of which were cutover lands, and cost the federal government $350 million, making the original act of a decade earlier seem

[40] Schrepfer, 158.
[41] Ibid., 186, 188.

like a bargain. But unlike with the first act, much of these funds went to provide for lumber workers who lost their jobs as a result of the park expansion.[42]

While Redwood National Park grew by fits and starts, GP was expanding enormously. In the late 1960s Harry Merlo, chief of the Samoa division, began another round of acquisitions in the redwood country. By 1971 the company had grown so large that it attracted the attention of the Federal Trade Commission (another Progressive Era reform), which sought to limit the company's dominance of the lumber industry. The following year, GP agreed to spin off its Louisiana-Pacific subsidiary, which included the West Coast and Intermountain Divisions. Harry Merlo soon became the new corporation's president.[43]

Merlo appeared to be a reincarnation of A. B. Hammond. An aggressive contrarian, Merlo "shunned large land purchases while rivals bought heavily," but then doubled the company's timberlands, acquiring 750,000 acres when prices dropped. When most lumber companies negotiated union agreements, LP, under Merlo, "weathered a bitter strike" which broke the union and lowered wages.[44] Before long, LP had surpassed its parent company and Boise Cascade to threaten Weyerhaeuser as the largest lumber company in the U.S.[45]

Then in 1995 both Merlo and LP came crashing down. The company faced federal lawsuits for willful violations of the Clean Air and Clean Water Acts. Colorado brought a fifty-six-count indictment for fraud and environmental violations, and the company confronted a rash of civil suits for selling faulty and toxic products. To top it

[42] Ibid., 224-226.
[43] Ibid., 200-204.
[44] *Business Week*, Dec. 22, 1986.
[45] Mengel, 206.

off, Merlo faced personal charges of sexual harassment. But worst of all, at least from the stockholders perspective, Merlo had inflated the company's earnings by $30 million. This last item was the final straw, and the LP board of directors unceremoniously dumped their CEO.[46]

Besides the inflated earnings reports, the essential difference between Merlo and Hammond lay in ownership. Not only was Hammond the president of the HLC, he also controlled (even if he did not technically own) the majority stock. By Merlo's time, corporations had grown so large that rarely could a single individual exert the kind of control Hammond enjoyed. Despite his power, and abuse thereof, Merlo was ultimately an employee and beholden to the corporate structure.

Ultimately, the HLC was simply not ecologically sustainable, nor had Hammond intended it to be. Hammond's enterprise was to conduct a liquidation sale on the ancient forests, converting trees into cash, and the end was not far from sight. In slightly more than one hundred years, the HLC and the other redwood companies had all but eliminated the entire redwood forest from Monterey Bay to the Oregon border. By the 1980s only two percent of the original entire redwood belt remained, most in remnant patches of state and national parks. One large tract of old-growth redwood, however, still lingered in private ownership.[47]

During the 1980s lumber companies, with their high proportion of undervalued standing assets, such as trees, became prime targets for corporate raiders who would

[46] Jeffrey St. Clair and Alexander Cockburn, "A Decadent, Old-Growth Timber Baron Is Chopped Down," *High Country News*, August 21, 1995; www.fundinguniverse.com/company-histories/LouisianaPacific-Corporation-Company-History.html. See also, Kathie Durbin *Tongass: Pulp Policies and the Fight for the Alaska Rain Forest* (Corvallis: Oregon State University Press, 2005).
[47] Evarts and Popper, *Coast Redwood*, 150.

quickly liquidate the company's assets and move on. In 1985 the venerable Pacific Lumber Company, with several thousand acres in old-growth redwood, attracted the attention of Houston businessman Charles Hurwitz. Financed with junk bonds floated by Michael Milken and Ivan Boesky (both later convicted of securities fraud), Hurwitz engineered a hostile takeover of Pacific Lumber. To finance the junk bonds before they collapsed, Hurwitz raided the company's pension fund and sold off the extra assets. He then doubled the timber harvest and shifted from selective logging to clearcutting.[48]

Capturing international attention with Julia Butterfly Hill's 738-day tree sit, Pacific Lumber's accelerated harvest became the front lines to save what was left of the ancient redwoods not under formal protection. With mass protests and arrests, including the largest anti-logging protest ever, the issue divided local communities, pitting environmentalists against workers and even resulted in the tragic death of one young man. Underscoring the fundamental problem of regarding trees as corporate assets, this "Last Stand" was the culmination of a 150-year long struggle over the nation's forests, one that framed A. B. Hammond's entire life.[49]

The 1990s marked a decade-long battle over the future of the forests of the Pacific Northwest. The issue came to a head over two relatively inconspicuous birds. In 1990 the listing of the spotted owl as a threatened species, followed by the marbled murrelet two years later, brought the region's timber production to a virtual standstill. Both birds required coastal old-growth for their survival and their downward spiraling populations indicated the seriousness of the ecosystem's decline. A century of logging had

[48] See David Harris, *The Last Stand: the war between Wall Street and Main Street over California's ancient redwoods* (Sierra Club Books, 1996), and Richard Widick, *Trouble in the Forest: California's Redwood Timber Wars* (Minneapolis: University of Minnesota Press, 2009), 13-20.
[49] Ibid; Evarts and Popper, 152-156.

fragmented both the Douglas fir and redwood forests into tiny blocks. Pacific Lumber's Headwaters Forest contained the largest remaining tract of old-growth redwoods in private ownership. It also happened to house a third to half of California's remaining murrlets.[50]

Unlike in Hammond's era, in the late twentieth century state and federal governments had instituted laws and regulations that constricted the timber industry. Governments often declined to enforce such restrictions, however, and it was left to citizens to prod them into action. During the 1990s EPIC, a local environmental group in Mendocino Country, filed lawsuits under the Endangered Species Act and California's Forest Practices Act to stop logging in Headwaters. To finally resolve the impasse, the federal government agreed to purchase 5,600 acres, including 2,700 acres of old-growth in the Headwaters Grove, from Hurwitz for $300 million. Nonetheless, Pacific kept logging other old-growth stands and the protests continued. Meanwhile, the United Steelworkers Union had gone on strike at the Kaiser Aluminum plant in Tacoma, now owned by Hurwitz's Maxxam Corporation. When the labor negotiations stalled, Hurwitz brought in laid-off timber workers from Humboldt as strikebreakers. In turn, the striking steel workers came to the redwoods to meet with Julia Hill and other protestors. In November 1999 the steel workers linked arms with environmentalists at the WTO meeting in Seattle to protest the rising power of global corporate capitalism.[51] It appeared that maybe now the age of the lumber baron had truely come to an end.

And yet Hurwitz continued to cut whatever remained, regardless of regulations. Such practices led California to issue Pacific Lumber hundreds of citations for violations

[50] National Forest Redwoods Act of 1991, Hearing before the Subcommittee on National Parks and Public Lands, June 15, 1991, serial 102-51, (GPO, 1992), 12; www.fws.gov.
[51] Widick, 5, 18, 49.

of the state's Forest Practices Act. In addition to facing multiple civil suits, the company lost seven lawsuits for disregarding environmental laws. Saddled with $700 million in debt, in 2007 Hurwitz pulled the plug on Pacific Lumber and declared the company bankrupt. Before walking away, however, Charles Hurwitz had extracted more than $3.6 billion out of Humboldt County in redwood lumber during his tenure.[52]

All of this raises the nagging questions: Were Hammond, Merlo, Hurwitz, and the like "robber barons" who greedily exploited the workers and the environment simply to line their pockets or were they "captains of industry" who hammered American's industrial might out of raw materials? Or were they simply products of the cultural of capitalism? While environmentalists and labor unions found it easy to vilify Hurwitz, many in the business world came to his defense. *Forbes* magazine reported that the federal government had "attempted to extort thousands of acres of old-growth redwood as the price of his freedom from liability" for Hurwitz's role in the collapse of a Houston savings and loan company.[53]

The question dogged Hammond since the days of the "Missoula Mercantile Monopoly" when the press and residents protested his dominance of the regional economy. Hammond, however, maintained that his actions resulted in the development of the country. Like many businessmen, Hammond, firmly believed in Adam Smith's contention that the pursuit of private wealth resulted in public gain.

Others, alienated workers in particular, however, regarded this as an ideology of expedience. The debate swirled around Hammond throughout his life and continued even after his death. During the 1934 waterfront strike, the San Francisco *Call-Bulletin*

[52] Ibid., 14.
[53] Christopher Helman, "Timber!" *Forbes*, Dec. 12, 2005.

interviewed old Andy Furuseth, leader of Sailor's Union. While Furuseth admired Hammond "as an unusually strong man [who was] perfectly class conscious," the labor leader remembered his bitter opponent as "a through believer in laissez-faire [and] a sincere believer in the freedom of the employer to disregard the freedom of the worker whenever it appeared to the employer's advantage." The newspaper's editor, Fremont Older, immediately countered Furuseth, writing, "He did not. He held the belief that the worker should be free to work where and for whom he chose, and that labor unions enslaved him."[54]

Two decades later, historian Allan Nevins attempted to lay the issue at rest, arguing that the U.S. would not have triumphed in WWI and WWII if not for the captains of industry. Certainly, the forests of the Pacific Northwest contributed to winning both world wars with spruce for airplanes, Douglas fir for ships, and lumber for barracks. Wars, however, were but spikes in a 150-year-long production cycle. Most of the ancient forests of Douglas fir and redwood went into making houses, boxcars, railroad ties, picnic tables, bridges, and grape stakes. No doubt, the forests provided lumber for a growing America, but just as the forests of New England were cut over and those of the Midwest and South mowed down, the ancient forests of the Pacific Northwest forest are now all but gone – the ecosystems stretched to the breaking point, the vast carbon sink of old-growth transferred into the atmosphere, and timber-dependent communities broken and impoverished.

When Hammond was born in 1848, industrial capitalism was in its infancy. His father and grandfather grew up in a world in which mercantilism provided the economic

[54] *San Francisco Call-Bulletin*, April 12, 1934.

foundation. To be sure, trees were no less a commodity, and the U.S. and Great Britain nearly went to war over access to the forests of the north country. Profit margins, however, only marginally affected residents of Madawaska, who were more concerned with religion, community, security and self-sufficiency. Relationships – both economic and social – formed the basis of the mercantilist system; fostering and maintaining these personal relationships was paramount to financial security. In a region where survival depended upon a large larder, small-scale agriculture and community ties were vital to maintaining food security and self-sufficiency. Although, these communites were tied to the global economic system, religious and cultural values frequently took precedence.[55]

Although he grew up in a highly Catholic environment, Hammond embodied the Protestant values of his ancestors – hard work, thrift, and acquisition, all of which corresponded nicely with the dictates of capitalism. Indeed, he built his entire empire around such values, avoiding indebtedness at all costs. Furthermore, Hammond entered the business world at a time when credit and prestige were based upon strength of character and reputation rather than potential profits. The Missoula Mercantile Company was a case in point. From its inception, Hammond diligently insisted that it meet all its obligations in a timely manner and pay annual dividends. Such scrupulous attention to the balance sheet provided both Hammond and the Merc with an unassailable line of credit, upon which he drew to purchase two Oregon railroads and attract such investors as C. P. Huntington, Thomas Hubbard, and E. H. Harriman.

Across the West the pattern was endlessly repeated. With money from New York, Boston, and London, the great conduits of capital – J. P. Morgan, the Huntingtons,

[55] Roger Paradis, preface to *Papers of Prudent C. Mercure: Histoire du Madawaska* (Madawaska Historical Society, 1998), lxxvi. See also, Béatrice Craig, *Backwoods Consumers and Homespun Capitalists: The Rise of a Market Culture in Eastern Canada* (Toronto: University of Toronto Press, 2009).

Harriman, and the like – transported it west. Ultimately, however, it was the regional local entrepreneurs like A. B. Hammond, Marcus Daly, and William A. Clark, who were largely responsible for the transformation of the western landscape. These men built the railroads, developed the mines and ranches, built the stores, banks and hotels, logged the forests, and dammed the rivers, changing the West dramatically and irreversibly in a mere fifty years.

Indeed, rather than simply a colony of the East, the West exploited itself. While much of Hammond's capital came from eastern investors, a significant portion originated within the MMC and Hammond's other interprises. Historians have long pointed to eastern capital as the source of the industrial transformation of the West, but in Hammond's case, at least, a regional mercantile firm in a mid-sized town in Montana engendered one of the West's most potent symbols of capitalism run amuck – the near elimination of the coastal redwood forest.

Hammond's life illustrates how the transformation of the American West corresponded with the transition from proprietary capitalism to the modern corporation with corresponding technological changes. In 1867 Hammond was chopping cottonwood trees with an axe to sell as fuel for riverboats. In 1918 he was using monster steam-powered donkey engines to harvest ten-foot diameter spruce trees and loading them onto railroads to be milled into lumber for airplanes. Sixteen years later, Hammond was using diesel tractors to tow 2,000-year-old redwoods to all-electric mills powered by enormous diesel generators. The lumber was sent south on diesel-powered ships for oil derricks which extracted more petroleum to be refined into more diesel. The industrialization of the West was complete.

In addition to technology, the structure of capitalism changed dramatically during Hammond's lifetime. The pioneer entrepreneur with little but sheer determination, imagination, and dumb luck could no longer simply appropriate the vast natural wealth of the American West. By snatching up all the cheap lands, men like Hammond had assured that no one would follow in their footsteps. Furthermore, in creating the national forests the federal government asserted its authority and ownership over what resources remained. By the time Hammond died, the Age of the Businessman had fully arrived. Hammond's successors were well-educated and well-connected; their success depended on their ability to forge relationships, cajole and convince, manage and administer. The corporation, rather than the individual, now dominated American business.

Although Hammond was instrumental in building railroads, establishing businesses, building cities and towns, including Missoula and much of Los Angeles, and greatly altering the ecology of the coastal forests of the Pacific Northwest, he was not alone in his activities. While he was the most visible of the lumber barons and the most vehemently anti-union, he was, in the final analysis, a phenotype of American capitalism.

A. B. Hammond pioneered the way for those who followed, including Cheatham, Merlo, and Hurwitz, in multiple ways. Previously, proprietary regimes, such as Humboldt lumberman William Carson's, saw workers as individuals. Hammond demonstrated how labor could instead be reduced to an overhead cost of production that could be ratcheted up or down as the situation demanded. Hammond also initiated the vertically-integrated lumber company; the HLC controlled everything from raw materials to retail sales. While other early lumbermen could express remorse at cutting down

ancient redwoods, Hammond embraced a value system in which trees were considered only in terms of board feet.

But for all his ruthlessness, A. B. was quickly surpassed by the new corporate structure that compelled profits over all else. Under Georgia-Pacific and Maxxam, the bottom line was not just, as it had been for Hammond, the primary consideration. It was the only consideration. Individual capital accumulation, however, depends upon a vast social, political, and economic network to distribute the costs. In Hammond's case those costs were borne by his workers and the forests of the Pacific Northwest – the human and biotic communities that were the ultimate source of his wealth. Ultimately, Hammond and the other lumber barons were outward manifestations of an economic system that in the past century or two has grown so pervasive that it not only dominates world commerce and human activity, but has dramatically altered, both the nation's forests and the earth's climate as well.

The underlying structure – the genome, if you will – of capitalism rewarded and reinforced Hammond's business practices, thus molding his actions. At the same time, Hammond, Merlo, Hurwitz, and the rest, imprinted their individual personalities on their businesses. While they often based their decisions upon economics, they also imbibed ideological, religious, and cultural values, such as the Protestant work ethic or the views of Adam Smith. Occasionally, these men, especially Hammond, simply acted out of tenacity or spite. In the final analysis, it was individuals – Hammond, along with thousands of others who made the expansion of market capitalism possible through their actions. Capital is inert – a lump of coal. It can do nothing on its own, but requires individuals to ignite it and blow it into flames.

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