

# History Journal

Issue Number Two  
The History Museum of Santa Cruz County  
1995

# CONTENTS

Santa Cruz County History Journal • Issue Number 2 • 1995

## Santa Cruz County — Regional Topics

- 64 Pajaro & Santa Cruz Agricultural Shipments, 1856 Francis M. Kittredge  
48 Santa Cruz County Poll List of 1854 Francis M. Kittredge, *et al.*  
*edited by Marion Dale Pokriots, Phil Reader, Stanley D. Stevens*  
1 W. H. Weeks, Watsonville Architect —  
“one of California's most prolific and enduring architects” Betty Lewis

## Boulder Creek

- 5 Horstman Family: Memories and Milestones, 1874-1974 *by Hazel Horstman Lundgren*  
as told to her daughter, Lorraine Lundgren Black

## Corralitos

- 11 Conditions at the Corralitos Flour Mills — 1880 Philander Pettijohn  
13 Corralitos “is not...stupid or dull” — 1890 *Pacific Coast Commercial Record*

## Davenport — North Coast

- 17 The Wildest Ride in Town —  
Davenport's Cement Plant Railroad System Alverda Orlando

## Felton

- 25 The Gold Gulch Letters of James Frazier Reed Margaret R. Koch

## Freedom

- 31 An ‘Owed’ to Whiskey Hill Letter by “Non Sequitor” to the *Santa Cruz Sentinel*

## Santa Cruz

- 107 Josiah Belden, Alcalde For A Day — His Santa Cruz Adventures and  
the American Flag Incident of 1842 David W. Heron  
35 Full Life, Empty Pockets — A personal account of Living in  
Santa Cruz during The Great Depression Harriette Jessup Proctor  
122 The Golden Gate Villa Susan Dormanen  
53 The “Great Seaport” Dream Frank Perry  
65 My Early Childhood Memories *by Sarah Hinton Gourley*  
*edited by Dee & Keith Kraft*  
81 Neophyte Women at Mission Santa Cruz Jenny Carless  
112 The Old Mission Santa Cruz Water Supply Dean A. Silvers

## Summit

- 87 “Auto-Biography” and “Forest Idyl and Forest Fire” Josephine Clifford McCrackin

## Watsonville — Pajaro Valley [see also Santa Cruz County — Regional Topics]

- 101 Remembering Early Watsonville Irma Oksen Reaves

# The Gold Gulch Letters of James Frazier Reed to his wife Margaret, 1856

25

by *Margaret R. Koch*



## Introduction

The history of exploration and mining for precious metals in Santa Cruz County is as old as the County itself, if not older. The earliest formal claim, however, the Boulder Mine, was not made until 1853. The next earliest, the Chittenden Claim, was made on January 9, 1856, by a group of six men. The following month, the Independent Company of seven men filed their claim to mine the Gold Gulch area; they included John H. Watson (for whom Watsonville is named). Frederick A. Hihn subsequently bought into that claim and later Hihn acquired most of the Gold Gulch property (an area from Highway 9 to Empire Grade, about one-mile south of Felton). In addition to Watson and Hihn, many of the best-known pioneer names of Santa Cruz County were included among claimants of gold and silver from 1856 to 1900: Elihu Anthony, Otis Ashley, John Daubenbiss, Isaac E. Davis, Thomas Fallon, Isaac Graham, Albion P. Jordan, Richard C. Kirby, Joseph L. Majors, Alexander, Duncan, and Peter McPherson, Moses A. Meader, George Otto, John T. Porter, Paul Sweet, and William W. Waddell. There were thirteen claims in May, 1856, and ten in June. This 1856 flurry in Gold Gulch drew the interest of James Frazier Reed and his family, who had been residents of San Jose for a decade.

The author does not intend to present a comprehensive history of this activity, which would require a full volume, at least. Rather, it is an introduction to the subject, and a framework for the very important letters by James Frazier Reed<sup>1</sup> to his wife, Margaret, about his plans for mining Gold Gulch, and his contact with Isaac Graham. They are published here for the first time in their entirety.

*Stanley D. Stevens, Editor*

---

## The Gold Gulch Letters of James Frazier Reed to his wife Margaret, 1856

26

**Santa Cruz County was never "Gold Rush" country.**

Instead of the glittering flakes and shining nuggets, Santa Cruz County's "gold" was found in its great redwood forests, rich farm lands, lime deposits and tourism. But there were — and probably still are — scatterings of the elusive metal to be found here.

For example, gold was found in the dark sands of the beaches after storms, in some of the mountain streams, and in Gold Gulch, just a short distance south of Felton.

Felton got its start in 1843 as a lumber center when Isaac Graham moved his sawmill from Zayante to the San Lorenzo River. The town was "laid out ... in 1868 by Edward Stanley" who named it for his "lawyer, Charles N. Felton."<sup>2</sup>

Gold Gulch got its name as early as 1856. There once was a mine shaft there and a tunnel. For years, a story circulated among old-timers about a "rock of gold worth thirty-five thousand dollars" that was found in Gold Gulch.<sup>3</sup>

If the old tale was true, the details of the find were kept under wraps and for good reason. Prospectors learned to keep their good news to themselves or be overrun by claim jumpers. They also figured out unique ways to hide their golden loot from thieves. The Bible was one way: a small square was cut out of the middle pages so nuggets and flakes could be hidden in it.

Prominent early-day citizens who were interested in Gold Gulch included William White Waddell, Albion Paris Jordan and Charles C. Imus.

A record of the gold mined there in 1856 ranged from 13 to 91 ounces every three or four days, according to the late Robert O. Lincoln who possessed the record book.

Gold was also found in Soquel Creek, Corralitos Creek, Laguna Creek, Zayante Creek, Aptos Creek and the Granite Creek area.

Phillip T. Stribling ran an early [1889] quartz operation at Cave Gulch [south of Gold Gulch] which was revived in the 1930s by Porter C. Roberts who installed a mill. In it, Roberts processed soil and rock which yielded gold ranging from six dollars to thirty-five dollars a ton. As for the local beach sands, at one time thirty claims were staked out on La Selva Beach. Twin Lakes Beach was mined as recently as the 1950s, following storms. The black sand carried in by high waters is said to contain the gold. In 1957, a one-man panning operation was carried on near Loma Prieta by L. S. Langfield.

These local finds were small "flurries" compared to James Marshall's discovery in John Sutter's millrace in 1848, an event that set off the world's biggest stampede to California — the Gold Rush of 1848-49.

However, one of Santa Cruz County's least known and most interesting stories concerns Gold Gulch and a prominent California pioneer, James Frazier Reed<sup>1</sup> of the Donner Party.

Reed was born November 14, 1800, in County Armagh, Ireland. His ancestors were of noble Polish blood and the name was originally Reednoski. His mother was a member of the Clan Frazier of Scotland. Reed came to America with his mother, as a boy, and they settled in Virginia. As a young man he worked in the lead mines of Illinois until 1830 when he joined an Army company to fight in the Black Hawk War of 1830-31 alongside fellow soldiers Abraham Lincoln and Stephen A. Douglas. In 1834, Reed married Margaret Keyes Backenstoe. He also was initiated into the Springfield [Illinois] Lodge No. 4 of the Masonic Order on July 5, 1839, and by 1842 he was a Royal Arch Mason.

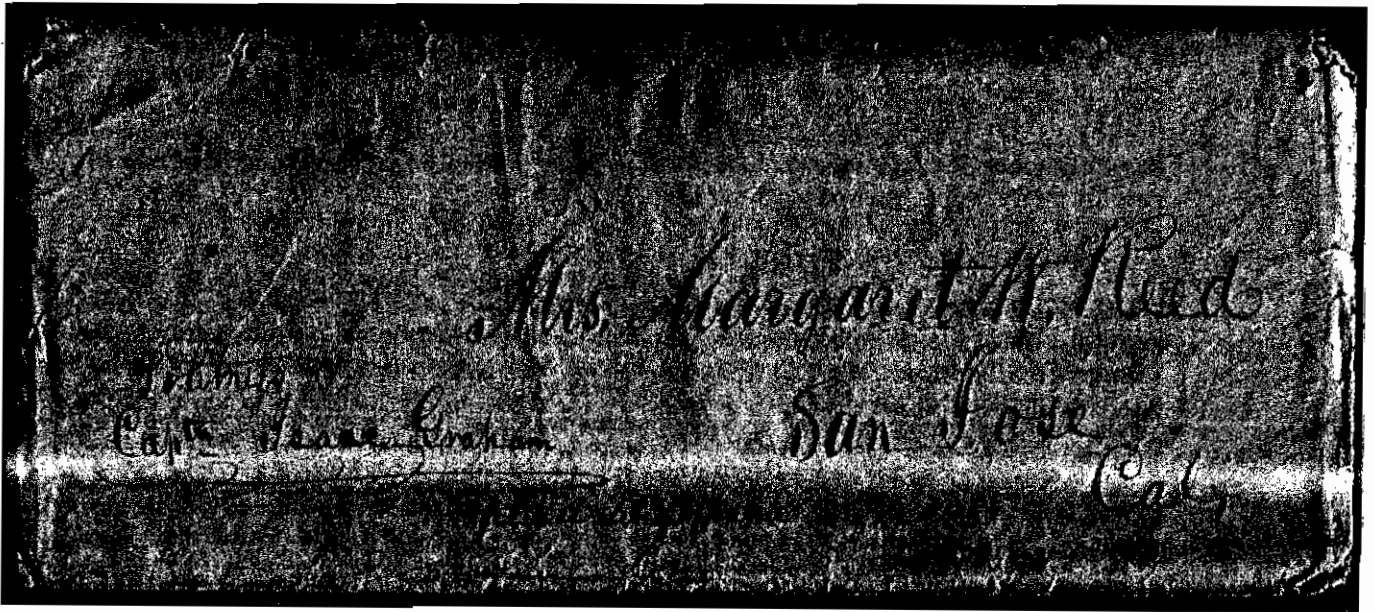
In 1846, Reed, his wife, their four children, and Mrs. Reed's mother, Mrs. Sarah Keyes, were all en route to California with the Donner Party. The overland wagon train originated in Sangamon County, Illinois, and included two Donner families, the Reeds, other couples and single men. During the arduous trip, the Party took what was supposed to be a short-cut, the Hastings Cut-Off, but which

with a relief party to rescue the starving, snow-bound Donner Party at the lake which bears that name today. A monument stands there depicting the pioneers, some of whom starved to death.

By 1856, the Reeds were established in the San Jose area, but James Reed and his two sons, James Jr. and Thomas,<sup>1</sup> made a trip over the Santa Cruz Mountains on May 30. The following day he wrote a letter to his wife:

MARGARET R.  
KOCH

27



Envelope that held letter from James Frazier Reed to his wife Margaret. It was hand carried to San Jose with the "Politness [of] Capt[al]n Isaac Graham."  
[From the collection of Robert O. Lincoln Jr. Reproduced with kind permission.]

delayed them and put them into early winter snow storms in the Sierra Nevada mountains. An argument broke out between Reed and John Snyder over the latter's harsh treatment of the oxen hauling the wagons. When Snyder hit Reed, Reed's wife and child with his heavy whip handle, Reed drew his hunting knife and stabbed Snyder, who died. Reed admitted the blame although he acted in self defense. He was banished from the wagon train without food or ammunition but he made it through the snow-covered Sierra Nevada to Sutter's Fort. Later he returned

My dear Margaret

I arrived the day after I left home. I took cold the night I left and for two nights I could not talk, which you know was a hard case with two such boys as I have asking a thousand questions. I am now much better, after sweating profusely yesterday, when Joe and myself were improving our prospect. It opens well at present. When I came to Gold Gulch I examined the river opposite and I think there may be a deposit of gold sufficient to pay. I can turn the San Lorenzo and also the Gold Gulch. I think of my plan very easy and not much expense, after

examining and about leaving, we met Mr. O. P. Watson<sup>4</sup> who had received a letter from Major Hensley,<sup>5</sup> directing him to get Mr. Graham's terms. He had seen Graham and informed him but had up to that time no definite answer—he however left me about half an hour, and returned with Mr. Graham's terms which are satisfactory and I am to close a contract with Mr. Watson for as much of the river and gulch as I want on what I think are good terms. Everything looks well. Now for a hope of making something. When you come over you may lie on the banks of the river but remember it will be in the brush. If that position is not agreeable you can live in a prairie. I do not think there are any mosquitoes, however none to hurt. No neighbors for miles except Mr. Graham and he has no woman about the house. He will be a mile off. It is a very reomtick [romantic] place and I think on all sides beautiful but if the dollars come in which I findly [fondly] hope they will, it will be enchanting redwood forests and trees of which are from 100 to 250 feet high. I do not know exactly what day I will be home. I want you if possible to get from some friend at least \$150, — \$200 if it could be got would be better to bear expenses in removing and getting provisions until we see whether there can be anything made. I am full of confidence we will make money, the boys and myself can turn the river in a short time. Mr. Graham will let me have the use of his sawmill to saw what lumber I may want and his cattle to haul it. He told Watson that anything he can do to help me he will. I will close the lease before I go home. Your cows will have fine pasture. Thom [Thomas Keyes Reed, his son] wants Charley [Charles Cadden Reed, his son] to take good care of Dick so he can ride him over. Joe<sup>6</sup> and Tom are good boys, they are in great glee at our prospects. I had to remove from our camp last evening on their account. It is a dreary place. We had comp'y up to last evening and they left

and the boys wished me to move down about 1-1/2 miles, where there are several camps. We are this morning in a pretty camp, good grass and water and 5 miles north of Santa Cruz. Jos. [sic] and Tom are going to the town to put this in the office and to buy 8 lbs of beans, which Tom and myself much want. Our breakfast this morning was fine, toast well buttered and good coffee. Write on recpt. Accept my love for yourself and give Marth [Patty], Mary, Charley and Willey also.

Your affectionate husband

James F. Reed.

Another letter followed.<sup>7</sup>

Santa Cruz, June 1856

My Dear Margaret

I have examined gold gulch from one end to the other and have concluded to risk it for a time. Mr. O. P. Watson is now drawing a lease in your name for the Gulch and its tributaries for Three Years, this I hope will turn out for good to us, I hope to god it may. I can not be home as soon as I expected. I must dig a small ditch and wash a point to get some gold before I see you. My manner of washing will be by hydraulic which will wash a great quantity of dirt in a short time. Write me when you recev. this and let me know how you are, and how you all get along. My dear, I am desireous to see you all but by the time I would get home and back again I would throw me back in my calculations weeks, I want to see what it will do in washing in the large way before I move you over, and I will not do a stroke of work in the way untill I have the papers for the whole of the gulch and all its tributaries with the priviledge of the water. I tried my quart[z] at my camp and got metal. Give my love to all the children and accep for yourself my love. In haste, your affectionate husband

James F. Reed

So what happened? Did he find gold at Gold Gulch? All we know is that James F. Reed did not stay in Gold Gulch or Felton, but returned to San Jose where he became well-known as a civic leader.

He was honored posthumously by the Grand Chapter of Royal Arch Masons

of California on April 19, 1911, as: "The first duly authenticated Master Mason and Royal Arch Mason to arrive in California and on October 23, 1846, across the Sierra Nevada Mountains."

James Frazier Reed found his California gold, but not in Gold Gulch.

### Editor's Notes

- Biographical Note:** James Frazier Reed (1800-1874) was about 56 at the time when these letters were written, his son, James Jr., was about 15, and his son, Thomas, was about 13.

George R. Stewart's *Ordeal by Hunger — The Story of the Donner Party* contains a transcription of Reed's diary, a letter of his step-daughter (Virginia Reed), a roster of the Donner Party, extensive notes, and a bibliography.

The Sutter's Fort Museum has Reed's manuscript diary (February-March, 1847) and his map, "Rough partial tracing of map of the Emigrant Trail — October, 1846: made on the trail," which he made on the overland journey of the ill-fated Reed-Donner Party. The Bancroft Library (UC Berkeley) has a copy of this map.

The California State Library also holds a collection of James Frazier Reed's papers (spanning the period 1843 to 1851) containing correspondence, legal documents, appointments, petitions for land and timber, deeds, contracts, business and military papers.

The Bancroft Library (UC Berkeley) also has manuscript letters written by Reed to his two brothers-in-law (the Keyes) describing his journey to California and gold mining ventures.

Reed was prominent in the early history of San Jose. For example, in the first municipal election, November 29, 1847, Reed was one of six men (3 Hispanic, 3 Anglo) to be elected to the San Jose town council (a councilman, or *regidor*, in the Spanish system of local government, served with the leading civil officer, the *alcalde*, on the municipal board, the *ayuntamiento*). In 1849, a twelve man police force was organized to maintain law and order in San Jose, Reed was its chief.

Reed and others were anxious to retain San Jose as the State Capital. Therefore, during the First Session of the Legislature (San Jose, Dec. 15, 1849 - Apr. 22, 1850) proposals to relocate the permanent Capital to Monterey or Vallejo prompted Reed to offer an incentive to keep the Capital at San Jose; Reed offered (on January 30, 1850) a donation of four city blocks to accommodate the State buildings. He also offered to donate the proceeds from the sale of 168 city lots which he owned. He speculated that this would pay for the construction of the Capitol and other State buildings. (This was, perhaps, the earliest California creative-financing scheme.) However, the delegates to the Legislature had suffered from bad weather, inadequate accommodations, drinking, gambling and a fairly rowdy San Jose. Meanwhile, Mariano Guadalupe Vallejo had offered to donate 156 acres of his land and \$370,000 cash to pay for the buildings required. In spite of Reed's generous offer, the voters of California, in an election held October 7, 1850, chose the town of Vallejo rather than remain in San Jose.

The California State Library holds Reed's Account Book (covering the period 1848-1850) which includes details of his expenses building a San Jose home (his residence address in 1870 was 675 Third Street). His homestead was extensive; it extended from Reed Street on the north to Keyes Street on the south, between First Street on the west to Coyote Creek on the east, just beyond Twelfth and Keyes Streets. Some of the east-west streets that cross Reed's property were named after members of his and his wife's family: e.g., named for his wife is Margaret Street; for his daughter Martha (also known as Patty Reed Lewis): Martha Street; and for his wife's brothers and mother, James W., Robert C. Keyes, and Mrs. Sarah Keyes: Keyes Street.
- See Leon Rowland's essay "Felton was laid out by Edward Stanley," in *Santa Cruz, The Early Years*, Santa Cruz, Calif.: Paper Vision Press, 1980, p. 169. For another interpretation see Donald T. Clark, *Santa Cruz County Place Names*. Santa Cruz Historical Society, 1986.
- The big boulder (of quartz) which yielded \$33,000 worth of gold many years ago is described in State Mineralogist 1888 Annual Report VIII [p. 551], and in the *Santa Cruz Surf* Jan. 28, 1889, page 3, column 4.
- Oliver P. Watson participated with others under the trade name of Graham & Watson Mining Co. The

- claim was filed June 8, 1856, by Issac Brennan, Alvin C. Campbell, Isaac and Jesse Graham, J. C. Hays, Jeremiah D. Marshall, Edward Stanly [sic], William Ware, Jeremiah and Oliver P. Watson. Early the following year, February 27, 1857, the Graham Mining Co. made another claim, and the participants included: B. Bacon, William B. Goss, Ann, Jane, and Isaac Graham, Charles C., James F. (Jr.) and Thomas Reed, William White Waddell, Jeremiah and Oliver P. Watson, and Holden Wing.
5. Major Hensley was Samuel J. Hensley, a former associate of John A. Sutter. On February 11, 1856, Hensley, Isaac Graham, Peter van Canaghan, and Pedro Sansevaln [Pierre Sainsevain was the Grantee of Rancho Canada del Rincon, on which Gold Gulch is located; the Rancho was granted to him in 1843 and patented in 1858.] granted a five-year mining lease to Charles C. Imas, George W. Inskip, John H. Watson, John Fleck, John J. Hinds, John H. Miller, and Nicholas Cushing (all of Santa Cruz County). Hensley was identified as a resident of Santa Clara County; their attorney-in-fact for this transaction was Oliver P. Watson.
  6. The manuscript letter is not clear. Attempts to decipher Reed's handwriting on this name have left doubts as to whom he refers. It might be "Joe" or it might be "Jas." Whether his son James is named, or whether a third person was with Reed has not been determined.
  7. We are indebted to Mary Lee Lincoln and Robert O. Lincoln Jr. of Santa Cruz for providing the manuscript letter and the privilege of publishing its content, as well as access to additional Reed material; e.g., an original, certified copy of the Lease of February 11, 1856, cited in note 5 above. In another letter (but not to his wife), dated 26 July 1857, and signed by Reed, he uses a return address for his ranch at Gold Gulch as "Ocean View Rincon Rancho."

Endnotes by Stanley D. Stevens

### References:

- Arbuckle, Clyde. *Clyde Arbuckle's History of San Jose*. San Jose: Memorabilia of San Jose, 1986.
- Cleland, Robert Glass. *California: The Pathfinders*. Los Angeles: Powell Publishing Co., 1929.
- Dunlop, Richard. *Great Trails of the West*. Nashville, Tenn.: Abingdon Press, 1971.
- Farquhar, Francis Peloubet. *History of the Sierra Nevada*. Berkeley, Calif., University of California Press, 1965.
- Hamman, Rick. *Arrastre; Santa Cruz County Mining Claims & Companies' Miners-Members 1853-1897*. [No beach claims.] Compiled May 5, 1986. Unpublished manuscript.
- Koch, Margaret R. "Santa Cruz County's Own Modest "Gold Rush." *Santa Cruz Sentinel*, 10 Jan. 1965, p. 4. [Includes interview and picture of Robert O. Lincoln.]
- Ligon, Bob. "So Far No Santa Cruz Bonanzas: A Tantalizing Touch of Gold." *San Jose Mercury*, 7 Feb. 1969 p. 21. [Includes interview and picture of Robert O. Lincoln.]
- Lincoln, Robert O. [Notes from interview with R. O. Lincoln while [Margaret Koch was] on the staff of the *Santa Cruz Sentinel*.]
- Power, John Carroll. *History of the Early Settlers of Sangamon County, Illinois*. Springfield, Ill., E. A. Wilson & Co., 1876.
- Reed, James Frazier. [The original letters which were in the possession of Robert O. Lincoln of Santa Cruz in the 1950s.]
- Reed, Virginia Elizabeth B. *Across the Plains in the Donner Party (1846-1847): a personal narrative of the overland trip to California*. Olympic Valley, Calif.: Outbooks, 1977. Reprinted from *Century* magazine, July 1891.
- Rowland, Leon. *Santa Cruz, The Early Years*. Santa Cruz, Calif.: Paper Vision Press, 1980.
- Stewart, George R. *Ordeal by Hunger — The Story of the Donner Party*. Lincoln, Nebraska: University of Nebraska Press, Bison Book edition, 1986.
- Tuthill, Franklin. *The History of California*. San Francisco, Calif.: H. H. Bancroft, 1866.



Santa Cruz County, California, officially the County of Santa Cruz, is a county on the Pacific coast of the U.S. state of California. As of the 2010 census, the population was 262,382. The county seat is Santa Cruz. Santa Cruz County comprises the Santa Cruz-Watsonville, CA Metropolitan Statistical Area, which is also included in the San Jose-San Francisco-Oakland, CA Combined Statistical Area. The county is on the California Central Coast, south of the San Francisco Bay Area region. The county forms