
Envisioning a Commercial Harbor,

1864-1888

When Ranchos San Joaquin and Santa Ana were sold, some interesting entrepreneurs were drawn to the Newport area. Its abandoned beaches and primitive marshlands were about to disappear, as enormous changes loomed. Of those entrepreneurs, two pivotal men, **James Irvine** and **James McFadden**, emerged as leading visionaries, each with markedly different dreams for Newport. James Irvine arrived with a love of the land and plans to prosper by amassing a great deal of ranchland. James McFadden had an entirely different dream—he was going to create a town by dividing his land into small parcels and selling it to as many as would buy. Convinced that the more settlers he could entice to Newport, the sooner it would emerge as an important commercial center, he was Newport's first passionate promoter. While Irvine saw acres of ranchland rich with produce and herds, McFadden envisioned a bustling and prosperous town.

The Irvine Ranch

Since its inception, the Irvine Ranch has been intricately intertwined with the history of Newport. It was established when the debt-ridden Sepulveda was forced to sell his Rancho San Joaquin to Flint, Bixby, Irvine, and Company in 1864. **Benjamin Flint, Dr. Thomas Flint,** and **Llewellyn Bixby** were from Maine, while James Irvine was born in Ireland, the eighth of nine children of Anglo-Irish farmers. In 1846, at age 19, he joined the parade of immigrants crossing the Atlantic to New York. Years later, as the prosperous owner of an enormous ranch and the forefather of a foundation known for its philanthropic generosity, he recalled his trip: "I tell you a boy cast upon the world with not a dollar in his pocket. . . is in a position to appreciate the value of a helping hand."

During that trip he met **Collis Huntington**, soon to become one of the Big Four railroad magnates. Rather than cementing a friendship during that trip, the two visionary entrepreneurs had a disagreement that lasted throughout their lifetimes. When one of the Big Four's railroads, the Southern Pacific, needed to use Irvine's land to extend its rails from Santa Ana to San Diego, Irvine refused. Forced to give a railroad right-of-way through his land, he gave it to the Santa Fe, the Southern Pacific's competitor.

Irvine had spent two years in New York before journeying to San Francisco, via Panama, to participate in the Gold Rush of 1849. In addition to mining, he worked as a merchant, providing food for the ravenous miners. By 1854, he had been so successful that he was able to buy an interest in a San Francisco produce and grocery business. Though he prospered as a merchant, it was the land that attracted him, and, as soon as he had the money, he also began to invest in real estate.

Before long, he joined forces with the Flints and Bixby. When they had amassed enough money by providing meat to the hungry gold-seekers, they journeyed to Illinois to buy sheep. They drove approximately 2000 sheep to California, and, by the late 1850s, had established a wool business. Their timing could not have been better. As soon as they were established, the Civil War erupted. As the war made acquisition of cotton virtually impossible, wool was a welcome and profitable substitute. During the drought years of 1863 to 1865, their sheep, needing less forage, survived, while cattle were perishing by the thousands.

By the end of the drought, they had the cash to buy Sepulveda's Rancho San Joaquin. They were also ready to buy more land when the Yorbas' and Peraltas' Rancho Santiago de Santa Ana was dissolved by court order. Before long, they were the largest landholders in the region, owning over 100,000 acres. James Irvine took the lead in the company's ranch project and, by 1868, had built himself a home for the considerable sum of \$1000 for his wife and one-year old son, **James II**. He focused his attention on ranching and tireless efforts to identify the most lucrative agricultural uses for his land. When he died in 1886, trustees, left in the control of the ranch until

James II turned 25, tried to sell it at auction. When this auction was declared illegal, his young son took over the reins of the huge ranch and accelerated efforts to increase its agricultural production.

James McFadden's Vision

In the 1860s, when the ranchos were being broken up and offered for sale, one early purchaser was James McFadden. One of 11 children of Scottish farmers who had settled in Delaware County, New York and a widower, McFadden first traveled to California in 1868. He visited Wilmington just before journeying to Newport and was immediately convinced that Newport Bay had far more potential than Wilmington as the region's premiere commercial deep-sea port—a conviction he maintained for almost four decades.

According to McFadden's memoirs, printed in the *Santa Ana Blade* of September 7, 1915:

. . . the question of the depth of the water in the so-called San Joaquin slough [Newport Bay] became of interest, and through the assistance of a Mr. Goodrich, who was then the foreman of the San Joaquin Ranch, I secured the services of an old whaler who was herding a band of sheep for Mr. Goodrich, and who owned or secured a flat bottomed boat, and took me over the bar at what he claimed to be mean high tide. I found between 10 and 11 feet on the bar. This was disappointing to all of us, but it was claimed to be more than either Anaheim Landing or San Pedro had at the time.

Disappointed, but not discouraged, he and his brother, Robert, began purchasing land until they had acquired a large portion of the future site of Newport, including the oceanfront of Newport Beach, much of Balboa Peninsula, and the sandbars that were to become its islands.

The McFaddens' plan, quite different from Irvine's, was to sell as soon as possible. They subdivided their land and returned to their homes in the East to wait until enough land had been settled to support a town and, hopefully, the development of a seaport. They were optimistic that their land would sell quickly for the end of the Civil

War and the breakup of the ranchos had spurred migration to California. Intent on escaping the blood-soaked East and inspired by land offered at under \$10 per acre, thousands arrived by steamer and wagon, seeking opportunity. According to the December 19, 1868 *Los Angeles Star*:

Not a day passes but long trains of emigrant wagons pass through town. . . . The great ranchos having been divided up, induces emigration, and we understand land is offered on such reasonable terms as to hold out superior inducements to settlers. For soil and climate, the southern counties are unequalled in the state. They have long been overlooked, and treated with but very little consideration, if not subject to contumely and contempt, but the time has at last arrived, when their waste places will become habitations and their deserts be made fruitful and blossom as the rose.

This parade of settlers increased dramatically when the transcontinental railroad was completed in 1869. With the railroad, travel to California was suddenly infinitely easier. Although most of these settlers sought land away from coastal areas, some did gravitate to the area that was to become Newport, and, before long, the McFaddens sold some of their land.

Vaquero

In 1870, the first *Pacific Coast Pilot* was published, containing strong warnings about the danger of entering Newport Bay:

On the bar there is a very heavy swell in all stages of the tide, rendering it dangerous to cross in boats of any kind. . . . There is no safe anchorage off the entrance, and the low straight beach. . . affords no protection whatever. . . . The attempts to pass the bar were, in all cases, attended with risk, and the entrance may for general purposes, be regarded as impracticable.

Despite the warning, homesteaders and settlers on farms as far inland as San Bernardino wondered about the potential of the unexplored bay. They sought convenient, inexpensive transportation for

their ever-increasing array of produce, and were not content to depend solely on the services offered by either the Port of Wilmington or Anaheim Landing (today's Seal Beach).

Captain Samuel Sumner Dunnels, a hotelkeeper in San Diego who dearly missed his seagoing days, was soon in a perfect position to explore its potential. He found a way to get on the water again by carrying passengers and delivering freight up and down San Diego harbor. The need for his services was so great that, by 1865, he had acquired and launched *Vaquero*, a 105-ton, sturdy, flat-bottomed wood-burning steamer designed for shallow-water river navigation. By 1870, Dunnels had expanded his route from San Diego harbor to include coastal ports north of the city.

As he traveled up and down the coast, he observed farmers' desperate need for an inexpensive and convenient transportation link. He also noted the intriguing, unexplored Newport Bay, then known as San Joaquin Bay, and wondered if it could provide the needed link.

Photo Courtesy of Newport Beach Historical Society



Shallow-draft Sternwheeler Similar to *Vaquero*

Aware of the bar that blocked most ships from entering into its calm waters, Dunnels believed that he had the only boat that could successfully navigate it and was anxious to find out. In addition to seeking a prosperous new port that only he could use, Dunnels was probably seeking a way to avoid the most commonly used port in the area, Anaheim Landing, where he owed a great deal of money.

On September 10, 1870, the *Vaquero*, loaded with 5000 shingles and 5000 feet of lumber from San Diego, entered the bay slowly and cautiously. The entry was successful and uneventful. Dunnels unloaded near the convergence of the upper and lower bays and loaded *Vaquero* with local hay and grain. According to the September 15, 1870 *Los Angeles Star*:

The steamer Vaquero landed a cargo last Saturday at a point east of the Santa Ana River. . . . It is said that a good landing can easily be made at the place referred to. If this is a fact, it is of great importance to those settling on the fertile lands east of the Santa Ana River.

Thrilled that he may have found a “new port,” he soon built a small, temporary wharf there and scheduled regular trips. Also in 1870, Flint, Bixby, Irvine, and Company applied for a wharf franchise in the bay and, by November, it was granted. The location they had selected was adjacent to Dunnels’ wharf, and they offered him use of their wharf. He declined. It was rumored that he refused because of a conflict with the ranch manager. He moved his wharf 200 feet down the beach and applied for a franchise of his own.

This franchise was granted, but Dunnels never used it due to financial woes. When the rush of settlers slowed in the early 1870s, businesses suffered. Dunnels had borrowed a great deal of money and could not withstand a decline in revenue. Additionally, *Vaquero* was more expensive to operate than he had anticipated as she was fueled by wood and burned a great deal on her ocean-going ventures. To compound his problems, Dunnels announced that he was opening up a new port for local farmers. He made a strategic mistake: Anaheim Landing and Wilmington were embroiled in an intense competition for dominance as Southern California’s port. Neither port welcomed the news that a “new port” was about to compete for

the agricultural trade. His Anaheim creditors moved quickly to make sure he was not successful in establishing the new port, by immediately pressing charges for unpaid debts. By April 1872, Dunnels had lost *Vaquero*, and commercial shipping ceased until the McFaddens were able to revive dreams of a commercial seaport.

Naming of Newport

During the early years, Newport had many names. It was sometimes known as Bolsa de Gengara (derived from an early tribal settlement, Geng-Na) and early maps referred to it as Bolsa de San Joaquin. When settlers from the East began to arrive, they wanted a new, easier to pronounce, and more prestigious name, and Newport was perfect. Although there is no proof concerning its origin, most believe that it came from one of two sources:

- * Some credit Dunnels, who returned to San Diego after successfully crossing the bar in 1870, exuberantly proclaiming that he had found a “new port.”
- * Others believe that an Irvine Ranch employee suggested it during a meeting concerning commerce on the bay between the Irvines and the McFaddens.

Whatever the source, “Newport” was soon the widely accepted name for the remote and lonely tidal estuary dotted with sandbars that held such promise.

Transportation Needs Grow

James McFadden returned to Newport in 1873 to try farming the land that had not been sold. Although he planted corn as his staple crop, he also tried a variety of other crops. Although crops grew well, they were soon trampled by wandering cattle. Convinced that he needed to fence his property, he and his brother Robert went to San Francisco to purchase lumber for fencing. He had it shipped, but was surprised to discover that the need for lumber in Newport was

so great that it was sold to other settlers (at a solid profit) before it had even arrived. When the same thing happened to a second shipment, the McFaddens knew they were out of farming and into the lumber business.

James McFadden journeyed East to prepare for his permanent move to Newport, while Robert and their brother, John, stayed to oversee lumber sales and sell land at prices ranging from \$8 to \$15 an acre. The influx of settlers had dwindled and land sales were slow, so slow that Robert even traded some of the land for hogs. Convinced that a convenient sea landing was essential if they were going to sell their land and succeed in their lumber business, they looked again at the marshy bay with the frightening sandbar blocking its entrance and began planning a landing there.

Concerned about the potential competition posed by the McFaddens, the owners of Anaheim Landing leased Dunnels' abandoned wharf and warehouse and employed two brothers named **Wilson**. Once Scandinavian fishermen, they rented boats and tackle, but were actually charged with using their base at the landing to stifle commercial activity in Newport Bay.

Their task became impossible when James McFadden arrived with his new wife and two daughters to settle in Newport, building a house that would be his home for almost 40 years. Totally committed to the promise of Newport Bay, he immediately focused his energy on transforming Newport into the vibrant seaport he envisioned. To do this, he knew that he had get rid of the Wilson brothers and establish his own wharf and landing. He began by petitioning the state for the 20 acres of swampy beach on which portions of Dunnels' wharf and warehouse, occupied by the Wilson brothers, had been built.

By 1876, California agreed that it was swampland and sold it to him as tidelands for \$1 an acre. McFadden then purchased the portions of Dunnels' wharf and warehouse that had not already been granted to him as tidelands and evicted the Wilson brothers. When they refused to leave, the McFadden brothers broke into the warehouse they now

owned, took out all of the Wilsons' belongings and dumped them on a sail on the ground. A fight broke out when one of the Wilsons attacked with a crosscut saw. The good guys won when one Wilson was knocked out and the other tossed into the water. The Wilsons left the area and the McFaddens were free to focus their considerable energy on nurturing bay commerce at their Newport Landing.

The Newport

While working to acquire the land he needed for a landing, James McFadden also commissioned a vessel that could successfully navigate the sandbar. He ordered a 133.5-foot long, 25.5-foot wide steamer that only required 9 feet of water when fully loaded. Designed to have a large capacity, it could carry 1000 sheep, in addition to providing several staterooms for passengers. Weighing 331 tons, it was the first of a group of "steam schooners" that were unique to California. Capable of landing in small, rough coves up and down the coast, they were especially well-suited for carrying lumber from Northern California to the increasing number of settlers who had chosen California as their new home.

While his steam schooner was being built, McFadden improved a trail across the mesa to Santa Ana and brought supplies to Newport by wagon. He also encouraged schooners to venture into the bay to bring much-needed supplies and lumber. He was successful at enticing them through the shallow entrance, and, in the summer of 1875, six small schooners successfully entered the bay, bringing needed supplies. Despite their success, the schooner trade was both difficult and expensive. Requiring perfect weather and favorable silt conditions, it was dangerous even in the best of circumstances. Additionally, only the smallest of the schooners could even attempt to enter the bay, schooners so small that they could not carry enough cargo to net a profit large enough to justify the danger. Although the six schooners were successful at navigating the sandbar and swampy waters during the summer of 1875, all knew that schooner trade was not the convenient and economical option Newport needed, and anxiously awaited the completion of the McFaddens' new ship.

The McFaddens' steam schooner, *Newport*, was completed during the summer of 1875. When she arrived in Newport Bay on September 3, 1875, many believed that she would transform Newport into a commercial seaport. According to the September 11, 1875 *Anaheim Gazette*:

The McFaddens' new steamer arrived at Newport last Friday with a cargo of one hundred and fifty thousand feet of lumber. The arrival was quite an important event in the history of Southern Los Angeles County. The immense number of people in the farming section, of which Newport is the natural outlet, are, of course, deeply interested in having facilities for the shipment of their produce. On Sunday last . . . over 100 persons visited Newport for the purpose of inspecting the vessel and exchanging congratulations on the auspicious event.

The *Newport* immediately began hauling cargo and was soon arriving every other week at high tide with lumber from Trinidad and transporting local meat, grain, produce, wool, and stock to San Francisco. In addition to meeting the needs of local small farmers, the *Newport* was welcomed by James Irvine, as it carried produce and stock for the increasingly prosperous Irvine Ranch. This powerful little steamer ushered in a 25-year era of McFadden domination of regional shipping.

Although the area was still sparsely settled and remote, the *Newport's* first years were good ones. An especially good year, 1876, brought new settlers and new customers for the *Newport*. Another cause for local exaltation was the demise of Anaheim Landing. When the Southern Pacific Railroad completed a spur from Anaheim to Los Angeles, Anaheim farmers no longer needed to transport their stock and produce by sea. They could use the faster and more efficient rails instead. It soon became clear that Anaheim Landing could not compete with the railroad, and it was abandoned. Although Newporters celebrated their victory over Anaheim Landing, the more astute may have seen the victory of rails over sea transport as the first of many that would virtually eliminate sea commerce.

Despite the progress during those good years, commerce in the bay was still a challenge. The average depth of the sandbar at high tide was only 8 feet, a foot less than the *Newport's* draft. The McFaddens had to time deliveries for extremely high tides to negotiate the bar. Adding to the difficulty was the discouraging fact that shifting sands constantly changed the entrance and channel, making navigation even more dangerous. On many occasions, Robert was tossed into the roiling water at the entrance to the bay while helping the *Newport* enter safely, and it soon became clear that something had to be done.

The McFaddens' solution was to build two lighters, barges that were propelled by poling. In addition to helping the *Newport* enter the bay, the lighters were used to transport cargo to the bay from ships anchored outside the entrance. Although an excellent solution to the challenge of low tides and shifting sands, even these lighters were not able to protect cargo when the breaking seas turned the entrance into a maelstrom. During those conditions, lumber was swept overboard, forcing the crew to retrieve as much as they could as it was swept onto the beach. That became such a common occurrence that the McFaddens established a lumberyard on the bluffs so that soaked wood could dry before being sold.

McFaddens' Difficult Years

The acquisition of the *Newport* ushered in several prosperous years for the young settlement—good years for the McFaddens. John took a leadership role in California politics, eventually becoming the Mayor of Santa Ana. James managed maritime business contracts and marketed McFadden enterprises, while remaining an impassioned promoter of Newport Bay. Robert supervised Newport Landing, working and living there until 1884.

Although 1876 was regarded as a good year with encouraging growth in business and the demise of its strongest competitor, Anaheim Landing, it also began a difficult era for the McFaddens.

Despite the prosperity of that year, the drought of 1876-77 sowed the seeds of a depression. The ensuing decline of produce slowed growth, and trade at Newport stagnated.

It also saw the beginning of a four-year disagreement between Newport's founding fathers, McFadden and Irvine. Irvine had bought out his partners in 1876 and gained control of the enormous Irvine Ranch, later certified by the State Board of Equalization to cover 105,000 acres. The same year, when California granted McFadden the right to buy the 20 swampy acres of Newport Bay at \$1 each, Irvine claimed that McFadden had been acting as his agent when the request was submitted and that the 20 acres belonged to him. Irvine demanded his land and threatened to evict the McFaddens from the contested land, including their wharf and warehouse. Newporters watched the conflict with concern, for they knew that if the McFaddens were evicted from their landing, the promising commercial activities of the *Newport* would be severely crippled, if not destroyed.

The conflict lasted until 1880, when a judge declared that the land belonged to James Irvine and that he had the right to evict the McFaddens. Popular opinion did not support the decision. Not only were the McFaddens popular civic promoters, they also provided extremely important shipping services to the young community. Many worried that Newport would wither without the McFaddens. Unlike the McFaddens, Irvine did not enjoy local support. Citizens blamed him for the fact that they did not have a railroad. They knew that his refusal to give the Southern Pacific a right-of-way across his ranch was delaying the completion of a transportation link to San Diego. Irvine was sensitive to public opinion and allowed the McFaddens to continue landing on the beach and to lease some of the contested land. Pleased with the compromise, the McFaddens continued to base their shipping business there and even expanded their warehouse to three stories.

Still, troubles for the McFaddens continued. The sandbar, always challenging, was getting even more difficult to cross. As farmers began tilling the soil, they cleared the willows and brush that had

been trapping much of the silt. Without the brush, the bay and entrance silted up rapidly. The channel soon became so difficult to navigate that the McFaddens had to hire a pilot to help the *Newport* navigate its ponderous journey to their landing. As silting worsened, the channel shifted so often that the pilot was soon forced to sound it before each arrival. Despite his soundings, the *Newport* frequently went aground and cables had to be installed along the route to pull her out of the mud.

In April 1878, the *Newport* was stuck on the bar again amid ferocious waves, endangering both boat and crew. Lifeboats were lowered for the mate and three sailors. When the mate disobeyed orders and rowed directly into the surf, the lifeboat capsized. Watching in horror, the captain lowered another boat for himself and two more crew and began rowing to the rescue. Their lifeboat also capsized in the unrelenting waves, and all seven men floundered helplessly in the breaking waves. While two crewmen were saved, five drowned, including the *Newport's* captain. The McFaddens mourned the loss, and many believe that James never fully recovered from his grief.

Those years also brought what James McFadden considered to be a betrayal. Strongly supportive of eventually getting railroad service to his beloved Newport, he contributed thousands of dollars to the Southern Pacific so that it would extend rails to Santa Ana. As soon as the railroad to Santa Ana was completed in 1877, the Southern Pacific mounted a war against the McFaddens' shipping business by offering cheaper rates to local farmers. For just over a year, the McFaddens continued to operate the *Newport* at a loss of more than \$6000. Finally, in November 1878, they gave up and sold their steamer to the Pacific Coast Steamship Company. Although she continued to journey between San Francisco and Newport Landing each week, her trips north to collect lumber were over forever, and settlers were again forced to depend on schooners for their lumber. Unable to enter the bay, the schooners anchored offshore while lumber was either floated ashore or poled to the landing on one of the McFaddens' barges. Although Robert McFadden continued to operate the landing and act as the steamship company's agent, James McFadden's visionary passion for the commercial potential of the bay no longer fueled the gutsy steam schooner named *Newport*.

Big Changes for Newport Beach

By the early 1880s, the Santa Fe Railroad began to serve Orange County, breaking the strangling monopoly of the Southern Pacific. Finally, the produce from Orange County's rich agricultural land began to bring a profit to farmers. Reflecting optimism and pride, the *Los Angeles Times* reported on August 3, 1883:

A Few Things That Newport Can Crow Over

- * *That we have raised the most corn to the acre than any other locality in the county.*
- * *That we have raised the largest beet that was ever raised in the county, weight 230 pounds.*
- * *That we raise and export more fat hogs than any one shipping point in the valley.*
- * *That we have the best resort for pleasure seekers in the county.*
- * *That we have the advantage over any other place for shipping our produce, either from Newport harbor or the Santa Ana depot.*
- * *That we will soon have a No. 1 pork-packing house; also a large cheese factory is in progress.*

The boom brought growing demands for lumber. For a while, the McFaddens tried to meet the need with the schooners anchored off-shore, but it soon became clear that a new solution was needed. In 1887, after years of agitation, the federal government finally approved an appropriation for a survey to determine the feasibility of dredging and building jetties at the entrance of the bay.

Unfortunately, the difficult entrance again dashed hopes for a commercial port in Newport Bay. Army Corps of Engineers surveyors were forced by fog to spend the night in a rowboat outside the entrance before entering the bay. They were not happy. Several weeks later, their discouraging report was released that estimated a cost of over \$1.5 million to construct two jetties and dredge the bay. According to the 1888 report by the Chief of Engineers, **W. H. H. Benyaurd**:

It [Newport] was at one time the shipping and distributing point for the adjacent county. The construction of the railroad to Santa Ana, 12 miles distant, changed the method of transportation and the business of the harbor declined. One small steamer arrives twice a month from San Francisco. This, with an occasional small lumber vessel, constitutes the carrying trade of the harbor. The cost of construction and maintenance of the works intended to give a permanent increase of depth at the harbor is entirely incommensurate with the advantages that would accrue to commerce.

Based on his report of a minimal amount of trade, Newport Bay expenditures were denied, while large appropriations for the more promising ports at San Pedro and Wilmington were approved.

Despite extreme disappointment with the findings, the report did offer a suggestion that resulted in great changes to Newport. The engineers noted the quiet water off the beach west of the entrance. They recommended a hydrographic survey of the area, for they suspected that the quiet water signified unusually deep water—the perfect location for a large commercial wharf. They were right, and Newport was soon swept into its glorious decade as a flourishing shipping center.

In a few short decades, Newporters welcomed settlers, watched Irvine Ranch prosper, cheered the *Vaquero* and the *Newport* as they struggled through the treacherous entrance to the bay, and saw their hopes for shipping in the bay wither. Instead, by 1888, this young settlement began to turn its attention from its swampy and fickle bay to the promise of a large commercial wharf on their beach. And they watched with hope as it neared completion.

Photo Courtesy of Newport Beach Historical Society



Ladies Walking in Newport, 1906



Photo Courtesy of Newport Harbor Nautical Museum

Parking Lot, 1910