He got a sense of accomplishment from developing this city in so many different ways. I don't feel that you can really say that his motives were completely economic. I'm sure he hoped to make money on his investments in San Diego but I think his view was in the long run and I think that he had a vision of great, great metropolis. I think he worked toward that vision.

Peter Hamlin (PH): John D. Spreckles came to San Diego by sea. He liked what he saw and soon acquired a financial interest in almost every aspect of San Diego's economic life. The transit system, the railroad, the Hotel del Coronado, water systems, newspapers. He was a benefactor who donated a great amount of money to many businesses and civic enterprises. His life is the subject of this seventh program in the series "Twelve Who Shaped San Diego." I'm Peter Hamlin and joining me is San Diego Historian and Chief Historical Consultant for these programs Dr. Claire Crane.

(PH): Claire - John D. Spreckles was the son of a man known as the Sugar King. Could you tell us about his father and also about Spreckles' early business career in San Francisco.

Claire Crane (CC): Well, the father of John D. Spreckles had gone into the sugar business and soon acquired control over the entire sugar crop in Hawaii, and in order to transport the sugar he was also involved in the shipping industry. And then in order to develop a monopoly in sugar, to protect himself from other kinds of competition, he also went into the beet sugar industry and so he had a tremendous amount of money. Despite the fact that this was a wealthy family, all of the children were raised to be hard working and thrifty, all of the traditional old virtues, and so when John D. Spreckles was a young man he went to work in his father's business but he didn't go to work at the top. He didn't go in as a vice president or a manager something like that. He had to learn all of the jobs himself. He worked actually in the factories. He worked on the ships as a result of this kind of thing he knew how to operate all of the machinery. He invented some new processes and he could operate everything on a ship. He was not just a Sunday sailor but he was a real navigator and engineer and shipping was one of the things and sailing boats that he loved best. Although he worked for his father, he quarrelled with his father and so he wanted to become independent and his own ventures initially involved shipping. From the money that he made on transporting sugar and other kinds of goods he invested in other projects and soon became a millionaire in his own right.

(PH): To continue the story of John D. Spreckles we turn to Dana Basney who has written a major research paper on Spreckles for his masters thesis in business administration at SDSU. And as Dana Basney notes in his paper, Spreckles first set eyes on San Diego
When Spreckles first came to San Diego it was by way of the sea. He came in his yacht. I think this is significant in that Spreckles' basic background was dealing with maritime pursuits. He had developed a steamship company on his own, independent from his father's fortune which was made in sugar, and when he came into San Diego I think he was extremely impressed by the great natural harbor that the city had and I think that this was the first thing that really struck him and really made him feel that the city had a terrific potential. And when he came into San Diego we were in the middle of a tremendous real estate boom where lots were selling at the end of a week for 3 to 4 times what they were selling for at the beginning of the week and San Diego has a population of about 60,000. We had all sorts of gambling casinos downtown. Wyatt Earp, the famous frontier marshall, was in San Diego at this time. He had a gambling casino downtown.

When the boom broke because the banks realized that it was ridiculous, the boom was just based on speculation, the banks began to hold back credit on buying land and as a result San Diego's population declined by about 2/3 in a period of a few months when the real estate boom broke. Now Spreckles came in just about the time the boom was breaking and he, in his first visit to San Diego, got together with Elisha Babcock who had done a great deal to develop the island of Coronado, who had built the Hotel del Coronado and had built a water supply system for the island of Coronado. It also had interest in the downtown street car system and Babcock was over-extended by all these projects and eventually wound up selling most of his adventures in San Diego to Spreckles. This was Spreckles' initial initiation into San Diego, through establishing contact with Babcock and buying out most of Babcock's interests although Babcock remained in San Diego and managed the Hotel del for Spreckels. Babcock actually built the hotel himself and Spreckles bought it about the time it opened. It opened just in time to be greeted by the tremendous bust that occurred in San Diego in 1888 after this wave of speculation that had soaked through the city. I think his interest evolved gradually and that he was primarily, most of his activities were primarily centered around Babcock's interests in the Hotel del until about 1906.

In 1906 Spreckles had been living in San Francisco and the San Francisco earthquake struck and he left the city at the time of the earthquake and he came down to San Diego and made it his permanent home after that time. From 1906 on he became much more active in the city of San Diego. Also, from 1906 to 1917, there were rumors of an inter-ocean canal through Panama in the process of being built. Spreckles as a seaman realized that San Diego was the first natural harbor that people coming through the canal would hit. And he felt this is where the development is going to occur because we have the harbor in San Diego, and Los Angeles at this time had no harbor. It wasn't until the late 1890's that the port of San Pedro was built. And this is an artificial harbor that was built by the Army Corps of Engineers and it's not, even to this day, a very
satisfactory harbor. He felt the solution was to, instead of bringing a harbor to Los Angeles was to bring railroads and the trade into San Diego and take advantage of its natural harbor.

(PH): Bringing a direct railine to San Diego proved to be a task fraught with difficulties. In many ways the history of San Diego in late 1800's and early 1900's is the history of the railroad's periodic attempts to establish a direct link with the rest of the country. James Mills is president pro-temp of the California State Senate. As a legislator he's had a consistent interest in rail transportation. Previous to his election he was curator of the Serra Museum and he wrote a brief history of this area called San Diego, Where California Began. He says that to understand the development of the railroad in San Diego one must go back to the mid 1800's.

James Mills (JM): When you go back to the original decision as to whether this area, whether San Diego should be Mexican or American, you start the story because the direction to the American negotiators when they were negotiating the peace treaty with Mexico, was specifically to get San Diego, the port of San Diego because it was intended at that time that the port of San Diego should be a western outlook on the Pacific, a port for the United States on the Pacific and it was of particular interest to the Southern states, and so in the very early stages the first overland mail came to San Diego from San Antonio the jackass mail the expectation was, prior to the Civil War, with that developing and with the Butterfield stage running through the eastern part of San Diego county. All the early expectation were that the railroad, the transcontinental railroad, would cross the southern United States probably to San Diego and with the Civil War the balance of power in Congress changed of course, and the northern states became dominant where Southern seniority had been dominant prior to that time as its tended to be in more recent years in Congress.

The first overland railroad was built further North but there was a discussion and plans developed from time to time to build a railroad across the Southwestern United States into San Diego and there were periodic booms that related to the most recent story that the Texas and Pacific was coming to San Diego or some other railroad enterprise was coming to San Diego. It wasn't until the 80's that the first contact was made as the result of San Diego people and National City people in particular, the Kimballs, contacting the president of the Santa Fe, which in those days intended to reach the Pacific at Guaymas Mexico, where Southern Pacific finally went. That was their early plan and we enticed them, San Diego people and National City people enticed them to agree that San Diego would be forever the Pacific terminal of the Santa Fe Railway by producing 3 million dollars in cash and 7 million in property. A good deal of it is still owned by the Santa Fe railway with the understanding that the line would be built to San Diego. The first line was built through the Temecula Canyon
although it was washed out twice. Ultimately, the Santa Fe, when management changed, reneged entirely on all of its commitments that San Diego would be the Pacific terminal or actually it was that is should be on San Diego Bay. The simple and important consideration is that San Diego was the first Pacific terminal of the Santa Fe and was supposed to be in perpetuity. But the corporation found no qualms of conscience, bothered it when it made the decision that Los Angeles would be it instead. That’s the beginning of the first part of the story and as I said the Temecula Canyon line which was the line that was washed out a couple of times and finally Santa Fe never put it back. It shouldn’t have been washed out because it was clear that where it was going to be built that a winter flood would wash it out and the Santa Fe engineers were told that they shouldn’t build a line down to the bottom of the Canyon but they knew more than any of the local people so they built it low and that was the end of our first connection east. Ever since that time our main connection has been via Los Angeles for all points.

(PH): Well Claire how and when did Spreckles finally become interested in the railroad? In other words did he become financially interested in putting this direct Eastern link into San Diego?

(CC): Spreckles became interested in this shortly after he came to San Diego. In 1906 as a result of the San Francisco earthquake he decided to move himself and his family to this area and he physically of course lived in Coronado. Built a beautiful home there but his business interests were almost entirely centered in the City of San Diego. A Chamber of Commerce Committee for many years had tried to develop enough financing to get another railroad to build through into San Diego so that there would be a direct connection instead of having to transfer everything in Los Angeles and they approached Spreckles and finally around 1906, 1907 he agreed to take this on and the Chamber of Commerce Committee then turned over the materials that they had founded sort of a paper corporation, the San Diego-Arizona Eastern Railroad and Spreckles took this over and said that he would build the railroad and see to it that it was completed through to Arizona which would then mean that it would connect up with other lines and make a direct connection for San Diego with the East. Unannounced to anybody at the time, E.H. Harmelin of the Southern Pacific Railroad Corporation was actually working in secret with Spreckles because the Southern Pacific owned a lot of land in the Imperial Valley area and Harmelin himself was personally interested, finally by that time, in seeing the connection with San Diego Harmelin however died in 1909 and the other directors of the Southern Pacific Railroad simply were not interested in financing this anymore and so from that point on Spreckles used all of his own funds to build the railroad which was not completed until 1919.

(JM): The connection East finally took place when Spreckles decided that he’d sink a lot of his personal money into it and I
didn't think that it was really an economic decision where he thought he would make a normal investment on the money. The indications seem to be that John D. Spreckles decided that his town, and he had a very proprietary attitude toward the town and was inclined to spend a good deal of money just for the betterment of the community, he thought his town longed for a connection to the East and so he put up a tremendous amount of money to build the San Diego and Arizona line from San Diego east to El Centro. It was a difficult and expensive line to build but I don't think that the anticipated traffic ever justified the expenditure and the Spreckles family lost a great deal of money on it.

(PH): Why did Spreckles even bother with the railroad then. On the one hand he could have just quit the whole project and said, "OK, everybody else is leaving me holding the bag so forget it, I'm not going to do it." Another possibility would have been to rebuild the Temecula Canyon Line which Senator Mills described had been built and then was washed out. Why didn't he choose either of those two options?

(CC): Well he didn't choose to rebuild in Temecula Canyon because that would have necessitated buying up the right-of-way from the Santa Fe and he had been working with the Southern Pacific and of course there was this tremendous rivalry between these two railroads. Furthermore, I think he was so heavily invested in the engineering surveys for the route going south that that seemed to be the only feasible way to continue. The other thing is, of course, he could have simply said, "Oh this is too much trouble; it's too expensive" and just dropped it but I think he had made a commitment to the city. I think he genuinely from what we hear about him and so many other connections. I think he genuinely had a real devotion to the city, a kind of civic interest. On the other hand he had personal motivations too. I think he had this kind of dream of developing the city and one of the chief elements in making it economically feasible was to have a transportation connection that would bring freight. Hopefully there was going to be a lot of freight that would travel through the port of San Diego and so always the concept of having a railroad that would connect with San Diego's great harbor has been a dream of many people.

(PH): There is yet another reason why the work on the railroad continued. That also has to do with the importance of San Diego's port.

(JM): I think he related it very much to San Diego as being a naval base. In those days San Diego wanted very much to be an important naval base and Congressman Bill Kettner was doing all he could to bring the Navy here. It was looked upon as a highly desirable sort of industry and payroll. And they were making every effort to do it. It has to be remembered that ultimately when the line was built, it was built mostly during WWI when it was very hard to get steel for any sort of project and in fact it was the
only major railroad building job that was allowed during WWI because of that. It was built originally, as far as the government was concerned, as a strategic railroad; It was a military railroad. It was intended to supply the naval base at San Diego and to supply it in such a way that it wouldn't be vulnerable to enemy attack. In those days they could picture the United States being at war with some foreign power that might send a cruiser to raid along the coast to destroy the rail lines from San Diego north. They didn't want the naval base dependent on, for supplies, a line that was so easily attacked.

(PH): It took 13 years for Spreckles to build his railroad and he spent more than 18 million dollars of his own fortune and yet in the end the impact of the railroad was very modest.

(JM): It was generally a disappointment, certainly a disappointment to the Spreckles family. But if you ever talked to any member of the Spreckles family about that, they remember the whole experience of the SD-Ariz Eastern, the SD & A, also called the Slow, Dirty and Aggravating. They remember that as a very unpleasant memory in the family's history.

(PH): It looks like in the end this huge investment really didn't pay off. What are some of the reasons that it didn’t?

(CC): I think there are probably two major reasons. One of them is that there simply was not the kind of freight volume that would have justified all of this expense. The development of Imperial Valley for example, the hope that these agricultural products and perhaps things that they might have shipped, manufactured goods and so on from Imperial Valley and from Arizona even from New Mexico out through the port of San Diego. This simply didn’t develop. The other thing that happened is that the railroad was completed in 1919. Well, the great era of highway development and the development of automobiles and truck traffic you see occurred just within a few years after that and the trucking business has sapped the use of the railroads. Particularly in this area so that the railroad that Jim Mills recalled, "the slow, dirty and aggravating" has just never been much of an economic asset at all. It just hasn't carried much freight, it hasn't carried any passengers for I guess about 20 years. It's a very spectacular ride. I've talked to people who have ridden through the Carizo Gorge on the train. Many people would like to see that revived simply as a kind of tourist attraction because its such a beautiful ride. But economically, it's not practical.

(PH): I guess our disadvantages in terms of geography are dramatized by the fact that the rail line isn’t running now. It was washed out and hasn’t been repaired.

(CC): That's right.
One other aspect of transportation that Spreckles became involved with, actually beginning with his early visits to San Diego, was the street car system that operated in San Diego for many years.

We had a very good street car system and it was in fact owned by Spreckles. He acquired different companies. There was competition. We had a cable car line and horse car lines and electric lines and so forth. Actually we had one of the earliest electric lines in the U.S. It ran to Old Town from Downtown. Spreckles pulled it all together and made one system out of it. It was a very good system. Some parts of it were excellent. The La Jolla Line was a first rate inter-urban line. I think that the running time between downtown La Jolla, maybe I shouldn’t say downtown La Jolla, between the business area of La Jolla, there was Fay Street and Prospect, between that point and downtown San Diego. I think it must have been about 1/2 the time it takes now on the bus. They travelled quite fast when they ran. They had their own right of way. They weren’t mixed up in traffic very much of the time and therefore they could run quite fast. They had an interesting system because the cars that often go out of downtown San Diego, three cars coupled together, when they go to Ocean Beach, they’d drop off the Ocean Beach car and it would peel off, disconnect, while the cars were in motion and go off to Ocean Beach and then they’d drop another car in Pacific Beach and just one car would go on to La Jolla. It was a very efficient use of equipment. On the way back in, the La Jolla car would pick up the Pacific Beach car and the Ocean Beach car but they wouldn’t be the cars that they had left on the way out. They would be the cars that a later La Jolla car had taken out. They had a situation where the motor man took over duties as conductors on that type of run. It was quite a ride. They really flew. When they went across the flats by Mission Bay, they were really traveling, they must have gone 60 or 65 mph.

These San Diego street car lines were being built during a time of rapid and widespread growth and in fact the city’s rail transit system had a tremendous impact in terms of directing that growth.

If you look at the pictures, the photographs, of the #7 line being built on University Avenue for example, you see a line being built on a street with no houses on it. There are two or three houses in the picture. The building of the line created very intense development. Quite different from the development that’s resulted since we’ve become dependent on the automobile. So, even today, when you consider which bus lines are successful, which ones come close to paying their way, they’re all bus lines that were street car lines without any exception. The bus lines that go into other areas that weren’t served by the street cars are invariably losers. None of them pay their way. The #3 line from Mission Hills down into southeast San Diego, #1 line, the #7 line, those
lines are much more profitable and much better used by the public because they go where the street car lines were, because the street car lines created the development and because they created a fairly intensive kind of development, and a development that was easy to serve with public transportation.

(PH): Senator James Mills, President Pro-Tem of the California State Senate.

Well, Claire, did Spreckles see the effect of his streetcar system on development? Did he lay out the lines with a specific intent of making development happen where the lines were?

(CC): Oh yes, he knew what he was doing. He is credited with saying that "transportation determines the flow of population." Spreckles very consciously had this in mind in terms of the way new subdivisions would develop. In order to help promote those new subdivisions, he usually built some kind of a tourist attraction at the end of his streetcar line. For example, out at the end of the Mission Hills line he built Mission Cliff Gardens which for a considerable period of time was a sort of amusement park to go to. This was before any real development had taken place in Balboa Park. Then in Old Town he bought the Casa de Estudillo and it was renamed Ramona's Marriage Place and this became a tourist attraction there. In Mission Beach he built what became known later on as Belmont Park. All of these were devices to encourage people to ride on the streetcar lines and of course as those developments took place, as new subdivisions were laid out there, then the dispersal of population out from the initial center of town took place. It made it possible for people to build their homes and to line in these areas a little farther out than downtown. What happened as a result of the dispersal of population, is that the older subdivisions, the older residential areas right around the heart of the city of San Diego, for instance, began to decline in popularity as people left them. The old subdivisions of Golden Hill, Logan Heights, Bankers Hill, Florence Heights and so on. All of these which had been developed prior to 1900, they were all the first built up in the 1880 and 1890's. Well when you get the streetcar system in there, around 1900, then people began to build in Mission Hills and Pacific Beach and elsewhere in the early 1900's and particularly in the 1920's there was a big building boom and so then the older subdivisions were abandoned you might say by people whose children at any rate and newcomers wanted to move out to new subdivisions. So it really had profound impact on the development of the city and it started the process of the decay of the inner city which of course the automobile simply reinforced during the 1920's, and then again after WW II the development of the freeway system and subdivisions much farther out from town, 20-25 miles, all of this has hastened the decay of the inner-city.

[The remainder of this program is yet to be transcribed.]