

## THE DEMISE OF CALIFORNIA'S RANCHOS

By John S. Caragozian

Under Spain and Mexico, much of California's agricultural land was granted to military veterans or influential families. Eventually, these granted lands—known as ranchos—accounted for more than 13 million acres (almost 21,000 square miles) in California, including almost all of the coast between San Francisco and San Diego.

Under American rule, however, most of those ranchos shrank or were lost by the Mexican grantees. The ranchos' demise illustrates how some Mexican laws, economic structures and culture were incompatible with their U.S. counterparts.

As background, California's non-Native population under Spain in the late 1700s was sparse, owing to the difficulty of transportation and communications between mainland Mexico and California and to California's arid climate. To encourage colonization—and discourage other imperial powers with designs on California—Spain began land grants.

Some of these grants were in small, newly created towns (called pueblos) or forts (presidios). Spain granted each pueblo or presidio in present-day Los Angeles, Monterey, Santa Barbara, San Francisco, San Jose, San Diego, Santa Cruz, and Sonoma four square leagues (approximately 27 square miles), parts of which could then be distributed to colonists from Mexico.

Outside of the presidios and pueblos, most of the valuable land was already held by the 21 Franciscan missions, theoretically in trust for Native Americans. Spain barred the granting of any mission lands, but perhaps 30 large grants of non-mission agricultural land were made to military veterans on condition that grantees grazed livestock on and improved the land. *See* W. W. Robinson, "Land in California," 55 (1948).

In 1821, Mexico gained its independence. In 1833, Mexico "secularized" the missions, stripping them of their lands. California's Mexican governors then sold or granted millions of acres of former mission lands. (My Nov. 28, 2021 Daily Journal column, "Few Heroes," dealt generally with how Native Americans – the missions' ostensible beneficiaries – lost out from secularization.)

Beginning in 1834, Mexico accelerated grants in an attempt to further increase California's Mexican population. Mexican law allowed grants of up to 11 square leagues (or almost 50,000 acres), though some grants exceeded this limit. Over time, Mexico issued a total of approximately 800 grants (including a few re-confirmations of Spanish grants), almost all to Mexican veterans and influential citizens. A few grants in California's interior were made to foreigners. The grants had conditions, including grantees' occupation of, surveys of, and improvements to the land.

These large land grants outside the pueblos and presidios became known as ranchos, where the primary activity was grazing of feral cattle. Ranchos were organized on a feudal basis: under the owner, each rancho had its own vaqueros (cowboys), blacksmiths, weavers, carpenters, tanners, laborers, and other workers, many of them Native Americans. The ranchos' only trade was selling hides and tallow to American and British ships in exchange for manufactured items. *See generally* Richard Dana, "Two Years before the Mast" (1840).

In 1846, during the U.S.- Mexico War, American armed forces conquered California. The 1848 Treaty of Guadalupe Hidalgo ended the war, ceded California and present-day states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming to the U.S. and guaranteed to Mexicans their property rights.

Coincident with the treaty, gold was discovered in Coloma, transforming northern California. In 1848, California had only 14,000 non-Native-Americans. By 1850, 100,000 more people, mostly Americans, rushed into the Bay Area, Sacramento, and the gold regions. Still more in-migration continued after California became a state in 1850.

Many Americans failed at mining and began to look at business, farming and ranching as alternatives, but Bay Area and Sacramento land was subject to prior pueblo, presidio, or rancho grants. Americans' inability to acquire any of this prime land prompted decades-long legal, economic, and cultural conflict.

In 1851, the U.S. Congress enacted a structure for establishing American-style titles for Spanish and Mexican grants. All grantees had to present evidence of their grant to a three-member U.S. lands commission headquartered in San Francisco. The commission also took evidence from opposing parties, whether the U.S. or other claimants. The losing party could appeal to the U.S. District Court and could further appeal to the U.S. Supreme Court.

Some historians have questioned whether this process, which put the burden of proof on the Mexican grantees, comported with the Treaty of Guadalupe Hidalgo's guarantee of Mexicans' property rights. *See, e.g.,* Robinson, *supra*, at 99-100. However, it was difficult to propose other practical solutions, especially with grants having vague boundaries (sometimes rocks or trees), poor documentation, and questions about compliance with conditions.

Despite this burden, more than three-quarters of all Spanish and Mexican grants were confirmed, with grantees receiving formal, recorded title. *E.g.,* George Cosgrove, "Early California Justice," 31 (1948). The commission and courts took a "liberal" view of grants, often excusing poor (or non-existent) documentation and failure to perform conditions. *See* Robinson, *supra*, at 105; *Fremont v. U.S.*, 58 U.S. 542, 553-65 (1855). Of the rejected claims, many were plainly fraudulent or made after the U.S. occupation. *E.g., Redman v. U.S.*, 20 F.Cas. 397 (N.D. Cal. 1857).

While the 1851 land law produced mostly favorable rulings for grantees, grantees nonetheless faced a host of severe, practical problems. First, the legal process was expensive. With grantees

lacking cash, they paid their lawyers with interests in their lands, and often little remained after the lawyers' fees. See Cosgrove, *supra* at 29.

Second, the legal process was protracted, with an average of 17 years between the initial claim and the final recording of the deed. The long-delayed recording hobbled the grantees in, for example, evicting squatters or selling land.

Third, lack of liquidity rendered grantees unable to pay taxes and other expenses. Desperate, they borrowed money via mortgages at exorbitant interest rates, 10% per month or 3% per week, and faced foreclosure when they defaulted. See Leonard Pitt, "The Decline of the Californios," 100-01 (1966). All in all, "[m]ost claimants were bankrupted in the process of getting clear titles." Robinson, *supra* at 106.

Fourth, before and after title confirmations, American squatters encroached on grants, even where grantees' ownership was clear. Part of the problem was cultural, in that many American settlers were unused to such large tracts locked up by single owners. As a U.S. Supreme Court Justice opined, Spanish and Mexican grants excluded "the honest [American] citizen of small means" from access to the large ranchos, which were characterized by "avarice and monopoly." *Arguello v. U.S.*, 59 U.S. 539, 551-53 (1855) (Daniel, J., dissenting).

Squatters stole livestock, harvested crops, and cut timber. Surveyors engaged by grantees were attacked and their equipment destroyed. Government officials—including California's governor—juries, and courts often sympathized with the squatters, refusing to act even when grantees' rights were undisputed. Where local officials were willing to enforce grantees' rights, hundreds of squatters in different locales reacted with violence, killing grantees and officials. *E.g.*, Pitt, *supra* at 93, 95-96; Robinson, *supra* at 114, 126.

Fifth, weather ruined grantees who had somehow survived the other difficulties. In the 1861-62 winter, massive floods throughout California drowned livestock and washed away buildings, fences, and other improvements. Perversely, flooding was followed by a devastating 1862-64 drought. For example, in the ranching center of Los Angeles County, 70% of cattle died during the drought, and the county's total assessed property valuation dropped by more than half. Statewide, 40% of cattle died, and California lost fully one-quarter of its wealth. See Pitt, *supra* at 245-47.

Finally, the nature of California agriculture was changing. Improved transportation, especially railroad connections to the rest of the U.S., allowed Californians to produce new crops and livestock and sell them into a national market. Soon to follow were large-scale irrigation, mechanization and scientific advances (ranging from livestock breeding to crop hybrids). Many cash-poor rancho grantees, however, had little ability to take advantage of these capital intensive improvements.

These factors eventually overwhelmed the ranchos. In the first decade of statehood, the 1850s, almost all California land holdings valued at \$10,000 or more were owned by grantees. By 1870, grantees owned only one-quarter of that land, and the ranchos continued to shrink as

California's economy further changed. Today, the old ranchos survive in the form of place names such as Lompoc, Los Felis (Feliz), Malibu, Merced, Napa, Ojai, Saucelito (Sausalito), Simi, and Topanga.

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