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The California Cattle Boom, 1849-1862

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An abrupt shift from the Hispanic pastoral to single-purpose American entrepreneurism during the **Gold Rush** marked the beginning of a spectacular cattle boom throughout California. Prior to 1848 California cattle were commercially valuable only for their hides and tallow, and the average price of full-grown steers seldom rose above four dollars a head. The Gold Rush created an enormous and ever-expanding demand for beef, raising the price of cattle to levels never before dreamed of in the isolated territory, destroying the existing balance of economic and cultural values, and transforming the ungainly Spanish black cattle into four-legged gold nuggets. In response to the urgent demand for livestock in the mines and the new cities of San Francisco and Sacramento, the custom of slaughtering cattle for their hides and tallow immediately gave way to the more profitable practice of driving the animals to market to sell as beef on the hoof.

Tens of thousands of cattle were driven up the coast valleys and the San Joaquin Valley to market, until the extension of Southern Pacific rail lines to southern California made the practice obsolete. The cattle lived off the country they traveled through, usually after the completion of winter rains when the new grass was well established. The average herd of 700 to 1,000 animals might be a month on the trail from the southern ranchos, traveling about 10 or 15 miles a day. The owner might lease land near the market area where the stock could rest and fatten at the conclusion of the drive, or would sell cattle to agents or buyers who traveled out from the larger cities to inspect and purchase entire herds at the point of departure.

Cattle prices rose immediately in response to the unprecedented demand, and continued to rise for nearly seven years. Beef cattle sold for as much as $75 a head in San Francisco, or up to $30 or $40 per head when purchased at a distant rancho. Newcomers told of the extravagance with which the Californios disposed of their new-found wealth, and expressed shock and dire warnings that their improvidence in failing to restock their herds would cause them grief in the near future. In fact, the

Californio corner on the beef market was soon disrupted with the arrival of midwestern and eastern beef brought in from Missouri by entrepreneuring young drovers. By the end of 1853, 62,000 head had entered the state over the main immigrant roads, and were pastured in the San Joaquin and Sacramento Valleys while awaiting market.

The growth of the sheep industry in California during the same time period also contributed to the decline in cattle prices by the close of 1855. By 1856, prices had dropped to $16-$18 per head. Rancheros found themselves heavily in debt and totally unprepared for the staggering interest rates charged by American lenders. Mortgaged ranchos were lost, and the Hispanic identity of California diminished as the subdivided ranchos changed in character to predominantly New England style farmsteads. The intolerable economic situation was worsened by a succession of disastrous seasons bringing unprecedented floods and killing droughts.

California was ideal cattle country, with unending miles of green grass carpeting the hills with the annual winter rains. When the rains ceased in April, cattle found an abundance of nutritious pasture in the dry alfilaria and burr clover that covered the ranges. Beginning in 1862, however, a series of climatic misfortunes paved the way for a major revolution in the dominant economy of the state. Prolonged rains began in December 1861, causing floods that paralyzed business and travel and drowned thousands of head of cattle, destroying possibly a fourth of the state's taxable wealth. The Central Valley became an inland sea with runoff from the coast ranges and Sierra Nevada. The loss of cattle throughout the state ran to about 200,000. When the rains finally ceased, they had produced a rich and luxuriant pasturage that fattened cattle and increased stock in an already overburdened market. The great flood, however, was followed by two years of unparalleled drought. Cattle prices dropped lower and lower as the drought continued, and enterprises such as wealthy stockmen Miller and Lux purchased starved cattle from the ranchos at $8 per head. A few months later, cattle were routinely slaughtered for the trifling value of their horns and hides. Only those who had the means and mobility to drive their cattle to the Sierra Nevada, or in the case of Miller and Lux, to Oregon, were spared nearly absolute losses. In addition to losses caused directly by the drought, thousands of weakened cattle fell easy prey to mountain lions, bears, and coyotes. When the drought ended, the cattle business had passed from dominance in California's economy.

Following the period of devastating drought, stockmen most able to recoup their losses were those who were principals or contractors with widespread stockraising corporations. Henry Miller, of the partnership of San Francisco based Miller and Lux, was one man that not only suffered few losses but was able to benefit from the abominable economic situation suffered by the majority of California stockmen. The cattle empire built up by Miller and Lux controlled millions of acres in California, Nevada, and Oregon, and profoundly affected the settlement of the San Joaquin Valley.

Henry Miller was a German immigrant who completed his butcher apprenticeship and left for New York in 1846 as Heinrich Kreiser, worked in New York at the butcher trade, and arrived in California in 1850 as Henry Miller, a name borrowed from the non-transferable steamer ticket he had purchased from a friend in New York. Miller built up a thriving butcher business in San Francisco, purchasing cattle at first from the stockyards in the city, then from stock ranchers in the Santa Clara Valley, San Joaquin Valley, and the San Francisco peninsula. He went into partnership with Charles Lux, a former competitor, in 1858, and became the field agent and purchaser for the company while Lux managed the business office in San Francisco. Miller's first land purchase was the Rancho Santa Rita in Merced County from the outfit that had purchased it from the original Mexican grantee. Miller's pattern for later large purchases was to buy out one heir of a rancho, raise cattle on the land as tenant in common with the remaining heirs, then buy the others out. Miller also loaned money to struggling cattle ranchers on future profits, foreclosing on the loans when sales did not meet expectations. The corporation acquired vast blocks of the public domain using ingenious ways of circumventing the letter and spirit of the Homestead Act, and accepted government land script as currency from former soldiers. Miller paid employees of the corporation to file homestead claims under agreement to sell it to him when proved up. Deed records in Merced County indicate that Miller and Lux were Grantees in 287 instances of land transfers, most in 160 acre Homestead blocks, between 1863 and 1887. Under application of the Swamp Lands Act to California in 1850, Miller was reimbursed for the purchase of a continuous strip of land from the Santa Rita to Orestimba Ranch as overflow lands along the San Joaquin River. Miller and Lux monopolized cattle grazing lands on the west side of the San Joaquin, and employed descendants of the earliest Mexican families on the ranch holdings. Consequently, the western part of the San Joaquin Valley retained its Mexican period lifestyle much longer than did many other parts of California after American domination.

The Miller and Lux holdings in Monterey County included all of Peachtree Valley, and in Kern County they shared the title of the county's largest landowners with the Kern County Land Company of Haggin and Tevis. Both corporations were responsible for nearly all of the major drainage projects and canal systems of the southern San Joaquin Valley.

A major water rights decision in favor of Miller and Lux grew from a celebrated battle between the two giants over Kern County water use in 1886. That litigation set the state water rights doctrine in favor of riparian rights over that of the right of prior appropriation, and set the stage for development of irrigation districts in the valleys to deal with water use and distribution.

The shift in economic dominance from cattle raising to grain farming was marked by a shift in political clout from the stockmen to the farmers with the passage of the "No-Fence Law" in 1872. This was actually the repeal of the Trespass Act of 1850, which had required farmers to protect their planted fields from free-ranging cattle with the construction of a fence 4 1/2 feet high of stone, or 5 1/2 feet high of lumber or rails, or a 5 foot hedge if they wished to receive payment for damage done to crops by ranging cattle. The repeal of the Act required that the stockman fence his stock in, rather than the farmer fence them out. The law did not apply uniformly to all California counties; predictably, those within the overview area that depended greatly on stockraising were exempt, likely because of the enormous expense of fencing large grazing tracts. It was this law that stimulated the tremendous increase in barbed wire patents during the 1870s, making fencing a more feasible financial burden for the cattleman than it had traditionally been.

Sources:

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