

*Shady Dealings? Daniel Freeman's Failed Centinela Land Company*  
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Los Angeles is—dare I say—a fun place to study, if for no other reason than the popular images of the city that constitute both its baggage as well as its points of study. Urban sprawl is one such familiar LA image, an evocative one of raw, unchecked, even frenzied development. Today, I want to peer back into the early history of this growth *cum* sprawl, even before the boom of the 1880s which began Los Angeles' march to a great metropolis, and examine, as my audience already knows, Daniel Freeman and the Centinela Land Company's attempt to subdivide and sell Freeman's Rancho Centinela in 1874 and 1875. The venture failed for odd reasons, but its history offers insights into areas of Los Angeles history worth examining. These include women's property rights, the inner workings and business ethics of economic elites in Los Angeles, and approaches to developing land at that time, which also provide context for Los Angeles' growth, especially that of the 1880s. Finally, the study of this topic may suggest trends in current historiography on LA, now a major focus of study in Western American history.

Having justified my paper, let us turn to two of the main actors of this story: the Rancho Centinela and its owner, Daniel Freeman, a Los Angeles businessman and land owner in the late nineteenth century, and father of Inglewood. Their story can be told because of the archival collection documenting the relationship between the two: the Daniel Freeman Family Papers, at Loyola Marymount University. This is a large collection, and at its heart stands the just mentioned documentation recording Daniel Freeman's history on the rancho

As the Freeman Papers show, the Rancho Centinela was in fact two ranchos, with a long history before their ownership by Daniel Freeman. One of the two was the Centinela, held by the Machado family, the other the Sausal Redondo, held by the Avilas, both carved out during the time of the great land grants of the 1830s, by the Mexican government. By 1868, to make a long story short, both ranchos had made their way into the hands of a Scottish baron, Sir Robert Burnett, under whom, the two ranchos often were synonymous with the Rancho Centinela, and I shall generally use "Rancho Centinela" to designate both for the rest of this paper.

Burnett controlled not a bad chunk of land, for together the two ranchos sprawled over nearly 25,000 acres, making them together one of the great ranchos of Southern California. You can see the lands from this later promotional map from the 1880s. Today they contain such cities as Manhattan Beach. In short, what is outlined is that part of Los Angeles County now called the South Bay, a stronghold of southern California surfing culture, home to most of the United States Olympic beach volleyball team, and perhaps most importantly of all, home to the Beach Boys.

Sir Robert and his American wife left the rancho in 1873 to assume his family's estate in Scotland. He did find someone, however, in April of that year to take over his rancho—Daniel

and Catherine Freeman, immigrants from Canada, who had come to California in January of 1873, ostensibly because of Catherine's poor health. Some thirty-six years of age when he became a Californian, Freeman was an industrious fellow, who had been a teacher, lawyer, and businessman in the province of Ontario.

Why Burnett chose the Freemans, I cannot say. At any rate, he did, but note carefully, though, when I say "Freemans", I do mean both the Freemans, for their acquisition was somewhat curious. It was to Catherine Freeman, not to her husband, to whom Burnett assigned the rancho, and the contract called for her to not to buy the rancho, but to lease it, with an option to buy.

Why a lease instead of outright purchase? My guess is that Burnett only leased the lands to Catherine Freeman, with an option to buy, because the Freemans lacked the money to buy the Centinela outright, a supposition supported by evidence that I'll now introduce.

The lease in Catherine's name was probably a ploy on Daniel's and Catherine's part to protect their financial assets because the Freemans were fleeing financial problems in Canada. Their Canadian financial troubles are evidenced by the fact that Daniel Freeman was sued in 1878 for failure to pay off a mortgage of \$3000 from the Canada Life Assurance Company. Dated January 21, 1873, the mortgage was signed by both Daniel and Catherine, before they had left for sunny California. As a side note, I should mention that Freeman settled the lawsuit in 1885 by paying off the mortgage, thereby acknowledging his culpability in this matter. In short, a suspicious person could maintain that Catherine and Daniel had taken out the loan, because they lacked money, and skipped town for California. And, although I have no proof of this, this problem with the mortgage may indicate greater financial problems besetting the couple.

If my hypothesis is correct, Daniel Freeman came to California with financial debts that he may have not had any intention of satisfying. Furthermore his assets in California would require protection as well in case creditors came calling. Such a haven for Daniel Freeman existed in the form of the property rights that wife Catherine could exercise in California.

To demonstrate this let me explain briefly women's property rights in 1873 California—and for this information I thank Dr. Cara Anzilotti, of the Department of History at Loyola Marymount University. Building on women's property rights in the California State Constitution of 1850, the California State Legislature reaffirmed these rights in 1872, including wives' property and income rights separate from those of their husbands. This meant, for example, that women could inherit property free from their husbands' debts. As a side note I should mention that marriage law in Ontario, as of 1859, shielded a wife's property from her husband's creditors.

Hence, the Freemans put the transaction in Catherine's name, a move legally shrewd, and one that would allow Daniel and Catherine a defense from the possible claims of creditors. Such

legal deftness was possible on Daniel's part, for, remember, he was a lawyer and would have understood the legal possibilities of a lease in Catherine's name only. I should also mention that the Freeman Papers greatly lack personal correspondence, and none at all from Catherine recording her thoughts and wishes in this matter.

Meanwhile back at the ranch, there is no doubt in my mind that Daniel Freeman had big plans—big financial plans—for the Rancho Centinela. He had taken steps to secure these plans with this lease, which would allow him to reap the profits of his hoped for financial windfall. And as a Southern Californian Daniel Freeman would have been aware of the steady development of towns from ranchos at that time and place, as developers had broken up many ranchos for sale, and commanded good prices. Numerous examples can be cited: those contemporary with Freeman include the town of Downey from the Rancho Santa Gertrudes, beginning in late 1873. Land was selling for \$12 per acre, and with the Rancho Centinela comprising 25,000 acres ... well, you do the math. As Freeman would note (in 1875): "There is a fortune in this for a man with capital." And by "this" he meant the sale of the Centinela.

Within a year of Catherine's leasing the rancho, the Freemans took additional steps to protect their interests. The major evidence for this comes from the will of Catherine Freeman drawn up on April 10, 1874, and a codicil added on August 20, 1874. This will proved sadly necessary, for she died on November 9 of that year.

Key for my purposes here is the clause in the will that bequeathed all property to her children; Daniel was only to manage it for them. This kept the Centinela out of Daniel's direct legal possession, probably to keep it out of the reach of creditors. Catherine also stipulated that Sir Robert convey the lease with the option to buy the rancho to Daniel. In addition Catherine's will granted the right to Daniel to alienate the land of the rancho, subject to certain trusts, such as Daniel's right to handle money from land sales as he saw fit. In short, Catherine had set up Daniel Freeman to run the ranchos without restriction, including their sale.

The provisions for Daniel's role in the management of the rancho were not yet complete, for in August 1874 Catherine added a codicil to her will, which excused Daniel from the laws of probate of the State of California regarding the sale of Centinela land. This only confirmed what we have already seen: Daniel was to enjoy a free hand in managing the Centinela.

The will and its codicil evidence that Daniel Freeman planned to sell the rancho, which I believe was undoubtedly his primary goal in acquiring the Centinela. In his plans for the rancho Freeman was anticipating all that might interfere with its sale—even his wife's death, which they perhaps saw as coming; thus, the legal protections developed in Catherine's will and subsequent codicil. Only two months after Catherine added the codicil to the will, we have the first evidence of Daniel Freeman taking concrete steps to sell the rancho. Through a letter dated October 18, 1874,

Freeman contacted William H. Martin, general agent for the California Immigrant Union. The California Immigrant Union, from its founding in 1869 in San Francisco, was dedicated to bringing settlers from the eastern United States and from Europe to settle in our state, and the Union promised support to groups that could make use of immigrants to California to settle land. Hence, Freeman's reason for contacting the Union.

Martin responded in a letter dated October 24, 1874, in which he enthusiastically encouraged Freeman that "we can make a success of it," with "it" undoubtedly referring to the sale of the rancho, or at least part of it. He would meet with Freeman after November 9, when Martin had finished the business of selling off the Rancho Lompoc in Santa Barbara County.

The meeting must have taken place, for Freeman and other leading members of the Los Angeles business community incorporated the Centinela Land Company on November 21, 1874; the California Immigrant Union took credit for a key role in the formation of the Company. The articles of incorporation provided for capitalization of the Company through the sale of stock, which is a key point since the Company would rely on this to buy the rancho. The company's goal was to establish a "colony," colony in this sense meaning a group united in the purpose of acquiring tracts of land together and then using them as they saw fit.

The company's officers and board members were figures of consequence in Los Angeles and shared common business interests. President Francisco Pliny Fisk Temple, with his father-in-law, William Workman, owned the ill-fated Temple-Workman Bank. It is worth noting that the company deposited stock certificates in this bank, although I do not believe that the bank's collapse in late 1875 was the reason for the company's downfall. President of the Los Angeles County Bank Company, Treasurer Jonathan Slauson also sold real estate, and board member Ozro W. Childs was a major stockholder in Slauson's bank, as was fellow board member J. M. Griffith. In addition Temple and Slauson were, or would be, partners in the Los Angeles and Independence Railroad. Former Union General James Shields was designated the managing partner.

I point out the common business ventures of the Company's board members to demonstrate how in Los Angeles these capitalists, as they were called then, participated in numerous money-making ventures, often as partners. All this suggests how strongly interlocked business relations were in nineteenth-century Los Angeles. Also worthy of note is that three of the men were immigrants: Shields from Ireland, Workman from England, and Freeman from Canada.

After incorporating, the Company launched that essential facet of any development in California: newspaper publicity. Notices about the new company ran immediately in December in such local newspapers as the Los Angeles Star, Los Angeles Herald, and Wilmington Enterprise.

This work of publicity extended statewide; noteworthy is an article in the *San Francisco News Letter* by J. Ross Browne, an Irish-American author of travelogues and a resident of the Bay Area. In what was undoubtedly difficult for a resident of the Bay Area to do, Browne in his article humbly admitted that Los Angeles in many ways had become as civilized as San Francisco. Browne demonstrated the advantages of settlement at the Rancho Centinela, by evoking images of Southern California that have hardened into tiresome stereotypes annoying to this day: the glory of Southern California's climate reflected in its constant sunshine, which would in turn prove an irresistible draw for easterners desperate to escape the harsh weather of their home, the dreary East. Browne also cited the citrus industry as a marker for the good climate, and productivity and bounty of Southern California. In fact, Browne's article illustrated the central themes of advertising—fine weather and productive land, especially in citrus—that the Centinela Land Company counted on to draw buyers to its colony.

The vigorous efforts of the Centinela Land Company and the California Immigrant Union to implement the sale of the rancho during late 1874 had occurred, of course, within the context of Catherine's death on November 9, 1874. This had not deterred Daniel Freeman from quickly realizing his plans for the Rancho, though.

Catherine's death had ramifications for his business, of course, besides whatever personal loss Daniel Freeman suffered. Her will had to go through probate to take effect, but the will was not probated until December 29, 1874, more than a month after Freeman and his cronies had birthed the Centinela Land Company. This suggests a worrisome haste at best and alarming rashness at worst on the part of the company's directors, since the legal foundation necessary for the legality of their plans was not in effect. Perhaps in their defense they knew that it was foregone conclusion that courts would approve the probate of the will, but still....

Even more worrisome for the prospects of success for this venture was the fact that the Freemans had never owned the rancho, and Daniel Freeman did not own it at the time of the incorporation of the Centinela Land Company. In fact Daniel Freeman did not finally complete the laborious process of buying the rancho from Sir Robert Burnett until 1885 to the tune of \$155,000. Although this does not mean that Burnett was not involved earlier, I have found no evidence that the Company or Freeman or both ever informed Burnett of their plans for the rancho until March 28, 1875, when Freeman wrote to Burnett that he had elected to buy the rancho under the terms of the original lease with Catherine.

Such a hitch seemed to trouble little the gentlemen of the California Immigrant Union and the Centinela Land Company, who in their advertising claimed that the rancho was in their hands. J. Ross Browne in his *San Francisco News Letter* article cites without hesitation Daniel Freeman as the owner of the rancho. Browne's motives in writing this may have been suspect: he held ten shares of stock in the Centinela Land Company. Later newspaper advertising would note that the

title was U.S. patent, which was true: the U.S. government had settled the patent on the rancho in 1872, with the Avila heirs, not Burnett. Freeman himself did not obtain patent on the rancho until sometime before April 5, 1875, well after the promotion was in full swing.

The Centinela Land Company was not unaware of the dilemma—in fact Daniel Freeman and the Company had hammered out an agreement on November 23, 1874, just two days after the company’s formation, regarding the Company purchasing the rancho from Freeman. The agreement suggests that Freeman was to buy the rancho before the company’s plans in financing the purchase from sale of stock were realized. Or maybe Freeman was merely to serve as the middleman in the purchase of the rancho from Burnett. Freeman was still a tenant on the rancho, probably under a gentlemen’s agreement, until 1878, when a notarized record of an agreement for him to assume Catherine’s lease appears. Regardless, as events played out the Company seemed to be gambling all on sale of enough stock to provide the capital to pay off Burnett, and then turn around and sell the land to realize a profit. In short it was all a gamble.

Despite the pitfalls that could prevent the gamble from paying off, the Company, with the full support of the California Immigrant Union, ploughed ahead with its plans as 1874 turned into 1875. These included (1) advertising, (2) the holding of auctions in the first four months of 1875, and (3) continued sale of the Company’s stock.

Let me especially comment on the newspaper advertising and sale of stock. The newspaper advertising in 1875 reached California newspapers of all types, including German-language and Spanish-language papers, as well as newspapers as far east as Ohio. Bold promises marked all newspaper advertisements: a town would be built, as well as an institution of higher learning. Most importantly of all, the Los Angeles and Independence Railroad of company directors Temple and Slauson, although not yet operating, would eventually reach the colony, with a railhead to be built at the nearby Redondo Bay wharf.

With the advertising as bait, Centinela Land Company agents and those of the California Immigrant Union continued to sell stock not only in both northern and Southern California, but also beyond. The Company found shareholders in Illinois, Ohio, and Wisconsin. Prominent Los Angeles shareholders included Louis Wolfskill, Henry Hancock, and Andrew Glassell. Also women, such as Martha Eddy, of Newark, Ohio, and a “Mrs. Huber” (perhaps the wife of prominent Los Angeleno William Huber) bought stock.

On the surface all appeared to be proceeding smoothly for the Centinela Land Company during the winter and spring of 1875. Notices in LA newspapers regarding the Centinela put the “booster” in boosterism and always favored the company’s work, for example. But all was not well with the company, as two of its most important participants noted. In a letter of February 19, 1875, the previously mentioned California Immigrant Union agent William H. Martin wrote

in a surprised tone that that “the affairs of the Company are satisfactory both to the Company and to outsiders is (sic) a bit remarkable.”

Indeed it was remarkable. In a pessimistic letter marked strictly private and confidential to Martin four days later Daniel Freeman identified the following problems with the company: (1) The company had a cash flow problem because of its high expenses; (2) purchasers of property at a February 15 auction were failing to pay up; (3) sufficient stock to raise the capital to purchase the ranchos had not yet been sold; (4) and the credit given to buyers of Centinela land on their stock purchases had aggravated the company’s cash flow problem. In other words, stock endorsed by the company could serve as the first payment on land, which meant that the Company was actually receiving only one payment for its sales efforts. Finally Freeman noted the biggest problem of all when he truthfully wrote “If I owned the land.” In short, it seems the Company was trying to sale land it did not own, although what it probably was trying to do was take down payments on land without actually trying to transfer title.

The good ship the Centinela Land Company was taking on water, and it never did reach *terra firma*. The company never raised enough money to buy the rancho; its price mentioned anywhere from \$250,000 to \$350,000. Furthermore, the promised improvements at the Centinela remained miserably unfulfilled. No rail line reached the rancho. Nor did the Company ever build a town or college. Instead, the only development on the rancho came from Daniel Freeman himself as he increased the cultivation of citrus and nut trees there, the results of which were publicized statewide.

Consequently, the Company’s activities ground to a halt after June 1875, when the last of the newspaper advertising appeared, and records of stock purchases end. The affairs of the Centinela Land Company would continue to hound Daniel Freeman, though. In correspondence from 1876, he lamented the failure of the California Immigrant Union to sell enough stock, which he claimed was the reason for the failure of the venture. As for those persons who had bought stock, he was buying it back, since stockholders deserved some type of reimbursement for the unrealized scheme, he believed. How he stayed financially afloat at this time I do not know, for Freeman partly owned the Rancho La Cienega, which he sold to Lucky Baldwin. This seems to have been a happier venture for Freeman.

Freeman’s redemption of stock suggests that Centinela Land Company stockholders did not forget the failed venture, or at least some of them. But worse was the 1879 lawsuit of one John Pieper, city engineer of Santa Clara, and twelve other plaintiffs seeking reimbursement for company stock to the tune of \$3025. Their complaint—and this is the best way that I know to put it—held that the enterprise of the Centinela Land Company was a fraud. After all, as the suit pointed out the company never owned the Centinela. Although I lack evidence for the lawsuit’s

outcome, the plaintiffs were right: the Centinela Land Company had misrepresented its claims to the rancho. The gamble had failed because you can't sell what you don't own.

In the bigger picture what is one to make of this failed gamble? There are certain conclusions and lines of study to be drawn from the Centinela Land Company's shady venture.

First, let's discuss my use of the word "shady." In fairness to Freeman and his partners I am not so sure that in their minds that they were shady and ethically out of step in Los Angeles in the 1870s. For example, I should point out that local newspapers surely knew that the rancho was not Daniel's, but they played along, and never condemned the venture, even after its failure. Also, in the lawsuit of 1879, one defendant, John G. Downey, gathered many witnesses of prominence in Los Angeles to his good character despite the obvious failure of the venture. Daniel Freeman and his associates operated in a world where hard and sharp and even borderline business practices were expected as well as probably overlooked. That they shared a common business ethos should not be surprising, since partnerships in common business ventures marked the Los Angeles business world.

Such land ventures as that of the Centinela Land Company were numerous in LA, and the Company had much competition. At the same time the Company was at work, the Los Angeles Immigration and Land Cooperative Association was also developing Pomona, for example. It is hard to tell if the competition hurt or hindered the Centinela Land Company's venture, but the Company needed something to stand out in this active land market. It looked for this, I think, in the consistent advertisement of citrus crops grown on the rancho. This promotion would demonstrate the value of the rancho in such local money-making ventures as the citrus industry, then taking hold in Southern California's agriculture in the early 1870s.

There was also a need for such infrastructure as a direct railroad line, which the Centinela lacked. The Centinela Land Company, as with most of its promises, never developed a rail connection that could foster regional economic and social ties. In contrast, successful developments had railroads that fostered such ties throughout the Los Angeles area.

Also—and I am not the first person to notice this—see Remi Nadeau for example—but aspects of the 1880s' boom share similarities with those of the early 1870s, undoubtedly. Both required railroads to succeed. The expansion of the Southern Pacific to the Los Angeles area in the early 1870s had opened up LA to settlement. Likewise cheap railroad fares, especially from the eastern United States, facilitated by advertising, are credited with stimulating the 1880s boom. And the reach of land developers throughout the United States in both decades was great; the Centinela Land Company, as I have pointed out, reached the Midwest

In researching secondary sources, I had difficulty finding anything written in the last twenty years on land development in Los Angeles in the late nineteenth century. Instead, studies of Los



Angeles and Southern California concentrate on the twentieth century, which seems to be the garden for the genesis of modern Los Angeles. Still, it is puzzling as to why the nineteenth-century seems so neglected. It had some role as the City of Angels developed, I would think.

Finally, on a personal note, one in which I hope that I do not sound like a grouchy Miss Manners of the archival world, “archivists that are doing it for themselves” reminds me of the intrinsic worth of our collections. It reminds me on those days when the university development office comes calling that our collections do not have to fit into some fundraising scheme to make them valuable. In this era of Web 2.0, research is also a reminder that collections have a life outside of serving as fodder for something like Flickr, with the implication that if it’s not on the web, then it’s irrelevant. Rather the intrinsic value of archival collections rests in the fact they document persons who lived, moved, and had their being in this world; in short, they document their humanity, however good or bad it may have been. “Archivists that are doing it for themselves” then is an encouraging reminder, at least to me, that our profession is still connected to the humanities.