

Goode Vs. Gaines

Goode Vs. Gaines

SooperKanoon Citation : sooperkanoon.com/87007

Court : US Supreme Court

Decided On : May-02-1892

Appeal No. : 145 U.S. 141

Appellant : Goode

Respondent : Gaines

Judgement :

Goode v. Gaines - 145 U.S. 141 (1892)

U.S. Supreme Court Goode v. Gaines, 145 U.S. 141 (1892)

Goode v. Gaines

No. 227

Argued April 18, 1892

Decided May 2, 1892

145 U.S. 141

APPEAL FROM THE CIRCUIT COURT OF THE UNITED

STATES FOR THE EASTERN DISTRICT OF ARKANSAS

SYLLABUS

The court again adheres to its decision in *Rector v. Gibbon*, [111 U. S. 276](#) , touching titles in the Hot Springs Reservation, and holds that there are no facts in these cases which take them out of the operation of that decision; but in view of the delay in commencing these suits and the previous acquiescence of the plaintiffs in the possession by the defendants, it limits the right of an account in equity of the rents of the premises to the date of the filing of the bills.

Page 145 U. S. 142

These were bills in equity filed by William H. Gaines and wife on the 23d of May, 1884, against the appellants, respectively, in the Circuit Court of the United States for the Eastern District of Arkansas, all seeking the same relief, and couched, *mutatis mutandis*, in substantially the same language.

The bill in No. 302, *Smith v. Gaines*, was as follows:

"William H. Gaines and Maria Gaines, his wife, bring this suit against John Kubler and George H. Smith, and for cause of action allege that in the year 1851, in pursuance of the instruction of the Secretary of the Interior, plaintiff Maria Gaines, Albert Belding, Henry Belding, and George Belding, heirs and legal representatives of Ludovicus Belding, entered, under the preemption laws of the United States, the southwest quarter of section thirty-three, in township two (2) south, range nineteen (19) west, for which they paid the United States government two hundred dollars, which was advanced by plaintiff Wm. H. Gaines, and which money the United States still retains. At the time of said entry, a small portion of said land was occupied by Mrs. Lydia Belding, widow of Ludovicus Belding, and the portion of said land for which this suit is brought was occupied by _____, and in _____, Wm. H. Gaines, Maria Gaines, Albert Belding, Henry Belding, and George Belding, under the supervision and control of Wm. H. Gaines, brought suit in the Hot Springs Circuit Court against _____, and recovered judgment for the possession of said land, which judgment was afterwards affirmed by the Supreme Court of the State of Arkansas and by the Supreme Court of the

United States, and on the ____ day of _____, 1856, Wm. H. Gaines was, by the Sheriff of Hot Springs county, put into the possession of said property by virtue of a writ of possession issued upon the judgment of said Hot Springs Circuit Court in

Page 145 U. S. 143

obedience to the mandates of said supreme courts, both of the state and of the United States, and said plaintiffs, Wm. H. Gaines and Maria Gaines, his wife, remained in peaceable and quiet possession of said property until the 1st day of June, 1876, when they were dispossessed of said property by a receiver appointed by the Court of Claims of the United States under an Act of Congress entitled 'An act in relation to the Hot Springs Reservation, in Arkansas,' approved June 11, 1870."

"Plaintiffs entered into possession by virtue of said entry and by virtue of the decisions of said state and United States supreme courts, and the writs of possession issued in pursuance of said judgments, and continued in possession for a period of about twenty years, until the Supreme Court of the United States, in a suit to determine to whom the patent should issue, decided that said lands were not subject to preemption or entry, and that no claimant was entitled to a patent, but the same was still the property of the United States, which decision was rendered April 24, 1876. Plaintiffs during said twenty years paid taxes on said property, and fenced and built houses on the same, and otherwise improved the same."

"On the 1st day of October, 1870, plaintiff Wm. H. Gaines leased a lot of ground, which has since been laid off into lots and blocks by the Hot Springs Commission in pursuance of an act of Congress and is now known as 'Lot (2) Two, in Block Seventy-Seven (77),' to John Kubler, which lease was for the term of one year, to be renewed at the election of the lessee from year to year, until the title to the Hot Springs quarter section of land was settled, for an annual rent of _____, payable in monthly installments of _____."

"Said lease also provides that all buildings and improvements erected on said lot by the lessee might be removed therefrom during the continuance of the lease, or within thirty days thereafter, but that no buildings or improvements erected could be removed while said rent, or any part thereof, remained due and unpaid. It also provides that the lessor should have a lien on all buildings and improvements to secure the rent, a

Page 145 U. S. 144

copy of which is hereto attached in Exhibit A, and made a part hereof."

"Said lessee took possession of said land under and by virtue of said lease only, and in no other way whatever, and he and _____ assigns occupied the same under said lease until the 1st day of June, 1876."

"That on the 24th day of April, _____, said lessee and his assigns owed the lessor for rent the sum of three hundred and eleven dollars and eighty-five cents (\$311.85). Said lessee and his assigns failed to remove said buildings and improvements erected by them at any time during or within thirty days after the expiration of the lease, and by virtue of the provisions of the lease, said buildings and improvements, erected by said lessee and his assigns, became the buildings and improvements of Wm. H. Gaines."

"That on the 12th day of September, 1876, said lessee, John Kubler, sold and transferred to George H. Smith all his right, title, and claim to said premises, he, George H. Smith, well knowing before said transfer all the terms and conditions of said lease, which transfer was made without the knowledge or consent of the plaintiff."

"Plaintiffs, by arrangement with George, Henry, and Albert Belding, having become the owners of said claim, aver that in less than six calendar months after the first sitting of the Hot Springs Commission, under the Act of Congress of the United States entitled 'An act in relation to the Hot Springs Reservation, in the State of Arkansas,' approved March 3, 1877, they filed their claim before said Commission to purchase said lot, and that George H. Smith filed a like claim, and

upon the hearing of said claims they were consolidated by said Commission for the purpose of hearing the testimony, and said petitions filed and the testimony taken before said Commission clearly showed that George H. Smith had acquired his possession in no other way but by said lease made by plaintiff Wm. H. Gaines to said John Kubier, as will more fully appear from a complete copy of the petition, testimony, and record entries in said claim, filed herewith and marked 'Exhibit A,' and made part hereof, and notwithstanding that said petition

Page 145 U. S. 145

and testimony showed that defendant George H. Smith acquired possession only by virtue of said lease, and that, too, after the 24th day of April, 1876, to-wit, September 12, 1876, still said Commission misconstrued the law applicable to that state of facts, and awarded the right to purchase said lot to defendant George H. Smith, and since said award said defendant has purchased said lot from the United States, and received a patent therefor, and on account of said misconstruction of the law, as applied to the facts before said Commission, the right to purchase said lot, which in law, equity, and good conscience should have been awarded to plaintiffs, was by said misconstruction of the law illegally and wrongfully awarded to defendant George H. Smith by said Hot Springs Commission."

"Plaintiffs aver that as defendants have never had any other right or title to said lot or to the possession thereof than that which they derived from said lease and under covenants to restore possession to plaintiff Wm. H. Gaines, that said defendants should be held to hold said lots as trustees for the use and benefit of plaintiffs."

"Plaintiffs offer to pay any sum of money that may be found due to the defendants, or either of them, by reason of any money paid to the United States for the purchase of said lots, and to do all other acts which may be found to be just and equitable. Plaintiffs aver the property herein sued for is worth more than five hundred dollars, and that this cause of action arises wholly under the law of the United States."

"Plaintiffs ask that defendants be required to answer this bill, but not under oath."

"And they pray that an account may be taken of the state of accounts between themselves or either of them and said defendants severally; that they may be allowed reasonable rents for the occupancy of the said premises; that defendants may be decreed to hold said lots as trustees for the plaintiffs, and to convey the same to the plaintiffs, and that they may have such other relief as may be equitable."

Answers and replications having been filed, proofs were made, sustaining complainants' allegations, and the circuit

Page 145 U. S. 146

court entered decrees in complainants' favor as to the title to the lots severally involved, and sent the cases to a special master for an accounting. Reports were subsequently made stating an account charging defendants with rent or rental value from the date of the awards to the date of the filing of the bills, with interest, and with rental value from the date of filing the bills to the date of the decree, with interest, and with rent on improvements to the date of the reports, and crediting defendants with the present value of the improvements, taxes, etc., paid, and the amount paid the government for the lots, with interest. Decrees were entered in accordance with the reports, and the cases brought on appeal to this Court.

Page 145 U. S. 152

MR. CHIEF JUSTICE FULLER, after stating the facts in the foregoing language, delivered the opinion of the Court.

It is unnecessary to enter upon a history of the "Hot Springs litigation," as detailed in *Hale v. United States*, *Rector v. United States*, *Gaines v. United States*, [92 U. S. 698](#) , and *Rector v. Gibbon*, [111 U. S. 276](#) .

As to the title of the lots in question, we repeat what was said in *Lawrence v. Rector*, [137 U. S. 139](#) , "that nothing was developed in answer or testimony to

disturb the conclusions of law heretofore reached by this Court." The argument for appellants has been elaborate and exhaustive, but does not convince us that these cases can be taken out of the rule laid down in *Rector v. Gibbon*.

The estoppel which prevents a tenant, who has acquired possession as such, from claiming title adversely to his landlord does not depend on the validity of his landlord's title, and the assertion in the bills that the right to remove the buildings put upon the lots by the tenants was abandoned, and the fact that, while appellees made improvements upon

Page 145 U. S. 153

the land claimed by them, they were not shown to have made such on the specific lots, do not affect the operation of the estoppel. Belding's heirs claimed under a paper title, and if there had been no tenants, the improvements made by themselves would have given them the "possessory right of occupation" of the tract within the meaning of the act of Congress, and the tenants cannot be allowed to object that the improvements which they made, and which, strictly speaking, they abandoned by their conduct in the premises, gave them rights superior to their landlord.

The decision of this Court in [92 U. S. 92](#) U.S. 698 was rendered April 24, 1876, and the receiver was appointed and took possession of the property for the United States in June of that year. The Act of March 3, 1877, "in relation to the Hot Springs reservation, in the State of Arkansas," 19 Stat. 377, creating the Commission, provided that "no claim shall be considered which has accrued since the twenty-fourth day of April, eighteen hundred and seventy-six," and referred to claims to the land, or parts thereof, then existing, and not to independent claims acquired thereafter. But there is no merit in the suggestion that George, Henry, and Albert Belding could not lawfully assign their interest in the Belding claim to Gaines after that date; for the language of the act relates to claims that had then accrued, and not to the subsequent acquisition of claims so situated. It may be that after the title was adjudged to be in the United States, the tenants could not remove the buildings, but the Commissioners found that the buildings belonged to

them, and the decrees here gave the value of them to appellants. No appeal was prayed by appellees in this regard, and no question arises in respect of it. Inasmuch as the tenants set up claims to the lots in hostility to the leases, they cannot complain of decrees in their favor for the value, and whether under some of the leases the buildings were to become the property of the lessor, while in other cases they might have remained the property of the lessees, does not control the principle upon which *Rector v. Gibbon* rests. As to the contention that the Act of Congress of June 16, 1880, 21 Stat. 288, was not given due weight, because not

Page 145 U. S. 154

referred to in the opinion in *Rector v. Gibbon*, it is to be observed that that suit was brought July 12, 1880, argued here March 19, 1884, and decided April 7, 1884. It is not, therefore, to be assumed that the act of 1880 was overlooked at that time, but that the Court was of opinion that it did not affect the questions under consideration, and in that view we concur.

We are not satisfied, however, with the directions to the master in the interlocutory decrees, in respect of the accounting, and with the results thereupon finally adjudged. While, by reason of the original leases, appellants must be decreed to hold the several parcels in controversy in trust for appellees, and to surrender possession thereof, yet it is to be borne in mind that they were not knavish or fraudulent possessors, and that they claimed title, in moral good faith, under the awards of the Commission. The evidence disclosed that a large number of lots were awarded to appellees; that Gaines expressed himself as contented with the awards, stating that they were just and equitable, and that no steps in further litigation were taken on appellees' behalf until after the announcement of the decision of this Court in *Rector v. Gibbon*, which was on April 7, 1884, when (in May following) these bills were filed. In the meantime, appellants had paid the government and obtained patents under the awards in their favor, and had remained in possession upon the belief that their title was good, seeking no other location, making no other arrangements, and acting in expenditure as if these lots were their own. While this acquiescence on appellees' part has not taken away their right of action to recover the property, we think it operates upon the right to

equitable relief, in the matter of permitting a recovery, by way of accounting, which they have themselves applied for to a court of equity, for the period of time from the date of the awards to the date of the filing of these bills. Appellees permitted appellants to go on in the exercise of ownership over the property, not only unmolested and without question, but with affirmative encouragement to them to do so; and, under the peculiar circumstances which characterize these cases, we do not feel compelled to award a measure of relief

Page 145 U. S. 155

which, in our judgment, would operate harshly and oppressively upon appellants, even though specific prejudice, because of appellees' laches, may not be clearly made out upon these records.

In seeking equity, appellees must do equity, and, as a result has been reached which gives the awards of the Commission a direction contrary to that which appellees had accepted as substantially equitable, we think equity requires that they should not be treated as occupying the same position as if they had maintained with vigor and promptness the rights which they found on April 7, 1884, they could assert.

In No. 227, *Goode v. Gaines*, considerable stress is laid by counsel upon evidence which it is urged makes out an estoppel against appellees as to the title; but we agree with the circuit court that it falls short of doing so, and this case must be disposed of in the same way as the others.

We are of opinion that the accounting between the parties should be stated, both as to debit and credit, from the 23d of May, 1884, with the exception of the credit for the amounts paid to the government for the lots, of which payments we regard appellees as getting the entire benefit, and that no increased rent should be allowed on account of the improvements, as appellees are only to be held to their value as of the date of the decrees. In other words, appellants should be charged with rental value from the date of the filing of the bills to the rendition of the decrees, with interest, and should be credited with taxes, etc., paid after the date

of the filing of the bills, with interest, and also with the amounts paid the government for the different parcels, with interest from the dates of payment, as well as with the value of the improvements, in each instance at the time of the rendition of the decrees.

The decrees are severally reversed, and the causes remanded to the circuit court with a direction for further proceedings in conformity with this opinion; the costs in this Court to be equally divided.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com