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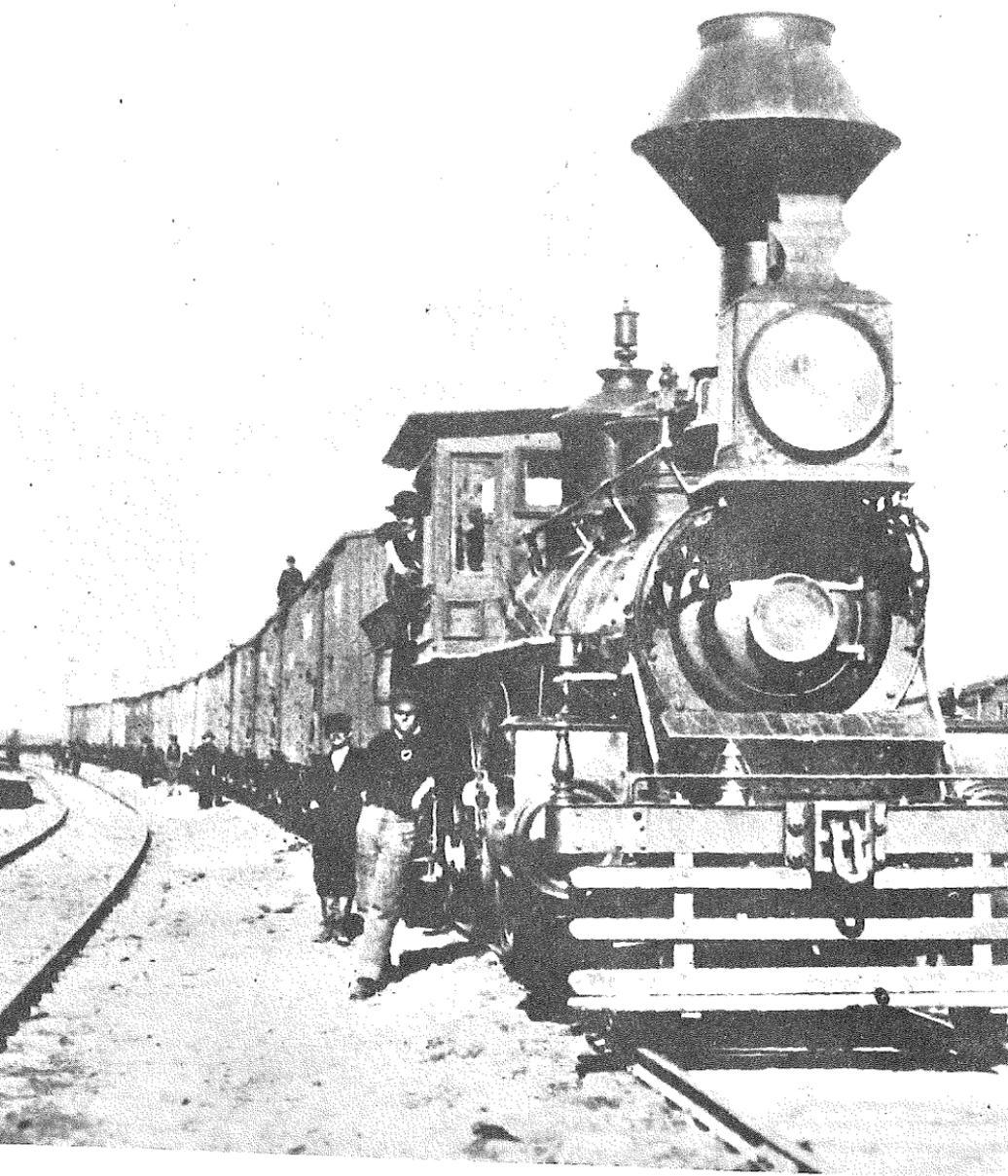
Article Summary: The Union Pacific contributed to the rapid initial settlement of Nebraska, bringing residents and trade to new and existing towns. The Union Pacific itself clearly benefitted from that population growth. The first transcontinental railroad probably could not have been built when it was without the aid of the land grant.

#### Cataloging Information:

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Photographs / Images: early Union Pacific locomotive; map of Nebraska showing the UP Railroad land grant; Grenville M Dodge; UP train stopped by grasshopper hordes; second edition of the land-promotion newspaper published by the UP; 1874 UP timetable promoting the advantages of traveling overland by train; 1879 UP broadside proclamation promoting its Nebraska lands; UP's Omaha Immigrant House; waiting room of the UP railroad station, drawn for *Leslie's Weekly*, 1877; graph showing the amount of UP land sold and average price per acre for each year from 1869 to 1879



*Picture of Early Union Pacific Locomotive.*

THE UNION PACIFIC RAILROAD  
AND  
THE EARLY SETTLEMENT OF NEBRASKA  
1868-1880

By BARRY B. COMBS

In the pioneer period one-half the public domain in Nebraska was given or granted to railroad corporations, land speculators, and bogus entrymen with no purpose of permanent settlement and improvement of their claims . . . .<sup>1</sup>

A description of the growth and progress of Nebraska, without mention of the Union Pacific, would be like the play of Hamlet without the Prince of Denmark.<sup>2</sup>

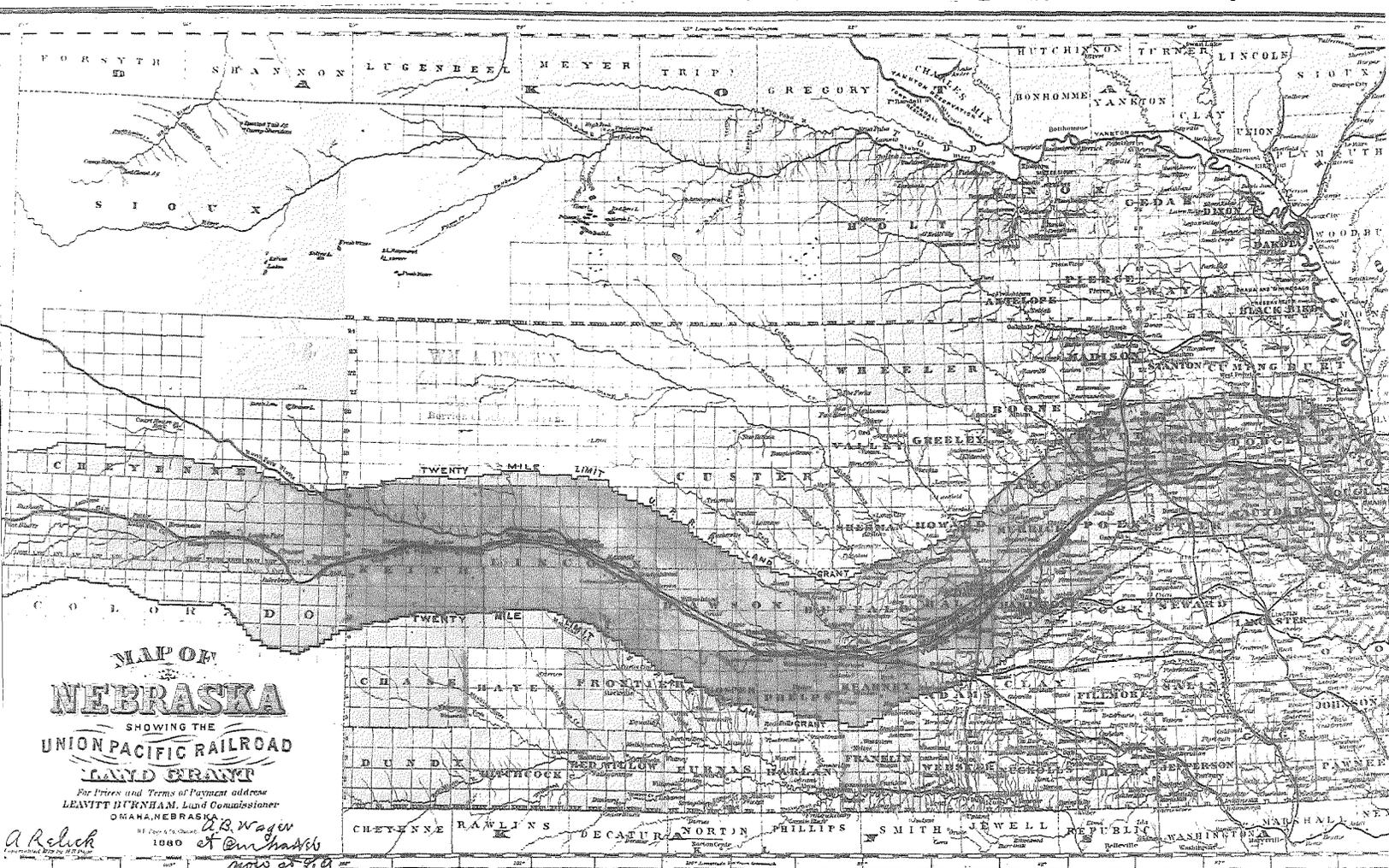
*Mr. Combs, Director of Public Relations for the Union Pacific Railroad Company, is currently doing graduate work in history at the University of Nebraska, at Omaha. He received his B.S. from Iowa State University in 1954 and has written extensively on the history of the Union Pacific Railroad.*

SOMEWHERE in between the sentiments of the two authors quoted above lies the truth. No one today seriously questions the importance of railroads, particularly the Union Pacific, in the settlement of Nebraska, and most authorities recognize the efforts of the railroad's land department in selling the lands granted the road in aid of construction. But was this a simple booming of the lands in order to make a quick profit on their sale, or was it a more commendable effort made by the railroad to build up a stable and permanent society within its market area?

This article traces the development and work of Union Pacific's land department from its beginning in 1868 through the decade of the 1870's. By the end of this period, a substantial portion of the lands had been sold, Nebraska had its initial settlement, and the railroad's land policies had become established.<sup>3</sup>

Union Pacific's land grant in Nebraska totalled 4,857,744.61 acres, very nearly one-tenth of all the land in the state.<sup>4</sup> Legislation enabling this grant came in the form of an amendment to the original Pacific Railroad Act of July 1, 1862. The first act had called for a grant of all the odd-numbered sections in every township for a distance of ten miles on either side of the road—or ten sections per mile.<sup>5</sup> The even-numbered sections were to be held in the public domain subject to sale under the pre-emption act at a minimum of \$2.50 per acre or were to be homesteaded. Homesteaders, however, were limited to eighty acres in this prime area. Doubling the usual minimum pre-emption price was considered justified by the increased value of land so near the railroad.<sup>6</sup>

Construction faltered almost before it began, and in 1864, with the first Union Pacific rail yet to be laid, Congress was prevailed upon to liberalize the original act in an attempt to attract investors to the infant project.<sup>7</sup> One of the features liberalized was that of the land grant. The amendment of July 2, 1864, doubled the grant to include all odd-numbered sections for a distance of twenty miles either side of the road—or twenty sections per mile.<sup>8</sup>



**MAP OF  
NEBRASKA**  
SHOWING THE  
**UNION PACIFIC RAILROAD**  
**LAND GRANT**

For Prices and Terms of Payment address  
LEWITT BURNHAM, Land Commissioner  
OMAHA, NEBRASKA

*A. Reelick*  
1880  
*U. B. Wagner*  
*at Omaha*  
*now at St. Louis*

The revised grant had the theoretical value of nearly six million acres in the state of Nebraska alone.<sup>9</sup> However, since the act made no provision for granting lands in lieu of those already settled in eastern Nebraska, the actual grant was reduced by more than a million acres in the state. In its final form the grant resembled a giant, elongated checkerboard. The odd-numbered sections in a forty-mile wide swath across the state had been given to the railroad; the even-numbered sections remained in the public domain.

While many railroads were built without land grants and grants to other railroads may seem on later reflections to have been unnecessary, it is doubtful that this first transcontinental railroad could have been built at the time it was without the aid of the land grant.<sup>10</sup> The acts of 1862 and 1864 had been designed to provide just enough incentive, and no more, to lure private enterprise into building a Pacific railroad. Government aid in the form of the grant and bond loan was expected to cover about half the cost of construction. Private capital was to furnish the remainder.<sup>11</sup>

Had the government been overly generous? Thomas Donaldson's exhaustive study, *The Public Domain*, estimated that in the period up to 1880 the several Pacific railroads had realized \$36,383,795 and had another \$78,889,940 worth of land remaining. This total of \$115,273,735 still fell far short of the \$286,819,300 it was felt the roads could have been built for, and much farther short of the actual reported cost of \$465,584,029.<sup>12</sup> It should be remembered that the land grant was the only government gift to the railroad; other government aid was in the form of a loan of bonds.

In the settlement of the region west of the Missouri, three general factors worked together to populate the empty plains. First, and a prerequisite of any immigration, was land hunger, the natural desire of many in the eastern United States and Europe to take advantage of the West's opportunities. Working on this hunger and

directing it were two major land promotion agencies: state and local bodies, and the land departments of the railroads.<sup>13</sup>

A Nebraska State Board of Immigration was created in 1866 with an initial appropriation of two thousand dollars. The board was reorganized several times in the next ten years, and its appropriation enlarged and reduced, apparently at the whim of the Legislature. Annual funds never exceeded fifteen thousand dollars, and the board ceased operation about 1879. Attesting to the inadequacy of this state activity were the repeated appeals in the annual messages of the governor, asking for more appropriations and more attention to the vital work of immigration promotion.<sup>14</sup> As a result of this failure of state efforts, the bulk of the early work in the field fell to the land departments of the railroads. However, Union Pacific's land department did work closely with those promotions the state was able to undertake with its limited funds.<sup>15</sup>

In 1859 Charles Russell Lowell, head of Burlington and Missouri River Railroad's land department, wrote:

We are beginning to find that he who buildeth a railroad west of the Mississippi must also find a population and build up business. We wish to blow as loud a trumpet as the merits of our position warrant.<sup>16</sup>

While Lowell was talking about the problems being encountered by his railroad in Iowa, his comments are just as applicable, or even more applicable, to the situation faced by Union Pacific directors ten years later. They found themselves responsible for turning a profit on what amounted to a huge bridge over a wasteland. There were people and businesses to be served on either end, but very little indeed along the thousand miles of Union Pacific line in between. If they were to be successful, a population must be found.

Building up a population along the line was not, of course, the only benefit to be gained from the sale of land grant lands. The sale itself would bring immediate cash

receipts for a company badly in need of capital. This benefit though was mitigated to some extent by the fact that the lands had been heavily mortgaged.<sup>17</sup>

Company policy in selling the land grant was summed up in the testimony of Union Pacific President Horace Clark before the Credit Mobilier investigating committee in January, 1873:

We sell in small lots, hoping by this means to increase the traffic on the road . . . . We have not received the price that other railroad companies have, because we have felt that we had better sell our lands cheap and get settlers in, and make money out of the traffic.<sup>18</sup>

If the main purpose in selling the land grant lands was to bring in settlers, would not the sale or settling of the adjoining government lands benefit the railroad as well? It would, and the company lost little time before promoting these lands along with its own. The land department of the railroad published a *Guide to the Union Pacific Railroad Lands* in 1870 giving detailed instructions for the taking not only of their own lands, but those in the public domain as well.<sup>19</sup> These public lands were the first to be settled as the rails pushed westward—even with the doubled pre-emption price and reduced homestead allotment that applied within the railroad grant.<sup>20</sup>

The juncture of rails at Promontory, Utah, on May 10, 1869, capped a four-year building program for the Union Pacific.<sup>21</sup> During the construction period, rails were pushed forward with an urgency that did not encourage the development of a formal land settling policy. It was not until the autumn of 1868 that Union Pacific's land department was created and staffed.

The task of creating a land department was given to Grenville M. Dodge, the road's chief engineer. On May 23, 1867, the board of directors appointed Dodge agent and trustee of the land grant lands with the double task of setting up a land department and laying out and establishing towns and townsites along the line. Dodge lost little

*Grenville M. Dodge,  
chief construction engineer  
for Union Pacific.*



time. In his report for 1867 he mentioned that the railroad's lands had been put "in shape, the records commenced, maps made, the lists prepared, and everything got ready for entry by the company, and the placing of them upon the market." The organization of the department would be completed the next year and its system would be a "simple, concise and effective one."<sup>22</sup>

Dodge's engineers went to work surveying and planning townsites along the line. Dodge himself was responsible for their sale. In this respect he became the founder of most of the towns served by the railroad west of Grand Island.<sup>23</sup>

Sale of town lots continued through at least the next decade but never approached the importance of the sale of agricultural lands.<sup>24</sup> While Dodge continued to handle town lot sales until 1873, the organization and management of the newly created land department was entrusted to Oscar F. Davis.

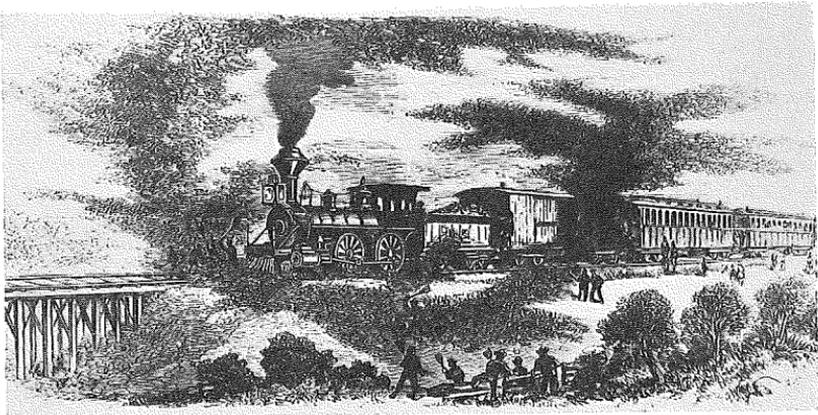
Davis was a native of New York state who had come to Omaha in 1856 after serving as a government surveyor in Wisconsin, Minnesota, and Iowa for sixteen years. He continued his surveying and real estate work in Omaha

and was employed by the railroad in 1867.<sup>25</sup> Land department expense records began November 2, 1868, while Davis' first salary entry as "land agent" was pre-dated to September 28.<sup>26</sup> The latter would seem the most logical date to assign to the formal creation of the Union Pacific land department.

Davis continued to head the department through 1877, when his name on the payroll was replaced by Leavitt Burnham.<sup>27</sup> Burnham served for the next nine years. Davis may well have been the victim of grasshoppers. His department had recorded its worst sales year in its short history in 1877.<sup>28</sup> Most of the blame for this poor showing was laid to the settler's fear of a return of the hordes of grasshoppers (Rocky Mountain locusts), which had almost entirely destroyed western Nebraska crops in 1876.<sup>29</sup>

The physical organization of the land department consisted of a home office force averaging thirteen people and a fluctuating number of agents in the field. Home office employees included the usual secretarial and accounting employees, office boys and messengers, draftsmen, and surveyors who spent much of their time on extended surveys of railroad lands.<sup>30</sup>

The decade of the 1870's brought the hard realization to company officials that the Union Pacific was seriously



*Union Pacific train stopped by grasshopper hordes.*

over-capitalized. Heavy interest payments drained the railroad of much needed operating capital, and only the personal credit and financial assistance of its directors kept the young company out of bankruptcy.<sup>31</sup>

Even so, the budget of the newly created land department was substantial. If any department of the railroad was to be slighted, it was not to be this one, whose success or failure would have so much bearing on the future development of the railroad. By the end of 1879, the land department had spent a total of \$814,999.53<sup>32</sup>—a heady contrast to the figures mentioned earlier for the Nebraska State Board of Immigration.

To more fully understand just how this money was spent, a close examination has been made of land department records for a typical year—1874.<sup>33</sup> The department spent \$104,583.86 during the year. Part of this total went to administrative expenses—the home office payroll, land taxes, legal fees, and surveys. But even after deducting this amount, nearly sixty-three thousand dollars was spent on strictly promotional activity during the year. The expenses have been divided into the following groups:

#### LAND DEPARTMENT EXPENSES FOR 1874<sup>34</sup>

##### Promotional Activity

Advertising in newspapers, magazines, and books . . . . .	\$26,528.36
Printed advertising material; pamphlets, maps, etc. . . . .	11,172.17
Displays at expositions, fairs, etc. . . . .	527.88
Agents' salaries and expenses in the United States . . . . .	18,808.66
Agents' salaries and expenses in foreign countries . . . . .	778.45
Excursions with land-seekers and land-exploring tickets . . . . .	5,051.17
	<hr/>
	\$62,967.27

## Administrative Expense

Home office salaries .....	\$27,844.00
Land taxes, legal fees, surveying expense, and miscellaneous .....	14,772.59
	\$42,616.59

As these figures show, the bulk of the department's money went directly into promotional activity. The relatively high figure for home office salaries may be misleading since Davis' salary is included here. Home office employees were also used at times to guide land-seeking parties and to man the department's exhibits at fairs and expositions.

There were two major publications in use during the first decade. Both were elaborate, detailed productions and were supplemented with a wide variety of smaller circulars, folders, handbills, maps, and posters.

The *Guide to the Union Pacific Railroad Lands* made its first appearance early in 1870. Complete with maps and detailed descriptions of each of the Nebraska counties in which Union Pacific land was for sale, the *Guide* was an expensive piece and was at first produced in limited quantities. It was soon translated into German and reissued periodically.<sup>35</sup> Although the *Guide* painted an attractive picture and related success stories of earlier settlers, it cautioned the land-seeker to come prepared with enough capital to weather the period until his first crop could be marketed—the railroad was not anxious to encourage failure in its future market territory. The book listed average prices the settler could expect to pay for twenty-nine articles needed on the frontier, from a yoke of work cattle (\$125-\$175) to shingles (\$3.50 per thousand).<sup>36</sup>

The *Guide* and other pamphlets issued by the department were distributed directly by the railroad's agents in the United States, Canada, and Europe and by various state and private immigration agents in Europe. They



color representations complete with engraved illustrations. Some maps showed the entire land grant, some just the lands in Nebraska, and others one hundred mile sections of the grant. As with the other printed material, the maps were translated into several languages.<sup>40</sup> The land department made use of every opportunity to publicize its lands, also utilizing other company publications such as timetables and annual reports to carry the message of Nebraska's agricultural promise.

The largest single expenditure in the department's budget was for advertising in newspapers, magazines, books, and other printed media. The year 1874 showed 313 separate entries for purchases of advertising space. This figure alone is misleading since eleven times during the year the department bought blanket insertions from space brokers in lists of publications ranging up to "2311 local and co-operative papers." In many of the single paper purchases, the insertion was made for several weeks or months.

Davis' choice of publications was broad, ranging from the *New York Times* to the *Central Union Agriculturalist*. However, most of the emphasis was concentrated on four types of publications: agricultural papers, religious publications, foreign language and ethnic group journals, and midwestern newspapers. Most of the latter were chosen in what seems to have been a ripe area for emigrant promotion: the states of Ohio, Indiana, Illinois, Wisconsin, and Michigan.<sup>41</sup>

Ads were also placed in tourist guides, almanacs, railroad magazines, and program books. The land department bought two pages in the back of E. A. Curley's *Nebraska, Its Advantages, Resources and Drawbacks*.<sup>42</sup> This remarkable work, containing more than four hundred pages of praise for Nebraska and its agricultural future, was the creation of a free-lance English journalist who had come to Nebraska on an assignment from *The Field*, a London weekly. Curley lost no time in making himself known to the Union Pacific. He sold them advertising in *The Field*

and soon completed a "special agreement" whereby he was paid by the railroad to write letters back to his magazine describing the immigration opportunities to be found in Nebraska.<sup>43</sup> On returning home, he wrote and published his book, selling the railroad the two pages mentioned above. Then, to make his trip a complete success, he succeeded in selling the land department 425 copies of the work.<sup>44</sup> The fact that several other railroads also took ads in the book indicates Curley may have had similar success with their land departments.

Curley's arrangement with the Union Pacific was only one of several methods used by the railroad to interest Europeans in Nebraska land. The railroad did not utilize a network of permanent, full-time agents in Europe of the scope used in the United States and Canada, but men like Fred Hedde, the state's immigration agent in Hamburg, distributed Union Pacific literature along with their own and that of other railroads. In 1872 Hedde reported having passed out two thousand Union Pacific pamphlets in Germany. In an article published in the *Omaha Daily Herald*, he mentioned opposition to his efforts from the German

AVOID THE DELAYS  
DANGERS OF NAVIGATION  
BY TAKING THE  
**UNION CENTRAL**  
OF NEBRASKA  
**OMAHA**



Save \$20.00 in Railroad Fare  
—AND—  
226 MILES IN DISTANCE TO  
**SAN FRANCISCO**  
And all Points on the Pacific Coast.

Special Rates given to Excursion Parties & Colonies for  
**DENVER!**  
AND PRINCIPAL POINTS IN  
Colorado, New Mexico & Arizona.

THE UNION PACIFIC RAILROAD, and its various connections, has an extensive system of passenger service, and is the only one that runs direct to Denver.

THOMAS S. BURNHAM,  
General Passenger and Freight Agent, OMAHA.

THE  
**UNION PACIFIC RAILROAD COMPANY**  
SPECIALS GIVEN TO  
**FARMERS**  
Who take their produce to the market, and to  
Mechanics  
Who find it more profitable to haul their goods to the market, than to  
**NEBRASKA**  
for account of the most profitable and profitable routes, and general beyond the  
of the Union Pacific Railroad Company, Omaha, Nebraska.

**TICKETS** — The Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive  
of the Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive  
of the Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive

**FREIGHT:** — The Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive  
of the Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive

UNION PACIFIC RAILROAD COMPANY, OMAHA, NEBRASKA.

**The Union Pacific Railroad and Branches.**  
From California, West Nevada, and Florida State to the North, Midwest, Dominion,  
and the Atlantic States of the United States.

**THE UNION PACIFIC RAILROAD COMPANY, OMAHA, NEBRASKA.**  
The Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive  
of the Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive  
of the Union Pacific Railroad Company, Omaha, Nebraska, will be pleased to receive

UNION PACIFIC RAILROAD COMPANY, OMAHA, NEBRASKA.

*On a timetable of 1874,  
Union Pacific promoted the  
advantages of traveling  
overland by train.*

*Union Pacific broadside  
proclamation promoting  
its Nebraska lands in 1879.*

nobility and press. However, he was not overly concerned about formal government action since "Bismarck is smart enough to know that stopping emigration means favoring revolution."<sup>45</sup> Another German agent used by the Union Pacific was Dr. Louis Schneider, who was retained to work in southern and eastern Germany developing colonies for the railroad lands.<sup>46</sup>

In the United States, Davis kept a number of full-time land agents on his payrolls. Permanent land offices were maintained in St. Louis, Chicago, New York, Washington, D.C., and Atlanta. At times other offices were opened temporarily in several additional cities.<sup>47</sup> While several agents were assigned to man these offices, others were kept busy traveling from one small town to the next, particularly in the Midwest. The agents arranged group meetings, passed out maps and pamphlets, and attempted to sign up prospective purchasers. Single purchasers were sent out to Omaha alone. Groups interested in forming colonies were often personally escorted by the agent. Usually the arrival of these groups in Omaha was proudly announced by one of the local papers:

Still they come, and the cry is "give us land!" This evening, or tomorrow morning, D. B. Cady, the southeast traveling agent for the Union Pacific, will arrive in this city with a party of some two or three hundred land hunters from the south, most of whom propose to purchase railroad lands in Nebraska, and make this state their future home.<sup>48</sup>

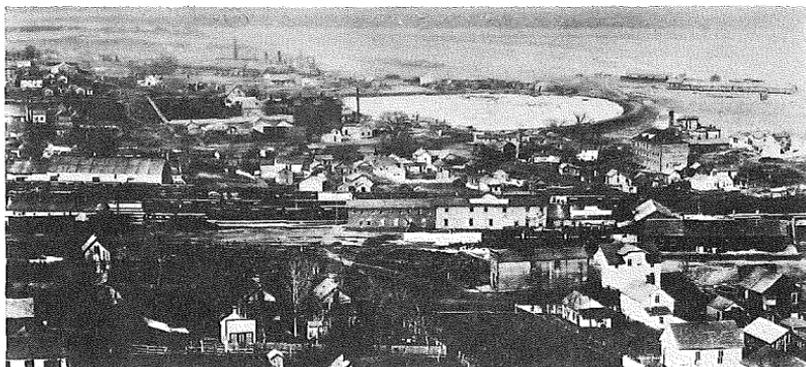
Fourteen Union Pacific land agents were at work selling Nebraska land during the year 1874.<sup>49</sup> Records indicate a considerable fluctuation in the number of agents working from one year to the next. During the decade under study there were never fewer than five men in the field, and the peak employment was probably about twenty.<sup>50</sup>

Each year several agents were packed off to man booths at expositions and fairs. The booths featured exhibits of the state's produce complete with the name and

address of the farmer who produced it, and fairgoers were urged to write to the farmer themselves to find out the truth of Nebraska's agricultural promise. An elaborate display was set up by the land department at the Centennial Exposition in Philadelphia in 1876. Others were shown at Chicago in 1874, at St. Louis in 1878, and at Denver and Boston. Booths were also provided for state fairs in Nebraska, Kansas, Missouri, Illinois, and Iowa.<sup>51</sup>

Independent, private land agents also were encouraged to promote railroad lands. These men were used extensively on the scene in outstate Nebraska to handle local inquiries and received a commission of from three to five per cent on anything they sold. A list furnished by the land department in 1882 showed nineteen such authorized agents along the line from Fremont to Kearney Junction.<sup>52</sup>

From the very beginning the railroad realized the value of encouraging large group movements, and an appeal was made for colonies in the first edition of the *Guide*. They were promised reduced fares and freight rates and told of the advantages of group settlement: joint ownership of equipment and livestock; cooperation in building homes and barns; and the fact that schools, mills, stores, and other community buildings could be established at once.<sup>53</sup>



*Union Pacific's Omaha Immigrant House is the long building in the center of the photograph, near the tracks.*

Even before the invitation was made, groups began coming. In the fall of 1869, three hundred Swedish families from Illinois began settling in Saunders and Polk counties. They were followed the next year by another two hundred families. This was to be the largest single group movement into the railroad's land grant lands.<sup>54</sup> Throughout the next seventeen years, colonies continued to come at the urging of the land department. Nearly a third of the Nebraska land grant was settled by ninety-six different colonies, numbering from eight families to the five hundred cited above.<sup>55</sup> The majority came from the Midwest, particularly Illinois and Ohio. In 1873 John J. Cozad led seventy-two families into Dawson County to found the city that bears his name. Most of the groups originated in this country, although several came from Germany, England, and Canada.

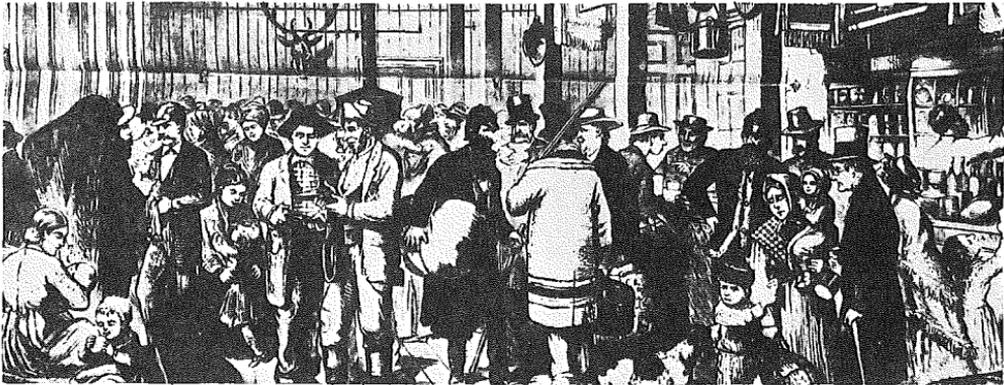
When groups arrived at the Missouri River, they were furnished quarters and food at low cost while they waited to begin their explorations. A contemporary tourist guide describes the accommodations:

The company have also erected, at their depot, an emigrant house, for the benefit of their passengers. The house is given rent free to a competent person [manager] who charges 25 cents each, for good plain meals, and good lodgings. All gambling, emigrant runners, peddlers, ticket-sellers, and "bummers" are forbidden in the house or about the premises.

When the groups were ready to look at their lands, they boarded immigrant coaches—again plain and simple accommodations. The cars were divided into family-size compartments and were sometimes made up into complete immigrant trains.<sup>57</sup> The fare they paid was the lowest of three fares offered by the railroad, and this money, plus a portion of the freight charges for moving their household goods out to the new farm, could be deducted from the price of the land.<sup>58</sup>

Once a prospective buyer had made his decision, the sale was consummated. The buyer had his choice of paying

cash or using one of two credit plans offered by the railroad. Actual settlers were offered a ten-year credit plan which required only ten per cent down with the balance to be paid in nine payments at six per cent interest on the unpaid balance.<sup>59</sup> The company made the concession to cash-hungry settlers of requiring only an interest payment at the end of the first year.



*The waiting room of the Union Pacific railroad station, as drawn for Leslie's Weekly in 1877.*

If the buyer did not intend to live on the land—as was true of speculators—credit arrangements were restricted to five years with twenty per cent down. In either case cash buyers were offered a ten per cent discount.<sup>60</sup>

Most buyers appeared to favor the credit plan. Its popularity is demonstrated in the report of the government directors of the Union Pacific for 1874 which states that for land sold in the preceding year “\$121,274.78 was paid in cash; the balance of \$1,136,499.59 being evidenced by the time contracts,”<sup>61</sup> or a little more than ten per cent down. Land grant bonds could also be used in paying for the land. This practice became extremely popular during the panic of 1873 when these bonds were being traded on the market at discounts of thirty per cent and more.<sup>62</sup>

In many cases the railroad had not received final title to the lands being sold, and the buyer was simply issued a

certificate guaranteeing that he would receive the title when it became available to the railroad. The reason for this arrangement traced back to the amendatory act of 1864, which stated that lands would not be conveyed to the railroad until they had paid the "cost of surveying, selecting, and conveying same." By postponing these payments, Union Pacific avoided taking title to the entire grant at once and thereby avoided paying state taxes on millions of acres that might not be sold for many years. As the lands were sold and the fees paid, the title was received and passed on to the buyer. Naturally, the State of Nebraska challenged this procedure in court. Finally, in 1875, the United States Supreme Court ruled in favor of the railroad.<sup>63</sup>

The lands were sold in small tracts during the first decade. Available evidence indicates the average buyer bought only about one hundred acres, and it may be a valid assumption that he then added to this land by taking free homestead land or lower-priced pre-emption land in the adjoining even-numbered sections.<sup>64</sup>

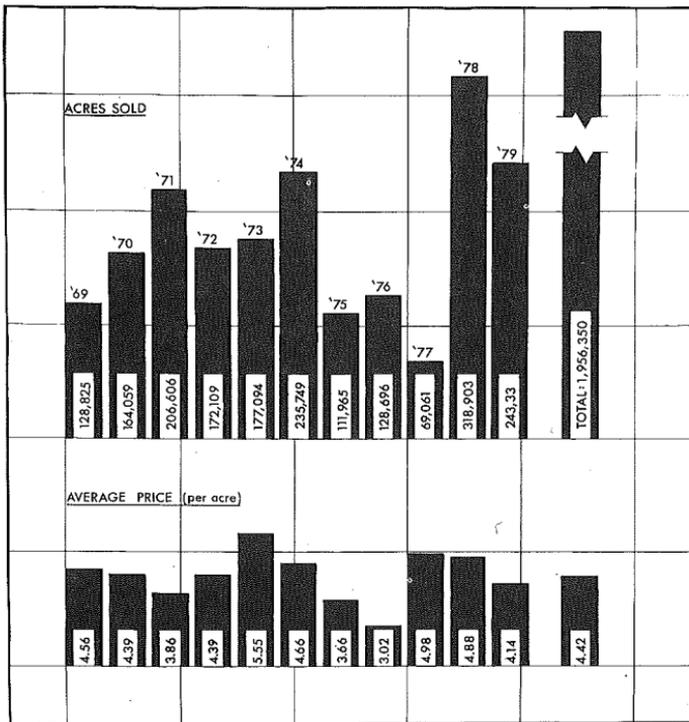
By the close of 1879, Union Pacific's land department had been in operation for a little more than eleven years. What had been accomplished?

One estimate, and one that should have been relatively objective, was that of the surveyor general of Nebraska writing in 1880 from Plattsmouth, the initial point in Nebraska for the Burlington and Missouri River Railroad:<sup>65</sup>

The Burlington and Missouri River Railroad Company, . . . and the Union Pacific Railroad, with its branches reaching out into the State, have done and are doing much for the development of our resources. By the sale of their lands at low rates and on easy terms, they are aiding very materially in the rapid settlement and improvement of the State which has grown in population from 246,200 in 1875 to 425,542 in 1880.

During the decade of the 1870's, the Union Pacific had sold nearly two million acres of its Nebraska lands.<sup>66</sup>

The department had seen both good years and bad. The first three years showed a steady increase in annual sales and a decrease in average price per acre. The next two showed signs of a forced correction in the average price, which may have accounted for the drop in volume. Then, after a record year in 1874, volume and price dropped radically for two successive years—perhaps reflecting the troubled national financial situation. In 1877 the average price was again forced back up. This, coupled with a fear of a return of the grasshoppers, resulted in an extremely low volume for that year and may have been responsible for the departure of the Union Pacific's first land commissioner, Oscar F. Davis. The next two years, under Leavitt Burnham's direction, were the two highest volume



*Graph showing the amount of Union Pacific land sold from 1869 through 1879, giving both the number of acres sold per year, as well as the average price per acre.*

years in the land department's history. Average price was also maintained at a healthy level.

Land hungry pioneers had begun to enter the state in increasing numbers following the Civil War. By the time the land department opened its doors in 1868, their numbers had spread fifty to one hundred miles west of the Missouri and their daily arrivals were common topics for the state's early newspapers.<sup>67</sup>

Initially, lands were offered only within a limit of ten miles of the track for the first two hundred miles of the grant.<sup>68</sup> In 1872 sale was extended into Dawson and Lincoln counties,<sup>69</sup> but as late as 1875 the company was still debating the question of selling lands west of North Platte. The *Annual Report* for that year noted that while some of these western lands could be farmed others were more suitable for grazing.<sup>70</sup> By the end of the decade, lands were being sold from one end of the state to the other.

During the decade of the 1870's, Nebraska's population increased more than three and one half times, from 122,993 in 1870 to 452,402 in 1880.<sup>71</sup> No one can question that settlers came; but did they come as a result of the land department's urging, or would they have come in any case? Anderson makes an interesting comparison of the origins of Nebraska's people before and after the great railroad promotion campaigns. States where railroad promotion was heaviest contributed to Nebraska's population growth at a rate nearly twice that of other states. The same proportion held true in Europe.<sup>72</sup> But whether this contrast stemmed from railroad promotion or whether railroad promotion naturally concentrated on the more productive areas is a question that cannot be answered exactly from available evidence.

Of this much there is no doubt: Union Pacific benefited from the population growth in its land grant lands. One example is obvious in the growth of local passenger business. In the years 1870 to 1878, the number of local passengers carried increased by fifty per cent while the

number of through passengers remained nearly stable.<sup>73</sup> By 1880 the railroad reported seventy-two per cent of its earnings were being derived from local business—local business that had been created out of what had been an empty plain of buffalo grass, river valley, and tableland only a few short years before.<sup>74</sup>

Faced with the necessity of creating a market and population for it to serve, the Union Pacific had made substantial progress. Several dozen towns had been laid out and peopled; others had their population swelled by railroad-brought trade. There would, of course, be problems in the future—financial troubles for the railroad, weather problems for the settlers—but the initial settlement of Nebraska had been accomplished in a remarkably short period. As Governor John M. Thayer was to point out in his inaugural address of 1887, Nebraska had been settled from a quarter to a half century before it would otherwise have been—through the efforts of its railroads.<sup>75</sup>

## NOTES

<sup>1</sup> Addison E. Sheldon, *Land Systems and Land Policies in Nebraska. Publications of the Nebraska State Historical Society*, XXII (1936), 302.

<sup>2</sup> E. L. Lomax, "The Work of the Union Pacific in Nebraska," *Proceedings and Collections of the Nebraska State Historical Society*, XV (1907), 181.

<sup>3</sup> Unfortunately, research has been limited by the fact that practically no records of the original land department exists. Most were destroyed by fire in the early years of this century. There is, however, a wealth of peripheral material including newspaper accounts, government reports, and contemporary railroad publications from which the story may be extracted.

<sup>4</sup> U. S. Federal Coordinator of Transportation, *Public Aids to Transportation* (Washington: Government Printing Office, 1938), II.

<sup>5</sup> George P. Sanger (ed.), *The Statutes at Large, Treaties, and Proclamations, of the United States of America* (Boston: Little, Brown and Co., 1863), XII, 489-93.

<sup>6</sup> John Bell Sanborn, *Congressional Grants of Land in Aid of Railways. Bulletin of the University of Wisconsin*, No. 30 (1899), 88-89.

<sup>7</sup> Nelson Trottman, *History of the Union Pacific: A Financial and Economic Survey* (New York: Ronald Press Co., 1923), 16-18.

<sup>8</sup> Sanger (ed.), *The Statutes at Large*, XIII, 356.

<sup>9</sup> This estimate is based on the actual 473 miles of road in the state subject to land grant.

<sup>10</sup> Sanborn, *Congressional Grants of Land in Aid of Railways*, 84.

<sup>11</sup> Robert William Fogel, *The Union Pacific Railroad: A Case in Premature Enterprise* (Baltimore: Johns Hopkins Press, 1960), 51.

<sup>12</sup> Thomas Donaldson, *The Public Domain* (Washington: Government Printing Office, 1884), 932.

<sup>13</sup> Everett Dick, *The Sod House Frontier: 1854-1900* (New York: D. Appleton-Century Co., Inc., 1937), 185-87.

<sup>14</sup> Helen Marie Anderson, "The Influence of Railway Advertising upon the Settlement of Nebraska" (unpublished master's thesis, University of Nebraska, 1926), 47-50.

<sup>15</sup> An example of this cooperation is shown by an entry on page 115 of *Expenses of Land Department Union Pacific Railroad Co.* This book is a record of checks written by the land department from its inception in 1868 through April, 1886. In many cases entries are detailed enough to provide useful information as to the activities of the department. The entry cited here refers to the railroad's joint sponsorship with the state of an essay contest on Nebraska with the winning essays to be printed in seventy eastern U. S. and English papers. Hereafter cited as *Expense book*.

<sup>16</sup> Richard C. Overton, *Burlington West: A Colonization History of the Burlington Railroad* (Cambridge, Mass.: Harvard University Press, 1941), 159.

<sup>17</sup> The original mortgage, dated April 16, 1867, is at the Union Pacific Museum at the railroad's headquarters in Omaha. It provided for the issuing of bonds not to exceed ten thousand dollars per mile at seven per cent interest, payable in twenty years. Bonds with a par value of \$10,400,000 were sold at from fifty-five to seventy cents on the dollar. Terms of the mortgage required that proceeds from land sale be applied to liquidate the bonds.

<sup>18</sup> U. S. Congress, House *Affairs of the Union Pacific Railroad*, Report No. 78, 42nd Cong., 3d sess., 1873, 456-57. Clark was probably referring to the Burlington and Missouri River Railroad which had received almost double Union Pacific's average price to that date for its lands in Nebraska. See Overton, *Burlington West*, 531-32.

<sup>19</sup> *Guide to the Union Pacific Railroad Lands: 12,000,000 Acres Best Farming, Grazing and Mineral Lands in America in the State of Nebraska and Territories of Colorado, Wyoming and Utah for Sale by the Union Pacific Railroad Company* (Omaha: Land Department Union Pacific Railroad, 1870), 39-44. Hereafter cited as *Guide*.

<sup>20</sup> Sheldon, *Land Systems and Land Policies in Nebraska*, 98. Donaldson provides a complete explanation of the method of taking the public domain within the railroad land grant; see pages 207, 682, and 688.

<sup>21</sup> Although ground had been broken and grading begun in late 1863, laying of the first rail was delayed by lack of financing until mid-1865. Forty miles were laid that year.

<sup>22</sup> *Report of G. M. Dodge, Chief Engineer, with Accompanying Reports of Chiefs of Parties for the Year 1867* (Washington, Government Printing Office, 1868), 21-22.

<sup>23</sup> Wallace D. Farnham, "Grenville Dodge and the Union Pacific: A Study of Historical Legends," *The Journal of American History*, LI, No. 4 (March, 1965), 646.

<sup>24</sup> Town lot sales through 1879 amounted to less than five per cent of the proceeds from agricultural land. See *Report to the Stockholders of the Union Pacific Railway for 1879* (New York: 1880), 25. These reports are hereafter cited as *Annual Report for (Year)*.

<sup>25</sup> A. T. Andreas (proprietor), *History of the State of Nebraska* (Chicago: Western Historical Co., 1882), I, 765.

<sup>26</sup> *Expense book*, 1, 9.

<sup>27</sup> *Ibid.*, 222.

<sup>28</sup> For annual sales, 1869 through 1879, see the graph on page 19.

<sup>29</sup> *Annual Report for 1877*, 13. Burnham led a varied career before taking charge of the U. P.'s land department. His past included a short period as a carpetbagger newspaper correspondent and

service as a government surveyor and lawyer. See Andreas, *History of the State of Nebraska*, I, 759 for a short sketch.

<sup>30</sup> Taken from a close examination of *Expense book*, *passim*.

<sup>31</sup> Trotman, *History of the Union Pacific*, 99.

<sup>32</sup> *Expense book*, 266.

<sup>33</sup> This year was chosen for the following reasons: It lies exactly at midpoint in the period under study, and unusual effects of national economic distress, drought, or grasshopper plagues are not apparent from the slightly better than average sales records for the year.

<sup>34</sup> Figures taken for *Expense book*, 108-44. Several annual reports in the period also show land department expenses; however, these figures average fifteen percent higher than those shown in the expense book. The difficulty in authenticating any total budget figures is further evidenced by a story appearing in the *Omaha Tribune and Republican* December 19, 1872, citing a grand jury investigation of the Nebraska State Board of Immigration. The story credited the Union Pacific with spending \$300,000 in the previous year on foreign immigration. This figure is certainly in error, as must be Donaldson's figure of \$1,889,977.68 for total land department expenses through 1879. See Donaldson, *The Public Domain*, 917.

<sup>35</sup> *Expense book*, 14, 15, *et passim*.

<sup>36</sup> *Guide* (1871 ed.), 22-23.

<sup>37</sup> *Expense book*, 111, 114, 117, 128. Cf. James C. Olson, *J. Sterling Morton* (Lincoln: University of Nebraska Press, 1942), 192.

<sup>38</sup> *Expense book*, 111-135.

<sup>39</sup> *Ibid.*, 111-145. Morris Nelson Spencer, "The Union Pacific Railroad Company's Utilization of Its Land Grant: With Emphasis on Its Colonization Program" (unpublished Ph.D. thesis, University of Nebraska, 1950), 101.

<sup>40</sup> *Expense book*, 108-44 *et passim*.

<sup>41</sup> *Ibid.*, 108-44 *et passim*.

<sup>42</sup> (London: Chiswick Press, 1875).

<sup>43</sup> *Expense book*, 133.

<sup>44</sup> *Ibid.*, 163.

<sup>45</sup> *Omaha Daily Herald*, December 4, 1872, cited in Overton, *Burlington West*, 369.

<sup>46</sup> *Expense book*, 167.

<sup>47</sup> *Ibid.*, *passim*. See also Anderson, "The Influence of Railway Advertising upon the Settlement of Nebraska." 24.

<sup>48</sup> *Omaha Bee*, September 26, 1873. For other examples see issues for July 20, 1873; August 26, 1873; June 23, 1874; and June 4, 1874.

<sup>49</sup> *Expense book*, 108-44.

<sup>50</sup> Spencer, "The Union Pacific Railroad Company's Utilization of Its Land Grant," 157, 161-62, 170, 174, 178. A close check of some of Spencer's statements against his prime source, the *Expense book*,

indicates some discrepancies. These are due as much to the difficulty of using sketchy ledger entries to tell the whole story as to scholarship. His figures can be used for generalizations.

<sup>51</sup> Anderson, "The Influence of Railway Advertising upon the Settlement of Nebraska," 28. See also Spencer, "The Union Pacific Railroad Company's Utilization of Its Land Grant," 78.

<sup>52</sup> Henry N. Copp, *The American Settler's Guide* . . . (3rd ed.; Washington: published by the editor, 1882), 102.

<sup>53</sup> *Guide*, 13.

<sup>54</sup> Spencer, "The Union Pacific Railroad Company's Utilization of Its Land Grant," 246-47. Spencer's chapter on group movements is far superior to the rest of his work. See also *The Pioneer*, June, 1875 and J. E. A. Alexis, "Swedes in Nebraska," *Publications of the Nebraska State Historical Society*, XIX (1919), 78-85.

<sup>55</sup> Spencer, "The Union Pacific Railroad Company's Utilization of Its Land Grant," 244, 260.

<sup>56</sup> George A. Crofutt, *Crofutt's Trans-Continental Tourist*, . . . (1874 ed. rev.; New York: George A. Crofutt, 1874), 40.

<sup>57</sup> *Annual Report for 1870* lists twenty-two of these cars in use. By the end of 1877 the roster had increased to sixty-three.

<sup>58</sup> Curley, *Nebraska, Its Advantages, Resources and Drawbacks*, 421. See also *Guide*, 24.

<sup>59</sup> Curley, *Nebraska, Its Advantages, Resources and Drawbacks* 419.

<sup>60</sup> *Ibid.*, 419.

<sup>61</sup> *Report of the Government Directors for the Year 1874*, reprinted as part of the *Annual Report for 1874*, 46.

<sup>62</sup> Curley, *Nebraska, Its Advantages, Resources and Drawbacks*, 419.

<sup>63</sup>For a full discussion see Trottman, *History of the Union Pacific*, 113-16. See also Dick, *The Sod House Frontier*, 19.

<sup>64</sup> *Annual Report for 1875*, 4; *Annual Report for 1879*, 25; *Annual Report for 1880*, 12. See also testimony of Horace Clark cited above.

<sup>65</sup> *Report of the Surveyor General of Nebraska* (Plattsmouth, Nebr., August 28, 1880) reprinted in *Annual Report of the Commissioner of the General Land Office for the Year Ending June 30, 1880* (Washington: Government Printing Office, 1881), 600-601.

<sup>66</sup> This figure of 1,956,350 acres represents gross sales. Forfeitures and cancelled contracts reduced the total to 1,568,438 acres at the end of 1879. Donaldson, *The Public Domain*, 916.

<sup>67</sup> Sheldon, *Land Systems and Land Policies in Nebraska*, 83.

<sup>68</sup> Or just west of Kearney. See preface to *Guide* (1870 ed.).

<sup>69</sup> Anderson, "The Influence of Railway Advertising upon the settlement of Nebraska," 21.

<sup>70</sup> *Annual Report for 1875*, 4-5.

<sup>71</sup> James C. Olson, *History of Nebraska* (Lincoln: University of Nebraska Press, 1955), 161.

<sup>72</sup> Anderson, "The Influence of Railway Advertising upon the Settlement of Nebraska," 56-67.

<sup>73</sup> *Annual Report for 1870*, 12; *Annual Report for 1878*, 35.

<sup>74</sup> *Annual Report for 1880*, 13.

<sup>75</sup> Cited in Anderson, "The Influences of Railway Advertising upon the Settlement of Nebraska," 55.