

OUR LAND

— AND —

LAND POLICY,

NATIONAL AND STATE.

I.

THE LANDS OF THE UNITED STATES.

Extent of the Public Domain.

According to the latest report of the Commissioner of the General Land Office, the public domain not yet disposed of amounted on the 30th of June, 1870, to 1,387,732,209 acres.

These figures are truly enormous, and paraded as they always are whenever land enough for a small empire is asked for by some new railroad company, or it is proposed to vote away a few million acres to encourage steamship building, it is no wonder that they have a dazzling effect, and that our public lands should really seem "practically inexhaustible." For this vast area is more than eleven times as large as the great State of California; more than six times as large as the united area of the thirteen original States; three times as large as all Europe outside of Russia. Thirteen hundred and eighty-seven millions of acres! Room for thirteen million good-sized American farms; for two hundred million such farms as the peasants of France and Belgium consider themselves rich to own; or for four hundred million such tracts as constituted the patrimony of an ancient Roman! Yet when we come to look closely at the homestead possibilities expressed by these figures, their grandeur begins to melt away. In the first place, in these 1,387,732,209 acres are included the lands which have been granted, but not yet patented, to railroad and other corporations, which, counting the grants made at the last session, amount to about 200,000,000 acres in round numbers; in the next place, we must deduct the 369,000,000 acres of Alaska, for in all human probability it will be some hundreds if not some thousands of years before that Territory will be of much avail for agricultural purposes; in the third place, we must deduct the water surface of all the land States and Territories (exclusive of Alaska), which, taking as a basis the 5,000,000 acres of water surface contained in California, cannot be less than 80,000,000 acres, and probably largely exceeds that amount. Still further, we must deduct the amount which will be given under existing laws to the States yet to be erected, and which has been

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granted, or reserved for other purposes, which in the aggregate cannot fall short of 100,000,000 acres; leaving a net area of 650,000,000 acres—less than half the gross amount of public land as given by the Commissioner.

When we come to consider what this land is, the magnificence of our first conception is subject to still further curtailment. For it includes that portion of the United States which is of the least value for agricultural purposes. It includes the three greatest mountain chains of the continent, the dry elevated plains of the eastern slope of the Rocky Mountains and the arid alkali-cursed stretches of the great interior basin; and it includes, too, a great deal of land in the older land States which has been passed by the settler as worthless. Colorado, Wyoming, Utah, Nevada, Idaho, Montana, New Mexico and Arizona, though having an abundance of natural wealth of another kind, probably contains less good land in proportion to their area than any other States or Territories of the Union, excepting Alaska. They contain numerous valleys which with irrigation will produce heavy crops, and vast areas of good grazing lands which will make this section the great stock range of the Union; but the proportion of available agricultural land which they contain is very small.

Taking everything into consideration, and remembering that by the necessities of their construction the railroads follow the water courses and pass through the lowest valleys, and therefore get the best land, and that it is fair to presume that other grants also take the best, it is not too high an estimate to assume that, out of the 650,000,000 acres which we have seen are left to the United States, there are at least 200,000,000 acres which for agricultural or even for grazing purposes are absolutely worthless, and which if ever reclaimed will not be reclaimed until the pressure of population upon our lands is greater than is the present pressure of population upon the lands of Great Britain.

And, thus, the 1,387,732,209 acres which make such a showing in the Land Office Reports come down in round numbers to but 450,000,000 acres out of which farms can be carved, and even of this a great proportion consists of land which can be cultivated only by means of irrigation, and of land which is only useful for grazing.

This estimate is a high one. Mr. E. T. Peters, of the Statistical Bureau, estimates the absolutely worthless land at 241,000,000 acres. Senator Stewart, in a recent speech, puts the land fit for homes at one-third of the whole—332,000,000 acres by his figuring, as he makes no deductions except for Alaska and the Texas Pacific grant. Assuming his proportion to be correct, and admitting that the railroads, etc., take their proportion of the bad as well as of the good land, we would have, after making the proper deductions, but 216,000,000 acres of arable land yet left to the United States.

But taking it at 450,000,000 acres. Our present population is in round numbers 40,000,000, and thus our "limitless domain," of which Congressmen talk so much when about to vote a few million acres of it away, after all amounts to but twelve acres per head of our present population.

Our Coming Population.

But let us look at those who are coming. The amount of our public land is but one factor; the number of those for whose use it will be needed is the other. Our population, as shown by the census of last year, is 38,307,399. In 1860 it was 31,443,321, giving an increase for the decade of 6,864,078, or of a fraction less than 22 per cent. Previous to this, each decade had shown a steady increase at the rate of 35 per cent., and this may be considered the rate of our normal growth. The war, with its losses and burdens, and the political, financial and industrial perturbations to which it gave rise, checked our growth during the last decade, but in that on which we have now entered, there is little doubt that the growth of the nation will resume its normal rate, to go on without retardation, unless by some such disturbing influence as that of our great civil war, until the pressure of population begins to approximate to the pressure of population in the older countries.

Taking, then, this normal rate as the basis of our calculation, let us see what the increase of our population for the next fifty years will be :

In 1880 our population will be	51,714,989,	an increase in that decade of	13,407,590
.. 1890	69,815,235,	18,100,246
.. 1900	91,250,567,	21,435,332
.. 1910	127,238,267,	32,987,700
.. 1920	171,771,610,	44,533,592

This estimate is a low one. The best estimates heretofore made give us a population of from 100,000,000 to 115,000,000 in 1900, and from 185,000,000 to 200,000,000 in 1920, and there is little doubt that the Census of 1870, on which the calculation is based, does not show the true numbers of our people. But it is best to be on the safe side, and the figures given are sufficiently imposing. In truth, it is difficult to appreciate, certainly impossible to over-estimate, the tremendous significance of these figures when applied to the matter we are considering.

By 1880, the end of the present decade, our population will be thirteen millions and a half more than in 1870—that is to say, we shall have an addition to our population of more than twice as many people as are now living in all the States and Territories west of the Mississippi (including the whole of Louisiana), an addition in ten years of as many people as there were in the whole of the United States in 1832.

By 1890 we shall have added to our present population thirty-one and a half millions, an addition equal to the present population of the whole of Great Britain.

By the year 1900—twenty-nine years off—we shall have an addition of fifty-six millions of people; that is, we shall have doubled, and have increased eighteen millions beside.

By 1910, the end of the fourth decade, our increase over the population of 1870 will be *eighty-nine millions*, and by 1920 the increase will be nearly *one hundred and thirty-four millions*; that is to say, at the end of a half century from 1870 we shall have multiplied four and a half times, and the United States will then contain their present population plus another population half as large as the present population of the whole of Europe.

What becomes of our accustomed idea of the immensity of our public domain in the light of these sober facts? Does our 450,000,000 acres of available public land seem “practically inexhaustible” when we turn our faces towards the future, and hear in imagination in the years that are almost on us, the steady tramp of the tens of millions, and of the hundreds of millions, who are coming?

Vast as this area is, it amounts to but 33 acres per head to the increased population which we will gain in the present decade; to but 14 acres per head to the new population which we will have in twenty years; to but four acres per head to the additional population which we will have by the close of the century!

We need not carry the calculation any further. Our public domain will not last so long. In fact, if we go ahead, disposing of it at the rate we are now doing, it will not begin to last so long, and we may even count upon our ten fingers the years beyond which our public lands will be hardly worth speaking of.

Between the years 1800 and 1870 our population increased about thirty-three millions. During this increase of population, besides the disposal of vast tracts of wild lands held by the original States, the Government has disposed of some 650,000,000 acres of the public domain. We have now some 450,000,000 acres of available land left, which, in the aggregate, is not of near as good a quality as that previously disposed of. The increase of population will amount to thirty-two millions in the next twenty years! Evidently, if we get rid of our remaining public land at the rate which we have been getting rid of it since the organization of the General Land Office, it will be all gone some time before the year 1890, and no child born this year or last year, or even three years before that, can possibly get himself a homestead out of Uncle Sam's farm, unless he is willing to take a mountain-top or alkali patch, or to emigrate to Alaska.

But the rate at which we are disposing of our public lands is increasing more rapidly than the rate at which our population grows. Over 200,000,000 acres have been granted during the last ten years to railroads alone, while bills are now pending in Congress which call for about all there is left. And as our population increases, the public domain becomes less and less, and the prospective value of land greater and greater, so will the desire of speculators to get hold of land increase, and unless there is a radical change in our land policy, we may expect to see the public domain passing into private hands at a constantly increasing rate. When a thing is plenty, nobody wants it; when it begins to get scarce, there is a general rush for it.

It will be said: Even if the public domain does pass into private hands, there will be as much unoccupied land as there otherwise would be, and let our population increase as rapidly as it may, it will be a long time before there can be any real scarcity of land in the United States. This is very true. Before we become as populous as France or England, we must have a population, not of one hundred million

or two hundred millions, or even five hundred millions; but of *one thousand millions*, and even then, if it is properly divided and properly cultivated, we shall not have reached the limit of our land to support population. That limit is far, far off—so far in fact that we need give ourselves no more trouble about it than about the exhaustion of our coal measures. The danger that we have to fear, is not the overcrowding, but the monopolization of our land—not that there will not be land enough to support all, but that land will be so high that the poor man cannot buy it. That time is not very far distant.

The Prospective Value of Land.

Some years ago an Ohio Senator* asserted that by the close of the century there would not be an acre of average land in the United States that would not be worth \$50 in gold.

Supposing that our present land policy is to be continued, if he was mistaken at all, it was in setting the time too far off.

Between the years 1810 and 1870, the increase in the population of the United States was no greater than it will be between the years 1870 and 1890. Coincident with this increase of population we have seen the value of land go up from nothing to from \$20 to \$150 per acre over a much larger area than our public domain now includes of good agricultural land.

And as soon as the public domain becomes nearly monopolized, land will go up with a rush. The Government, with its millions of acres of public land, has been the great bear in the land market. When it withdraws, the bulls will have it their own way. That there is land to be had for \$2 50 per acre in Dacotah lessens the value of New York farms. Because there is yet cheap land to be had in some parts of the State, land in the Santa Clara and Alameda Valleys is not worth as much.

And in considering the prospective value of land in the United States, there are two other things to be kept in mind: First, that with our shiftless farming we are exhausting our land. That is, that year by year we require not only more land for an increased population, but more land for the same population. And, second, that the tendency of cheapened processes of manufacture is to increase the value of land.

Land Policy of the United States.

The best commentary upon our national land policy is the fact, stated by Senator Stewart, that of the 447,000,000 acres disposed of by the Government, not 100,000,000 have passed directly into the hands of cultivators. If we add to this amount the lands which have been granted, but not delivered, we have an aggregate of 650,000,000 acres disposed of to but 100,000,000 acres directly to cultivators—that is to say, six-sevenths of the land has been put into the hands of people who did not want to use it themselves, but to make a profit (that is, to exact a tax) from those who do use it.

A generation hence our children will look with astonishment at the recklessness with which the public domain has been squandered. It will seem to them that we must have been mad. For certainly our whole land policy, with here and there a gleam of common sense shooting through it, seems to have been dictated by the desire to get rid of our lands as fast as possible. As the Commissioner of the General Land Office puts it, seemingly without consciousness of the sarcasm involved, "It has ever been the anxious desire of the Government to transmute its title to the soil into private ownership by the most speedy processes that could be devised."

In one sense our land dealings have been liberal enough. The Government has made nothing to speak of from its lands, for the receipts from sales has been not much more than sufficient to pay the cost of acquisition or extinguishment of Indian title and the expenses of surveying and of the land office. But our liberality has been that of a prince who gives away a dukedom to gratify a whim, or lets at a nominal rent to a favored Farmer-General the collection of taxes for a province. We have been liberal, very liberal, to everybody but those who have a right to our liberality, and to every importunate beggar to whom we would have refused money we have given land—that is, we have given to him or to them the privilege of taxing *the people who alone would put this land to any use.*

* Ben Wade.

So far as the Indians, on the one hand, and the English proprietaries of Crown grants, on the other, were concerned, the founders of the American Republic were clearly of the opinion that the land belongs to him who will use it; but further than this they did not seem to inquire. In the early days of the Government the sale of wild lands was looked upon as a source from which abundant revenue might be drawn. Sales were at first made in tracts of not less than a quarter township, or nine square miles, to the highest bidder, at a minimum of \$2 per acre, on long credits. It was not until 1820 that the minimum price was reduced to \$1.25 cash, and the Government condescended to retail in tracts of 160 acres. And it was not until 1841, sixty-five years after the Declaration of Independence, that the right of pre-emption was given to settlers upon surveyed land. In 1862 this right was extended to unsurveyed land. And in the same year, 1862, the right of every citizen to land, upon the sole condition of cultivating it, was first recognized by the passage of the Homestead law, which gives to the settler, after five years occupancy and the payment of \$22 in fees, 160 acres of minimum (\$1.25) or 80 acres of double-minimum (\$2.50) land.

Still further in the right direction did the zeal of Congress for the newly enfranchised slaves carry it in 1866, when all the public lands in the five Southern land States—Alabama, Mississippi, Louisiana, Florida and Arkansas—were reserved for homestead entry.*

But this growing liberality to the settler has been accompanied by a still more rapidly growing liberality to speculators and corporations, and since the pre-emption and homestead laws were passed, land monopolization has gone on at a faster rate than ever. Without dwelling on the special means, such as the exercise of the treaty-making power, by which large tracts of land in some of the Western States have been given to railroad corporations and individuals for a few cents per acre, let us look at the general methods by which the monopolization of Government land has been and is being accomplished.

Public Sale and Private Entry.

The first method adopted for the disposal of public lands was their sale to the highest bidder. This theory has never been abandoned. After lands have been surveyed, they may, at any time, be ordered to be offered at public sale. This public sale is only a matter of form, purchasers at more than the minimum price seldom or never appearing. But the offering makes an important difference in the disposition of the lands. Before being offered at public sale they are open only to pre-emption and homestead entry—that is, to actual settlers, in tracts not exceeding 160 acres. After being offered, they are open to private entry—that is, they may be purchased by any one in any amount, at the minimum price, \$1.25 per acre.

Whether by the misrepresentations of speculators or the inadvertence of the authorities, public sales, as a general thing, have been ordered before the line of settlement had fairly reached the land, and thus the speculator has been able to keep in advance, picking out the choice lands in quantities to retail at a largely advanced price, or to hold back from improvement for years.

By means of cabins built on wheels or at the intersection of quarter section lines, and false affidavits, a good deal of land grabbing has also been done under the pre-emption and homestead laws. More, however, in the Mississippi Valley States than elsewhere.

Donations of Public Lands.

Thus land monopolization has gone on in the ordinary course of our land dealings. But the extraordinary means which have done most to hasten it, have been the donations of land in immense bodies.

It is a trite saying that men are always disposed to be liberal with that which is not their own—a saying which has had exemplifications enough in the history of all our legislative bodies. But there is a check to the appropriation of money, in the taxation involved, which, if not felt by those who vote the money away, is felt by their constituents. Not so with appropriations of land. No extra taxation is caused, and the people at whose expense the appropriations are made—the settlers upon the land—have not yet appeared. And so Congress has always been extremely liberal in giving away the public lands on all pretexts, and its liberality has generally been sanctioned, or at least never seriously questioned by public opinion.

* This reservation has been broken through by the passage of the Southern Pacific Railroad bill, which gives 5,000,000 acres to a branch road in Louisiana, which would be sure to be constructed without any aid.

The donations of land by Congress have been to individuals, to States, and to corporations.

The Bounty Land Grants.

The grants to individuals consist chiefly of bounties to soldiers and sailors of the war of 1812 and the Mexican War, and amount to about 73,000,000 acres, for which transferable warrants were issued. Nearly all of this scrip passed into the hands of speculators, not one warrant in five hundred having been located by or for the original holder. It has been estimated that, on an average, the warrants did not yield the donees 25 cents per acre. But taking 50 cents as a basis, we are able to form an idea of the disproportion between the cost of the gift to the nation and the benefit to the soldiers. Leaving out of the calculation the few that have taken the land given them, we find that the Government gave up a revenue of \$91,067,500, which it would have received from the sale of the land at \$1.25 per acre, in order to give the soldiers \$36,427,000, or, in other words, every dollar the soldiers got cost the nation \$2.50! Nor does this tell the whole story. Though some of this scrip was located by settlers who purchased it from brokers at an advance on the price paid soldiers, most of it has been located by speculators who, with the same capital, have been enabled to monopolize much more land than they could otherwise have monopolized, and to monopolize land even before it was offered at public sale. If we estimate the advance which settlers have had to pay in consequence of this speculation at \$2 per acre for the amount of transferred scrip, we have a tax upon settlers of \$145,708,000, which added to the loss of the Government, gives a total of \$236,775,500, given by the Government and exacted from settlers in order to give the soldiers \$36,427,000! And yet the story is not told. To get at the true cost of this comparatively insignificant gift, we should also have to estimate the loss caused by dispersion—by the widening of the distance between producer and consumer—which the land speculation, resulting from the issue of bounty warrants, has caused. But here figures fail us.

Grants to States.

The donations of land by the General Government to individual States have been large. Besides special donations to particular States, the general donations are 500,000 acres for internal improvements, ten sections for public buildings, seventy-two sections for seminaries, two sections in each township (or 1-18th) for common schools, and all the swamp and overflowed lands, for purposes of reclamation. These grants have been made to the States which contain public land, of land within their borders. In addition, all the States have been given 30,000 acres for each of their Senators and Representatives, for the establishment of agricultural colleges.

If land is to be sold, it is certainly more just that the proceeds should go to the States in which it is located than to the General Government, and the purposes for which these grants have been made are of the best. Yet judging from the standpoint of a right land policy, which would give the settler his land at the mere cost of surveying and book-keeping, even in theory, they are bad. For why should the cost of public buildings, or even of public education, be saddled upon the men who are just making themselves farms, who, as a class, have the least capital, and to whom their capital is of the most importance?

But whether right or wrong in theory, in practice, like the military bounties, these grants have proved of but little benefit to the States in comparison with their cost to the nation and to settlers. As a general rule they have been squandered by the States, and their principal effect has been to aid in the monopolization of land. How true this is will be seen more clearly when we come to look at the land policy of the State of California.

The Agricultural College Grant.

The Agricultural College grant was made in 1862, and has since been extended as the Representatives of other States have been admitted. It aggregates 9,510,000 acres, and if extended to the Territories as they come in, will take at least 11,000,000 acres. This grant differs from the other State grants in this: that it is given to all States, whether they contain public land or not; those in which there is no public land being permitted to take their land in other States which do contain it. This feature makes this grant, in theory at least, the very worst of the grants, for it throws

upon the settlers in new and poor States the burden of supporting colleges not merely for their own State but for other and far richer States.

For instance, the State of New York, the most populous and wealthy member of the Union, receives 990,000 acres, which must all be located in the poor far-Western States. Thus to this old and rich State is given the power of taxing the settlers upon nearly a million acres in far-off and poor States for the maintenance of a college which she is far more able to support than they are. If New York has located this land well, and retains it (as I believe is the intention), in a very few years she will be able to rent it for one-fourth or even one-third of the crop. That is, for the support of one of her own institutions, New York will be privileged to tax 50,000 people, fifteen hundred or two thousand miles away, to the amount of one-fourth or one-third of their gross earnings. And as time passes, and population becomes denser, and land more valuable, the number of people thus taxed will increase and the tax become larger. The Cornell University, to which the New York grant has been made over, is a noble and beneficent institution; but will any one say that it is just to throw the burden of its support upon the laboring classes of far-off States?

The same thing is true of all the old and rich States which are thus given the right to tax the producers of new and poorer States. That most of these States have sold this right to speculators at rates ranging from 37½ to 80 cents per acre, only makes the matter worse.

But perhaps this injustice is even more evident in the case of those Southern States which do contain public land. The public land of Texas (of which there are some 80,000,000 acres left) belongs to the State; that in the other Southern land States was reserved for homestead entry by the Act of 1866. These States get the same amount of land under this grant as the others; but none of it is taken from their own lands, and their college scrip is now being plastered over the public lands in California and the Northwest, much of it being located here.

California gets 150,000 acres under the Act. Yet, besides this, there have been located here up to June of last year more than 750,000 acres of the land scrip of other States, and large amounts have since been located or are here ready for location as soon as immigration sets in. This scrip brought to the States to which it was issued an average of probably, 50 cents per acre. What the giving of this paltry donation has cost us we know too well. A great deal of the land thus located at a cost to the speculator of 50 cents per acre has been sold to settlers at prices ranging from \$5 to \$10 per acre, much of it is held for higher prices than can now be obtained; and a great deal of it is being rented for one-fourth of the gross produce, the renter supplying all the labor and furnishing all the seed; while the land monopolization of which this agricultural scrip has been one of the causes, has turned back immigration from California, has made business of all kinds dull, and kept idle thousands of mechanics and producers who would gladly have been adding to the general wealth.

Badly as California has suffered, other States have suffered worse. Wisconsin is entitled to 210,000 acres; yet, up to June, 1870, 1,111,385 acres had been located in that State with agricultural scrip. Nebraska gets only 90,000 acres, yet the agricultural scrip locations in Nebraska up to the same time were nearly a million acres.

Railroad Grants.

Some four millions of acres have been donated for the construction of various wagon roads, and some four millions and a half for the construction of canals; but by far the largest grants have been to railroads—the amount given to these companies within the last ten years aggregating nearly one-half as much as all the public lands disposed of in other ways since the formation of the Government. This policy was not commenced until 1850, when six sections per mile, or in all 2,595,053 acres, were granted for the construction of the Illinois Central road. This donation was made to the State, and by it assigned to the company on condition of the payment to the State of seven per cent of its gross receipts in lieu of taxation. This grant, which now seems so insignificant, was then regarded as princely, and so it was, as it has more than paid for the building and equipment of the road. The example being set, other grants of course followed. In 1862, a long leap ahead in the rapidity of the disposal of the public lands was taken in the passage of the first Pacific Railroad bill, giving directly, without the intervention of States, to the Union, Central and Kansas companies ten sections of land per mile, (at that time the largest amount ever granted) and \$16,000 per mile in bonds. In 1864 this grant was doubled, making twenty sections or 12,800 acres per mile, and at the same time the bonded sub-

was trebled for the mountain districts and doubled for the interior basin while the Government first mortgage for the payment of the bonds was changed into a second mortgage.

But the disposition to give away lands kept on increasing, and the Northern and Southern Pacific getting no bonds, the land grant to them was again doubled—making it forty sections or 25,600 acres per mile, or, to speak exactly, twenty sections in the States and forty sections in the Territories. To these three Pacific roads alone have been given 150,000,000 acres in round numbers—more than is contained in all Germany, Holland and Belgium, with their population of over fifty millions—more land than that of any single European State except Russia. The largest single grant—and it is a grant unparalleled in the history of the world—is that to the Northern Pacific, which aggregates 58,000,000 acres. And besides this these roads get 400 feet right of way (which in the case of the Northern Pacific amounts to 100,000 acres), what land they want for depots, stations, etc., and the privilege of taking material from Government land, which means that they may cut all the timber they wish off Government sections, reserving that on their own. With these later grants has also been inaugurated the plan of setting aside a tract on each side of the grant in which the companies may make up any deficiency within the original limits by reason of settlement. Thus the grant to the Southern Pacific withdraws from settlement a belt of land sixty miles wide in California and one hundred miles wide in the Territories, and that to the Northern Pacific withdraws a belt one hundred and twenty miles wide from the western boundary of Minnesota to Puget Sound and the Columbia River.

Since the day when Esau sold his birthright for a mess of pottage we may search history in vain for any parallel to such concessions. Munificence, we call it! Why, our common use of words leave no term in the English tongue strong enough to express such reckless prodigality. Just think of it! 25,600 acres of land for the building of one mile of railroad—land enough to make 256 good sized American farms; land enough to make 4,400 such farms as in Belgium support a family each in independence and comfort. And this given to a corporation, not for building a railroad for the Government or for the people, but for building a railroad for themselves; a railroad which they will own as absolutely as they will own the land—a railroad for the use of which both Government and people must pay as much as though they had given nothing for its construction.

The Value of These Grants.

If we look but a few years ahead, to the time when we shall begin to feel the pressure of a population of one hundred millions, the value of these enormous grants is simply incalculable. But their immediate value is greatly underestimated. Land was given to the first Pacific roads as though it had not and never would have any value. Money enough to build the roads and leave princely fortunes besides was placed in the hands of the companies and the land was thrown in as a liberal grocer might throw an extra lump of sugar into the already falling scale. Yet it is already apparent that by far the most valuable part of these franchises are these land grants. The timber which the Central Pacific gets in the Sierra will of itself yield more than the cost of the whole road. In addition, it has large amounts of good agricultural lands in California and along the Nevada river-bottoms, and millions of acres of the best grazing lauds in the sage brush plains of Nevada and Utah, while there are thousands of acres of its lands which will have enormous value from the coal, salt, iron, lead, copper and other minerals they contain. The Union Pacific lands in the Platte Valley have, so far as sold, yielded it an average of \$5 per acre; and though it gets no timber to speak of, it has millions of acres which will soon be valuable for grazing, and for a long distance its route passes through the greatest coal and iron deposits of the Continent, where much of its 12,600 acres per mile will in time be valued at thousands of dollars per acre.

Twenty years ago, when the Illinois Central received its grant, its lands were worth no more than those now given the Northern Pacific. Yet the lands sold by the Illinois Central have averaged over \$12 per acre, and those yet remaining on hand are held at a still higher price. Counting at the Company's price what is held, the grant has yielded over \$30,000,000—much more than the cost of the road. If six sections per mile will do this in twenty years, what should forty sections per mile do?

The Directors of the Northern Pacific have themselves estimated their grant to be worth \$10 per acre on the completion of the road. I think they rather under than

over estimated it, and for an obvious reason. A true statement of the real value of the grant would tend to discredit the whole affair in the eyes of the cautious foreign capitalists, from whom the Company seeks to borrow money, for they would not believe that any Government could be extravagant enough to make such a donation. But it must be remembered that the line of the Northern Pacific passes for nearly its whole length through as fine an agricultural country as that of Illinois; that its grant consists, in large part, of immensely valuable timber and mineral land, and that it will build up town after town, one of them at least, a great commercial city, on its own soil.

Furthermore, for reasons before stated, the increase in the value of land during the next twenty years must be much greater than it has been in the last twenty years. Taking these things into consideration, is it too much to say that in twenty years from now the lands of the Company will have sold for or will be worth an average of at least \$20 per acre? At this rate the grant amounts to over half a million dollars per mile, or in the aggregate to the enormous sum of \$1,160,000,000—a sum more than half the National debt. This donated absolutely to one corporation. And for what? For building a road which cannot cost more than eighty millions, and for building it for themselves!

No keener satire upon our land grant policy could be written than that which is to be found in the published advertisement of this Northern Pacific Company. The Directors show that if they get an average of but \$2 per acre for their land, they can pay the whole cost of building and equipping the road and have a surplus of some \$20,000,000 left. That is to say, the Government might have built the road by merely raising the average price of the lands \$1 per acre, and have made a profit by the operation, while it would then own the road, and could give or lease it to the Company which would agree to charge the lowest rates. As it is, the Government has raised the price to settlers on one-half the land \$1.25 per acre; the other half it has given to the Company to charge settlers just what it pleases; and then on this railroad which it has made the settlers pay for over and over again both Government and settlers must pay for transportation just as though the road had been built by private means.

The Argument for Railroad Grants.

So plausible and so ably urged are the arguments for these grants, such general acceptance have they gained, and so seldom are they challenged (for the opposition which has been made has been rather against the extravagance than the theory of the grants) that it is worth while to consider them with some care.

The plea for railroad land grants is about this: By giving land to secure the building of railroads, we develop the country without expense, or at least at the expense of those who largely profit by the operation. The land which we give is useless as it is; the railroad makes it useful and valuable. The Government giving really nothing of present value, does not even deprive itself of that which it might receive in the future, for it is reimbursed for the selling price of the land it gives by doubling the price of the land it retains. The Government in fact acts like a sagacious individual, who having an unsalable estate, gives half of it away to secure improvements which will enable him to sell the other half for as much as he at first asked for the whole. The settler is also the gainer, for land at \$2.50 per acre with a railroad is worth more to him than land at \$1.25 per acre without a railroad, and vast stretches of territory are opened to him to which he could not otherwise go for lack of means to transport his produce to market; while the country at large is greatly the gainer by the enormous wealth which railroads always create.

"Here are thousands of square miles of fertile land," cries an eloquent Senator, "the haunt of the bear, the buffalo and the wandering savage, but of no use whatever to civilized man, for there is no railroad to furnish cheap and quick communication with the rest of the world. Give away a few millions of these acres for the building of a railroad and all this land may be used. People will go there to settle, farms will be tilled and towns will arise, and these square miles, now worth nothing, will have a market and a taxable value, while their productions will stream across the continent, making your existing cities still greater and their people still richer; giving freight to your ships and work to your mills."

All this sounds very eloquent to the land grant man who stands in the lobby waiting for the little bill to go through which is make him a millionaire, and really convinces him that he is a benefactor of humanity, the Joshua of the hardy settler and the

Moses of the down-trodden immigrant. And backed up, as it is, by columns of figures showing the saving in railroad over wagon transportation, the rapidity of settlement where land grants have been already made, and the increase in the value of real estate, it sounds very plausible to those who have not anything like the reason to be as easily convinced as has the land grant man. But will it bear the test of examination? Let us see:

In the first place it must be observed that the consideration for which we make these grants is purely one of time—to get railroads built before they would otherwise be built. No one will seriously pretend that without land grants railroads would never be built; all that can be claimed is that without grants they would not be built so soon—that is, until the prospective business would warrant the outlay. This is what we get, or rather expect to get, for we do not always get it. What do we give? We give land. That is, we give the company, in addition to the power of charging (practically what it pleases) for the carrying it does, the unlimited power of charging the people who are to settle upon one-half the land for the privilege of settling there. If the Government loses nothing, it is because the settlers on one-half of the land must pay double price to reimburse it, while the settlers on the other half must pay just what the company chooses to ask them.

Now, in the course of the settlement of this land there comes a time when there are enough settlers, together with the prospective increase of settlers, to warrant the building of a railroad without a land grant. Admitting that the settlers who come upon the land before that time are gainers by the land grant in getting a railroad before they otherwise would,* it is evident that the settlers after that time are losers by the amount of the additional price which they must pay for their land, for *they* would have had a railroad anyhow.

And this point where the gain of settlers ceases, and the loss of settlers commences, is very much nearer the beginning of settlement—that is to say, there are fewer gainers and more losers, than might at first glance be supposed. For if there were no land grants at all, the land would be open to settlers as homesteads, or at \$1.25 per acre, and therefore the number of actual settlers which would justify the construction of a non-land grant railroad would be very much smaller than that which would suffice to furnish a land grant railroad with a paying business, as the prospective increase during and upon the completion of the road would be very much greater.

So therefore, when, by giving a land grant, we get a railroad to precede settlement, if the first settlers gain at all, the others lose. The gain of the first is lessened by their having to pay double price for their lands; the loss of the others is mitigated by no gain. So that, as far as settlers are concerned, we are sacrificing the future for the present; we are taxing the many for the very questionable benefit of the few. And even in the case of the gainers, their first advantage in having a railroad before its natural time, is offset by the subsequent retardation of settlement in their neighborhood which the land grant causes.

For if the first effect of the land grant is to hasten settlement by getting a railroad built, its second effect is to retard it by enhancing the price of lands. Illinois, where the first railroad land grant was made, may in a year or two after, have had more people, but for years back her population has certainly been less because of it. For

* But as to this it must be remembered, that the gain to the settler is not to be measured by the increased advantage which the railroad gives to the new land through which it is built, but by the difference in advantage which that land offers over the land on which he would otherwise have settled. Thus we cannot estimate the gain from the building of the Northern Pacific road to the people now settling along its route in Minnesota and Decotah by the saving in the cost of transportation of the produce of that land; for had the road not been projected, they would not have settled there, but would have settled in Iowa or Nebraska, where railroads are already built; and thus the gain they derive from the building of the Northern Pacific is not to be measured by the increased advantage which the railroad gives for the cultivation of the land on which they are settling, but by the advantage which the railroad gives that land over land in Iowa or Nebraska, on which they would otherwise have settled.

At first look, it would appear that all the people who go where a new railroad is built must gain something that they could not gain elsewhere, as otherwise they would not go there. This is doubtless true as regards such gain as inures to the individual without regard to other individuals, but not always true as regards such individual gain as is also a gain to the community. For some part of the population which accompanies the building of a railroad through an unsettled country, comes to minister to the needs and desires of those who build it, and is merely to be regarded as an appendage of the building force, and with many of the others the expectation of advantage is prospective and speculative. They settle in the new country which the road is opening up, not because their labor will yield them a larger return than in other places to which they might go, but because they *can get* choice locations or a larger amount of land, which population afterwards to come will make *valuable*. That, is the gain which they expect is not from the increased productiveness of their own labor, but from the appropriation of some portion of other people's labor—and is not a gain to the community, though it may be a loss.

nearly half a million acres—one-fifth of this grant—remained unoccupied in 1870, the company holding it at an average price of \$13 per acre. If this land could have been had for \$1.25 per acre, it would have been occupied years ago. This is the case wherever land grants have been made, and long before the Territories in which we are now giving away 25,000 acres per mile for the building of railroads, are one-tenth settled, we will be asked to give away like amounts of other unappropriated territory (if there is any by that time left) in order to furnish "cheap homes to the settlers!"

Considering *all* the people who are to come upon our now unoccupied lands, weighing the near future with the present, is it not evident that the policy of land grants is a most ruinous one even in theory—even when we get by it that which we bargain to get? Let us see how it affects the community at large in the present.

Where a land grant is necessary to induce the building of a road, it is because the enterprise itself will not pay—that is to say, at least, that it will not yield as large a return for the investment as the same amount of capital would yield if invested somewhere else. The land grant is a subsidy which we give to the investors to make up this loss.

Is it not too plain for argument, that where capital is invested in a less remunerative enterprise than it otherwise would be, there is a loss to the whole community? Whether that loss is made up to the individuals by a subsidy or not, only affects the distribution of the loss among individuals—the loss to the community, which includes all its individuals, is the same.

But it will be said: Though this may be true so far as the direct returns of the railroad are concerned, there are other advantages from railroad building besides the receipts from fares and freights. The owners of the land through which the road passes, the producer and the consumer of the freight which it carries, and the passenger who rides upon it, are all benefited to an amount far exceeding the sums paid as fares, and freights. When we give a land grant, we merely give the railroad company a share in these *diffused* profits, which will make up to it the loss which would accrue were it confined to its legitimate share. Thus: Here is a railroad, the business of which would not pay for building it for five years yet. The loss to the unsubsidized company which would build it now and run it for five years, would be \$10,000,000. But the gain to land owners and others would be \$100,000,000. Now, if by a land grant or otherwise, we secure to the railroad company a share of this collateral gain, amounting to \$20,000,000, the railroad company will make a profit of \$10,000,000, instead of a loss of \$10,000,000, by building the road, and others would make a profit of \$80,000,000.

But it must be remembered that every productive enterprise, besides its return to those who undertake it, yields collateral advantages to others. It is the law of the universe—each for all, and all for each. If a man only plant a fruit tree, *his* gain is that he gathers its fruit in its time and its season. But in addition to his gain, there is a gain to the whole community in the increased supply of fruit, and in the beneficial effect of the tree upon the climate. If he build a factory, besides his own profit he furnishes others with employment and with profit; he adds to the value of surrounding property. And if he builds a railroad, whether it be here or there, there are diffused benefits, besides the direct benefit to himself from its receipts.

Now, as a general rule, is it not safe to assume that the direct profits of any enterprise are the test of its *diffused* profits? For instance: It will pay to put up an ice-making machine rather in New Orleans than in Bangor. Why? *Because* there are more people in New Orleans who need ice, and they need it more than in Bangor. The individual profit will be greater, *because* the general profit will be greater. It will pay capitalists better to build a railroad between San Francisco and Santa Cruz than it will to build a like railroad in Washington Territory. Why? *Because* there are more people who will ride, and more freight to be carried, on the one than on the other. And as the diffused benefit of a railroad can only inure from the carrying of passengers and freight, is it not evident that the diffused benefit is greater in the one case than in the other, just in proportion as the direct benefit is greater?

In the second place, in any particular case in which we have to offer a subsidy to get a railroad built, the question is not, shall we have this railroad or nothing?—but, shall we have this road in preference to something else?—for the investment of capital in one enterprise prevents its investment in another. No legislative Act, no issue of bonds, no grant of lands, can create capital. Capital, so to speak, is stored-up labor, and only labor can create it. The available capital of the United States at any given time is but a given quantity. It may be invested here or it may be invested there, but it is only here or there that it can be invested. Nor is there any *illimitable* supply abroad to borrow from. The amount of foreign capital seeking invest-

ment in the United States is about so much each year; and if by increasing our offers we get any more, we must pay more, not merely for the increased amount which we get, but for all which we get.

To recur, now, to our former example: Here is a railroad through an unsettled country, which to build now would, relying upon its direct receipts, entail a loss of \$10,000,000, the diffused benefits of which may be estimated at \$100,000,000. Here is another railroad which it would take the same capital to build, which, in the same time, would yield a direct profit of \$5,000,000, and the diffused benefits of which it is fair to presume might be expressed by \$300,000,000. Now if we offer to the builders of the first road a land grant which will enable them to obtain one-fifth of the diffused benefits of the road, we could induce them to build that road rather than the other, for they would make twice as much by doing so. But what would be the net result to the community? Clearly a loss of \$215,000,000. That is to say: By offering a land grant we could induce capitalists to build a road in Washington Territory, rather than between San Francisco and Santa Cruz. But if we did do so, the people between San Francisco and Santa Cruz would lose far more than the capitalists and the Washington Territory settlers would gain; the people of the Pacific Coast, as a whole, and the United States, as a whole, would be poorer than if we had left capital free to seek the investments which would of themselves return to it the largest profits.

The comparison between an individual and the nation is fallacious. The one is a part, the other is the whole. The individual lives but a few years, the lifetime of the nation is counted by centuries. It may profit an individual to induce people to settle or capital to be invested in certain places; the nation can only profit by having its population and its capital so located and invested that the largest returns will be realized. It may profit an individual to sacrifice the near future to the present, but it cannot profit a nation.

As concerns the statistics by which the benefits of land grant railroads are attempted to be shown, it must be remembered, first, that the population of the United States is growing at the rate of a million per year, and next, that increase in the value of land is not increase in wealth. That whatever population railroads have brought to new States and Territories is dispersion, not increase, is proven by the fact that the population of the United States is not increasing faster than it did before railroad building commenced, while the slightest consideration of economic laws shows that whatever gain has resulted from their building is at the expense of a greater gain which would have resulted from the investment of the same capital where it was more needed—in fact, that there is no gain, but a loss. We have been supposing that land grants secure the consideration for which they are given—the building of roads before they would otherwise be built; but this is far from being always the case. With the exception, perhaps, of the little Stockton and Copperopolis road, the California grants have not hastened the building of railroads, but have actually retarded it, by retarding settlement. The fact is, that in nearly all cases these land grants are made to men who do not propose, and who have not the means, to build the road. They keep them (procuring extensions of time, when necessary*) until they can sell out to others who wish to build, and who, on their part, generally delay until they can see a profit in the regular business.

To sum up: When we give a land grant for the building of a railroad, we either get a railroad built before it would be built by private enterprise, or we do not.

If we do not, our land is given for nothing; if we do, capital is diverted from more to less productive investments, and we are the poorer for the operation.

In either case the land grant tends to disperse population; in either case it causes the monopolization of land; in either case it makes the many poorer, and a few the richer.

I have devoted this much space to answering directly the argument for railroad land grants, because they are constantly urged, and are seldom squarely met, and because so long as we admit that we may profit by thus granting away land in "reasonable amounts," we shall certainly find our lands going in "unreasonable amounts." But surely it requires no argument to show that this thing of giving away from twelve to twenty-five thousand acres per mile of road in order to get people to build a railroad for themselves, is a wicked extravagance for which no satisfactory excuse can be made. This land, now so worthless that we give it away by the million acres without a thought, is only worthless because the people who are to cultivate it have not yet arrived. They are coming fast—we have seen how fast. While there is plenty of uncultivated land in the older States we are giving away the land in the Territories under *the plea of hastening settlement*, and when the time comes that these lands are really

* Congress, in 1870, actually passed a bill extending the time for the completion of the *new 20 miles of Western road* to which a land grant was made in 1863.

needed for cultivation, they will all be monopolized, and the settler, go where he will, must pay largely for the privilege of cultivating soil which since the dawn of creation has been waiting his coming. We need not trouble ourselves about railroads; settlement will go on without them—as it went on in Ohio and Indiana, as it has gone on since our Aryan forefathers left the Asiatic cradle of the race on their long westward journey. Without any giving away of the land, railroads with every other appliance of civilization will come in their own good time. Of all people, the American people need no paternal Government to direct their enterprise. All they ask is fair play, as between man and man; all the best Government can do for them is to preserve order and administer justice.

There may be cases in which political or other non-economic reasons may make the giving of a subsidy for the building of a road advisable. In such cases, a money subsidy is the best, a land subsidy the worst. But if the policy of selling our lands is continued, and it is desirable to make the payment of the subsidy contingent upon the sale of the land, then the proceeds of the land, not the land itself, should be granted.

There is one argument for railroad land grants which I have neglected to notice. Senator Stewart pleads that these grants have kept the land from passing into the hands of speculators, who would have taken more than the railroad companies, and have treated the settlers less liberally than the companies. Perhaps he is right; there is certainly some truth in his plea. But if he is right, what does that prove? Not the goodness of railroad grants; but the badness of the laws which allow speculation in the public lands.

II.

THE LANDS OF CALIFORNIA.

How Far Land Monopolization has already Gone.

In all the new States of the Union land monopolization has gone on at an alarming rate, but in none of them so fast as in California, and in none of them, perhaps, are its evil effects so manifest.

California is the greatest land State in the Union, both in extent (for Texas owns her own land) and in the amount of land still credited to the Government in Department reports. With an area of 188,981 square miles, or, in round numbers, 121,000,000 acres, she has a population of less than 600,000—that is to say, with an area twenty-four times as large as Massachusetts, she has a population not half as great. Of this population not one-third is engaged in agriculture, and the amount of land under cultivation does not exceed 2,500,000 acres. Surely land should here be cheap, and the immigrant should come with the certainty of getting a homestead at Government price! But this is not so. Of the 100,000,000 acres of public land which, according to the last report of the Department, yet remain in California (which of course includes all the mountains and sterile plains), some 20,000,000 acres are withheld from settlement by railroad reservations, and millions of acres more are held under unsettled Mexican grants, or by individuals under the possessory laws of the State, without color of title. Though here or there, if he knew where to find it, there may be a little piece of Government land left, the notorious fact is that the immigrant coming to the State to-day must, as a general thing, pay their price to the middlemen before he can begin to cultivate the soil. Although the population of California, all told—miners, city residents, Chinamen and Diggers—does not amount to three to the square mile; although the arable land of the State has hardly been scratched (and with all her mountains and dry plains California has an arable surface greater than the entire area of Ohio), it is already so far monopolized that a large part of the farming is done by renters, or by men who cultivate their thousands of acres in a single field. For the land of California is already to a great extent monopolized by a few individuals, who hold thousands and hundreds of thousands of acres apiece. Across many of these vast estates a strong horse cannot gallop in a day, and one may travel for miles and miles over fertile ground where no plow has ever struck, but which is all owned, and on which no settler can come to make himself a home, unless he pay such tribute as the lord of the domain chooses to exact.

Nor is there any State in the Union in which settlers in good faith have been so persecuted, so robbed, as in California. Men have grown rich, and men still make a