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Article Summary: Pioneer settlers arriving in Nebraska after 1870 found huge tracts of choice agricultural land in the hands of men whose only purpose was to gamble with the land. The Homestead Act had failed to slow, much less curb, land speculation. This article seeks to answer the questions: How extensive was speculation in Nebraska after 1863? Who were these speculators? How many were there? And where did they come from?

Cataloging Information:

Names: William Scully, Paul Wallace Gates, Senator Wilkinson (Minnesota); John P Crothers, Andrew J Cropsey, Jacob Shoff, Alvah Buckingham, Robert H Ives, John Carter Brown, Charlotte Goddard, Walter Craig, Seth Richards, Moses B Goddard, Ira Davenport, James Thompson, Willard Graves, George I King, John Davenport, Hugh J Dobbs

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Photographs / Images: Table I: Land Speculators in Nebraska, 1863-1872; William Scully Land Certificate from Beatrice; Agricultural College Act Agricultural Script No 1029; Table II: Persons Entering Over 12,000 Acres in Nebraska; Table II: Residence of Land Speculators

SPECULATION AND NEBRASKA'S PUBLIC DOMAIN 1863-1872

WILLIAM J. STEWART

ON June 13, 1870, William Scully walked into the Beatrice land office and calmly paid the Receiver of Public Monies \$38,084 for a block of Government land in excess of 30,000 acres. Two days later Scully returned to buy an additional 6,400 acres.¹ These tracts, all east of the 98° meridian in Nuckolls County, represented William Scully's first major purchase of trans-Mississippi lands. An entrepreneur in the grand style, he was to eventually hold 250,000 acres in Illinois, Kansas and Nebraska. Born into landed Irish aristocracy, Scully journeyed to the United States primarily to invest a fortune in undeveloped land. In addition to personal funds, derived largely from the sale of estates in Ireland, Scully enjoyed the financial backing of the Rothschilds of London.² Yet, he was only one

¹ Monthly Abstracts of land sales, cash entries, Beatrice, among the records of the former General Land Office, Record Group 49 in The National Archives. Hereafter records in The National Archives are indicated by the symbol NA, followed by the record group (RG) number.

² Homer E. Socolofsky, "The Scully Land System in Marion County," *Kansas Historical Quarterly*, XVIII (November 1950), 337-375; Addison E. Sheldon, *Land Systems and Land Policies in Nebraska*, *Publications of the Nebraska Historical Society* (Lincoln, 1936), XXII, 321-324.

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among scores of speculators lured across the Missouri by visions of great wealth through land.

The impact of land speculation in eastern Nebraska can hardly be exaggerated. Pioneer settlers arriving in "The Homestead State" after 1870 found huge tracts of choice agricultural land in the hands of men whose only purpose was to gamble with the land. In his significant article, "The Homestead Act in an Incongruous Land System," Paul Wallace Gates effectively demonstrated that the passage of the Homestead Bill failed to slow, much less to curb land speculation.³ While Gates cites some of the more spectacular plungers operating in Nebraska, he is primarily concerned with revealing the extent of speculative activity across the entire public domain. A study of land monopolization in Nebraska after the Homestead Act went into effect should answer certain questions. How extensive was speculation in Nebraska after 1863? Who were these speculators? How many were there? Where did they come from?

Speculative activity in Nebraska was slight before 1865, but with the end of the Civil War hundreds of businessmen, seeking a promising investment for war profits, fanned out across the frontier. Those who raced into Nebraska quickly grabbed vast tracts in the eastern counties, in anticipation of the settlers they knew must follow. The presence of free land for the homesteader did not deter the land gambler. He acted upon the optimistic premise that there would always be settlers willing to pay \$3.00 to \$5.00 and more for prime agricultural land—especially after the prospective settler learned of the vast and uninviting prairie stretching beyond the 98° meridian.

There were two speculator-inspired land "booms" in Nebraska during the immediate postwar years. The first occurred between May and July, 1868, with the disposal of

³ Paul Wallace Gates, "The Homestead Law in an Incongruous Land System," *American Historical Review*, XLI (July 1936), 652-681.

200,000 acres.⁴ Another peak was reached in the summer of 1870 when 275,000 acres were entered from the Beatrice and Dakota City land offices.⁵ Government land entered during these two brief "rushes" represented nearly two-thirds of the total acreage secured by monopolists between 1863 and 1872.

Only two legitimate means of land entry were open to the speculator. He could pay cash or he could use land scrip. One form of scrip, or land paper, as it was often called, was the military bounty land warrant, issued in 40 acre and multiples of 40 acre denominations. The bounty land warrant, awarded to veterans of all United States wars before 1855, was transferable, thus prompting widespread speculation.⁶ A second type of land paper widely used in Nebraska after the Civil War was agricultural college scrip. The Agricultural College Act of July 2, 1862, granted land to the several states for the establishment of agricultural and mechanical colleges. The principal feature declared that each state receive an amount of public land equal to 30,000 acres times each senator and each representative it elected to Congress.⁷ Maryland with two senators and five representatives, for example, was entitled to locate 210,000 acres on the public domain. Those states with insufficient public land were issued scrip which could be used to locate any surveyed lands open to cash entry.

This law, known as the Morrill Act, stipulated that agricultural scrip be issued in only one denomination—160 acres. This scrip was also transferable, a proviso intended to please the promoters and money interests. When the Agricultural College bill was being debated, western Congressmen warned that speculators would reap the bene-

⁴ Monthly abstracts of land sales, military bounty land warrant locations, agricultural college scrip locations, Beatrice, Brownville, Dakota City, Omaha, NARG 49.

⁵ Monthly abstract of land sales, cash entries, Beatrice, Dakota City, NARB 49.

⁶ Paul Wallace Gates, *The Wisconsin Pine Lands of Cornell University* (Ithaca, 1943), p. 8; Jerry O'Callaghan, "The War Veteran and the Public Lands," *Agricultural History*, XXVIII (October 1954), 163-168.

⁷ *United States Statutes at Large*, XII, 503.

fits. Senator Wilkinson of Minnesota, speaking for the West, complained in vain:

Now, sir, that is just the reason why I oppose this bill. It will put scrip calling for nine millions two hundred and seventy thousand acres of land into the hands of land speculators, who, consulting their own interests only, will locate it upon the most valuable public lands in the West and hold it until it is made valuable through the labors of the settlers who occupy lands adjacent to it.⁸

His words were prophetic.

Many states disposed of their agricultural scrip by selling it in large blocks to brokers or dealers in land paper. The broker, who also handled bounty warrants, paid 50¢ to 90¢ an acre for land paper, then resold it in small lots for 70¢ to \$1.10 an acre.⁹ The active locator, who bought from the broker, simply took the scrip to the local land office. If he presented, say, twenty pieces of agricultural college scrip, he would be permitted to enter 3,200 acres anywhere in the district.

The word speculator will convey a different meaning to different readers. In this instance it refers to anyone entering at least four sections (2560 acres) on the public domain. Motivation is often difficult to determine, but speculative intent appears established by such a large entry. Between 1863 - 1872, ninety-eight entrymen in Nebraska acquired at least four sections of land:

TABLE I

LAND SPECULATORS IN NEBRASKA, 1863 - 1872*

Number of Entrymen	Acreage Entered
10	over 20,000
5	12,000 - 20,000
13	8,000 - 11,999
33	4,000 - 7,999
37	2,560 - 3,999

*Compiled from local land office abstracts of cash sales military bounty land warrants locations and agricultural college scrip locations between 1863 and 1872.

⁸ *Congressional Globe*, 37 Congress, 2nd session, p. 2395.

⁹ Thomas Le Duc, "State Disposal of the Agricultural College Land Scrip," *Agricultural History*, XXVIII (July 1954), 99-107; Gates, *Wisconsin Pine Lands*, p. 8.

It is hereby certified, That, in pursuance of Law, *William Scully*

Logan County, State of *Illinois* on this day purchased of the Register
of this Office, the Lot or *all of Section Twenty Eight* all of *Sec. Twenty Nine*
and all of Section No. *Thirty* (30) in Township No.
One (1) of Range No. *Five* (5) West containing
*One Thousand Nine Hundred and Twenty 88*¹/₁₀₀ acres, at the rate of
, dollar and 25 cents per acre, amounting to *Two Thousand Four Hundred*
and One dollars and *10* cents, for which the said *William Scully*
has made payment in full as required by law.

Now, therefore, be it known, That on presentation of this certificate to the
COMMISSIONER OF THE GENERAL LAND OFFICE, the said *William Scully*
shall be entitled to receive a Patent for the Lot above described.

Henry M. Atkinson
Register.

Agricultural College Act July 2, 1862.

AGRICULTURAL SCRIP,

REGISTER & RECEIVER'S

No. 246

Nov. 10 29

STATE OF Ohio



Town Office, Brownville, Neb. June 6th 1867

We hereby certify that the attached Scrip No. 246 State of Ohio was on this day received at this office from Alvah Buckingham of Woodcock County State of Kentucky

Henry M. Calkins Register

Rich Carson Receiver

Alvah Buckingham

of Woodcock County State of Kentucky

the South West -

quarter of Section No. 24 in Township No. Six S of Range No. Ten (10)

in the District of Lands subject to sale at the Land Office at BROWNVILLE, NEBRASKA containing 672

acres of Ohio -

issued under the Act of July 2, 1862

Witness My Hand this 6th day of June 1867

Henry M. Calkins REGISTER Alvah Buckingham

Rich Carson RECEIVER

I deposit the Patent in its seal in

LAND OFFICE, BROWNVILLE, NEBRASKA

June 6th

WE HEREBY CERTIFY, That the above location is correct being in conformity with laws and instructions

Rich Carson Receiver

Henry M. Calkins Register

Agricultural scrip entry made by Alvah Buckingham at Brownville

Ninety-eight persons had secured title to 800,000 acres of the richest part of Nebraska's public domain.¹⁰ Fewer than one hundred people controlled enough land to support 5,000 - 6,000 pioneer families. Further concentration of land ownership in Nebraska during this period is revealed by the following table:

TABLE II

PERSONS ENTERING OVER 12,000 ACRES IN NEBRASKA*

Entryman	Residence	Acreage Entered
1. William Scully	Logan County, Illinois	41,680
2. John P. Crothers	Bucks County, Pennsylvania	41,240
3. Andrew J. Cropsey	Lancaster County, Nebraska	30,520
4. Jacob Shoff	Otoe County, Nebraska	26,960
5. Alvah Buckingham	New York City	25,600
6. Robert H. Ives	Providence, Rhode Island	24,720
7. John Carter Brown	Providence, Rhode Island	24,480
8. Charlotte Goddard	Providence, Rhode Island	21,680
9. Walter Craig	Harrison County, Ohio	21,440
10. Seth Richards	Van Buren County, Iowa	21,120
11. Moses B. Goddard	Providence, Rhode Island	19,120
12. Ira Davenport	Steuben County, New York	17,000
13. James Thompson	Scott County, Iowa	15,100
14. Willard Graves	LaSalle County, Illinois	15,020
15. George I. King	Jersey County, Illinois	13,400

*Compiled from local land office abstracts of cash sales military bounty land warrants locations and agricultural college scrip locations between 1863 and 1872.

Fifteen speculators, thirteen of whom were absentee owners, had secured 359,280 acres of Government land.

The monopolist was usually a non-resident, with Illinois, Iowa and New York the best represented states.¹¹

¹⁰ Acreage entered by speculators in the various districts. Computed from the Monthly Abstracts of land sales, NARG 49:

Land District	Acreage
Dakota City	325,940
Beatrice	308,600
West Point	98,440
Lincoln	58,760

¹¹ Besides Andrew J. Cropsey and Jacob Shoff, persons giving Nebraska as their residence were: John F. Kimmel of Otoe County (10,880 acres), Richard Barrett, Nemaha (8,800), Isaac McConnell, Gage (8,020), Charles Dorsey, Nemaha (7,640).

TABLE III
RESIDENCE OF LAND SPECULATORS*

State of Residence	Number of Entrymen
Illinois	17
Iowa	13
New York	12
Ohio	12
Massachusetts	7
Nebraska	6
Indiana	5
Pennsylvania	5
Rhode Island	4
Vermont	3
Wisconsin	3
Michigan	3
New Jersey	2
Maryland	2
Missouri	2
Quebec, Canada	2

Five of the biggest land plungers in Nebraska were investors of national stature. The vast domain of William Scully has already been mentioned. Alvah Buckingham was a partner in the firm of Buckingham and Sturges, a gigantic trading enterprise with headquarters in Zanesville, Ohio. Buckingham, using agricultural scrip, entered thousands of acres in Kansas during the same period that he was speculating in Nebraska lands.¹² Robert Ives and John Carter Brown, the Providence promoters, had other interests, too. Ultimately, they amassed 175,000 acres strung out across six states.¹³ Another fantastic operator was Ira Davenport who, with his brother John, entered 75,000 acres of agricultural and timber lands in Iowa, Illinois, Michigan and Nebraska. The Davenport brothers also provided ready cash to hard-pressed farmers throughout the Midwest. By the turn of the century the pair had "channeled" \$5,500,000 into farm mortgages.¹⁴

The monopolist did not confine his entries to Government land. Frequently, he would buy huge tracts from

¹² Monthly Abstracts of agricultural college scrip locations, Humboldt, Kansas, NARG 49.

¹³ Gates, *op. cit.*, p. 666.

¹⁴ Allan G. Bogue and Margaret Beattie Bogue, "Profits and the Frontier Land Speculator," *Journal of Economic History*, XVII (March 1957), 16.

such major land distribution agencies as the state and the railroads. Ira and John Davenport, for instance, bought 16,521 acres of Nebraska land from the Union Pacific Railroad and an additional 4,817 acres from the Chicago, Burlington and Quincy.¹⁵ It is believed that other entrepreneurs, including William Scully and Jacob Shoff invested in railroad lands.

The problem of land engrossment on the public domain was properly the concern of Congress. Despite the unremitting efforts of reformers and anti-monopolists, Congress failed to act against the money interests. In 1870 Representative Julian of Indiana presented a bill providing for the withdrawal of all Nebraska lands from cash entry.¹⁶ Unfortunately, Representative Julian's attempt to legislate speculators out of business was distinctly unsuccessful. Congress did not prohibit land entry by cash purchase until March 2, 1889.¹⁷

Speculative activity in Nebraska reached a peak in 1870, then declined gradually until 1873, when it ceased completely. The monopolist's disappearance was no mystery. All choice land east of the 98° meridian was gone. The land adventurer reappeared in 1880 after Congress opened the 278,000 acre Pawnee Reservation to unrestricted cash entry. The result, of course, was predictable. Half the acreage was grabbed by fifty-five persons.¹⁸ But the disposal of this Reservation marked the close of speculation in Nebraska's public lands.

What effect did land monopolization have on the development of Nebraska? First, the influx of land entrepreneurs created a definite impediment to growth in certain areas. If enough speculators were content to allow their lands to remain vacant until the price was right, then the natural consequence would be economic stultification.

¹⁵ *Ibid.*, p. 17.

¹⁶ *Congressional Globe*, 41 Congress, 2 Session, pp. 5128-5129.

¹⁷ *United States Statutes at Large*, XXV, 855.

¹⁸ Monthly Abstracts of land sales, cash entries, Pawnee Reservation, Grand Island, NARG 49; Sheldon, *op. cit.*, pp. 204-205.

A Gage County historian, Hugh J. Dobbs, vehemently condemned the speculators on this point.¹⁹ Nuckolls, Pawnee and Dakota Counties, entered largely by monopolists, also were afflicted by economic backwardness.

Perhaps a more disturbing consequence of land monopolization was the rapid creation of a tenancy class. The speculator, not content to hold vacant lands, had to actively seek buyers. Most often, his prospects could afford a quarter section only through installment purchase. A year or two of poor crops and the credit buyer became a tenant. By 1880, only thirteen years after Nebraska had become a state, nearly one settler in every five was held to the land by a tenancy agreement.²⁰ The debilitating problem of landlordism in Nebraska was intimately linked to the speculative entryman.

The land monopolist, nurtured by a lobbyist-dominated Congress and a myopic General Land Office, reduced Nebraska's public domain by 800,000 acres in one decade. The victim was the Nebraska settler.

¹⁹ Hugh J. Dobbs, *History of Gage County, Nebraska* (Lincoln, 1918), p. 8.

²⁰ Gates, *op. cit.*, p. 670; Dobbs, *op. cit.*, p. 62.