

The Osage Land Sale

Sharpers and speculators were as "plenty as flies about molasses casks" at the public land sales before the Civil War. After passage of the Pre-emption Act in 1841, land sales became a less common means for disposal of the public domain, but, according to a correspondent for the *New York Tribune*, the sale to be held in Osage, Mitchell County, in May, 1857, was expected to be "probably the last chance to purchase land in this part of Iowa" directly from the government. Consequently, "the rush is immense". Westbound stage-coaches from Lansing, McGregor, and other river towns, were filled to capacity by landseekers. Travelers arriving by steamboat frequently had to wait several days at these points, unless prior stage reservations had been made.

The correspondent did not attend the sale to buy land, "but to see the people," wherein he was "not at all disappointed." Osage, he reported, had less than a thousand "actual residents". On this occasion it was thronged by 2000 visitors. Five hundred were settlers from neighboring counties; 200 were lookers-on, while 1300 were speculators.

Before the sale commenced, the Register, from past experiences, urged all to maintain harmony and "advised that the *settler's rights* should be respected." All agreed to the sweet reasonableness thereof, but "were not agreed as to what those rights were" and much verbal sparring ensued. Obviously, rights of settlers who had "proved up", according to provisions of the law, were respected. But they demanded the opportunity to secure "an extra quarter section" at the regular government price of \$1.25 per acre. This they believed themselves entitled to because of the "hardships and sacrifices" they had endured. The speculators agreed to this on condition that the number of *bona fide* settlers be determined and declared, and, after they had secured their extra quarters, the other buyers should be given their chance. The sharpers realized that "an extra quarter section" could transform any one, except an admitted speculator, into an "actual settler" as if by magic! Unwilling to accept the counter proposition, the settlers "stood on their honor", offering to leave as soon as they secured their desired tracts.

Despite the disagreement, the sale began on the morning of May 7th. Speculators decided to bid up land beyond the means of settlers. The latter countered by appointing one bidder with instruc-

tions to overbid all rivals. Thus some land was forced up to \$140 per acre. Speculators were forced to pay dearly, with only one of them securing land at a low price of \$2.05 per acre, because of an oversight by the settlers' bidder.

While this strategy frustrated the speculators, the settlers did not purchase the land they bid up to twentieth-century figures. If a man failed to settle for land "knocked down" to him, he was not allowed to bid again. Payment had to be made for the land on the day of the sale. Unless this was done, the tract was again offered for sale the next day. This could be repeated for fourteen days after which the land again became subject to preëmption. This was exactly what the settlers, who appointed a different bidder daily, desired to accomplish. "The settlers say they prefer to go without their land, and thus leave it for preëmption [rather] than to have a speculator hold it and keep it unimproved," the *Tribune* correspondent wrote. The speculators maintained that this was not the proper civic attitude. They argued that if railways, highways, and public improvements were to be made at public expense, their land would be subject to taxation as well as that owned by settlers. The latter, however, did not want the land to remain untenanted, irrespective of taxes. Unoccupied speculators' land — how could that pro-

vide neighbors to visit, men to help "break roads" after a snow storm, or to exchange help in busy seasons?

Furthermore, if the land was bid up so high that speculators could not buy and settlers defaulted in payment, thereby causing it to revert to pre-emption, land entries could subsequently be made with warrants. At Osage, land warrants were selling at ninety-five cents, instead of \$1.25 par, in May, 1857. If a man did not have cash to purchase warrants at this discount, there were brokers present who offered to lend their warrants to pre-emptors at the same discount, while demanding forty per cent interest with the claim as security.

The settlers saw an advantage in such a transaction, but "gold men", who were present, did not like it. Their chances of lending at advantageous rates were thereby reduced. They were, therefore, "about resolving to unite and get up a bank and loan their gold for ten per cent less than the land-warrant men offer", the correspondent wrote. Some believed it would prove advantageous to borrow gold at the lower rates and then buy warrants at the discount figure. In either event, the correspondent observed, "a man unacquainted with the settlers will stand no chance to do as much, if anything, with them as moneyed men resident here."

All these factors collectively prevented the consummation of *bona fide* sales. The settlers continued to insist that they would withdraw only if permitted to secure the extra land they desired. Realizing that it was useless to oppose them, only one or two speculators continued to bid against them. These were told in no uncertain terms to cease and were threatened with violence if they persisted. Not to be outdone by threats, these resolute veterans of other land sales presented Colt's five-point western argument in their behalf and continued to "bid with their revolvers in hand."

Cooler heads realized that serious consequences might follow and the sale was adjourned on May 7th at "10 $\frac{1}{2}$ a. m." to devise a method of pacifying all concerned so the sale might continue. Speculators, whose resourcefulness had probably been fertilized by similar experiences on other occasions, promptly conferred. They suggested that a committee on ways and means of untying this Gordian knot should be appointed. It was agreed that each State represented by buyers was to have one member on the committee, "who got up resolutions."

The committee recommended that each settler be permitted to get his "extra quarter section". Whatever lands then remained were to pass by

default and a register of names, open to all except the settlers, was to be made. Thereupon, all whose names were registered should be allowed to select 320 acres, "the amount pitched on for each to have", according to a lottery scheme. Slips bearing the names of registrants were to be placed in one hat, while numbers were to be placed in another. Two persons were to be blindfolded to make drawings. As a person's name was drawn from one hat, he was to be assigned the number drawn simultaneously for him from the other, to determine the order in which he might select his land. This plan was accepted by settlers and speculators alike, except a few of the latter "who swore they would bid at any rate. But all agreed to take care of such men."

The sale was thereupon resumed at noon, although "I predict a failure for the plan, and that all the land will go by default for preëmptions", the *Tribune* correspondent commented. But the plan worked surprisingly well. The few men who had sworn they would bid became "afraid of the power of the majority, and after troubling a few minutes . . . concluded to keep still." The correspondent, thus forced to alter his opinion, wrote: "My prediction has thus far to-day failed to come to pass." Nor was he reluctant to admit his mistaken prognostication. "I am glad it is so, for

blood would probably have been shed with any other arrangement." It was prudence rather than principle which patterned these improvised amendments to the land laws.

Nor can it be denied that these prairie legislators were resourceful. They faced a real problem and solved it to their own satisfaction — and advantage. "As matters now stand, the number system will succeed, and speculators will get at least three hundred twenty acres for \$1.25 an acre. Private entries can be made for 320 acres," the correspondent stated.

He was not sympathetic toward the speculators or any scheme which enabled them to secure and hold vast areas of land. In his journeys over the prairies he saw land "wholly uncultivated for miles" merely held by speculators who were waiting to reap increments resulting from improvements made by the settlers. Neither did the settlers farm as well as in the East, he observed. Instead, they too were speculators, on a smaller scale, who bought all the land they could and relied on an advance in its value, rather than upon its cultivation, to make their money. No surplus commodities could be produced for market under such a system, he believed.

Accordingly, he suggested that it would be for the benefit, not only of Iowa, but the entire nation,

if the notorious system of land sales should be forever abolished. Instead he believed that it would be advantageous to "let any man who would go and live on the land and cultivate it for one or two years, have 160 acres at \$1.25 per acre, and give none to any one else at any price."

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