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The Homestead Act of The Nineteenth Century and its influence on Rural Lands
Trina R. Williams Shanks

By 1853, the U.S. Government possessed 1.5 billion acres of property then commonly known as the public domain. This essentially included all land owned by the federal government and not a part of the original 13 states. Obtained through territorial acquisitions ranging from state cessions to the Louisiana Purchase and the Gadsden Purchase (U.S. Department of Interior, 1998), this largely undeveloped land was an important resource and potential source of wealth. The issue of how to distribute and administer this public land that formed a continuous strip of territory from east to west coast was an important policy question that had ramifications for how the country would grow and develop.

There were differing philosophies as to how to best distribute land. Thomas Jefferson believed that economic democracy, including opportunities and resources for acquiring property, was the foundation of political democracy (Dorfman, 1940). He proposed that the United States, with a seemingly endless supply of available land, could best evolve as a nation of independent farmers and supported a policy of cheap land to attract foreign and domestic laborers to growing areas in the West and South (Gates, 1941). Jefferson died in 1826, 36 years before the actual Homestead bill that embodied many of these principles passed, but incremental changes were made along the way to shift from typical sales of large tracts of land at high prices to the sale and distribution of smaller plots of land at reduced prices. Eventually the Homestead Act allowed individuals who were willing to develop a plot of land over an extended time period to be granted full title to that land at no formal cost. Because the basic tenants endured for over seven decades, the Homestead Act influenced many aspects of rural land use that still have implications for these areas today. This paper will briefly describe the Homestead Act, discuss its influences both positive and negative, and then consider implications for rural development policy. Examining in some detail this historical policy that provided an opportunity for ordinary citizens to obtain an asset that they could develop and use to create wealth can hopefully provide insights for providing similar opportunities to citizens living in rural areas today.

The Homestead Act was signed by Abraham Lincoln and passed into law in May of 1862. The statute provided that anyone who is head of a household, a military veteran, or over 21 years of age was entitled to 160 acres of unclaimed public land as long as they had not borne arms against the United States Government. This allowed for single, unmarried women and men to be eligible as well as families. Applicants had to be U.S. citizens or at least have filed intention of becoming one. Once land had been surveyed and marked off into townships of 36 square miles as required by the land ordinance of 1785, a person could file an application with the appropriate land office swearing that the property was for one's own use with the purpose of cultivation and settlement. This person then had 6 months to move onto the land and begin improvements. The land was exempt from sale, taxes or previous debt. Any time after five years, the applicant was entitled to take out final papers and receive a patent (title) for the land, after providing evidence that all conditions had been fulfilled and paying nominal charges (around $10) to the appropriate land office. If the claimant abandoned the land or changed residence, the plot reverted back to the government (Dick, 1970; Sloan, 1976).

By electing to transfer property to individual citizens in this manner, the U.S. government offered a tangible asset that provided access to a well-established source of opportunity and wealth. Over the 77-year period this act was in full effect (1863-1939), three million people applied for homesteads and almost 1.5 million households were given title to 246 million acres of land (U.S. Census Bureau, 1975). This represents a remarkable transfer of wealth and assets. Overall, approximately 20% of public land was given away to homesteaders (Dept. of the Interior, 1998). Shanks (2005) estimates that 46 million U.S. adults are descendents of homesteaders. This would equate to a quarter of the U.S. population in 2000.

Although there were criticisms that much of the best agricultural land was already taken, that urban workers could not successfully move to farming, and that the opportunity was fraudulently exploited by corporate economic interests (Cochrane, 1993), the Homestead Act motivated many to move to largely unpopulated areas and establish family farms. Other historians have pointed out similar examples of fraud and speculation (Gates, 1941). However, this same noted historian of public land policy that detailed multiple misuses of homestead land later writes

> The old evils of careless drafting of land legislation, weak and inefficient administrations (inadequately staffed), and the anxiety of interests to take advantage of loopholes in the laws, all brought the Homestead Acts into contempt and censure. But their noble purpose and the great part they played in enabling nearly a million and a half people to acquire farm land, much of which developed into farm homes, far outweigh the misuse to which they were put. (Gates, 1996, p.52).

Thus, even with imperfect administration and implementation, the Homestead Act has had a lasting influence on land distribution in the United States. In addition to the absolute number of people making homestead claims, there are other ways in which the Homestead Act influenced rural development, both positively and negatively.

Prioritized a commitment to development, not short-term speculation

The five-year residency requirement emphasized the priority of long-term tenure and a commitment to sustained development over short-term speculation. In fact minor adjustments were made to ensure protection of the environment and reduce the possibility of short-term stripping of minerals and resources. For example, when it appeared that forests were being harvested too quickly, some states created incentives for homesteaders to set aside part of their acreage to plant trees or required loggers to purchase land not settled according to the value of the timber it contained (Robbins, 1976). Although such laws were not always strictly enforced, the message was a priority for long-term investment. Even when special provisions were made in some areas for mining, cattle ranch grazing, and exceptional irrigation needs, this was usually determined by average rainfall and differential soil quality and not intended to shift the original commitment to agricultural cultivation (Dick, 1970; Peffer, 1951).

Provided an impetus for population growth and initiation of statehood

According to the Northwest Ordinance of 1787, as an area was surveyed and opened up for settlement it had to attain a population of 60,000 free persons to apply for statehood. Although the majority of territories had become states by the time the Homestead Act passed in 1862, many unsettled areas remained. If a 160-acre plot of land existed as part of the unappropriated public domain, it was eligible for homestead claims regardless of location. However, as populations increased in established cities and settlements, what was thought of as the open frontier moved further west. The offer of free land and the opportunity to improve one's situation was appealing and hundreds of thousands of people were willing to move to these less settled regions in an attempt to make a new life for themselves as a homesteader.

In the first twenty years of the Homestead Act, Kansas, Minnesota, and Nebraska (relatively new states) had the largest number of successful homesteaders (Donaldson, 1970). For example, Nebraska had 69,000 homestead entries by 1883 (Donaldson, 1970), which probably helped the area reach population targets quickly, making it eligible for statehood. Although Oklahoma wasn't officially opened for settlement until the government sponsored land rushes such as the one in 1889, it quickly attained the necessary population and was inducted as a state in 1907. Although it took many years to clear land and produce enough crops to be profitable, some argue that living conditions on pioneer farms were as good as in most urban centers soon after settlement (Fite, 1976). In many instances, newly opened areas settled quickly and became established communities with schools, churches, political parties, and associations (Bogue, 1963; Fite, 1976).

In addition to populating unsettled land and creating opportunity for individuals, U.S. land policies also allowed for economic growth (North, 1974). Although the United States already was becoming more of an industrial economy, expanding agriculture ensured an adequate food supply, provided raw materials for processing and manufacturing industries, and created surplus commodities that could be traded as exports (Fite, 1976).

Encouraged long term support of small farmers and agriculture

An institutional support system developed to complement the efforts of farmers and those filing for homesteads. Any new area that was open for settlement required planning agencies and land grant offices to administer paperwork and claims. In addition, the July 1862 Morrill Land-Grant Act set aside federal land to establish colleges to support among other things agriculture and mechanic arts as well as expand educational opportunity in every state (Hyman, 1986). Thus, as homesteaders moved to areas with different soils and variable climates where traditional farming techniques that were successful elsewhere were not typically successful or efficient, these land grant colleges were beginning to form that could provide complementary research and assistance. Alternative agricultural practices that tested variations such as crop rotation and new irrigation strategies could provide information potentially useful to farmers. Land Grant research and Cooperative Extension training experimented with such ideas to help farmers trying to cultivate crops in new terrain[1]. Again, it took time for these institutions to mature and become respected, but the framework was put in place right alongside the Homestead Act.

Motivated immigration

Unlike the tenancy and peonage systems that developed in Latin America, the widespread distribution of land ownership in the United States though the Homestead Act and the sale of land at relative low prices led to a higher standard of living, development of a middle class, and the attraction of larger numbers of immigrants (Mosk, 1951). Everett Dick (1970) writes that "land was the most important single social factor in

[1] There were actually several historic Acts passed by Congress to create state/federal partnerships for education, research, and training around agriculture. This would include the Morrill Land-Grant Acts of 1862 and 1890, the Hatch Act of 1887, and the Smith-Lever Act of 1914.

frontier history;" that it "became the lure that enticed immigrants to America and settlers farther westward" (p. ix).

Most U.S. immigration prior to 1920 was by Europeans. The largest number of immigrant farmers tended to be German, followed by Swedes and Norwegians. In addition to farm settlements in the Great Plains, Wisconsin, Minnesota, and Iowa, they made other contributions to American agriculture, sometimes serving as farm laborers; introducing new farm techniques, seeds, and lifestyles; and starting important institutions such as agricultural societies, cooperatives, and even banks (Saloutos, 1976). As these homesteaders started farms and economic ventures, they also established churches (mostly Lutheran and Baptist), schools, musical groups, and sporting competitions (Trotzig, 1977).

Through diary entries and historical journals, it is possible to get a flavor of how much the Homestead Act influenced immigration. For example, there were Jewish societies and foundations that encouraged group emigration to the United States and often provided initial funding to assist the large influx of Eastern European Jews in the period around 1900. Small groups of families made plans to travel and eventually form farming communities (Fields, 2002; Schulte, 1990). From 1900 to 1905 a Chicago-based Jewish aid society sent 144 families to 26 townships in North Dakota. Although most of these Jewish homesteaders moving to North Dakota were not successful as farmers, many were able to sell their land and move on to occupations and major cities more attractive to them (Schulte, 1990).

But these histories also often have a racist undertone. Although facing the same hardships of intense labor, economic depressions, occasional droughts and natural disasters as everyone else, European immigrants were for the large part able to take advantage of the Homestead Act and other opportunities and become independent property owners. On the other hand, there was a Chinese Exclusion Act that prohibited Chinese immigrants after 1882 as well as agreements made with the Japanese government to limit the number of Japanese immigrants. Mexicans and Filipinos were often hired as seasonal workers and temporary employees on the West coast and immigrants from the Bahamas were often brought in to pick fruits and vegetables on the East coast, but these groups were less likely to own property (Saloutos, 1976). The history of slavery, sharecropping, and Jim Crow laws made land ownership on equal terms difficult for U.S.-born Blacks also[2].

Exacerbated the already tenuous situation of American Indians

As the United States government brokered deals and made acquisitions that established most of what it considered its public domain, they continually shifted Indian tribes off land that they had possessed. Promoters, frontier settlers, and fur traders pushed the government to enter treaties with Indians which today would be regarded "as unconscionable" (Gates, 1976, pp. 223-224). Even those agreements that had been made were often honored only when reservations "did not contain land desired by the whites" (Robbins, 1976, pp. 233). In pursuit of his economic philosophy, Thomas Jefferson informed government agents to acquire land while maintaining peace with the Indians, advising that it was best to force sale and encourage the exchange of land for barter trade (Dorfman, 1940).

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[2] For more on the specific situation of Blacks and the Homestead Act see Williams (2003) and Shanks (2005).

There are numerous historical accounts and multiple examples of how the U.S. government treated Indian tribes unfairly. One such example is the story of the Cupeño Trail of Tears. A small group that probably numbered between 500 and 750 in 1795 lived near established missions. As ranchers took over land in the area, the Indians began to work for them. In 1893 the Downey family acquired the property and sued for the removal of the Indians—a case which was eventually found in the family's favor by the Supreme Court. A commission chose an area in which to locate the tribe members. On May 12, 1903, the Indians were physically evicted and 25 families forced to leave. The group eventually migrated to Los Angeles, but still commemorates an annual observance of their removal (Bahr, 1997).

Provisions perhaps too prescriptive for some regions

Another negative consequence of the Homestead Act is that for certain regions (such as the semi-arid areas of the Great Plains) the policies led to establishing farms that were probably too small to be viable over the long term (Hansen & Libecap, 2004; Libecap & Hansen, 2002). In most of these areas initial settlement took place during periods of higher than normal rainfall, which gave the perception that homesteading could be viable and successful as it had been in states further east in areas with higher levels of average rainfall. During periods of drought, however, many such farms failed and the homesteads were deserted.

More successful strategies in these areas would be to have larger acreage so that some land could remain fallow gathering nutrients and moisture or to use land in even larger plots to raise livestock. In 1878 there was an advocate recommending larger land allocations in the Great Plain region, but that Powell report was dismissed and subsequent bills were defeated in Congress (Hansen & Libecap, 2004). Recent statistical analyses demonstrate that larger farms were more likely to survive the periods of drought that are now predictable in these arid regions with fluctuating rainfall (Hansen & Libecap, 2004; Libecap & Hansen, 2002). Thus, many people were attracted to the territories that are now the states of Montana, Nebraska and North and South Dakota by the promise of homestead land, but these areas subsequently have suffered major population declines after extended droughts forced such small farmers to leave their property.

Implications

With urbanization and industrialization, the U.S. economy is much different today than it was between 1862 and 1939 during the time of the Homestead Act. With the trend toward large consolidated farms, people in rural areas no longer predominantly own or work on farms and agricultural land is no longer necessarily maintained by one household (Deavers and Hoppe, 1992). But as people contemplate today's rural context, it might be helpful to look back at the land policies and historical context in which many of these areas were settled and populated. Even though there is much less unappropriated land for the U.S. government to manage and what does exist is no longer quickly given away for private property, perhaps a thoughtful set of policies to develop under populated rural areas is still merited.

Building upon the example of the Homestead Act, any such policies might embody certain principles. These would include: 1) a commitment to long-term development that deemphasizes speculation or short-term market forces; 2) incentives and/or opportunities that attract population growth or at least curtail population decline; and 3) an institutional support system that can assist with whatever plans emerge. And in any such planning, two important considerations to avoid are further marginalizing vulnerable groups and being too prescriptive.

With the political will to prioritize long-term development, incentives could be generated to invest in strategic planning, technology build-up, and infrastructure improvement. Although market fluctuations and short-term demands made by agricultural interests remain likely, alternative strategies could be spurred in nonagricultural areas through grants or long-term, low-interest loans. Such strategies could draw upon existing resources in rural communities to generate entrepreneurial activity. Even a few successful long-term strategies along with continued opportunity for new entrepreneurial activity could help curtail population decline and perhaps even attract people to relocate in certain rural areas. As populations in rural areas grow or become more engaged, demand then grows for other institutions and services as well, such as schools, recreation, and medical care.

With a long-term commitment to revitalizing rural areas and resources directed to providing incentives that attract entrepreneurial activity, perhaps attention could shift to connecting these communities to one another and providing technical assistance. If successful models emerge around a particular form of 'eco-tourism' or common interests arise in creating Internet pods or cooperative governing structures, resources could be utilized to help communities learn from one another or investigate best practices. Thinking more broadly, the connections and technical assistance need not only be between rural communities. Urban development strategies that generate economic activity and attract residents could link with rural strategies in ways that are mutually beneficial.

The challenge is to provide the incentives and resources for rural development and innovative entrepreneurial activity without being prescriptive. An additional challenge is to create a context where the most vulnerable groups are not left behind. Ideally, low-income households, single mothers, those with less than a high-school education, those with disabilities, and those leaving incarceration could explicitly be included in planning efforts and be eligible to benefit from any entrepreneurial activity that is generated.

Conclusion

The Homestead Act was part of a long-term strategy to develop government controlled land within the United States that provided a unique wealth-building opportunity for many. Over the more than seventy years that the Act was in effect, there were inevitably misjudgments and problems with implementation, yet it inspired thousands to accept the challenge of establishing a family farm in unfamiliar territory. Given that now some of the same areas once part of the open frontier that attracted citizens and recently arrived immigrants to move outside of established cities and urban centers include poor rural regions facing population decline, it may seem ironic to revisit principles of the Nineteenth Century Homestead Act. However, if policymakers and citizens can establish a long-term vision that provides real economic opportunity for those willing to live and invest in rural areas, a Twenty-first Century Homestead policy is still a viable policy idea.

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