

## **CHAPTER 7**



### ***The Great Dakota Boom***

THE HISTORY OF THE UNITED STATES has been to a large extent the history of the westward movement. For centuries Americans sought the opportunities offered by the frontier. “The existence of an area of free land,” wrote Frederick Jackson Turner, “its continuous recession, and the advancement of American settlement westward, explain American development.” Turner believed that the westward movement shaped American institutions, strengthened nationalism, hastened Americanization, encouraged individualism, and promoted democracy. He wrote: “The true point of view in the history of this nation is not the Atlantic coast, it is the Great West.”

As the nation became more industrialized and more urbanized, railroads enlarged the markets open to producers everywhere and growing cities enlarged the markets for farmers. Such fundamental changes increased both the extent and rate of western settlement, so that it moved forward in a series of booms. It was during the period of rapid industrialization in the 1880’s that the Great Dakota Boom took place. In this decade occurred the most extensive railroad construction, the greatest immigration, the most expansion in manufacturing, and the fastest growth of cities that the nation had yet witnessed. All of these things influenced the Great Dakota Boom.

Two developments, however, were especially responsible for the boom: improvements in flour milling and the construction of railroads. New-process milling made Minneapolis the flour-milling center of the United States and created a market. Railroad construction made the Red River Valley the chief supplier of that market. As the hungry mills called

for more and more hard spring wheat, James J. Hill threw his railroad across the black northern prairies and thousands of pioneers rushed in to take up the land. So it was that the spring-wheat country of northern Dakota was born a hinterland of the Twin Cities of Minneapolis and St. Paul.

Other factors helped to settle the empty grassland. Eastern states were filling up, and land values were rising. Capitalists, acquiring Northern Pacific lands, established bonanza farms. The prairies of the Red River Valley lay ready and waiting, without stone, stump, or tree to hinder the plow. A new wave of emigration came in from Norway. Manufacturers were turning out machines which could cultivate vast areas of level land. The locusts left; the rains came. The whole nation entered a period of economic growth, and with the return of optimism, capitalists were ready to venture their savings and lesser folk their lives in a new country.<sup>1</sup>

The results of this happy combination of circumstances were amazing. From 1878 to 1890 the population of North Dakota increased by more than 1,000 percent—from an estimated 16,000 to 191,000. In a dozen years the boom, though it slackened in 1886, had brought farms, towns, newspapers, schools, churches, and settled ways of living to an empty grassland. Well before 1890 the new country was producing millions of bushels of wheat for the flour mills of Minneapolis. Wheat production, big farms, and railroads were fundamental adaptations to the nature of the cool, subhumid grassland lying at the center of the continent. Only they could make it productive of much wealth.

Yet there was another side. Much of the boom was a speculative, over rapid, unhealthy growth. North Dakota had too much of too many things too soon. Thousands left soon after they had come, and many of those who remained faced a hard struggle to escape bankruptcy.

## **THE MINNEAPOLIS MARKET**

In the 1870's, Minneapolis became the largest milling center in the United States. Power from the Falls of St. Anthony, capital from trade and lumbering, the building of railroads to the northwest, a supply of hard spring wheat, the work of ingenious millers, and the use of new milling methods—all contributed to the achievement.

The new milling methods were of prime importance. The bran of spring wheat, unlike that of winter wheat, was brittle and with usual milling methods broke into fine pieces difficult to separate from the

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<sup>1</sup>Harold E. Briggs, "[Early Bonanza Farming in the Red River Valley of the North](#)," *Agricultural History*, VI (January 1932), 27-28.

flour. Such flour was not as white and did not keep as well as flour from winter wheat. It naturally sold for less. By 1870, two country millers in southern Minnesota—Archibald of Dundas and Mowbray of Stockton—had discovered that slow, loose grinding, separation of the bran, and regrinding prevented difficulties and produced a superior flour. Minneapolis millers were eager to learn the secret, but Archibald and Mowbray closed their mills to strangers.

Finally, George C. Christian, the agent of an eastern flour firm, won the friendship of Archibald and learned the new process. Christian began to manufacture flour in the bankrupt Washburn B mill in Minneapolis. He secured the help of Edmund La Croix, who had received a scientific education in France. At Faribault, Minnesota, La Croix and his brother had built a purifier to separate the bran from the flour between grindings. Now he built such a purifier in Christian's mill and improved it with the addition of moving brushes for the underside of the bolting cloth to prevent it from clogging. Another forward step was the use of rollers instead of millstones. In 1875, Archibald bought one or two sets of porcelain rollers imported from Europe—the first brought to America.

The "Minnesota Patent" flour turned out by the new methods was equal in color to the best winter-wheat flour and superior in strength because of its high gluten content. It sold above winter-wheat flour from the start and found a ready market. Until the middle 1880's, the Minneapolis mills had a virtual monopoly of the new process; their profits were high because the price of spring wheat did not rise as fast as the price of spring-wheat flour. Volume increased rapidly: 193,000 barrels in 1870, 843,000 in 1875, 2,051,840 in 1880, and 5,221,243 in 1885. The flour was marketed in England, Continental Europe, and the southern and southwestern parts of the United States.

Although Minnesota was a leading wheat state, much of its production was in the southern portion and went to Milwaukee and Chicago. There was a shortage of wheat in the region naturally tributary to Minneapolis; sometimes the mills had to shut down for lack of grain. Mills had been built so rapidly that the demand for wheat outran the supply. To eliminate competition in time of shortage and thus enlarge their profits, the millers formed an association which sent out agents to buy wheat for all the mills.

Before 1880, wheat raising in Minnesota began to shift northwest toward the Red River Valley, and the southern portion of the state turned to a more diversified agriculture. In 1877 railroad construction resumed in the northwest. In the 1870's the St. Paul and Pacific brought the Minneapolis mills most of their wheat. The Northern Pacific carried most of its wheat to Duluth, where a large elevator had been built in

The wheat traffic grew rapidly. The Northern Pacific carried 144,000 bushels in 1874 and 5,700,000 in 1884. The St. Paul and Pacific and its successor, the St. Paul, Minneapolis and Manitoba, carried 2,300,000 bushels in 1874 and 20,700,000 in 1884. Duluth received a yearly average of 1,700,000 bushels from 1876 to 1880 and an average of 9,200,000 bushels from 1881 to 1885. Minneapolis was the more important market: it received 5,300,000 bushels in 1876 and 32,900,000 bushels in 1885.

For years the mills used all of the wheat shipped to Minneapolis. Then, in 1881, a few businessmen, against the opposition of the millers, organized the Minneapolis Chamber of Commerce as a grain exchange. The Chamber was an open market, and a small amount of wheat began to be shipped from Minneapolis.<sup>2</sup> These developments in the marketing and milling of wheat stimulated a boom in northern Dakota by creating a strong demand for its most natural product and thus tying it to outside markets.

## **BONAZA FARMING**

Bonanza farms focused the nation's attention on northern Dakota. Holders of the bankrupt Northern Pacific's bonds or preferred stock could exchange them at face value for the railroad's lands. Since the securities were selling for \$14.00 to \$16.00 per hundred-dollar share, the land, priced from \$2.50 to \$10.00 an acre, could be secured for a cash outlay of 37¢ to \$1.65 an acre. James B. Power, the railroad's land commissioner, feared that the land would pass into the hands of speculators and so produce no settlement or traffic for the road. He persuaded George W. Cass, president of the Northern Pacific, to demonstrate the value of the country by putting a large tract into production. He also persuaded Cass to encourage settlement by offering a discount to purchasers who would begin cultivation immediately.

Cass and Benjamin Cheney, a director of the railroad, established the first bonanza farm in the Red River Valley. They bought 13,440 acres of Northern Pacific land near Casselton and hired Oliver Dalrymple to manage it. A graduate of Yale Law School, Dalrymple was a man of ability. He had recently sold his large wheat farm near St. Paul and, full of enthusiasm over the new project, signed a contract to manage the Cass- Cheney purchase for a share of the profits and a title to part of the

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<sup>2</sup>Henrietta M. Larson, [\*The Wheat Market and the Farmer in Minnesota, 1858-1900\*](#), Columbia University Studies in History, Economics and Public Law, Vol. 122, No. 2 (New York, 1926), pp. 55-137.

land. He sowed the first wheat in the spring of 1876.

The sale to Cass and Cheney initiated the rapid disposal of the Northern Pacific land grant. From 1873 (but mostly from 1875) to 1878, Power sold 1,700,000 acres in Minnesota and North Dakota to 2,988 purchasers for \$7,900,000, presumably in securities. By November 30, 1880, the sales amounted to 2,900,000 acres for \$11,600,000. By the end of 1881 the Northern Pacific had sold most of its land for a hundred miles west of the Red River.

The largest purchasers were the Grandin brothers, bankers of Tidioute, Pennsylvania. They bought 26,000 acres near Mayville in 1875. With later purchases, some of government land and some for a cash outlay of only 41¢ an acre, they eventually owned 63,000 acres. Dalrymple managed 40,000 acres for them. Other large sales of Northern Pacific land were: the Dunlop purchase, 11,000 acres near Casselton; the Amenia and Sharon Land Company, 28,350 acres north of Casselton; the Antelope farm, 17,300 acres in Richland County; the Clarke farm, 9,900 acres in Burleigh County; the Spiritwood farm, 19,700 acres in Stutsman County; the Carrington and Casey purchases, 35,700 acres in Wells and Foster counties; the Steele and Troy farms, 10,000 acres in Kidder County; the Dwight farm in Richland County; and the Cooper farm, 34,000 acres in Barnes County.

Besides these bonanzas on Northern Pacific land, there were the Elk Valley, Emery, Larimore, and McCanna farms in Grand Forks County. In all, there were 91 farms of more than 3,000 acres, a minimum for a bonanza. The big operators bought some government land with military bounty land warrants and half-breed scrip; they also bought some land from homesteaders.

The scale of operation on bonanza farms was spectacular. They were adapted to a wheat country where extensive agriculture was required by scant rainfall and hence relatively low yields per acre. In 1879, Dalrymple was using 400 horses and mules, 100 broadcast seeders, 50 harrows, and 115 self-binding harvesters. He employed 400 men in the harvest rush. By 1880 he had charge of 55,000 acres, though less than half the land was under cultivation.<sup>3</sup>

Such an undertaking attracted much attention. In 1879, two members of the British Parliament visited Dalrymple's farms, and Finlay Dun, a manager of English estates, described them in letters to the London *Times*. Articles also appeared in national magazines—*Harper's*, the

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<sup>3</sup>James B. Power, "Bits of History Connected with the Early Days of the Northern Pacific Railway and the Organization of Its Land Department," [North Dakota Historical Society Collections](#), III (1910), 344-346.

*Atlantic, and Scribner's.*

Dalrymple's methods were a model for others. He divided the land into huge tracts of five thousand acres. These were connected by telegraph, then a new invention, and supervised by a superintendent and two foremen. Each division had two or more sets of buildings—houses, granaries, stables, and machine sheds. The principle homestead of each division had a barracks where fifty men slept in the busy season and a kitchen which could feed one hundred men. The cooks served three hot meals a day: meat, bread, puddings, cakes, tea, and coffee in generous portions. The men worked in gangs of fifteen or twenty under the watchful eye of a foreman on horseback. They were paid \$15.00 or \$18.00 a month, plus board, or in rush times from \$1.75 to \$2.50 a day.

Work followed the rhythm of the seasons. When winter broke at the end of March or in early April, the men were in the fields seeding. Soon the prairie was "one vast ocean of wheat." After seeding came plowing of new land, and in July the men put up hay. When harvest began in August, brigades of a dozen or more twine binders would move across the fields in line, accompanied by a foreman on horseback, a wagon with twine and water, and an expert mechanic with spare parts. The day harvesting ended, threshing began. A threshing crew—twenty-three men, ten teams, a separator, and a steam engine—could thresh the grain from a section in a week. When the threshing was finished, the superintendent discharged many of his crew and set the rest to plowing. They turned the stubble and gave the new breaking a second plowing called "backsetting."

The big wheat farms were worked by a transient labor force—many for seeding. Then fewer for haying and plowing, many more for the harvest, and even more for the threshing, then fewer for fall plowing, and only a handful to care for the stock during the winter. Some men came from the lumber camps of Minnesota and Wisconsin, where they worked during the winter; some were college students earning next term's expenses; many were Norwegian and German homesteaders getting some cash to carry them through until their own land produced a crop. The big farms, though adapted to the country, could not, with their transient labor, contribute much to the development of community life. There were few women and children on them.<sup>4</sup>

Almost all of the bonanzas had been established by 1885. They were profitable enterprises. The cost of wheat production was low (around forty cents a bushel) and the selling price was high (about a dollar a

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<sup>4</sup>Bertha L. Heilbron, "[A British Agricultural Expert in the Red River Valley, 1879](#)," *North Dakota Historical Quarterly*, VII (January-April 1933), 94-100.

bushel). The big farms could buy lumber, food, and farm implements at wholesale prices; they got rebates from the railroads; they had capital for new machines. They concentrated on wheat, a cash crop, and neglected gardens, orchards, poultry, pigs, and cattle. Eastern North Dakota became the land of No. 1 hard, a new grade created on the Minneapolis grain exchange in 1882. "Tons and tons of hams, shoulders and spiced roll, and pork in many forms and canned meats of every kind," wrote a Fargo editor in 1883, "were shipped in. Tons of cheese, butter, and butter substitutes were sold to the large wheat farms." Wheat became a mania: the doctors, lawyers, merchants, and speculators of the towns were all raising wheat.

Eventually, proprietors broke up many of the bonanza farms. In 1893 the Amenia and Sharon Land Company began to rent its holdings on shares in units ranging from a half-section to a section in size. In 1896, Dalrymple, Cass, Cheney, and the Grandins dissolved their partnership, and Dalrymple came into possession of 30,000 acres, which his heirs sold in 1918. The bonanzas never dominated; the average North Dakota farm in 1890 was only 72 acres. But they did stimulate small farmers to enlarge their holdings, and they did advertise the new country.<sup>5</sup>

## **RAILROAD EXPANSION**

Although the big farms were spectacular, it was railroad construction that made possible both the rise of Minneapolis as the milling center of the United States and the rapid settlement of eastern North Dakota. When the Panic of 1873 stopped construction, the Red River Valley possessed inadequate connections with the Twin Cities.

The railroads made some extensions near the end of the depression. In 1878, for example, the Northern Pacific built south from Brainerd to Sauk Rapids, where it met the St. Paul and Pacific and acquired a connection with St. Paul. Also in 1878, a change in the control of the St. Paul and Pacific opened the way to great achievements in railroad construction for North Dakota. The Dutch bondholders of that bankrupt line wanted it completed, but they themselves would invest no more money. A group of four ambitious entrepreneurs wanted to get control of the road: Donald A. Smith, governor of the Hudson's Bay Company, who was building a branch of the Canadian Pacific toward Emerson, George Stephen, president of the Bank of Montreal, Norman W. Kittson, and James J. Hill. Hill was the leader of the group; he and Kittson had long been engaged in steamboating on the Red River of the North.

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<sup>5</sup>Alva H. Benton, "[Large Land Holdings in North Dakota](#)," *Journal of Land and Public Utility Economics*, I (October 1925), 406-409.

On March 13, 1878, the four signed an agreement with the Dutch bondholders. Before Hill and his associates could take over the railroad, they had to find money (\$1,016,300, or about \$8,000 per mile) for the rapid completion of its lines from Crookston to St. Vincent and from Melrose to Alexandria. This was necessary to save the land grant. On their part, the bondholders agreed to scale down their claims and exchange them for the bonds and stocks of a new company which would take over the railroad and its land grant. The securities of the new company were not to exceed \$12,000 per mile of track. The old St. Paul and Pacific had a bonded debt of more than \$60,000 per mile.

In that year, Hill, then forty, with a massive, shaggy head and iron determination, accomplished great things. With the railroad still under the legal control of the receiver, he managed, in one way or another, to secure rails and laborers for the necessary construction. Pushing men to the limit and laying a mile of track a day, he drove the road toward St. Vincent. The weather grew cold as fall wore into early winter. Hill himself would get down out of his private car, call the men by their first names, walk a grade, and watch the work, inspiring them with his own zeal. On December 2, 1878, the St. Paul and Pacific met the Canadian Pacific at St. Vincent; the 800,000-acre land grant for that portion was saved, and there was a through line from St. Paul to Winnipeg. The same season, Hill also built the railroad from Melrose through Alexandria to Fergus Falls, a miracle of rapid, economical construction.

On May 23, 1879, Hill and his associates organized the St. Paul, Minneapolis and Manitoba (commonly called the Manitoba) and took over the property of the old St. Paul and Pacific. For a modest sum, but all they could scrape together, Hill, Smith, Stephen, and Kittson had control of a railroad with 657 miles of track, a moderate debt, and nearly two million acres of land in Minnesota (by the end of 1877 the St. Paul and Pacific had sold 458,865 acres of land for \$3,651,641, or an average of \$7.94 an acre).<sup>6</sup>

Hill, the manager of the new railroad, became a central figure in the opening of North Dakota. His control of the St. Paul, Minneapolis and Manitoba was truly fortunate, for he knew the Red River country and believed in its future. Though a resident of St. Paul, he was not an outsider in the way the earlier promoters had been; Hill was identified with the Red River Valley. The valley and later the northern part of the state were to become "Hill country." Hill himself, with his passion for thoroughness, his iron will, and his farsightedness, was to become a great

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<sup>6</sup>William W. Folwell, [\*A History of Minnesota\*](#) (4 vols.; St. Paul: Minnesota Historical Society, 1921-1930), III, 460-462.



And railroads were what North Dakota needed more than anything else. Only railroads could tie it to the outside world. So it was that just as the Great Dakota Boom was beginning, the era of easygoing corruption and mismanagement ended on the railroad that was to play the leading role in the history of the state. The very first year showed the promise of the future: in 1879 the Manitoba earned a million dollars over its expenses.

As the boom progressed in the early 1880's, Hill supplied the North Dakota side of the Red River Valley with railroads. He brought the Manitoba from Fisher's Landing to Grand Forks in the spring of 1880—across a bridge built during the winter—and from that year to 1884 he built two lines running north and south through the valley and two lines running west. One extended north from Fargo through Grand Forks, Grafton, and St. Thomas to Neche on the Canadian boundary in 1882. A second line, paralleling it farther west, ran north from Wahpeton through Casselton, Mayville, and Larimore to Park River in 1884 and Langdon in 1887. A branch of this second line connected Casselton and Hope. A third line ran west from Wahpeton; a fourth, which was to become the main line of the Manitoba, extended west from Grand Forks to Devils Lake by 1883.

Hill continued westward. In the south he built a branch from his line in Minnesota across Richland, Sargent, and Dickey counties to Ellendale. In the north he built from Devils Lake to Minot in 1886 and to Great Falls, Montana, in 1887. That was an exciting year. Determined to reach Great Falls in a single season, Hill gathered men and materials in a huge camp at Minot—8,000 men and 3,300 teams for grading alone, and another 650 men and 225 teams for laying track and building bridges. When they reached Great Falls on October 15, they had averaged three and a quarter miles of track per day.

By then the line west of Devils Lake had two branches reaching north, one to Cando and the other to Bottineau. By 1888 the Manitoba had 998 miles of track in North Dakota. Hill had overtaken the Northern Pacific, which had 814 miles, and his lines, more than the Northern Pacific's, served the most settled portion, the Red River Valley.<sup>7</sup>

Yet the Northern Pacific was important. In 1875 a new president, Frederick Billings, had put through a plan of reorganization by which the railroad was sold under foreclosure and the bondholders turned in thirty million dollars' worth of bonds and received in their stead forty-

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<sup>7</sup>A map in Lewis F. Crawford, *History of North Dakota* (3 vols.; Chicago: American Historical Society, Inc., 1931), I, 256, shows construction by years.

two million dollars' worth of preferred stock. In 1876 the railroad's earnings exceeded its expenditures for the first time. With the return of good times, it secured capital for its completion. In 1879 it crossed the Missouri River and built west, completing a line to the Pacific in 1883. In 1882 it built a million-dollar bridge across the Missouri at Bismarck.

To avoid competition, the Northern Pacific and the Manitoba divided North Dakota between them. In June, 1882, they reached an agreement on branch lines. The Northern Pacific had built north from Casselton to Mayville and planned to extend the branch to the Canadian boundary parallel to the Manitoba line. It now sold this branch to the Manitoba and bought from the Manitoba the line from Sauk Rapids to St. Paul and the one running west from Wahpeton. The Wahpeton line would extend a Northern Pacific branch then building from Wadena to Breckenridge. Earlier that spring, the two railroads had reached an agreement to divide the traffic between them and had restored rates, which had earlier been cut, to their former level.

In the early 1880's the Northern Pacific built four branches: two north and two south of its main line. In 1882-1883 the Fargo and Southwestern, a subsidiary of the Northern Pacific, ran a line southwest from Fargo through Lisbon to La Moure on the James River. In 1883 the Northern Pacific built a branch north to Cooperstown, and from 1883 to 1885 it built branches north and south from Jamestown along the James River Valley. By 1891 these extended from Oakes to Leeds. The branches served the Drift Prairie, west of the Red River Valley, and also the southeastern section of the state. Except in Cass and Richland counties, they did not compete with the Manitoba. In 1887, however, the Northern Pacific built a branch to Winnipeg which entered North Dakota at Grand Forks and paralleled the Manitoba lines to the Canadian boundary.

Three other railroads entered North Dakota during the territorial period. In 1886 a fourteen-mile branch of the Chicago and North Western was built from southern Dakota to Oakes. The Soo (Minneapolis, St. Paul and Sault Ste Marie) laid ninety-nine miles of track in the southeastern corner of North Dakota. The Chicago, Milwaukee and St. Paul had 118 miles, including a line to Fargo from Ortonville, Minnesota, and another to Edgeley.

The railroads had made great strides by 1890. When the boom began in 1878, North Dakota had only 200 miles of track—the main line of the Northern Pacific from Fargo to Bismarck. The great building years were the early 1880's, but much was done after the boom had died. In 1887, for example, 386 miles of track were laid. By 1890, North Dakota had 2,093 miles of railroad, a tenfold increase, and some parts of the Red

River Valley were actually oversupplied. This gave the state about 110 miles of railroad for every 10,000 people. In comparison, the United States had about 26 miles of track per 10,000 persons. The railroads of North Dakota represented an investment of twenty-five or thirty million dollars in outside capital, a part of the cost of overcoming the remoteness of the new country.<sup>8</sup>

## PROMOTING DAKOTA TERRITORY

Promotion and advertising stimulated the Great Dakota Boom. Some of the railroads had land to sell, and all of them needed to build up traffic. Both the Manitoba and the Northern Pacific had land grants in Minnesota, and the Northern Pacific had been given nearly a fourth of North Dakota. They offered their lands on easy terms and sought in every way to develop the new country. In his old age Hill recalled with pride that he was “not afraid to open up the country, making it possible for people to live upon the land, cultivate it, and make homes for themselves.”

In 1879 the Northern Pacific began a new advertising campaign. It sent agents to the eastern United States and reopened its general European agency in London. It advertised in newspapers and distributed literature in many languages—632,590 pieces from its Liverpool office alone in 1882. That year it had 831 local agents in the British Isles and 124 general agents in Norway, Sweden, Denmark, Holland, Switzerland, and Germany. In 1884 it was advertising in 200 American and Canadian newspapers, 68 German papers, and 32 Scandinavian American papers. James B. Power directed much of the promotional work. He ran the Northern Pacific’s land department from 1873 to 1881, then held a similar position with the Manitoba until 1886. In 1880 he fitted out a baggage car as a traveling agricultural exhibit of the products of northern Dakota and took it around to fairs in the East.<sup>9</sup>

The territorial government itself, however, did no promotional work during the boom. It had dropped its bureau of immigration in 1877, and not until 1885 did the legislature again provide for such an agency. That year, O. H. Holt, the private secretary of Governor Gilbert Pierce, put out a booklet entitled *Dakota*. Some fifty thousand copies were printed.

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<sup>8</sup>Dakota Territory Board of Railroad Commissioners, [\*Annual Report, 1889\*](#), p. 4; Dakota Territory Commissioner of Immigration, [\*The State of North Dakota, 1889\*](#), p. 85.

<sup>9</sup>James B. Hedges, “[The Colonization Work of the Northern Pacific Railroad](#),” [\*Mississippi Valley Historical Review\*](#), XIII (December 1926), 329-331.

In the same year, Alexander McKenzie organized an exhibit on the territory at the New Orleans World's Industrial Exposition. After 1885 the commissioner of immigration issued thousands of pieces of literature. The most elaborate was a 500-page book entitled *Resources of Dakota*; twenty-five thousand copies were printed. In 1890, North Dakota abolished the office to save money.

The *Resources of Dakota* and other literature pressed home the advantages of the new country: the winters were not too severe, the climate was healthful, the rainfall adequate, the soil fertile, and free land still available. It also boasted of Dakota's railroads, schools, and newspapers—more of each than were possessed by many states. Pioneering in the railroad age had lost some of its hardships.

## **A FLOOD OF PIONEERS**

Railroads made possible rapid settlement, and during the boom, large numbers of newcomers rushed in. Wrote one pioneer:

Language cannot exaggerate the rapidity with which these communities are built up. You may stand ankle deep in the short grass of the uninhabited wilderness; next month a mixed train will glide over the waste and stop at some point where the railroad has decided to locate a town. Men, women, and children will jump out of the cars and their chattels will be tumbled out after them. From that moment the building begins.

In the spring of 1882 the yards of the Northern Pacific and the Manitoba at St. Paul held hundreds of emigrant cars waiting to be moved to Dakota. The railroads scheduled special trains to handle the rush, but often the new settlers filled all the seats, and many had to stand. Not all rode the trains. Many a pioneer came trudging along over the prairie with his oxen, his wagon laden with tent, plow, a few handy tools, some simple furniture, the whole mounted with wife and children, while a cow or two and perhaps some pigs brought up the rear. In many places the newcomers quickly dotted the empty prairie with their farm homes.

The towns grew amazingly fast. Mandan was laid out early in 1879 around the depot and roundhouse of the Northern Pacific; by May it had a hundred buildings. In eighteen months Devils Lake became a town of a thousand people with a government, a fire department, a United States land office, substantial brick business places, and handsome residences. When the Manitoba reached Minot in the fall of 1886, the new town grew to a population of one thousand within five weeks. The pioneers lived in tents and canvas-covered shacks.

To reduce expenses and lessen privation, many settlers arrived in

colonies. In an eastern or European community some influential men, often aided by Northern Pacific agents, would organize a colonization society, drawing up articles of association and collecting a membership fee of ten or twenty dollars from friends and neighbors interested in western settlement. After a committee had explored for suitable land, made arrangements for transportation, and secured the help of the railroad, a colony of fifty or a hundred families would travel to the new location. Newspapers mentioned a colony from Lansing, Michigan, in McIntosh County, a German Russian colony of fifty families in Morton County, a colony of seventy-five Dutch families in Emmons County, an Iowa colony in Logan County, a Polish colony of one hundred families at Crystal Springs in Kidder County, and many others.<sup>10</sup>

Of those settlers who were immigrants, most came from Norway and Canada, but there were also some from Germany, England and Ireland, Sweden, and Russia. By 1890 the foreign-born made up 43 percent of the population; they and the children of foreign parentage born in the United States made up 69 percent of the state's population. In 1890, of the 81,461 foreign-born in North Dakota, 25,773 had come from Norway, 23,045 from Canada, 8,943 from Germany, 8,174 from England and Ireland, 5,583 from Sweden, and 4,098 from Russia. Over half of those from Russia (the German Russians) lived in McIntosh County. Because the immigrants came in such large numbers and because they, unlike many settlers of older American stock, came to make permanent homes in the new country, they and their children played the leading role in the settlement of North Dakota.

Many of the immigrants had spent some time in Minnesota, Iowa, or Wisconsin before moving on to North Dakota. The Norwegians came from settlements in Fillmore and Houston counties in southern Minnesota, from St. Ansgar and Decorah, Iowa, and from Rock Prairie, Muskego, and Koshkonong, Wisconsin.

Many of the Canadian immigrants were Scots. They frequently became leaders. Among the fur traders, such Scots as Alexander Henry, Robert Dickson, Norman W. Kittson, and Kenneth McKenzie had distinguished themselves. In the era of settlement, James J. Hill, Alexander Griggs, William Budge, and Alexander McKenzie had wide influence. Later, Frank McVey and John Macnie, distinguished men at the University of North Dakota, and Dr. James Grassick, a Grand Forks physician, were examples of Scottish leadership.

Of the native American population in 1890, nearly 57 percent had

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<sup>10</sup>Harold E. Briggs, "[The Great Dakota Boom, 1879 to 1886](#)," *North Dakota Historical Quarterly*, IV (January 1930), 80-95.

been born in other states. The largest numbers had come from Minnesota (13,052), Wisconsin (9,869), New York (6,785), Iowa (4,559), Michigan (3,973), Illinois (3,684), and Ohio (3,192), but natives of many other states were living in North Dakota.

By 1890 the pioneers had solidly occupied the Red River Valley and had spread thinly over most of the Drift Prairie. They held, however, only small portions of the Missouri Plateau. Almost half the population lived in the six counties of the Red River Valley. These counties, except for Richland, had a larger population in the countryside, that is, outside places of a thousand or more persons, in 1890 than they were to have in 1960. The pioneers also had a good hold on the counties just to the west of the valley and on the two tiers of counties nearest the southern boundary of the state and east of the Missouri River.

The coming of settlers naturally put pressure upon the Indian lands. The Turtle Mountain band of Chippewas, most of them actually half-breeds, claimed the country north and west of Devils Lake, and the United States government had at first recognized their claim. When settlers began to move into the area in 1882, the Indians resented their coming and warned them to leave. Thereupon, troops from Fort Totten threatened the Indians, and the Indian Bureau had the General Land Office restore the region to the public domain without consulting the Turtle Mountain band.

The area involved was about nine million acres, or one-fifth of North Dakota. A delegation of Indians went to Washington to protest the loss of the land, and the President, by an executive order of December 21, 1882, set aside most of what was to become Rolette County as a reservation. In 1883, Congress appropriated ten thousand dollars to aid the Indians in establishing themselves on individual farms. On August 24, 1883, the government opened a land office at Devils Lake. Soon many of the half-breeds were living off the reservation and were making good progress in starting farms and building houses.

Only about twenty-five families of full-bloods wanted to live on a reservation and not take individual allotments of land. In 1884 the President reduced the reservation to two townships just east of the Turtle Mountains, ample room for the full-bloods.

Although their old hunting life had passed away, the half-breeds resented the coming of the white settlers. There was trouble, but no fighting, in 1889 when county officers took some cattle from the half-breeds for nonpayment of taxes. The federal government had issued the cattle, but the county taxed them. Trouble came again in 1891 when the Indians refused to pay a poll tax and fortified themselves in an old log house before they gave up to a superior force.

On October 22, 1892, Porter J. McCumber, later United States senator from North Dakota, signed an important agreement with the Turtle Mountain band. The United States agreed to pay the Indians \$1,000,000 in annual payments of \$50,000 for twenty years. The payments were to be made in food, clothing, bedding, houses, cattle, horses, agricultural implements, and seed. The band itself, not individuals who owned farms off the reservation, gave up all claims to land outside the reservation. Members of the band could take up homesteads off the reservation without losing their share of tribal funds. Thus the Turtle Mountain Chippewas formally ceded a large portion of north-central North Dakota ten years after it had actually been taken away from them and opened to settlement.<sup>11</sup>

## **TAKING UP LAND**

Those who came to North Dakota to acquire land might buy it from the Northern Pacific Railroad or from the federal government, or they might secure it free by making certain improvements under terms of the Homestead and Timber Culture acts.

The Northern Pacific offered its lands on easy terms. At first it asked only a minimum of \$2.50 an acre, and while it later raised the minimum, it gave a 25 percent discount on land cultivated within two years. In 1889 it was offering its agricultural lands at prices ranging from \$3.00 to \$6.00 an acre and its grazing lands at \$1.25 to \$4.00. It allowed the purchaser five or ten years to pay, charging 7 percent interest on the unpaid balance.

The United States government sold its lands under the Pre-emption Law. A settler who did not own 320 acres in any state or territory could buy 160 acres for \$1.25 an acre (\$2.50 if it lay within the Northern Pacific land grant, where the alternate sections had been retained by the government). Before making the purchase, he must have lived on the land for six months and made certain improvements.

The federal government also gave away land for settlement or for the planting of trees. Under the Homestead Act, the settler was given 160 acres for living on the land and cultivating a portion of it for five years. He paid fees of fourteen dollars (eighteen dollars if it was within railroad land grant) when he made the original entry on the land and four dollars (eight with in the land grant) when he made final proof of title. By a law passed in 1880, a homesteader could, after six months' residence, commute the homestead, that is, secure title immediately, by paying cash

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<sup>11</sup>John Hesketh, "[History of the Turtle Mountain Chippewa](#)," [North Dakota Historical Society Collections](#), V (1923), 112-114.

at the same rate as under the Pre-emption Law.

Under terms of the Timber Culture Act of 1873, the settler could acquire 160 acres of land by planting 10 acres of it in trees. When making final proof on a tree claim at the end of eight years, he had to have 675 living trees on each of the ten acres. He paid an entry fee of fourteen dollars but did not have to satisfy a residence requirement.

Under the Pre-emption, Homestead, and Timber Culture laws, a settler might file on 480 acres, but not at the same time, for both the Pre-emption and Homestead acts required residence. He would probably file on a pre-emption first and after acquiring title, file on a homestead. Probably many homesteads also filed on tree claims, and probably many had secured pre-emptions before they filed on homesteads.

In the boom years, land passed rapidly from the Northern Pacific and the federal government into the hands of the newcomers pouring into the country. By 1890 the Northern Pacific had sold between 3,000,000 and 4,000,000 acres of its 10,700,000-acre land grant within the state. In the year ending June 30, 1884, it sold 268,395 acres for an average of \$4.94 per acre east of the Missouri and \$3.18 west of the river. That same year, it sold 68 town lots east of the river for an average of \$51.10 per lot and 551 lots west of the river for an average of \$7.31.<sup>12</sup>

Many more persons had filed on government land than had purchased land from the railroad. From 1871, when the Pembina land office was opened, to June 30, 1890, about 39,000 persons filed original homestead entries on more than 6,000,000 acres in North Dakota, and about 29,000 persons filed original tree-claim entries on over 4,500,000 acres. Most of them never acquired title to the land they had filed on. By 1895 only about 16,000 homesteaders who had filed original entries before 1890 had made final proof by meeting the residence requirement; they received title to about 2,400,000 acres. Only 8,000 of the settlers who made tree-claim entries ever proved up; they received title to about 1,200,000 acres.

Cash purchase from the federal government was more important than free land for settlement and improvement. From 1871 to 1890 about 19,500 settlers bought 3,000,000 acres under the Pre-emption Law; about 9,500 homesteaders commuted their entries on 1,600,000 acres by paying cash.

Many others abandoned their efforts to secure title to government land. By 1890 some 13,500 homesteaders had abandoned their original

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<sup>12</sup>Hiram M. Drache, "The Economic Aspects of the Northern Pacific in North Dakota," (Seminar paper, Department of History, University of North Dakota, 1959), pp. 43-45.



entries on 2,000,000 acres; some 21,000 settlers abandoned their original tree-claim entries on about 3,200,000 acres.

Thus up to 1890 more newcomers had acquired land by purchase than by taking advantage of the government offer of free land. It was a revealing choice. They had bought about 8,000,000 acres (4,600,000 from the government and 3,500,000 from the Northern Pacific). They had earned or had begun to earn by settlement only 3,600,000 acres. But they had also begun to earn by settlement and had then given up, or would soon give up, some 5,300,000 acres.<sup>13</sup>

Two things are clear. One is that many people who came to North Dakota soon gave up and left. The number doubtless included not only those who abandoned their homesteads but many of those who commuted their homesteads by a cash payment or who bought land under the Pre-emption Law. The other conclusion, a sort of corollary to the first, is that many who acquired land in the boom were speculators who had no intention of staying. Not all, of course, who purchased land were speculators or were about to leave the country. Purchase enabled the settler to use the land at once as security for a loan, an advantage denied the homesteader until he had completed five years of residence.

There was a great discrepancy between the amount of land acquired and the amount of land in farms. By 1890 settlers or speculators had acquired, or had begun to acquire on original entries on which they were actually to make final proof, some 11,600,000 acres. But in that year North Dakota had only 7,700,000 acres in farms. Thus speculators held some 4,000,000 acres not in farms. Moreover, the bonanza farms were often speculative holdings. In 1881, E. P. Wells noted that speculators held 400,000 acres in Stutsman County alone.

During the boom, the value of land increased very rapidly and made speculation profitable. By 1883 farm lands in Cass County within five miles of the railroad were sold at \$15.00 to \$25.00 an acre, while unimproved lands within ten miles of the railroad sold for \$8.00 to \$15.00. Eight years earlier, these lands could have been purchased from the Northern Pacific, with its depreciated securities, for a cash outlay of 37½¢ to \$1.65 an acre or from the government for \$2.50.

Speculators also sought profits in town lots. Railroads established townsites when they located their stations. A railroad, or insiders close to it (some directors of the Northern Pacific were land speculators), frequently owned the land on which a town was to be built. James J. Hill, for example, tipped off his friend Budd Reeve about the location of

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<sup>13</sup>Compiled from annual reports of the Commissioner of the General Land Office of the United States.

Buxton, and Reeve bought the land from the government for \$2.50 an acre.

The prospect of a rapid rise in land values naturally attracted speculators, and the first boom of a townsite often came before the settlement of the surrounding country justified a town. "Real estate is the predominating craze just now," reported the *Fargo Argus* on September 24, 1881, "and every other man you meet will be found to be an agent for the sale of some property." That fall, promoters sold ten thousand dollars' worth of lots in Steele within two months after it had been surveyed from a wheat field. At an auction on October 27, 1882, the Northern Pacific sold seventy thousand dollars' worth of lots in the new townsite of La Moure. The auction was held in Jamestown, for the railroad did not reach La Moure until the following year. There were few settlers in the region, and the first building in La Moure was not put up until April, 1883. By July 27 there were sixty-nine buildings under construction.

A spirit of optimism infected everyone. "Step off the train at any station," advised one speculator, "shut your eyes, walk to the townsite, stop anywhere and pay the owner his price...and you can't miss it." As a coat of arms for Dakota, the *Minneapolis Morning Call* suggested "a real estate agent rampant supporting a corner lot, à la Atlas, on a field verdant dotted with railroad spikes and champagne bottles, alternately, a drove of railroad stock being watered in the distance."<sup>14</sup>

Real estate values skyrocketed in Fargo. In June, 1880, the Northern Pacific auctioned off thirty-four lots for \$30,230 in an hour's spirited bidding. In 1882 real estate transactions in Fargo amounted to \$2,100,000, and James Holes was offered \$100,000 for his 210-acre farm on the edge of town. That year in Jamestown, the James River National Bank paid \$2,700 for a lot on which to erect its new building; the same lot had sold for \$25 in 1878. The story ran that a dozen men in Jamestown had each made from \$75,000 to \$150,000 in town-lot speculation in the last three years.

## **THE END OF THE BOOM**

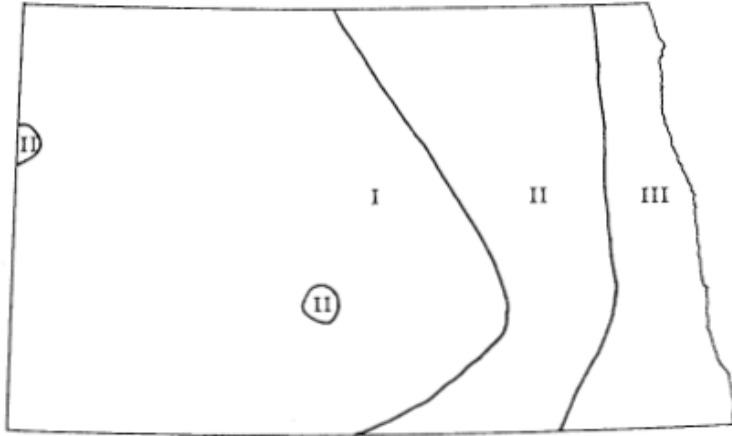
Pushed along by the speculative fever, the boom rose gradually to a peak in 1883 and then gently subsided. Settlement had continued at a low rate for some years after 1873. In 1878 it began to rise rapidly when 1,197 people filed on homesteads as compared with 232 the year before.

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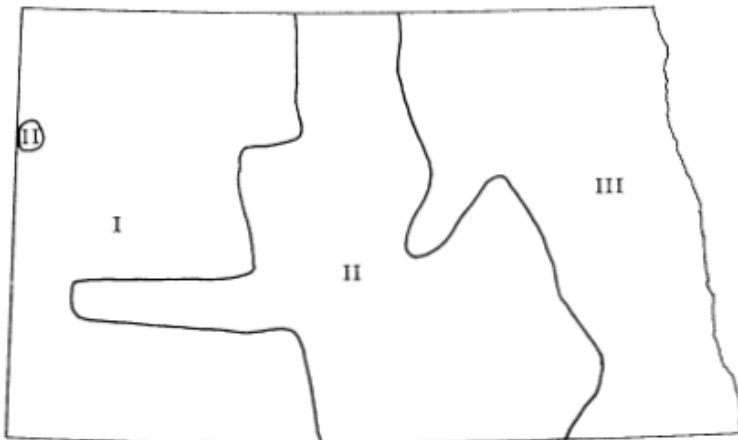
<sup>14</sup>*Fargo Argus*, September 24, 1881, quoted in Drache, "Economic Aspects," p. 14. Professor Drache found much evidence of land speculation in the *Argus*.

The peak of homesteading came in the fiscal year ending June 30, 1882, when 5,579 persons filed original entries on 864,810 acres. Probably some 40,000 persons came to the Red River Valley in 1882.

As the boom neared its peak, many began to purchase government land instead of taking homesteads. In the fiscal year ending June 30, 1884, 3,863 persons bought 603,799 acres under the Pre-emption Law; this was the year of the largest pre-emption purchases. Many also commuted their homestead claims by cash payments. In fiscal 1833 there were 5,094 original homestead entries and 2,506 commuted homesteads. In that same fiscal year, settlers and speculators filed on



EXTENT OF SETTLEMENT, 1890



EXTENT OF SETTLEMENT, 1900

- I Less than 2 inhabitants per square mile
- II From 2 to 6 inhabitants per square mile
- III From 6 to 18 inhabitants per square mile

1,759,601 acres under the Homestead, Timber Culture, and Pre-emption acts, the largest acreage of the boom years but only slightly above the amount filed on in fiscal 1882 and 1884.

When the boom slackened, cash purchases fell off much more rapidly than did original homestead entries. By 1886 the boom was over, but settlement continued as some two thousand newcomers filed original entries on homesteads each year until 1890, when only 981 filed. Many people left North Dakota after the boom. The population, which had risen from 37,000 in 1880 to 152,000 in 1885, grew to only 191,000 in 1890. If the census taken by the territorial government in 1885 was correct, most of the principal towns and some of the more populous counties lost population between 1885 and 1890. Fargo, for example, was credited with 7,394 in 1885 and with only 5,664 in 1890. Grand Forks declined from 6,516 in 1885 to 4,979 in 1890, Bismarck from 3,167 to 2,186, Jamestown from 2,382 to 2,296, Lisbon from 1,700 to 935, Wahpeton from 1,540 to 1,510, and La Moure from 358 to 309. Billings County declined from 737 in 1885 to 170 in 1890, Burleigh County from 5,354 to 4,247, Cass County from 21,085 to 19,613, Grand Forks County from 20,454 to 18,357, and Stutsman County from 5,632 to 5,266.<sup>15</sup> However, the territorial census takers, moved by the boom spirit, may have inflated the population figures in 1885.

As hopes collapsed in Bismarck after the boom of 1883, which followed acquisition of the territorial capital, some of the five banks soon liquidated. Real estate values fell, and lots went begging; many houses stood vacant. Money was scarce, and merchants fought bitterly for customers.

Some towns died completely. One of them was Mardell in Griggs County. Surveyed in 1882, it soon acquired a hotel (twenty-four rooms), a blacksmith shop, a dry-goods store, a hardware store, a post office, a grain elevator, and other enterprises. When the railroad passed Mardell by, the buildings were torn down and moved away. In 1885 the lots were sold for taxes.

Those who stayed on faced many difficulties. Almost half (49 percent) of the farms in North Dakota were mortgaged in 1890. But the boom collapsed because speculative excitement subsided, not because droughts brought crop failures. The driest year of the 1880's was 1881 (fourteen inches of precipitation), just before the peak of the boom. Eastern North Dakota averaged eighteen inches from 1881 to 1890—

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<sup>15</sup>“[The Dakota Territorial Census of 1885, from the Original Records on File in Bismarck, N.D.](#),” [North Dakota Historical Society Collections](#), IV (1913), 338-448.

above the state's long-time average. Each year until 1888 saw an increase in the wheat crop, but even the 1887 crop, the largest of the decade, did not stimulate lagging settlement. The year 1889 was dry, but North Dakota raised almost as large a crop as Minnesota, the leading wheat state.

Wheat prices declined, however. The average farm price was 80 cents in 1882, 72 cents in 1883, 46 cents in 1884, 63 cents in 1885, 52 cents in 1886 and 1887, 91 cents in 1888, 60 cents in 1889, and 70 cents in 1890. Low prices in the last years of the boom probably dampened enthusiasm, but the rise in the late 1880's did not revive settlement. The end of the boom was probably as much a psychological phenomenon on as an economic one.

During the boom years, settlers and speculators wrought a great transformation in the prairie wilderness. By 1890 they had created 27,611 farms occupying 7,700,000 acres, or about 17 percent of the nearly 45,000,000 acres in North Dakota. They had established a new wheat-producing region. Production in what was soon to become North Dakota rose from 1,700,000 bushels in 1879 to 36,000,000 in 1887. By the late 1880's, Dakota Territory as second only to Minnesota in wheat production.<sup>16</sup>

Grain elevators became the distinctive feature of the landscape. By 1884, Dakota Territory had 206 elevators and 54 warehouses; the Northern Pacific Railroad alone had 61 elevators and 19 warehouses with a storage capacity of 2,800,000 bushels along its lines. Later, some stations on the Manitoba in the northern valley were shipping a million bushels a year. In the fall the elevators often overflowed and the grain had to be piled on the ground. As early as the fall of 1881, seventy-five cars of wheat per day were arriving at Fargo from the west and Oliver Dalrymple was daily sending three trains to Duluth. By 1886 freight rates (12.6 to 15 cents a bushel from the Red River Valley to Duluth) were only half of what they had been in 1871.

By 1890 the new spring-wheat country had acquired many of the essentials of civilization. It had a population of 190,983 as compared with an estimated 16,000 when the boom began in 1878. It had 50 incorporated towns and villages, 8 with more than 1,000 people. The largest were Fargo (5,664), Grand Forks (4,979), Jamestown (2,296), and Bismarck (2,186). It had 35 flour mills, a penitentiary, a university, a hospital for the insane, 125 newspapers, 454 post offices, over 2,044 miles of railroad, some 125 banks (25 with national charters), 1,362

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<sup>16</sup>North Dakota Crop and Livestock Reporting Service, *North Dakota Wheat*, Agricultural Statistics No. 3 (Fargo, 1960), p. 6.

public schools with 1,741 teachers, and 868 church organizations with 335 church buildings. Fargo and Grand Forks each had 3 daily papers, 5 banks, breweries, flour mills, opera houses, waterworks, electric lights, and gasworks. Fargo had stockyards, a rolling mill, a foundry, and carriage shops; Grand Forks had a street railway.<sup>17</sup>

The pioneers had done well. In a dozen years they had turned an empty wilderness into a civilized society. At the height of the boom, a single year's increase of settlers dwarfed the total population (red, métis, and white) of the pre-boom years. By the later 1880's a single wheat crop dwarfed the wealth gathered in all the pre-boom years. In terms of wealth and people, then, North Dakota had suddenly taken on a new appearance.

Indeed, in the speculative frenzy the pioneers had done too well. Led on by expectations that were not to be realized, they had equipped their new society with more towns, stores, newspapers, churches, and banks than it could support. In the enthusiasm of the Great Dakota Boom, they had inevitably made what can be called "the Too-Much Mistake." Retrenchment and abandonment soon followed.

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<sup>17</sup>Dakota Territory Commissioner of Immigration, [\*The State of North Dakota, 1889\*](#), pp. 72-75, 84-85.