

**LETTER TO ROBERT SCHUYLER,
ESQ., PRESIDENT OF THE ILLINOIS
CENTRAL RAILROAD, ON THE
VALUE OF THE PUBLIC LANDS OF
ILLINOIS**

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Letter to Robert Schuyler, Esq., President of the Illinois Central Railroad, on the Value of the public lands of Illinois by Robert Rantoul

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ROBERT RANTOUL

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LETTER

TO

ROBERT SCHUYLER, ESQ.,

PRESIDENT OF THE

ILLINOIS CENTRAL RAILROAD,

ON THE

VALUE OF THE PUBLIC LANDS

OF ILLINOIS.

BY **ROBERT RANTOUL, JR.,**
ONE OF THE DIRECTORS.

BOSTON:
PRESS OF DAMRELL & MOORE,
16 Devonshire Street.
1851.

LETTER.

BEVERLY, September 1st, 1851.

SIR :—In entering, at your request, into an inquiry as to the prospective value of lands in Illinois, I think it proper to examine the general considerations which will influence the settlement of that State, because it seems to me that by this course we may arrive at a result much more satisfactory and certain than by comparing the prices of land in particular localities, or by collecting the opinions of individuals. The Illinois Central Railroad is to be the main artery of communication between vast sections of this continent, and its value depends upon the amount of intercourse between those sections, and upon the business of the population along the line. What this population is likely to number at any given date may be judged from facts positively and officially ascertained, so that the reader, if not satisfied with our conclusions, will have before him the means to form his own.

The territory of the United States consists of four great natural divisions, two slopes toward the ocean on the east and west, and two valleys or basins, one stretching from the centre of the continent easterly, the other from the same centre southerly. The natural route of the largest travel to and from each of these divisions lies through the State of Illinois. The passage from the Basin of the Lakes and the St. Lawrence, an area of about one million of square miles, to the central and southern parts of the Valley of the Mississippi must necessarily be from the southern extremity of Lake Michigan through Illinois. The travel from the northern portion of the Atlantic slope, the nine North Eastern States, having already more than eight and a half millions of inhabitants, must follow the same route to reach the same destination. The line of

our road, continued to Mobile, or by steamboat down the river, links the Basin of the Lakes to the Gulf of Mexico, so that all the trade and travel of that Basin to and from the West India Islands, Mexico, and Central America, and across the Gulf to the Pacific Coast of North and South America, naturally pass that way. Illinois therefore is not only accessible from all quarters, but on the line of the principal thoroughfares of the continent; and when those thoroughfares are once opened for the cheapest and speediest travel and transportation through the whole length of her territory, all her resources must be at once revealed to the world: if her lands offer the strongest inducements to settlers, that fact must be almost immediately known, appreciated and acted upon.

The States northwest of the Ohio are seven in number, five of them east, and two of them west of the Mississippi. Of these, the three older States, which are those bordering on the Ohio, are so far settled that the Government has already parted with more than five-sixths of the lands within their limits, while in the other four States the Government retains as yet more than two-thirds of the lands. The unsold lands in the three older of these States are distributed as follows:

Ohio, containing	25,576,960 acres:	Unsold	867,742 acres.
Indiana, “	21,637,760 “	“	1,511,266 “
Illinois, “	35,459,200 “	“	11,449,471 “
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The three States “	82,673,920 “	“	13,828,479 “

The land unsold in Ohio and Indiana is less than would be required to furnish farms of the ordinary extent for one year's natural increase of the population of those States, allowing nothing for emigration. For all practical purposes, therefore, we may regard the public lands of those two States as exhausted, and those of Illinois come into competition only with the four younger States, as yet but sparsely settled, Michigan, Wisconsin, Iowa and Missouri. These last four States contain more than one hundred and forty-six millions of acres, of which more than ninety-eight millions remain to be disposed of by the General Government. [See Tables A and B]

To determine the disposable value of land in Illinois, it will be convenient to take as a criterion that of some other State more densely peopled, say for instance Ohio, and make that the basis of our reasoning. We are in no danger of being carried too far by this method, because we institute a comparison between the most fertile land in the world and that which is much less productive; and between land bordering on

a perfect railroad and having the best access to market, and the whole surface of Ohio, much of it not so accessible. It will be found also that the price of land continues to increase in a ratio much greater than the density of population. Massachusetts has about two and a half times as many inhabitants to a square mile as Ohio, but land as good as that of Ohio, and cultivated with as little cost and labor, is worth more than five times as much in Massachusetts as the official valuation in Ohio.

What then is the present value of land in Ohio, for agricultural purposes, estimated at a rate low enough to form a safe basis for prudent calculations?

The official valuation of all the lands subject to taxation in Ohio, exclusive of that included in towns, was 23,768,835 acres estimated at \$264,661,957, which gives an average of \$11.13 $\frac{1}{4}$ per acre, for the year 1849. Towns are separately valued at a further sum of more than seventy millions of dollars. It is generally supposed that to this assessment for the purpose of taxation, at least one-third should be added to ascertain the true selling price; if we add one-fourth only, it gives us \$13.91 $\frac{1}{2}$ as the real value in 1849, which at the present time, 1851, must be increased at least six per cent., giving \$14.75 per acre. The more thoroughly this estimate is examined, the more undeniably will it appear that it is below the true value, yet to place our data beyond the reach of cavil, let us admit the price per acre to be \$12 only. A ready test to be applied to this price is to see what rate it would give in other States more settled, and also in those less settled, if the price rose in the ratio of the density of population.

This rule would give per acre, for Mass. \$33.00; Conn. \$18.84; New York \$16.00; Penn. \$12.90; Ind. \$7.20; Ken. \$6.25; Mich. \$1.71; Wis. \$1.33; Iowa .92; Mo. \$2.40.

Those acquainted with these States, will at once pronounce these prices to be far below the value of land in each of them.

Is the productive capacity of the land sufficient to yield a fair return on the investment? Because if it be not, the price cannot be expected to rise higher than the rate which will give a rent equal to the average of other States. In the report of the Commissioner of Patents for 1849, page 232, it is stated that there are *five or six* States in this Union in which "men can grow maize on common soil, place the crop in a crib at from six to ten cents a bushel, and pay a fair price for the labor." This can be done much cheaper in Central Illinois than in the average of these five or six States. Corn is often raised at or below five cents.

The produce of an acre is, at a low rate, fifty bushels—say at 8 cents—	\$4.00
Hauling to railroad,	.50
Transportation 150 miles at 4 cents per ton,	9.00
	<hr/>
27c ents per bushel, per acre,	\$13.50

If the price at Chicago should not go below 37 cents, an immense exportation may be depended upon. If delivered in Liverpool low enough to be used by British graziers for fattening cattle, the quantity required for their consumption is almost beyond calculation. But this price, after so long a journey as 150 miles, gives a net profit of ten cents a bushel, or five dollars per acre, which is equal to an interest of twenty per cent. on an original investment of twenty-five dollars per acre.

Suppose corn carried upon the railroad half this distance, or seventy-five miles. It may be brought great distances to the depot for this purpose, by means of plank roads, which will speedily be constructed.

Fifty bushels, at 8 cents, cost	-	\$4.00
Conveyance to depot, say	-	1.00
Transportation 75 miles,	-	4.50
		<hr/>
Cost delivered at the Lake,	-	\$9.50
Value at the Lake,	-	37 cts.
Cost,	-	19
		<hr/>
Net profit per bushel,		18 cts.

This would realize nine dollars profit, or twenty per cent. on an investment of forty-five dollars per acre.

If an article so bulky as corn cannot be profitably carried the whole length of the railroad, it is to be recollected that animal products can bear transportation three or four times as far as corn, and still pay a much smaller per centage on their cost. The freight of a barrel of pork three hundred miles will not exceed a dollar and fifty cents at the outset: and the rates of toll assumed are capable of very great reduction, so soon as the business of the road requires the construction of a double track; a contingency not far distant in the future.

It is plain from these remarks that all the land within fifteen miles of the Central Railroad is intrinsically worth, from its power of production, not only as much as, but an average twice as high as that which we have assumed to be the selling price of Ohio lands. Such an aver-

age might be realized, if the supply of such lands were not much greater than the demand for cultivation.

It becomes then necessary to inquire how long will the supply exceed the demand, not for speculation, because that is too precarious and unsteady for our consideration, but the demand by actual settlers for cultivation. We have official data by which this question can be answered, approximately, but as definitely and with as strong a probability of correctness as any thing future can be known, which depends on the voluntary action and separate judgment of multitudes of individual men.

The quantity of land taken up by each occupant in the Western States differs, of course, with the density of population, and the price to which land has risen. In the State of Ohio, the land sold and granted averages less than thirteen acres per head for the whole population; in Indiana it is twenty and one-third acres, and in Illinois twenty-eight acres per head. In the other four North Western States it slightly exceeds thirty acres. [See Table C.]

The eleven millions of acres of land not yet taken up in Illinois would supply a population of a little more than four hundred thousand persons with twenty-eight acres each, the quantity thus far in Illinois. This increase to her population, at the ordinary rate, will accrue in *six* or *seven* years. If the land were divided in the same proportion as in Indiana, it would be sufficient for about five hundred and sixty-five thousand persons. If divided as in Ohio, it would supply nine hundred and five thousand. But, unless the rate of increase should be checked, which there is no reason to apprehend, five hundred and sixty-five thousand persons will be added to the population of Illinois in *eight* years, and nine hundred and five thousand in *twelve* years. The ordinary increase of population, such as causes already existing have been sufficient to maintain for the last fifty years, without the aid of artificial channels of intercourse, will be quite sufficient to exhaust, twelve years before your bonds fall due, the whole quantity of land owned by the Government in Illinois on the 30th of June, 1850. This quantity, however, is very far beyond that *now* remaining at the disposal of the United States, as I shall have occasion to show.

If, without referring to the quantity of unsold land, we inquire simply how soon the tract through which the road is to pass will arrive at the average density of population of Ohio, we observe, that if the road be of the length generally anticipated, there will be included within fifteen miles of the line, about twenty thousand square miles of surface, having at present about three hundred thousand inhabitants. Seven hundred

thousand must therefore be added to reach an average of fifty to the mile. Suppose only two-thirds of the additional population of the State to settle within fifteen miles of the railroad, and still the requisite density will be reached, at the rate of increase of Illinois for the last ten years, in thirteen years from the present date; that is to say, about the 1st of September, 1864. The State would then contain, besides the million of inhabitants within fifteen miles of the Central Railroad, almost an equal number occupying the remaining three-fifths of its territory, at an average density of twenty-seven to the square mile, about the average already reached by the whole State of Indiana; and the public lands would of course be exhausted as they already are in Ohio and Indiana. The lands in the possession of private holders might then be expected to bear prices compared to those of Ohio and Indiana, respectively, in the proportion of their fertility, and power of access to markets for their produce.

These calculations all proceed upon the hypothesis that the rate of increase of population in Illinois is to continue the same for the next thirteen years, that it has been since 1840. There are obvious reasons why a much more rapid progress might be counted on, if it were not wholly unnecessary to make out a stronger case than this establishes for us.

During the last ten years Illinois has labored under a debt, of a magnitude absolutely overwhelming, when compared with her resources at the commencement of that period. She had then before her a very gloomy alternative. If she endeavored to meet even the interest of her obligations she would be crushed under the weight of an intolerable taxation, from which her most able and enterprising citizens would have fled into other States. If she abandoned the effort in despair of the possibility of success, then she must suffer all the consequences of the total loss of credit consequent on her bankruptcy. In neither case did it seem to be probable that her public works could be made available towards the discharge of the debt incurred for them, or aid to develop the resources of the State. Why should an emigrant from the old world, or from the other States, with the broad valley of the Mississippi open before him where to choose, voluntarily assume a full share of these embarrassments by becoming a citizen of Illinois? The answer which emigrants have given to this question may be seen in the settlement of Wisconsin, which State, with a colder climate and a harder soil than Illinois, has added to her population more than eight hundred and eighty per cent. in the last ten years: a progress unprecedented in the history of the world, in any agricultural community.