

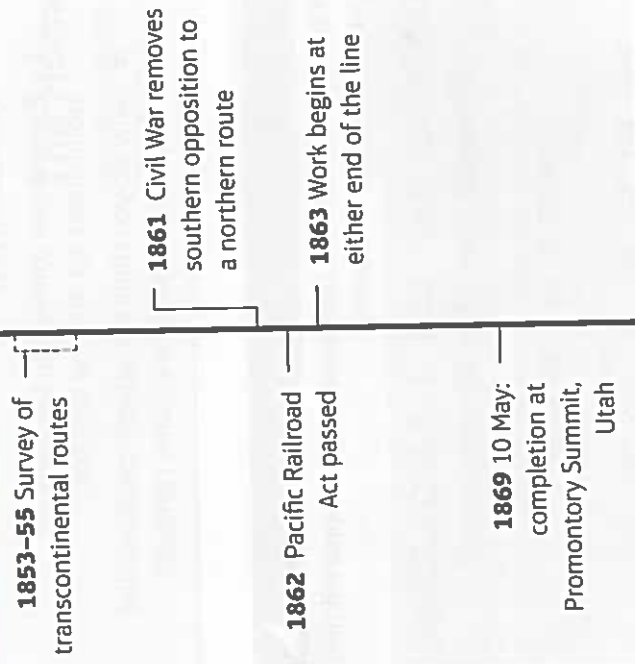
The Pacific Railroad Act (1862)

The Pacific Railroad Act provided the incentive for transcontinental railroad building. The railroads made migration to the West much easier and quicker, they promoted the development of towns, they boosted the sale of land to settlers, and they enabled the industrial centres of the North to connect to the developing agricultural areas of the West.

The First Transcontinental Railroad

Timeline

The First Transcontinental Railroad



There were two main problems against building a railroad to connect the eastern and western halves of the USA before 1862. First, was the enormous difficulty and cost of building a 2,000 km railroad, especially through the mountains of the West, which meant no private company would risk it. Second, was disagreement between northern and southern states. The North wanted to connect California with its big industrial cities, like Chicago. The southern states recognised that this would disadvantage them and wanted a southern route.

Like the Homestead Act, the Pacific Railroad Act was a consequence of the southern states leaving the Union in 1861, which handed control of federal government

to the northern states. In 1862, the railroad network in the North was extensive, but reached only as far west as the Missouri River. The government selected a route that went from Sacramento, California, to Omaha, Nebraska. From Omaha, the First Transcontinental Railroad would link up with the existing eastern railroad network.

The Pacific Railroad Act split the job of building the First Transcontinental Railroad between two companies: the **Union Pacific** and the **Central Pacific**. The Union Pacific started in Omaha and built its track westwards. The Central Pacific started in Sacramento and built eastwards. In order to make the job possible and profitable for the two companies, the Pacific Railroad Act committed the US government to:

- 'extinguishing' any rights Plains Indians might have to land along the route
- loaning each company \$16,000 for every mile of track they laid (\$48,000 for mountain areas)
- granting each company large sections of public land along the railroad for them to sell.

As well as funding the building of the First Transcontinental Railroad, the Pacific Railroad Act also set up the first transcontinental electric telegraph: the route of this ran along the railroad tracks.

In all, the government gave the two railroad companies 45 million acres of free land and loaned them over \$61 million (for comparison, the US government paid Russia \$7.2 million for Alaska in 1867). Despite this, both companies nearly went bust: partly because of the challenges of this enormous engineering feat and partly because the Union Pacific company was caught charging the government more than it spent in order to make more money for its investors.

The railroads and settlement of the West

The railroad companies used marketing to encourage settlers to buy their land grants. They laid on special trips to show possible buyers the attractions of the area, organised loans to help people buy the land, and sent successful settlers on tours to recruit new customers.

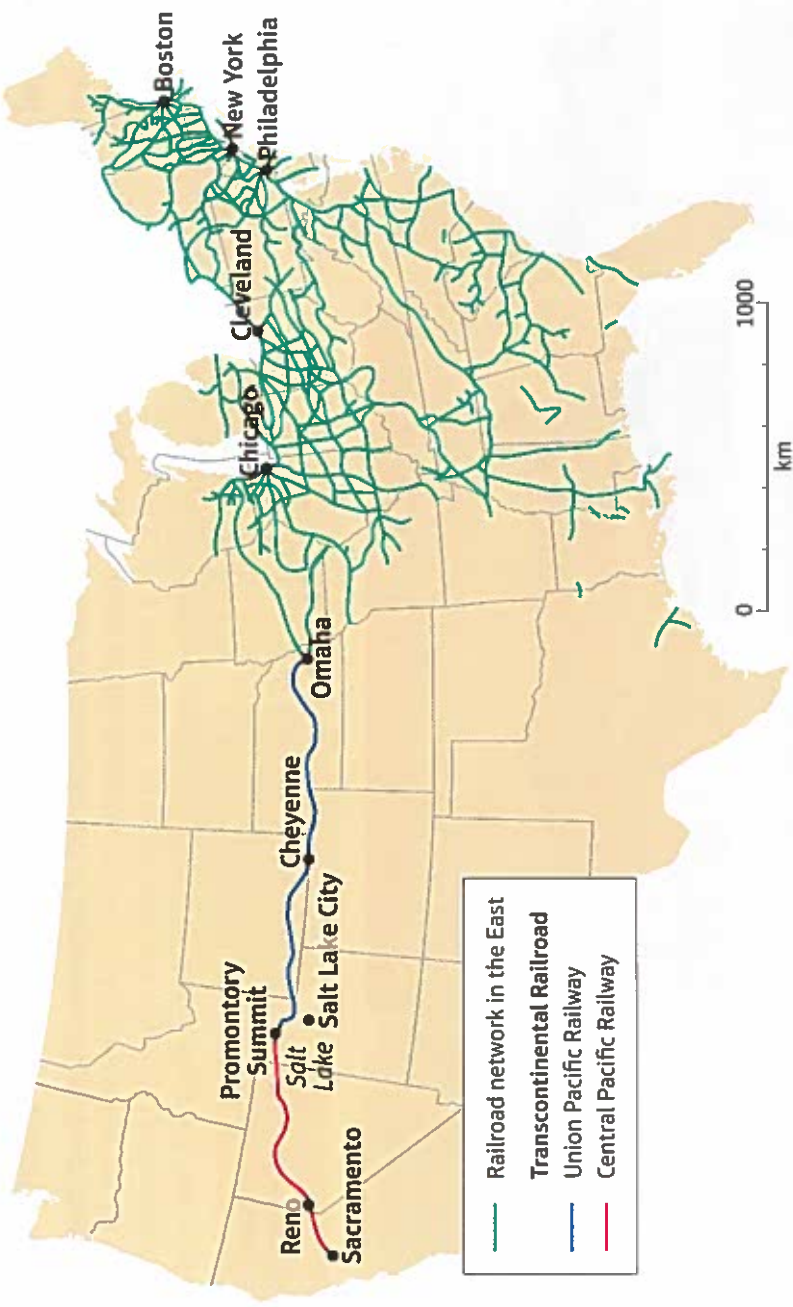


Figure 2.2 The route of the First Transcontinental Railroad.

Each railroad company had a Bureau of Immigration to persuade people from foreign countries to settle on the Plains. One agent claimed to have persuaded 10,000 Scandinavians to settle in Nebraska, while another, C.B. Schmidt, was directly responsible for 60,000 Germans emigrating to Kansas. By 1880, the railroad companies had settled 200 million acres in the West. They were more influential than the Homestead Act in encouraging settlement because they had more land to sell, better marketing and because people wanted to settle near the railroad.

Activities

- 1 You are working for a railroad company's advertising department. Design a poster to encourage poor farmers from Europe to come and settle on a homestead on the Plains.
- 2 The numbers of migrants using the Oregon Trail declined sharply after 1869. Explain how this was connected to the First Transcontinental Railroad.

Source B

An 1872 advert for land for sale by the Burlington and Missouri River Railroad Company.

