



# Economic Forces in American History

## Games and Simulations

### The Oklahoma Land Rush: Property Rights on the American Frontier

What would life be like if we could own things just by claiming them on a first-come-first-served basis? This simulation lets students consider that question by simulating the rationing of land in American history in that very manner – the Oklahoma Land Rush of 1893. As student “Boomers” engage in the chaos and excitement of racing for land, they participate in a common experience they can analyze and evaluate afterwards. The debriefing helps them sort through the experience, highlighting the exorbitant – and largely unrecognized – costs of this much-storied method of rationing property rights in the American West.

#### Background on Property Rights

Most American students never learn about property rights in their U.S. History or economics classes. Because we live in a country in which the fundamental rights of life, liberty and property are firmly grounded in the rule of law, we tend to take these rights for granted - especially our property rights. However, property rights and the role they play in American wealth and freedom bear thinking about. With the prevalence of slogans about “people, not property,” it is important to begin by recognizing that property rights are *human* rights. Economists define property rights as:

the rights of human beings to use and transfer their possessions,  
including themselves. Property rights consist of the privileges and  
limitations of use, exclusion, and transfer.

A useful metaphor for property rights is a “bundle of sticks.” Full property rights include the following “sticks:”

- Property rights are well-defined: privileges and limitations are clear to all.
- Property rights are exclusive: the owner may exclude others from the benefits.
- Property rights are transferable through voluntary agreements.
- Property rights are enforceable by self, community, or government, at low cost.

Legal scholars divide property rights into 3 defined categories: private property, common property and collective (government-owned) property. Each system creates different incentives and results in differing patterns of use, exclusion and transferability. While the details vary with circumstances, we can make some valid generalizations – backed by historical evidence – about the characteristics of the 3 ownership arrangements:

- Privately owned property tends to be maintained and improved because owners typically want to maximize its utility or profitability;
- Commonly owned property tends to experience the “tragedy of the commons, diminishing in value through overuse and/or lack of maintenance; and
- The value of collective (government owned) property is subject to dissipation and rent-seeking through the dynamics of the political process.

In the Oklahoma Land Rush of 1893, the U.S. government privatized about two million acres known as the "Cherokee Strip". Private citizens could acquire property rights to parcels of land in the Strip through a first-come-first-served process. Citizens literally raced from the starting line as the gun fired to claim their “free” land. From an economic point of view this race for resources was wasteful and inefficient; all the resources that went into maximizing speed could have been more profitably used in other ways. From a political point of view, privatizing in this way made sense – politicians could take credit for "giving away" the land for "free."

### Historical Background

The rush for the Cherokee Strip was the third in a series of land races staged the U.S. federal government in 1885, 1889 and 1893. By 1893 the pattern for these events was well established: at the announcement that more western lands would be available for settlement, the popular press would promote the event up and down the East coast. Railroad companies would provide special trains going directly to the “jumping off” sites, and real estate developers would plan out new towns and cities to spring up (literally overnight) in the newly opened lands. "Boomers" were those settlers who waited for the boom of the cannon before rushing into the opened lands to claim their parcels. "Sooners" snuck onto the land early, claiming it long before the Boomers arrived even though the U.S. Army patrolled the entrance points and did its best to police the area before the rush to settlement could begin. At the appointed time, the cannon roared and tens of thousands of boomers literally raced into the territory determined to claim the best land available.

The Land Rush of 1893 was different in one important way, however. Prior to the federal government opening the "Strip" to settlement, the Cherokee nation had leased the land to the members of the Cherokee Strip Live Stock Association. The first lease was signed in 1883 and under its terms the Cherokee were paid \$100,000 per year for five years.<sup>1</sup> The terms of the lease show specified the privileges and limitations of the livestock association members:

Members of the Association agreed that they would erect no permanent buildings

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<sup>1</sup> <http://digital.library.okstate.edu/chronicles/v009/v009p268.html>

on the Outlet and that all temporary improvements should go to the Cherokees upon the expiration of the lease. They would cut no timber except for fencing and temporary structures.<sup>2</sup>

Both the Cherokee and the Association wanted to preserve the land for cattle grazing, and were unwilling to jeopardize it through development or logging.

The first lease was successful for both parties, but in the autumn of 1888 the Cherokee wanted to renegotiate. After hearing offers from other parties (one of whom wanted to buy the land outright for \$18 million) the Cherokee agreed to renew the lease with the Association, this time for \$200,000 per year for another five years.<sup>3</sup> While this was agreeable to both parties, political pressures were growing for an altogether different use for the Cherokee Strip: agricultural settlement.

In 1888 the federal government stopped recognizing leases between the Cherokees and the ranchers. The next year Congress authorized purchasing the land for \$1.25 an acre.<sup>4</sup> Fearing that the federal government might simply expropriate the land, the tribe agreed to sell. They received only \$8.6 million, far less money than the ranchers had offered.<sup>5</sup>

The pressure to open the land to settlement was enormous, and soon rules for settlers to claim land were announced.

The proclamation specified that the land must be entered from either the northern or the southern borders of the strip. It also provided for nine registration booths, four on the southern border and five on the northern border. These booths were necessary because potential claimants needed to obtain a certificate in order to enter the race. After finding a claim, the individual was to report to a land office and register his or her claim and surrender the certificate.<sup>5</sup>

The press was there as well, and soon the story was well known in the major population centers of the country. The result was that by Saturday, the 16th of September, 1893, between 100,000 and 150,000 boomers were ready to race for the 42,000 available parcels.<sup>6</sup> The encampments at the starting line had no fresh water or sewage facilities, and newspapers reported deaths in the camps due to sunstroke.<sup>7</sup>

The race to claim the land was even more dangerous. The army was on hand to prevent Boomers from starting early; unfortunately, one deaf man who was shot dead because he thought the cannon had fired a few minutes early. When the cannon did finally boom, thousands of wagons took off over the rough terrain, and many quickly overturned or broke apart. People on

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<sup>2</sup> *ibid*

<sup>3</sup> *ibid*

<sup>4</sup> Anderson & Hill, *The Not So Wild Wild West*, p. 172.

<sup>5</sup> *Ibid*

<sup>6</sup> *Ibid*, p. 174

<sup>7</sup> *Ibid*

foot were often trampled by horses that managed to make it through the initial melee. One settler recalled that in the first mile and half in from the start, he saw 40 horses that had "collapsed and died from heat, thirst and over-exertion."<sup>8</sup>

From an economic perspective, the Oklahoma Land Race of 1893 was a tragic waste of resources. It forces us to ask why so many people had to lose so much in order to get land. The answer lies with the role of property rights. Prior to 1888 the owners of the land, the Cherokee, had come to an agreement with a group of cattlemen to lease the land for an agreed upon sum. No cattlemen died of sun stroke waiting to bring their cattle in for grazing. No wagons were destroyed by overzealous cowboys wanting to be the first ones into the prime grazing lands. Instead the parties came to a voluntary agreement in which the Cherokee agreed to rent out the property rights to portions of their land. The federal government, by refusing to recognize the lease arrangements, redefined property rights in the area, making a wasteful race for resources the only rational course of action for hundreds of thousands of people. Well-defined property rights developed by people directly involved create economically efficient uses of the property. Whenever property rights are created or developed by distant groups with different agendas, inefficiency and waste are highly probable.

Sources -

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<sup>8</sup> Ibid

## **Key Concepts**

Property Rights

Incentives

Opportunity cost of “racing for resources”

## **Materials**

- “Land plots” – desks, small tables, or chairs: 4-6 (several fewer than the number of “families”)
- Poker chips - 20 per family (4 students per family)
- “Land Deeds” – sticky notes - one each for the land plots
- Overhead transparencies of *Scenario* (p.9), *Rules* (p. 10), and *Debriefing Questions* (p.8)
- Candy - two bags of Hershey's Kisses or similar candy

**Time:** One 45 minute class period

## **Classroom setup:**

Move classroom desks against the walls, a large space in the center of the room. Place desks, tables or chairs in the empty space to simulate the land plots. (There must several fewer tables than family groups.) Put a deed (sticky note) on each land plot. Number the deeds 1, 2 and 3 -- these numbers will be used to determine the reward for families which get the land. (Student families must collect a sticky note to claim a plot of land.) Leave a fair amount of space around each desk - two to three feet in every direction.

Tape a line on the floor in the back of the room where families must wait for the race to begin.

## **Procedures:**

1. Start a class discussion about what it means to own something. Guide this discussion to the idea of property rights listed above. Ownership means that society recognizes your right to use something, to exclude others from using it, and to transfer it if you want to.
2. End the discussion by asking "when you own something, when it's yours, do you take care of it? Why or why not?" Elicit some responses from your students about the incentives of ownership, helping them to articulate that we generally take care of things we own because we want to preserve or increase their value.
3. Announce that today the class will be doing a simulation of a famous episode in American history: the Oklahoma Land Rush of 1893. Place the scenario overhead on the projector and read through it with the class. Be sure to emphasize that families brought everything they own in the world with them; all of their resources are packed into wagons.
4. Divide the class into family groups of four. Designate any leftover students as race marshalls and managers for the simulation. Marshalls have a very important role: they make sure that families follow the rules before and during the race. Managers help in the distribution of

game pieces and prizes.

5. Explain that in this activity there will be candy prizes for families that get plots of land in the “Cherokee Strip” in the center of the classroom. Land will be allocated on a first-come-first-served basis. Families may claim plots of land by being the first to pick up the deed (sticky note), putting the resources and belongings they’ve carried to the plot, and sitting or standing around the boundaries of the plot they’re claiming. The more of their chips they can get to the desk, the larger their reward will be.
6. Give each family 20 poker chips to represent the resources they are bringing with them to the property they hope to claim. Emphasize that their resources are valuable but remind the families that it is risky to commit them to this endeavor. Chips may not be left behind and they may be carried only on the back of the hand and top of the forearm.  
*(Demonstrate: Bend arms at elbow; elbow against rib cage, palm of hand facing floor. Chips must sit on back of hand and forearm.)*
  - ALL members of the family must carry some of the chips.
  - Chips that fall off become worthless when they hit the ground or another person or object, and may NOT be retrieved.
7. Move all families behind the tape line in the back of the room, and have the marshalls keep everyone behind the line. Instruct families to practice carrying chips while you rearrange the room for the activity. (Marshalls act as judges of “legal” chip carrying.)
8. Arrange the classroom in the manner described above, if you haven't done so already. Explain to the class that these remaining desks are the Cherokee Strip - some of the most valuable land in Oklahoma.
9. Review the rules on how to carry chips. Remind students that dropped chips cannot be retrieved. Finally, remind the marshals to help enforce these rules.
10. Position yourself near the front of the room where you can see who gets to each desk first. Start the race: "on your marks, get set, GO!"
11. When all desks are claimed (about 20-30 seconds), announce that the race is over. Direct those who have not made successful claims to “leave the Cherokee Strip” by returning to the back of the room behind the tape line.
12. Enlist the marshalls to help settle any claim disputes. Award prizes to successful “Boomers” – bigger prizes to the families who got the most chips to their land and smaller prizes to those with few or no chips. (Calculate the reward as #chips the family gets to the desk X the value of the deed. For example, twelve chips on a desk that has a 3 deed would be 36 pieces of candy). Rearrange the classroom and debrief.
14. Debrief the activity, using the overhead transparency of the discussion questions. The

Emphasize how wasteful this method of allocation was. The absence of clearly defined property rights created incentives that resulted in waste and inefficient use of resources. Some families lost all their chips and got no land; this also happened in the Oklahoma Land Rush.

15. The best follow up to this activity involves showing the Land Rush Sequence from the 1992 film, *Far and Away* starring Tom Cruise and Nicole Kidman. The sequence comes near the end of the film and lasts five to ten minutes. Director Ron Howard went to great lengths to include several historical details in this sequence.

## Debriefing Questions

1. **Prior to the race, who owned the land?**  
*The government owned it up to the point that the race began. The U.S. government purchased the land from the Cherokee tribe for the purpose of giving it away.*
2. **Once the race began, who owned it?**  
*For a short time, no one owned the land, so everyone thought he or she could claim it.*
3. **After the race who owned the land?**  
*The successful families became the new owners of the land. In fact what once belonged to the government was "privatized"- turned over to those who got there first.*
4. **How many families got land?**  
*Only six of the families got land because there were only six lots. The advertising for the actual Oklahoma land rush meant that over 150,000 people showed up to claim about 40,000 lots.*
5. **Why did so few families get land?**  
*Many reasons, the most important is that the land rush was advertised up and down the Eastern Seaboard. People's expectations were that they could get land for free so over 150,000 people showed up for only 40,000 lots.*
6. **For those families who got land: How many chips were you able to get there with you?**  
*Not too many is what the kids should answer. The jostling and bumping made it impossible to hold the chips properly, so people rushed for the land and lost control of their resources.*
7. **Why did so few chips get to the desks?**  
*Kids will talk about how crazy and chaotic it was - which is true. But why was it crazy and chaotic? Because this is the worst way to privatize land or pretty much anything else. This way encourages people to race, which encourages them not to be careful.*
8. **For families that didn't get land: How many chips do you have left?**  
*Once again the answer will be not many. They raced and lost, but the costs of racing were still very high for them.*
9. **Was the land really free after all?**  
*No. In order to get property rights to land the families had to invest in the maps, travel across the country and then dump resources in order to get to desirable land. In the end this was very expensive land for any family that got some.*
10. **Is there another, less wasteful way the government could have privatized the land? What are some of the costs and benefits of doing this differently?**  
*Lottery, direct sales, as a reward to Civil War Veterans - kids should give many answers.*

Scenario

## ***Oklahoma – 1893***

### ***Is Free Land Truly Free?***

***Congratulations! You've made it to the Cherokee Strip Land Rush here in Oklahoma Territory, 1893. That means that you traveled across the country just to get here and in a few minutes you'll have a chance to get the "free land" that the government is "giving away."***

***Your family has brought all your resources – money, horses, tools, everything of value that you own. They're loaded up in your wagon, ready to go the minute the cannon booms. For our purposes today those resources will be poker chips – take good care of them throughout the game. You'll need them to make a life for yourself on your new land.***

***Succeeding in today's simulation is simple: just be the first family to get the deed on one of the remaining lots of land (the desks in the front of the room) and get as many of your chips there as possible. Candy prizes go to the families that successfully claim land.***

## ***Rules for Oklahoma Land Rush, 1893***

***Family Goal: to get the deed to one of the remaining lots.***

***Prize: candy***

- 1. No one may cross the starting line until the command:  
“On your marks! Get Set! Go!”***
- 2. All family members must carry chips.***
- 3. Chips can only be carried on the backs of hands or on the tops of forearms.***
- 4. Chips must be visible to the marshalls and the teacher at all times.***
- 5. Chips that fall off are lost. Fallen chips may not be picked up.***
- 6. Families must travel together - all four people in close proximity to each other.***
- 7. To claim a desk a family must get to the plot first, retrieve the sticky note, and stand around the plot before any other family has claimed it.***
- 8. After claiming the deed, a family must place on the “plot” of land the chips they successfully carried with them. (The teacher or a marshall will come by to count them.)***
- 9. Families who jump the gun (“Sooners”) will be removed from the game by the marshalls and their chips will be confiscated.***

### **MARSHALLS**

***Job: Enforce the rules. Pay: candy***

***Check every family before the race begins: chips in view, on tops of hands and forearms, behind the line.***

***Make sure that no family stops to collect chips.***

***Watch the land plots to help decide who has claimed them in case of disputes.***