Gilded Age Politics and Agrarian Revolt

- What were the political developments of the Gilded Age?
- What problems, real and perceived, affected American farmers of the era?
- What factors precipitated the rise of agrarian revolt and the Populists?
- What was significant about the election of 1896?

- Mark Twain and Charles Warner’s *The Gilded Age*
  - Political corruption and personal greed
  - Captains of industry characterized the Gilded Age

**Paradoxical Politics**

- At the end of the nineteenth century, division between Republicans and Democrats created sense of stalemate
  - Neither party made bold moves
  - Refusal to confront real issues
  - Yet, high voter turnout—70 to 80 percent
- Politicians and voters believed that they were dealing with crucial issues:
  - Tariff rates, regulation of corporations, money policy, Indian disputes, civil service reform, immigration
  - Extreme partisanship led to local political culture

**Partisan Politics**

- Most Americans after the Civil War were intensely loyal to one of the two parties, Democrat or Republican
  - Local party officials granted favors to those who were loyal
  - “City machines” used favoritism to keep loyalty—camaraderie and opportunity
- Party loyalties and voter turnout reflected religious and ethnic divisions
  - Republicans attracted mainly Protestants and people of British descent, African Americans, Union veterans
  - Democrats tended to be homogenous
- Republicans pressed nativist causes
  - Prohibitionism revived along with nativism in 1880s
  - Republicans increasingly saw saloons as central social evil

**Political Stalemate at the National Level**

- Republican domination was more apparent than real
  - Between Ulysses Grant and William Taft, Republicans monopolized White House except for two nonconsecutive terms of Grover Cleveland
- No president between Lincoln and Theodore Roosevelt was a strong president
  - None challenged that White House should formulate policy—Senator John Sherman argued the Congress should take initiative in a republic
  - Republicans controlled Senate, Democrats controlled House during Gilded Age
    - Focus on partisan maneuvering instead of major decisions
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Only the tariff created clear-cut divisions high-tariff Republicans and low-tariff Democrats. Parties differed very little on other questions and dispensed favored in return for loyalty.

State and Local Initiatives
- Americans during the Gilded Age did not expect direct support from federal government.
- Most significant political activity occurred at state and local level.
  - Once incorporated into the Union, former territories of the West maintained autonomy.
  - Greater than 60% of nation’s spending was used by state and local authorities.
  - Local issues generated more excitement than complex debates on tariffs and money policy.
- State and local governments were first to seek restrains on the abuses of corporate interests.

Corruption and Reform
- States made rudimentary attempts to regulate big business; most regulations overturned by courts.
  - Alliance between political leaders and business developed.
  - Businesses gave favors to politicians in return for support legislation and endorsement.
  - Favors not perceived as improper at national or state level.
- Both Republican and Democratic leaders squabbled over the “spoils” of office—appointive offices at the local and national levels.
  - It was expected that victorious parties would throw out defeated party’s appointees.
  - Each party had corrupt officials willing to buy and sell government appointments.
  - Each party also witnessed emergence of actions promoting honesty.
- Struggle for clean government became an issue.

Hayes and Civil Service Reform
- Rutherford Hayes was Republican.
  - Brought new style of uprightness to White House in 1877.
- Hayes presidency suffered from supposed deal that awarded him victory of 1876 election over Democrat Samuel Tilden.
  - Hayes’s own party was split between Stalwarts and Half-Breeds.
    - Stalwarts were led by Senator Roscoe Conkling.
      - Supported Grant, promoted Radical Reconstruction, spoils system.
    - Half-Breeds led by James Blaine.
      - Half loyal to Grant, half committed to reform and spoils system.
- The two Republican factions were loose and only designed to advance the careers of Conkling and Blaine.
  - Hayes aligned himself with growing public discontent over corruption.
    - Although Hayes failed to get civil service legislation, he mandated political appointments based on merit.
    - Those already in office would be dismissed only for the good of the government, not political reasons.
- Issue of nonpartisan government administration culminated in a dispute over federal customhouses.
  - Inquiry of New York Customhouse revealed that Chester Arthur and Alonzo Cornell were guilty of “laxity”—used courthouse to reward political favors.
  - Arthur and Cornell removed from office, Hayes named new nominations with Democratic support.
- Despite Hayes’s efforts to clean house, his vision of government’s role remained limited.
- Conservative on economic issues
- Sent federal troops to break Great Railroad Strike of 1877
- Hayes’s answer to demands for expansion of the currency was to veto the Bland-Allison Act, which provided for a limited expansion of silver money through the government’s purchase of $2 million to $4 million worth in silver coins per month—veto overridden
  - Both houses of Congress opposed him, including fellow Republicans

**Garfield and Arthur**
- Stalwart Republicans called on Ulysses Grant for a third term, since Hayes would not run for second term
- Half-Breed Republicans nominated Blaine
- Republican Convention in Chicago was deadlocked
- Sudden black-horse Republican candidate: James A. Garfield won nomination with Chester Arthur for vice president
- Democrats selected Winfield Scott Hancock
  - **Garfield and Arthur won election of 1880**
  - Garfield was shot in the back by Charles Guiteau, a Stalwart—Chester Arthur became president
  - **Arthur was a surprisingly competent president**
    - Distanced himself from Conkling and Stalwarts
    - Prosecuted the Star Route postal frauds
    - Vetoed $18 million river and harbors bill—a pork-barrel measure—overridden by Congress
    - Vetoed Chinese Exclusion Act—overridden by Congress
  - **Arthur was a civil service and tariff reformer**
    - “Gentleman George” Pendleton’s reform bill in 1883 set up three-member Civil Service Commission independent of cabinet departments
      - First federal agency established on a permanent basis
      - Relied on competitive examinations rather than political favoritism for appointment
    - The Pendleton Act was a vital step in a new approach to government administration that value merit over partisanship
  - High protective tariffs had led to surplus of money—constricted economic growth
    - Arthur named Tariff Commission to study the problem
      - Tariff Commission recommended 20 to 25 percent rate reduction—Arthur supported
    - Efforts at tariff reform were marred by lobbyists, logrolling: trading votes to benefit legislators’ local interests
    - Resulted in “mongrel tariff” of 1883—diverse rates for different commodities
      - Only slight reduction, about 5%, but actually raised tax on some items

**The Scurrilous Campaign**
- In 1884 presidential campaign, Republicans turned to James Blaine, leader of Half-Breeds
  - Mulligan letters claimed that Blaine was in the pocket of railroad barons
  - Prominent Republican leaders against corruption rejected Blaine—mugwumps
    - Centered in large cities and major universities, mostly educators or editors
    - Shared opposition to tariffs, disdained efforts to coin more silver
    - Against railroad regulation, suspicious of excessive democracy

Ishmam Ahmed; Ishmam.com
Foremost goal of mugwumps was to enact civil service reform by removing ability to distribute federal jobs to supporters

The rise of the mugwumps influenced Democrats to nominate Grover Cleveland as a reform candidate
- Repeatedly vetoed special privilege bills
- Anti-corruption

Near the end of the campaign, Blaine made two big mistakes
- Belshazzar’s feast: Blaine went to private dinner with billionaires
- Democrats spread the word that Blaine was anti-Irish and anti-Catholic

Cleveland and the Special Interests
- Although Cleveland was steadfastly against corruption, he represented no sharp break with the conservative policies of his predecessors, except in opposing government favors to business
  - “A public office is a public trust.”
  - Held strictly limited view of government’s role
  - Vetoed Texas seed bill, an effort to give funds to meet drought victims’ needs

Cleveland had a mixed record on civil service
- Good intentions but led a party hunger for partisan appointments
- Supported Pendleton Civil Service Reform Act—would not remove federal workers on partisan basis
  - One big exception: those who had used federal jobs to forward interests of the opposition party

Party pressures gradually forced Cleveland’s hand
- He satisfied neither mugwumps or spoilsmen
- 2/3 of federal officeholders were Democrats when he left office

Cleveland’s concern for protecting the public Treasury led him into conflicts
- Dispute over government-owned land in the West
- Administration sued railroads since they did not build the proposed rails in return for land
- Cattle barons were ordered to remove fences
- 81 million acres of public land were restored to the federal government

Cleveland angered Union war veterans by his opposition to pension raids on the Treasury
- Grand Army of the Republic—organization of Union veterans—tried to get pensions
- Many veterans pushed private pension bills

Cleveland vetoed more pensions bills than he signed
- Dependent-pension bill of 1887 was climax—provided funds for veterans dependent on manual labor and unable to work
- Cleveland vetoed

Cleveland launched a new assault on special interests, led to railroad regulation
- 1886 Supreme Court decision spurred action
- **Wabash, St. Louis and Pacific Railroad Company v. Illinois**: court denied state’s power to regulate rates on interstate traffic

1887 Cleveland signed an act creating the Interstate Commerce Commission (ICC)
- First independent federal regulatory commission
- Members investigated railroads and prosecuted violators
- Railroads were forbidden to grant secret rebates to preferred shippers, discriminate
The Tariff

- Cleveland’s most dramatic challenge to special interests focused on tariff reform
  - **Why was the tariff such an important and controversial issue?**
    - Republicans and businessmen believed high tariffs and prosperity were linked
    - Others disagreed—corporate trusts were not natural development
    - Government tariffs had fostered big business at the expense of small business
  - **Cleveland agreed that tariffs were too high and included inequities**
    - Addressed Congress—noted that tariff revenue had created surplus
    - Treasury was hoarding money, prices were higher for everybody
  - **Competition in every industry produced better prices for consumers**
    - Cleveland argued that Congress should reduce the tariff rates
    - Blaine and other Republicans denounced free trade
    - Election of 1888 highlighted differences between major parties

- **Grover Cleveland was nominated by Democrats**
- **Benjamin Harrison was nominated by Republicans (Grand Old Party, GOP)**
- **Republican platform accepted challenge to address tariff issue and promised pensions for veterans**
- **The Republicans had a huge advantage over Democrats in funding and organization**
  - Business owners contributed over $3 million to the campaign
  - Harrison campaigned actively, unlike Cleveland
- **Cleveland suffered devastating blow**
  - Sir Lionel Sackville-West was British minister to the United States
  - Sackville-West hinted that Charles F. Mutchinson (false name for a Republican, posed as an English immigrant) should vote for Cleveland
  - Aroused storm of protest against foreign intervention
  - Linked Cleveland to British free traders
- **Cleveland won popular vote, but Harrison won Electoral College votes**

**Republican Reform under Harrison**

- **Harrison was overshadowed by his secretary of state, James Blaine**
  - Spoke for merit system, but appointed wealthy merchant as postmaster general
  - His most significant gesture at reform was to name Theodore Roosevelt to the Civil Service Commission
- **Harrison owed debt to Union War veterans**
  - Appointed an officer of the Grand Army as pension commissioner
  - Harrison signed Dependent Pension Act: same measure that Cleveland vetoed, provided pensions
- **During first two years of Harrison’s term, Republicans controlled the presidency, and both houses of Congress**
  - Sherman Anti-Trust Act, Sherman Silver Purchase Act, McKinley Tariff Act, admitted Idaho, Wyoming, Dakotas, Montana, and Washington as new states
- **Both parties pledged to do something about growing power of trusts**
  - Sherman Anti-Trust Act sought to incorporate into federal law a principle against activities that restrained trade
  - Forbade contracts, combinations, or conspiracies to restrain trade or efforts to establish monopolies
  - Passage was largely symbolic
- **Congress debated currency legislation**
o Hard-pressed farmers demanded increased coinage of silver to inflate currency, raise commodity prices
o **Sherman Silver Purchase Act** replaced Bland-Allison Act—required Treasury to purchase 4.5 billion ounces of silver each month and to issue paper money redeemable in gold or silver
o **Too little to have inflammatory impact on national economy**
o Business groups saw threat in growth of paper money

- Republicans raised tariff
  o **McKinley tariff of 1890** raised duties on manufactured goods
  o High duties on imported agricultural products
  o Sugar put on duty-free list
  o Reciprocity station empowered president to hike duties on sugar, molasses, tea, coffee

- Voters repudiated McKinley tariff with landslide of Democratic votes
  o Democrats outnumbered Republicans in the new House
  o With expenditures rising and revenues dropping, surplus was shrinking

- Large Democratic vote in 1890 may also have been a reaction to Republican efforts to legislate against alcohol
  o Teetotaling Republicans were playing a losing game, aroused wets (anti-prohibitionists) on the Democratic side

- Republican attempt to eliminate funding for state-supported Catholic schools

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**The Farm Problem and Agrarian Protest Movements**

- **1890 election reflected reaction against Republican tariff, patronage politics, spending, and moralizing**

- **The Democratic victory revealed unrest in farming communities of South and West**
  o Populists in Kansas took over Republican congressional seats
  o Farmers’ debts mounted and crop prices plummeted

- **Farmers were frustrated by unwillingness of Congress to address demands**
  o Social change required demonstrations of power
  o Unlike labor unions, farm organizations faced economic variables
  o Bankers, processors, railroad, grain operators, world market—all affected agriculture

- **There were important obstacles for farmers**
  o Communications and organization was difficult
  o After Civil War, agricultural interests had diverged
  o Absentee owners—**bonanza farms** employed hundreds of seasonal workers
  o Middle-size landowners experienced rapidly rising land values and debt

- **Organization was difficult due to diverse interests**
  o Unrest found voice in the Granger movement, the Farmers’ Alliances, and the new People’s party

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**Economic Conditions**

- **Farmers were subject to worsening conditions, economic and social**
  o Source of problems was long decline in commodity prices—due to domestic overproduction and international competition
  o New land led to increasing supply of farm products—prices decreased

- **Railroads and processors were seen as prime villains**
  o Farmers resented high railroad rates in farm regions
  o Farmers had little bargaining power and no alternate source of transportation
• High tariffs operated to farmers’ disadvantage
  o Manufacturers were protected from foreign competition
  o Farmers had to sell goods in foreign markets

• Debt had been perennial problem of agriculture
  o Western farmers incurred mortgages to cover costs of land and machinery
  o Southern farmers used crop liens
  o Commodity prices dropped

The Granger Movement

• Oliver H. Kelley sent by Department of Agriculture
  o Noticed isolation of farm folk
  o Founded National Grange of the Patrons of Husbandry (Grange)
  o Grange started as a social and educational response to isolation but later promoted farmer-owned cooperatives
  o The Grangers’ long-range ideal was to free themselves from the high fees charged by grain elevators and processors

• The Grange soon became indirectly involved in politics, especially in Midwest
  o Chief political goal was to regulate rates charged by railroads
  o “Granger laws” were passed in five states, which were ineffective but laid foundation for future
  o “Granger cases”: plaintiffs claimed to have been deprived of property
  o Munn v. Illinois: Supreme Court ruled that the state, under “police powers” had right to regulate property

• Granger movement gradually declined as members were drawn into cooperatives
  o Many cooperatives failed
  o Independent National party emerged (Greenback party)—emphasized virtues of paper money
  o Greenback party disintegrated in 1884

Farmer’s Alliances

• Farmer’s Alliances grew in size
  o Offered social and recreational opportunities, emphasized political action
  o Tenancy rates were highest in South and Midwest—Alliance movement was strongest
  o Sought relief from hardships
  o Unlike the Grange, the Alliance was a grassroots local organization representing marginal farmers

• Alliance movement swept across South, Kansas, and Dakotas
  o In Texas: Colored Farmers’ National Alliance—focused on economic issues, not social equality

• Alliance provided sense of community
  o Welcomed rural women and men
  o Women embraced chance to engage in economic and political issues

• Alliance movement sponsored an ambitious social and educational program
  o Unlike Grange, the Alliance also sponsored elaborate economic program
  o Claimed business but failed due to discrimination by wholesalers and manufacturers

• Charles W. Macune, Alliance president, proposed that Texas farmers create their own Alliance Exchange in an effort to free themselves from dependence on food processors
Members of the exchange would sign joint notes, borrow money from banks, purchase goods and supplies from a new corporation created by the Alliance in Dallas

- Build its own warehouses to store members’ crops

**The grand cooperative scheme collapsed when Texas banks refused to accept the joint notes from Alliance members**

- Macune focused on subtreasury plan: farmers would be able to store crops in government warehouses and obtain government loans for up to 80 percent of the value of their crops at 1 percent interest.
- Provide immediate credit
- Would promote inflation because loans would be made in new legal-tender notes

**The subtreasury plan went before Congress in 1890 but was never adopted**

- Its defeat convinced farm leaders that they needed more political power

### Farm Politics

- **In the West, farmers agitated for third-party political action**
- **In the South, Alliance members sought to control Democratic party**

- **Both approaches gained success**
  - People’s party (Populist Party) almost elected governor
  - Populists gained balance of power in legislature

- **The farm protest movement produced colorful leaders, especially in Kansas**
  - Mary Elizabeth Lease advised farmers to raise hell
  - Public speaker on Irish nationalism, temperance, women’s suffrage
  - Lease joined Alliance and Knights of labor

- **Jeremiah Simpson was also an agrarian radical**
  - Embraced Alliance movement
  - Campaigned for Congress
  - Argument with Republican
  - Sockless Jerry (Simpson’s nickname) gained seat in Congress

- **In the South, the Alliance won success by forcing the Democrats to nominate candidates**
  - Pro-Alliance congressmen and legislatures, governors, senators
  - Thomas E Watson became lawyer on behalf of Alliance cause
    - Took the lead in urging African American tenant farmers to join white counterparts

### The Populist Party and the Election of 1892

- Success of Alliances led politicians to consider formation of a third political party on the national level

- **1891 conference in Cincinnati brought together delegates**
  - Endorsed third political party
  - Formed national executive committee of People’s party

- **1892 meeting in St. Louis called for national convention of People’s party**
  - Adopt platform and choose candidates

- **The Populist platform focused on issues of finance, transportation, and land**
  - Its financial program demanded implementation of the subtreasury plan, unlimited coinage of silver, increase in amount of money in circulation, graduated income tax, postal savings banks
  - Called for government reclaim of railroads
  - Forbid land ownership by non-citizens
The Economy and the Silver Solution

- Fundamental weaknesses in economy were about to cause collapse

Inadequate Currency

- Money supply lacked flexibility to grow with expanding economy
- Amount of currency in circulation decreased, deflation, high interest rates
- **Mint Act of 1782** authorized free and unlimited coinage of silver and gold at ration of 15 to 1
  - Value of gold was relative
- Fixed ratio of values between gold and silver did not reflect fluctuations in the market
  - The country was actually on a silver standard until 1837, when Congress changed the ration to 16 to 1
  - Silver became more valuable in open market than in coinage—drift to gold standard
  - 1873: Congress passed revision of coinage laws and dropped provision for silver coinage
- This occurred when silver production in the western states began to increase
  - Advocates of currency inflation denounced “crime of ’73”
  - Suspicion grew towards bankers, supposed that they conspired to limit silver
  - **Bland-Allison Act of 1878** and **Sherman Silver Purchase Act of 1890** provided for some silver coinage, but too little

The Depression of 1893

- **Most devastating business crisis occurred when Philadelphia and Reading Railroad declared bankruptcy**
  - Other overextended railroads collapsed, taking many banks with them
  - Entire farm regions were devastated by depression
  - Unskilled workers lost jobs
  - 1894: nation’s economy reached rock bottom
    - Workers went on strike
- Few strikers made it to the capital
  - **Coxey’s Army was successful: led by Jacob S. Coxey**
    - Demanded that federal government provide for the unemployed with meaningful work
    - Failed, but demonstrated growing strength of populism—fear
- **1894 elections weakened Democrats**
  - Republicans benefitted
  - Populists emerged

Silverites versus Goldbugs

- Focus was turned to currency issue
  - **One of the causes of 1893 depression was failure of British bank, which led to British unloading investments in American holdings**
    - Cleveland sought repeal of Sherman Silver Purchase Act—won the repeal but divided his party
• Western silver interests escalated demand for silver coinage
  o Populists decided to ride the silver issue to power

The Election of 1896
• Major parties took opposite positions on the currency issue
  - Republicans chose William McKinley on a gold-standard platform
  - Money question would determine the election
    o McKinley dismissed the notion, insisted that tariff issue would govern elections—he was wrong
  - Democrats chose William Bryan on a pro-silver platform
    o Bryan spoke against Cleveland’s “do-nothing” policy during depression
    o Democratic party was fractured: pro-gold, pro-Cleveland Democrats were alienated
  - Pro-gold, pro-Cleveland Democrats nominated John Palmer
  - Populists could either face fracture by naming their own candidate for silver, or endorse Bryan
    o They chose Bryan but nominated their own vice presidential candidate, Thomas Watson
    o Bryan refused the vice presidential nominee
  - Bryan was eloquent, toured the country on behalf of “struggling masses”
  - McKinley conducted a “front porch campaign”—hired Republican speakers
  - Silverite Democrats and Populists were overwhelmed by well organized and financed Republican campaign
  - McKinley won
    o Bryan carried most the West and South but little support from the North or East
      o Catholic voters were repelled by Bryan’s evangelical style
      o Less support among factory workers

A New Era
• The election of 1896 was a climactic political struggle
  o Urban-industrial values took hold in the political system
  o First important act of the McKinley administration was to raise tariff
    o Dingley Tariff of 1897: highest ever
    o By 1897 economic prosperity was returning
    o Inflation of currency pleased silverites, but inflation came from gold, not silver
    o Gold Standard Act: marked end to silver movement
      ▪ Influx of gold from Canadian Yukon, South Africa, Alaska
  - Populist movement faded with the defeat of Bryan
  - Bryan’s candidacy transformed Democrats into a “progressive” reform party
  - Democrats began to promote anti-trust prosecutions, state laws limiting work hours, minimum wage raise, protection of farmers
  - More emphasis on the role of national government

End at 853