
History 1302
U.S. From 1877

Unit 1 Lecture 4

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Late 19th Century Politics

The Gilded Age:

- 1876 – 1896 : dubbed by Mark Twain in 1873 satirizing America's pursuit of Almighty dollar
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 - 25% income on food v Euro average of 66%
 - Ave income \$435/yr support family of 4 just above poverty line
 - Office worker average was \$660 whereas mill hands average was \$260
- Hallmarks:
 - Horatio Alger – rags to riches by luck, pluck, and hard work
 - Philadelphia Exposition:
 - 8M visitors, machinery celebrated America's coming of Age
 - Threshers 1K bushels of wheat/day

Developing forces ensure status quo:

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 - politics was still, in many ways, sectional or local
 - Conservative Supreme Court was "Strict Constructionist"
 - 13% of US foreign born yet 42% of factory workers
- Federal Government & the two party balance:
 - Congress had no staff or support beyond Party organization
 - The need to win elections – money & support for party apparatus
 - patronage of functionaries – graft
 - High turn-out 78% of electorate voted
 - NY, IN & OH were only swing states

Late 19th Century Status Quo:

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 - Republicans were the party of Midwestern farmer and small business
 - Black vote often the margin of Republican victory
 - Upper South and Mid-west
- Partisan use of public investigations to embarrass the opposite party
 - Urban Newspapers split / sensationalism
- Executive and Legislative branches were rarely in control of same party
- Conservatism of "Governing Class"
 - Consensus -on individual opportunity, property rights and a economic system free of constraints
 - Fed Gov't did and should do little except deliver mail, deal with Indians, foreign affairs & tariff

Chronology:

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 - 1883 "Pendleton" Civil Service Act
 - 1884 Cleveland (D) elected
 - 1887 ICC act
 - 1888 Harrison (R) elected
 - 1890 Sherman Anti-trust Act
 - 1890 Sherman Silver Purchase Act
 - 1890 McKinley Tariff
 - 1892 Cleveland (D) elected
 - 1892 People's Party formed
 - 1893 Depression hits
 - 1896 McKinley (R) elected
 - 1900 Gold Standard / Alaskan gold influx
- Transitions:
 - Executive patronage broker to policy
 - "Clean" & "good" government
 - Sectional to National economic issues

Clean Government:

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 - Presidential campaigns financed with regional favors and jobs.
 - Tradition and regional links
 - Hayes was "Stalwarts" (old school) V "Half Breeds" (party reform) "Who cuts the Patronage Pie"
 - Garfield assassinated by disgruntled office seeker
 - Republicans use patronage to keep southern Black support
 - Pendleton Act 1883 certain jobs by examination only
 - Originally only 14K jobs
 - Expanded jobs by Presidential fiat
 - 1900 was 40% of federal jobs

Politics of Party:

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 - - Product prices versus jobs
- “Trusts”
 - “Big Business” versus “little man”
 - Restraint of Competition Laws
 - 15 States had laws against “monopoly” or Trusts by 1880s
 - Ineffective because of New Jersey / Delaware incorporation laws
 - 1890 Sherman Anti-Trust Act
 - Against business & unions who practiced “restraint of trade” (competition)
 - Actuality of enforcement was negligible

Politics of Party (page 2)

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 - - Processing company domination (Pillsbury)
 - Grangers begin protests 1870s
 - State restrictions ruled as unconstitutional
 - 1887 Interstate Commerce Act
- Transcontinental effort & western branching established massive RR “empires”
 - Gov’t support of big interstate business
 - RR expansion increases investment and profits
 - Increased competition of national v local firms
 - Shipping seen as key business factor

Crisis in the countryside:

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 - Consolidation reduced competition
 - Pillsbury decimated local millers
 - National brands and advertising
 - Corn market floundered:
 - Glucose (Corn Syrup) use led to dramatic production increases of corn
 - Glucose processing companies consolidation further eroded corn market
 - Between 1884 - 1897 19 Glucose factories becomes one company
 - 1880s Kansas land boom
 - Sponsored by RR & land companies
 - Overproduction because of high prices
 - 1860 173M bushels grew to 449M bushels in 1890
 - Drought of 1887 hit highly mortgaged farmers hard

Crisis in the countryside (2):

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 - Separation between Market and Farmer
 - Outside rural control or decision horizon
 - Middlemen & Processors used "Futures" markets to control pricing
 - Sugar trust controlled all refineries and prices
 - International market increases impact
 - Expanding transportation opened the world
 - Markets and supply
 - Competition lowered prices -Corn in 1870 \$1/b, 1881 \$.63 /b but in 1890 was \$.28
 - Cotton example of economies of scale for profit 1870 \$.22/lb, 1873 \$.10/lb 1900 \$.06/lb ~ Average plantation in 1860 350 acres yet in 1900 was 724

Panic of 1893:

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 - Foreign investments offered higher yields than American industry
 - “Rope” trust failure caused several major RR bankrupt
- Wide impact beyond constriction of credit
 - 8K business bankruptcies (156 RR and 400 banks)
 - Bank failures foreclosed delinquent farm mortgages
 - Urban banks based on rural banks fail
- Massive rural un and under-employment
 - Failed farmers retreated to cities
- Corporate farms’ lower cost basis became increasingly successful and swallowed failing “family” farms

Agrarian Discontent & Political Revolt:

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 - Introduce better techniques & equipment
 - State Railroad control legislation lobbying
 - 1873 depression focused toward political
- Alliances: South 1875 / 1880 Northwestern (Midwest & West)
 - Confederated throughout South by 1887
 - 1889 South and Northwestern merge for national action
 - Local organizations for cooperatives & joint marketing firms
 - Stores, banks, processing plants, etc. to free themselves from “outside” firms
 - Western Journal – radical magazine

Agrarian Movement:

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- “Producerism” – those who do should benefit versus those who own.
 - Against speculation and transactioneers
- Cooperation versus Competition
 - Fell apart over prices / personal profit
- 1890 National Convention in Ocala FL
 - Failure of legislation on State level to alleviate rural problems drove Alliances to national action
 - National demands / platform: (economic and philosophical)
 - Free coinage of Silver / inflation
 - Abolish National Banks to decentralize policy

Populism is born:

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- Graduated Income Tax
- RR regulation if not Gov't ownership
- Direct election of US Senate
- 1890 by-elections won state legislatures, 6 Governors, 3 Senate, 50 Representatives
- Rural “political revolt” resisted by both traditional parties

Formal Political Action:

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 - “Producerism” & “Americanism”
 - Other “moral” issue parties joined - WCTU
 - Appealed to small farmers and small town businesses
 - Courted some labor
 - “Jim Crow” South was split about participation
 - “Colored” Alliances
 - Poor White & Black farmers together?
Tom Watson of Georgia
 - » Accelerated Jim Crow Voting restrictions
 - » Black Alliances died after Texas cotton strike failure of 1891
 - Distrust of cities, intellectuals, Easterners, Catholics, Immigrants and non-Christians
 - Seen as a return to Jacksonism

The Populist record:

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 - Popular reactions to 1893 Depression:
 - 1894 Coxey’s Army for public works spending
 - Strikes and strike-breaking / 74% workers involved
 - 20% urban unemployment
 - 1890 Silver Purchase Act was not enough
 - 1894 Republican landslide (Populist 2M)
 - Election of 1896:
 - William Jennings Bryan “Cross of Gold” speech for Democrats in 1896
 - Incorporated major Populist themes but dropped radical elements (State ownership of RRs)
 - Young “upstanding” family candidate
 - Stumped country – an unseemly campaign

Election of 1896:

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 - Lost traditional Democratic strength in ethnic, wet and Catholics areas
 - Could not counter Republicans patriotism
- McKinley wins on a program of moderate reform
 - People's party decision to support Bryan and his loss, destroys People's Party
- 1898 prosperity returns
 - Foreign crop failures bring economy up
 - Alaska gold inflated currency
 - America's attention goes elsewhere