The 1890s witnessed multiple conflicts over American freedom. Many workers and their allies came to believe that employers were denying them economic independence and democratic self-government. Millions of farmers joined the Populist movement to try to reverse their economic decline and take back the government from what they viewed as powerful corporate interests. A new racial system in the South confined African-Americans to second-class citizenship status, denying them freedoms assumed by many Americans.
What were some of the major problems facing farmers during the Gilded Age?
The Silver Issue

- "Crime of '73" → demonetization of silver (govt. stopped coining silver).
- Bland-Allison Act (1878) → limited silver coinage to $2-$4 mil. per mo. (based on the 16:1 ratio of silver to gold).
- Sherman Silver Purchase Act (1890)
  - The US Treasury must purchase $4.5 mil. oz. of silver a month.
  - Govt. deposited most silver in the US Treasury rather than circulation.
Populism: An Agrarian Revolt
Like workers, farmers in the South and West faced growing economic insecurity as agricultural prices fell and economic dependency on merchants and banks increased. Sharecropping kept millions of black and white southern farmers in poverty and an oversupply of world cotton led to dramatic price decreases that threatened southern farmers’ livelihoods and property. These farmers soon blamed their woes on railroads’ high freight rates, high interest-rate loans from bankers and merchants, and the fiscal policies of the federal government that reduced the money supply and farm prices.
The Grange Movement

- First organized in the 1870s in the Midwest, the south, and Texas.
- Set up cooperative associations.
- Social and educational components.
- Succeeded in lobbying for "Granger Laws."
- Rapidly declined by the late 1870s.
At first, the Supreme Court was willing to accept laws regulating enterprises that represented a significant “public interest.” In *Munn v Illinois*, an 1877 decision, it upheld the constitutionality of an Illinois law that established a state board empowered to eliminate railroad rate discrimination and set maximum charges. Nine years later, however, in *Wabash v Illinois*, the Court essentially reversed itself, ruling that only the federal government, not the states, could regulate railroads engaged in interstate commerce, as all important railroad lines were. The decision led directly to the passage of the *Interstate Commerce Act of 1887*. The creation of the *Interstate Commerce Commission* was the result of widespread and longstanding anti-railroad agitation. Western farmers, specifically those of the Grange Movement, were the dominant force behind the unrest, but Westerners generally — especially those in rural areas — believed that the railroads possessed economic power that they systematically abused. A central issue was rate discrimination between similarly situated customers and communities. Other potent issues included alleged attempts by railroads to obtain influence over city and state governments and the widespread practice of granting free transportation in the form of yearly passes to opinion leaders (elected officials, newspaper editors, ministers, and so on) so as to dampen any opposition to railroad practices. In the end, the Interstate Commerce Commission (created by the Act of the same name) was intended to ensure that the railroads didn’t charge the farmers exploitative rates to ship their produce. But on virtually every occasion when cases brought by the ICC against railroads made their way to the Supreme Court, the railroad company emerged victorious. The courts generally sided with business enterprises that complained of a loss of economic freedom.
In a second response, farmers organized the *Farmers' Alliance* in Texas in the late 1870s, which quickly spread to dozens of states. The alliance at first stayed away from politics, and established cooperatives called “exchanges” to finance and market crops. But when banks refused to loan money for the exchanges, the alliance proposed the *subtreasury plan*: the federal government would establish warehouses where farmers could store their crops until sold, and by using the crops as collateral, the government would issue loans directly to farmers at low interest rates, ending their dependence on bankers and merchants for credit. Demands for the subtreasury led the alliance to politics.
Together, they became the Populist Party (aka People’s Party)
In the early 1890s, the alliance formed the People’s Party (called Populists), the era’s greatest political insurgency. The Populists appealed, not just to farmers, but to all “producers,” including miners, industrial workers, and small businessmen. But most of its supporters were cotton and wheat farmers in the South and West. The Populists organized massive educational campaigns using pamphlets, newspapers, and revival-style mass meetings throughout the country. This was the last expression of the nineteenth-century idea that America was a commonwealth of small producers whose freedom rested on individual ownership of productive property and the dignity of labor. But the Populists were forward-looking, embracing scientific methods of agriculture and modern technologies that made large-scale cooperatives possible, such as the railroad, telegraph, and national market, and they wanted the federal government to regulate them for the public interest, a very twentieth-century idea.
The Populist (Peoples’) Party

- Founded by James B. Weaver and Tom Watson.
- Omaha, NE Convention in July, 1892.
- Got almost 1 million popular votes.
- Several Congressional seats won.

James B. Weaver, Presidential Candidate & James G. Field, VP
The Populists adopted a famous platform at their 1892 Omaha convention. It proposed many measures to restore democracy and economic opportunity for ordinary Americans, some of which came to pass in the next century, such as direct election of U.S. senators, government control of currency, a graduated income tax, low-cost public financing for farmers, and workers’ right to organize unions. The platform also called for national ownership of railroads to allow farmers to inexpensively get their crops to market.

In some parts of the South, the Populists heroically tried to unite black and white farmers on a common political and economic program, but the barriers were too great. Racism, the legacy of the Civil War, and the fact that many white Populists were landowning farmers while black farmers were tenants and agricultural laborers facing a different set of problems all militated against such an alliance. Black farmers organized their own Cotton Farmer’s Alliance, whose strikes were suppressed by white authorities, some of whom were even sympathetic to white Populists. While white Populists were hardly anti-racist, some recognized that whites would have to appeal to blacks in order to break the Democratic Party’s hold on the South and its opposition to reform, and in a few places, like North Carolina, white and black Populists together won state elections. In most of the South, however, Democrats defeated the Populists by mobilizing whites to vote against “Negro supremacy,” intimidating blacks, and rigging elections. The Populists also engaged the reform efforts of farmer and middle-class women, and endorsed women’s suffrage in many states. In 1892, the Populist candidate for president, James Weaver, won more than 1 million votes, and the party carried five western states and elected three governors and fifteen members of Congress.
This political cartoon shown above is titled “A Party of Patches.” It was shown in Judge Magazine on June 6, 1891. The cartoon is from the point of view of the Republican Party. It depicts familiar members of the Populist party, Sockless Jerry Simpson and William Peffer (the guy with the long beard), riding in a balloon made of patches from different organizations under the Populist Party. It takes a jab at the Populist Party because the balloon is filled with “hot air.” The balloon patches show different organizations such as the Knights of Labor Party, Farmer’s Alliance, Old Greenback Party and the Old Granger Party. It also has patches that say communist and socialist. The Populist party was not Socialist even though they had some Socialist ideas, such as transportation and communication programs be government in the interest of the American people.

The banner on the bottom of the balloon basket reads “a platform of lunacy.” According to Merriam-Webster dictionary, lunacy means: 1. insanity 2. wild foolishness, extravagant folly 3. a foolish act. The author of the cartoon is saying the Populist party platform and ideas are insane and foolish. It’s hard to see in the size shown but Peffer is throwing out of the balloon of “hot air” papers to spread the word of “insanity and foolishness.” The papers say free coinage, government control of railroad and telegraph and something about greenbacks. The Greenback party favored government issued money.

The Populist party thinks the Republicans are greedy elitists that aren’t in touch with the everyday commoner (i.e. farmer and working class people). The Republican party thinks the Populist party is full of hot air and are insane for suggesting and believing in ideas of government owned railroads, 8 hour work days and free coinage.
When a severe depression in 1893 intensified conflict between labor and capital, it seemed that the Populists might gain the votes of industrial workers who had traditionally supported the two major parties.
Causes of the 1893 Panic

- Began 10 days after Cleveland took office.
  1. Several major corps. went bankrupt.
     - Over 16,000 businesses disappeared.
     - Triggered a stock market crash.
     - Over-extended investments.
  2. Bank failures followed causing a contraction of credit [nearly 500 banks closed].
  3. By 1895, unemployment reached 3 million.
- Americans cried out for relief, but the Govt. continued its laissez faire policies!!
Were the populists on the verge of replacing one of the two major parties? The severe depression that began in 1893 led to increased conflict between capital and labor and seemed to create an opportunity for expanding the Populist vote. Time and again, employers brought state or federal authority to bear to protect their own economic power or put down threats to public order. Even before the economic downturn, in 1892, the governor of Idaho declared martial law and sent militia units to break a strike. In May 1894, the federal government deployed soldier's to disperse Coxey's Army – a band of several hundred unemployed men led by Ohio businessman Jacob Coxey, who marched to Washington demanding economic relief.
- Populist vote increased by 40% in the bi-election year, 1894.
- Democratic party losses in the West were catastrophic!
- But, Republicans won control of the House.
The 1896 Election
In 1894, the Populists doubled their efforts to appeal to industrial workers, and in state and congressional elections that year, with the depression worsening, voters abandoned the Democrats. The Populist vote in rural areas increased, but most workers did not vote Populist. Few Populist demands spoke to workers’ needs, as their calls for higher agricultural prices would raise food costs for workers and diminish the value of their wages, and the movement’s Protestant and reviver culture alienated Catholic and immigrant workers. Urban workers instead voted for the Republicans, who argued that higher tariff rates would revive the economy by protecting American manufacturing and workers from imports and cheap foreign labor. The Republicans gained a massive 177 seats in the House.

In 1896, the Democrats and Populists united behind presidential candidate William Jennings Bryan, a young congressman from Nebraska.
Bryan had won the Democratic nomination in a speech that captured the fears and hopes of farmers. Bryan called for the “free coinage” of silver (the unrestricted minting of silver money), and he used Biblical imagery to condemn the gold standard in perhaps the most famous lines of political oratory in American history: “You shall not press down upon the brow of labor this crown of thorns. You shall not crucify mankind upon a cross of gold.” Bryan’s demand for free silver was the latest expression of a long-standing view that increasing the amount of currency in circulation would raise the prices of farmers’ crops and make it easier for them to pay their debts. Bryan’s nomination represented a shift in Democratic leadership away from elites like Cleveland who had long been tied to eastern businessmen. But Bryan’s appeal was highly religious and revivalist, and influenced by the Social Gospel.
Republicans argued gold was the only “honest” currency, and that abandoning it would prevent economic recovery by scaring creditors away from making loans. They nominated Ohio governor William McKinley, who passed the highly protectionist McKinley Tariff in Congress in 1890.
The 1896 election was the first modern presidential election. The Republicans poured an unprecedented amount of money into a highly organized campaign that used a massive educational effort directed against the Democrats’ calls for free silver. The results showed a nation divided along regional lines. McKinley won the election with the votes of industrial states in the Northeast and Midwest. Labor conflict did not produce political results. Party politics seemed to mute class conflict, not reinforce it. Industrial America, from workers to industrialists, voted solidly Republican, and continued to do so for years. McKinley’s victory shattered the political stalemate of the previous twenty years, launched a period of Republican dominance that would last until the 1930s, and marked a height in voter participation, which ever since has been in decline.
Why Did Bryan Lose?

- His focus on silver undermined efforts to build bridges to urban voters.
- McKinley’s campaign was well-organized and highly funded.
President William McKinley signed the Gold Standard Act, which established gold as the sole basis for redeeming paper currency. The act halted the practice of bimetallism, which had allowed silver to also serve as a monetary standard.
Populism’s defeat in the South allowed for the imposition of a new racial order. The Redeemers, a coalition of merchants, planters, and businessmen who ruled the region after 1877 and claimed to have “redeemed” the south from the corruption and horrors of “black rule,” worked to reverse Reconstruction’s achievements. They reduced taxes and public spending, and cut back public schools, which especially hurt blacks. New laws allowed the arrest of those without employment and increased punishment for petty crimes. As the South’s prison population rose, convicts, mostly poor blacks, were rented out to railroad, miners, and lumber companies as cheap, involuntary labor, at a high profit. Labor unions in the South assailed (criticized) the convict labor system.

In the 1880s, Atlanta editor Henry Grady relentlessly promoted the dream of a New South in which industrialization and agricultural diversification would deliver prosperity to the region. While planters, merchants, and industrialists prospered, the region as a whole became more impoverished. While mining and textiles developed in some areas, the region’s low wages and taxes and convict labor did not spur much economic development. By 1900, except for the major iron and steel city of Birmingham, Alabama,
southern cities had little industry and mostly exported cotton, tobacco, and rice. The South as a whole stayed dependent on the North for capital and manufactured goods.

Black farmers, the most disadvantaged rural southerners, suffered the most from the region’s economic condition. In the Upper South, mines, iron mills, and tobacco factories offered some jobs to black workers, and some black farmers owned land. In the rice kingdom of coastal South Carolina and Georgia, the plantations went to ruin, and many blacks acquired land and became self-sufficient farmers. In most of the Deep South, however, blacks owned a smaller percentage of land in 1900 than they had in the late 1870s. In southern cities, institutions such as schools, churches, businesses, and clubs created by blacks during Reconstruction formed the basis of dynamic black urban communities. But the labor market was racially divided, and black men were excluded from skilled and professional occupations, while black women were limited to wage-work as domestic servants, and were excluded from occupations open to white women. Most unions in the South excluded blacks from membership.

Blacks, trapped at the bottom of an economically stagnant South, emigrated by the tens of thousands. In 1879 and 1880, nearly 60,000 African-Americans moved to Kansas, seeking political rights, safety, and education and economic opportunity. Its participants called the move the Exodus, named after the biblical account of the Jews’ flight from slavery in Egypt. But despite worsening conditions, most blacks had no choice but to stay in the South. While economic expansion took place in Northern cities, most employers there offered jobs only to white migrants from rural areas and European immigrants, not blacks. Only in World War I did jobs open up for blacks, helping spur a massive movement northward called the Great Migration.
Despite Redemption, blacks continued to hold office and vote in the South after 1877. Even while Democrats restructured southern politics to limit blacks’ political power and representation, blacks continued to hold office in states and Congress. But black political opportunities diminished in this period. Talented and ambitious black men increasingly avoided politics and entered business, law, or the church. Black women became political leaders, and “respectable” middle-class black women pressed for women’s rights and racial progress through organizations like the National Association of Colored Women, formed in 1896. In some states, however, blacks continued to vote and Republicans stayed competitive with Democrats. By the 1890s, however, Populist and Republican-led state governments, such as North Carolina’s, fell to racial violence and electoral fraud.

Between 1890 and 1906, every southern state enacted laws or constitutional provisions intended to eliminate the black vote. Because the Fifteenth Amendment prohibited the use of race as a qualification for the suffrage, southern lawmakers designed laws that seemed color-blind, but were meant to keep blacks from voting. Most popular were the poll tax (a fee citizens must pay to be eligible to vote), literacy
tests, and a requirement that a voter show an “understanding” of the state constitution. Although some white leaders presented disenfranchisement as a “good government” measure that would end fraud and violence in elections, it was a means for ending black participation in politics, and it worked—by 1940, only 3 percent of adult blacks in the South were registered to vote. Poor and illiterate whites were also disenfranchised by these laws. Disenfranchisement led to a generation of southern “demagogue” politicians who mobilized white voters by appealing to their racism. And disenfranchisement could not have occurred without Northern approval. In 1891, the Senate defeated a proposal to protect black voting rights in the South, and the Supreme Court approved disenfranchisement laws. According to the Fourteenth Amendment, any state that deprived its male citizens of the franchise was supposed to lose part of its representation in Congress, but this was not held to apply to blacks. Thus southern congressmen had far greater power than their small electorates warranted.

Alongside disenfranchisement in the 1890s, segregation was imposed throughout the South. Laws and local customs that required separating the races had existed in the North before the Civil War, and during Reconstruction, southern schools and other institutions had been segregated. In the 1880s, though, race relations in the South were fluid, with some railroads, theaters, and hotels admitting blacks and whites, while others discriminated. In 1883, the Supreme Court invalidated the Civil Rights Act of 1875, which had outlawed racial discrimination by hotels and other public facilities, and held that the Fourteenth Amendment banned unequal treatment by state authorities, not private business. In the landmark 1896 ruling Plessy v. Ferguson, the Court approved state laws requiring separate facilities for blacks and whites, arguing that segregated facilities did not discriminate as long as they were “separate but equal.”

States responded to Plessy by passing laws requiring segregation in every part of southern life, in schools, hospitals, toilets, and cemeteries. Despite the doctrine of "separate but equal," facilities for blacks were either inferior or nonexistent. Segregation was an important part of a system of white supremacy in the South, in which each part, such as disenfranchisement, economic inequality, inferior education, reinforced the others. Segregation did not so much keep races apart as ensure that whites would have the advantage wherever they did meet. A racial social etiquette developed, in which blacks had to give way to whites on sidewalks and could not raise their voices at whites or otherwise be assertive.
Blacks who challenged white supremacy or refused to accept the indignities of segregation faced political and legal power and immediate violent reprisal. In each year between 1883 and 1905, more than fifty persons, most of them black, were lynched (killed by a mob) in the South. Lynching continued well into the twentieth century. Some were secret, others were public and promoted by organizers and the media. Lynchings often resulted in atrocities against the victims, and law enforcement rarely prevented lynching or punished lynchers. Many victims were accused of having raped or assaulted white women, an allegation often without basis. But many white southerners considered preserving white womanhood a sufficient basis for extrajudicial murder. Lynching is virtually unknown as a phenomenon anywhere else in the world.

The reconciliation of the North and South in the 1880s and 1890s came at the cost of widespread hopes for racial equality that had existed during and after the Civil War. In popular literature and at veterans’ reunions, the war came to be remembered as a tragic quarrel between brothers, in which blacks had played no role, and which had been caused by clashes over states’ rights and the preservation of the
Union, not slavery. Reconstruction came to be universally seen as a period of black misrule imposed on the South by the North, a view which legitimized disenfranchisement and segregation in the South. Southern governments and schools celebrated the “Lost Cause” of the Confederacy and condemned the evils of Reconstruction.