

# Politics of the Gilded Age

## III. Farmer's Revolt

### A. Background of the Farmer's Crisis

#### 1. Homestead Act 1862

- a. Made available 160 acres to each settler willing to farm it
- b. Settlers had to live on the land for five years, and improve it.
- c. Cost was a nominal fee of \$30, after which the land belonged to the settler, but during the five-year period, the Land was exempt from attachment for debt.
- d. From 1862-1900, 500,000 families acquired title to lands in the West under this act, (but it should be noted that 2,500,000 purchased land from Railroad and land companies and from state governments during the same period).
- e. The limitation of 160 acres was not sufficient on the Great Plains as in the MS Valley area
  - (1) Insufficient water supplies forced settlers to install expensive windmills + pumping equipment to draw water from deep wells.
  - (2) Few trees produced inadequate building materials, requiring expensive lumber be shipped in; [some lived in sod houses].
  - (3) Great Plains was not the traditional type of frontier: Severe droughts and blizzards plagued the area.
  - (4) Free range cattle constantly stomped down and ate the crops forcing farmers to erect fences – another expense.
  - (5) As many as 2/3 of the settlers abandoned their homesteads, returning east.
- f. To make the same size crop required greater amounts of land in the drier west, so that farms of over 1000 acres [**bonanza farms**] were not uncommon in the upper great plains.

#### 2. Changes in Agriculture in the Post-Civil War Era

- a. Favorable prices from grain led to a concentration of a single money crop grown in the Great Plains such as wheat or corn.
- b. Profits were used to purchase goods which previously had been raised by the farm family.
- c. Manufactured goods were purchased in town or through mail-order houses such as Montgomery Ward (est. 1877 in Chicago)
- d. Larger better equipment enabled more acreage to be planted, and harvesting to occur more rapidly.
- e. Increasingly, the need for business-like practices arose, for successful farming, but many farmers lacked these skills, and blamed others for failure, like the Railroad, bankers, or the federal government.

### B. Farm Problems

1. Single Money Crop - farmers tied themselves to the production of single crop which was good if the price were high but led to many bankruptcies when the price was too low
2. Lack of Currency - growth of Big Business in the Northeast Led to a scramble for available currency
3. High Interests Rates - With a short money supply, interest rates as high as 40% charged by Eastern loan companies caused as many as 1 of 4 farms in the Midwest to be run by tenants rather than owners
4. High Property Taxes - over-valued land resulted in over-assessed local and state taxes
5. High Tariffs which benefited eastern industry, but burdened farmers whose low-priced produce competed in a world market while high priced manufacture goods were protected at home (although the tariff did protect wool and sugar).
6. Nature's Rampage (Acts of God)
  - a. Insect infestation destroyed many acres of crops - grasshoppers (Midwest), boll weevils (South)
  - b. Flooding and soil erosion and cycles of drought in the trans-MS West after 1886, and Western KS 1887 forced 1/2 of Western KS to return East by 1891 - "In God We Trusted, In KS We Busted"
7. Storage and/or Shipping Fees -- Farmers paid to store produce, reducing their profits, only to face the railroads which sometimes charged more in shipping fees than the produce was worth, making it cheaper to burn grain as fuel than to ship it to market.
8. No National Organization - Although by 1890 almost one-half of the population was engaged in farming, they remained poorly organized, being by nature individualistic and independent.

### C. Early Attempts at Organization

#### 1. Introduction

- a. Farmers saw control of the national government pass from their hands into the hands of the industrial class after the Civil War.
- b. They saw the formation of large combinations by industrialists who eliminated competitors with monopolistic price.
- c. They saw themselves economically oppressed by railroad discrimination against smaller farmers.
- d. They felt themselves economically injured by the national banking system which favored the industrialists and prevented the free flow of credit to smaller agricultural communities

#### 2. National Grange of the Patrons of Husbandry (the Grange)

- a. Granger Movement was the first attempt by farmers to strike back at the industrial and railroad giants oppressing them.
- b. **Oliver Hudson Kelley** founded a secret society in 1867 in Fredonia NY which was at first non-political - its original goal was to stimulate farm families with social, educational and fraternal activities such as picnics, lectures and music presentations.
- c. Structured like the Masons, in that they used passwords and secret handshakes they had a four-level hierarchy (Laborer to Husbandman for men; Maid to Matron for women who, usually subjected to loneliness, esp. liked Granger activities).
- d. Growth
  - (1) By 1871, it was introduced into South Carolina and quickly spread through the South.

- (2) By 1875, it had 850,000 members in 20,000 chapters and peaked at 1 1/2 million from the mid-West, South and Southwest.
- e. Its economic platform illustrated their contempt for industrial and banking interests
  - (1) advised farmers to dispense with middlemen and commission agents.
  - (2) expressed violent opposition to monopolies and trusts.
  - (3) demanded regulation of the railroads by state and national governments for producer interests
  - (4) advocated agricultural and industrial education.
- f. Goals:
  - (1) They tried to improve the farmer's plight through the establishment of farmer co-ops
  - (2) Attempted to manufacture their own harvesting machinery failed because of mismanagement.
  - (3) Department of Agriculture was elevated to the Cabinet Level
  - (4) Obtained rural delivery and parcel post services
- g. They entered the state political arena, having some success in the Upper Mississippi Valley area (IL, Wisconsin, Iowa, MN).
- h. Some success at regulating the railroads and grain elevators was achieved at the state level, but the successes were restricted by later Supreme Court decisions.
- i. Granger Decline – membership eroded by 85% by 1880
  - (1) The laxness of organization permitted many persons who were not interested in the farmer and his problems to join.
  - (2) The huge, unwieldy mass within the organization led to dissension within the ranks.
  - (3) The connection of the Grange with a number of political movements led to its decline.
  - (4) The Grange failed to secure permanent and effective railroad regulation
  - (5) Grangers never were a political party, placing men and principles first, but concentrated on business or education enterprises
  - (6) The main cause was the failure of the Granger overly-ambitious cooperative endeavors, which went to pieces, and left a burden of discredit and indebtedness.
- 3. **Greenback Labor Party 1878** -- Organized in Toledo (800 delegates, 28 states) - Greenback and Labor Reform Parties combined.
  - a. 1878 - polled 1,060,000 votes and sent 14 members to Congress
  - b. 1880 - **James Weaver**, presidential candidate, received 3% of the vote but Benjamin Butler in 1884 did not do as well in 1880.
  - c. Because it was primarily a third party effort, it failed to make much headway in the South, except Alabama, where Greenbackers demanded adequate educational facilities, denounced the convict-lease system, and cried for an equalization of the tax burden.
- 4. **Alliance Movement**
  - a. Many farmers' alliances emerged in many states, hoping to unite black and white farmer's facing the same economic issues.
  - b. The first, **Knights of Reliance**, established by a cattleman's association in Lampasas County Texas in 1875, quickly spread throughout the cotton states.
    - (1) In 1880 it was chartered as the Farmer's State Alliance
    - (2) By 1885 it claimed 50,000 members.
    - (3) Led by Dr. **Charles W. McCune**, it merged with 10,000-member farmer's alliance from Louisiana in 1887, becoming the National Farmers' Alliance and Cooperative Union of America.
  - c. Numerous Southern state alliances united into the **National Farmers' Alliance and Industrial Union** or Southern Alliance and spread throughout the South and parts of the North, boasting a membership of nearly 3 million.
    - (1) Including those "not obnoxious to the Constitution," it excluded railroad officials, bankers, cotton buyers, real estate brokers, shopkeepers (those "who bought and sold for gain")
    - (2) Unfortunately it also excluded black farmers.
  - d. A similar organization was formed in the northwest.
  - e. Stressed the use of co-ops to buy fertilizer and other supplies collectively gaining a cheaper price than individually.
  - f. All alliances agreed that farm prices were too low, transportation costs too high, storage and shipping costs were outrageous, and something was wrong with the financial system of America (bankers were too wealthy, who held their debts).
  - g. Unfortunately, these alliances adopted different policies throughout the country, remaining at best only regional in effectiveness.
  - h. Continued sectionalism hampered their unification
    - (1) Northern Alliances voted Republican, favored the tariff, focused on regulation of railroads and federal land policies, resisted synthetic foods like margarine and generally came to favor the formation of a new Party
      - (a) **National Farmer's Alliance** formed by **Milton George**
      - (b) Won KS legislature, NE legislation and was the balance of power in Minnesota and SD
    - (2) The Southern Alliance that voted Democrat, opposed the tariff, focused on financial reforms, opposed land syndicates and crop futures speculation, and favored the 1-party Solid South, won control of 8 Southern legislatures, 44 Congressional or Senate seats
    - (3) A Segregated **Colored Farmer's National Alliance and Cooperative Union** claimed 1.25 million members in 1891.
  - i. An attempted merger in 1889 failed because of the differences:
    - (1) The Southern Alliance had three times as many members
    - (2) Blacks were members of the Northern Alliance, while Southerners let individual states decide the issue of Negro membership.
    - (3) The Southerner's practice of secret rituals was unacceptable to the Northern Alliance.

## D. Populist Movement

### 1. Early Leadership

- a. Ignatius Donnelly (1831-1901) - MN, elected three times to Congress, populist candidate 1900
- b. Mary Elizabeth Lease - popular speaker who urged farmers to "raise less corn and more Hell."
- c. Tom Watson (1856-1922) - GA Congressman, Senator, Governor, Populist vice candidate 1896, presidential candidate 1904
- d. "Sockless Jerry" Simpson - Kansas Congressman
- e. William A. Peffer - Kansas Senator
- f. James Kyle - South Dakota

### 2. Early attempts at National Unity - Beginning in 1880

- a. Agrarian interests (West, South) + labor + Grangers + Greenbackers met in St. Louis in Dec 1889
- b. **People's Party** formed in Kansas June 1890
- c. Southern Alliance + Farmers' Mutual Benefit Association + Colored Farmers' Alliance in Ocala Florida drew up a list of grievances, **Ocala Demands**, calling for reduced tariffs, abolishing national banks, regulating railroads, an income tax, popular election of Senators, and free coinage of silver.
  - (1) Labor representatives called for the creation of a new party
  - (2) Southern representatives resisted its formation, fearing a rise in black power.

### 3. Those who favored a national effort were frustrated by the failure of agrarian efforts to liberalize the Democrats or get Republicans to listen to their demands and were encouraged by successes at the state level when unified, and therefore met to unite in 1892.

### 4. Issues

- a. **Free Unlimited Coinage of Silver** -- major issue
- b. Regulation and government ownership of railroads, telegraph and telephones
- c. The issuance by the federal government of legal tender notes and abolition of national banks as banks of currency issue.
- d. A graduated income tax
- e. "Sub-treasury plan" (Southern innovation of McCune) to permit farmers to receive inexpensive loans against imperishable produce when prices were low, storing the goods in government warehouses until prices rose, and then selling the goods to repay the loans.
- f. A parcel post to combat the express companies
- g. An 8-hour day for wage earners
- h. Immigration restrictions of undesirables
- i. Popular election of US Senators
- j. Electoral innovations such as initiative, referendum and the secret ballot.
- k. Restricting land ownership to US citizens
- l. Banning the use of Pinkerton detectives in labor disputes
- m. At first calling for full civil rights for all citizens (black members with no vote were no good to the party), the People's Party met resistance from Southerners who feared blacks with political power.

### 5. Organization of the Populist Party in Cincinnati

- a. A national meeting 19 May 1891 with 1400 delegates from 32 states planned independent action.
- b. Feb 1892 - 900 delegates, representing labor, feminist, farm and others + 100 blacks, formed the **People's Party of the USA** ("Populists") in St. Louis.
- c. Their first national convention met in July 1892
  - (1) Nominated for president, **James Weaver** polled 1 million+ votes, winning CO, KS, ID, NE (22 electors).
  - (2) In 1896, Democrats captured their chief issue, free coinage of silver, leading Populists to endorse the Democratic presidential candidate, **William Jennings Bryan**
  - (3) To keep a separate identity in 1896, Tom Watson (GA) was nominated vice-president

### d. Why Populism Failed as a Viable Third Party Effort

- (1) Southern farmers did not abandon the Democratic Party
- (2) Nationally, Democrats embraced the key Populist issue, free coinage of silver, which ended them as a serious political party.
- (3) Farmers entered into a period of relative prosperity around 1897 which lasted until 1920, making money more plentiful and lessening the demands for extreme financial reforms

### e. Achievements of the Independent Farmers Movement

- (1) Although they failed as a viable third party effort, many of their proposals were adopted over the next two decades, including
  - (a) Initiative and referendum adopted in many states
  - (b) Direct election of Senators - 17th amendment 1913
  - (c) Secret ballot in many states adopted
  - (d) Graduated income tax passed under Cleveland allowed a tax on incomes over \$4000, although the Supreme Court struck it down in *Pollock vs. Farmer's Loan & Trust Co*, the 16th amendment 1913 made an income tax constitutional
  - (e) Eight-hour work day a reality today
- (2) A much greater emphasis was placed on popular education and social and economic reform, esp. in the South, leading to increased regulation of railroads and banks by state governments, expansion of state departments of agriculture, utilization of