

# AP US History

## Chapter 19 - From Crisis to Empire

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### Key Concepts

What are this chapter's key concepts?

- **6.1.I.E** - Businesses, foreign policy → outside borders for influence over Asia, Latin America, Pacific rim
- **6.1.III.B** - Agricultural market consolidation, heavy dependence on railroad → farmers formed organizations
- **6.1.III.C** - Economic instability → agrarian People's/Populist Party seeking ↑ govt. regulation
- **6.3.1.C** - Artists/critics like agrarians, utopians, socialists, Social Gospel advocates emphasized different visions for U.S. society
- **6.3.II.A** - Major political parties divided along Civil War boundaries; fought over tariffs/currency despite reformers arguing greed/self-interest was corrupting govt.
- **7.3.I.A** - Imperialists stressed econ. opportunities, racial theories, Euro. competition, 1890 idea of "closed" frontier to stress importance of expanding American culture across globe
- **7.3.I.B** - Anti-imperialists stressed self-determination, contrasting racial theories, isolationism to argue no need to extend territory
- **7.3.I.C** - Amer. win in Sp.-Amer. war → U.S. acquired Carib./Pacific territories, suppressed Filipino nationalism

### The Politics of Equilibrium

What factors altered the equilibrium of the partisan system?

The party system, split relatively equally along regional, ethnic, gender, and class lines, was characterized by strong party loyalty. The federal government did relatively little; presidents had to appease factionalism within their parties inspired by Hayes. Garfield and Arthur were greatly weakened by their actions' angering a significant part of the Republican party, both seeking civil service systems; Democrat Grover Cleveland sought to fight machine politics and cut tariffs; he served two terms with a one-term interruption from Republican Benjamin Harrison, who failed to rally public opinion in raising protective tariffs. Public opinion rallied toward antitrust reform as well as federal restriction of railroad fares.

How was the party system divided along regional, ethnic, gender, and class lines?

- End of Reconstruction → 1890s: electorate divided betw. Republicans (sixteen northern states) and Democrats (fourteen Southern states) w/ four undecided states
  - Repub. typically won presidency, Senate; Dems. won House
  - Party loyalty v. strong w/ voter turnout ↑ 78% of eligible; most blacks/women disenfranchised
- Loyalty to parties often result of undebated faith w/ white Southerners → Democrats, northerners → Republicans
- Ethnic diffs. w/ most Catholics, immigrants, impoverished → Democrats; middle class, Protestants, older citizens → Republicans
  - Republicans generally sought temperance (against Catholics) and anti-immigration laws while Democrats aligned w/ pro-Catholic views
- Party selection generally to favor economic desires or to align w/ traditions of ancestors/relatives

**The party system was divided relatively equally among Republican and Democrat lines. Southern whites, northern Catholics, immigrants, and the lower classes usually aligned with the Democrats; northern Protestants, middle classes, and African Americans typically aligned with the Republicans. Party alignments were often primarily due to economic interest.**

What was the relation of the federal government to partisan ties?

- Federal govt. generally did little: mail, military, foreign policy, taxes
- Several exceptions mainly in national econ. development
  - Railroad subsidies, land grants, brought up military to put down strikes
  - Pensions for retired Union Civil War veterans to pay majority of male citizens and several women; ultimately failed due to corruption
- Pol. parties far more influential than nat. govt.

**The federal government kept stability by doing relatively little in the grand scheme of things; however, their industrial subsidies, land grants, and pensions ultimately made a significant economic impact. Ultimately, political parties and machines as well as federal courts were most powerful.**

What was the significance of the presidential office during the Gilded Age?

- Party bosses → presidency generally symbolic w/ ↑ task distributing appointments (≈ 100k)
  - Had to avoid angering factions w/in parties → generally careful
- Rutherford B. Hayes (1877-1881) created great factionalism w/in party: **Stalwarts** competed for Republican power w/ **Half Breeds**
  - Stalwarts: traditional political machines, Half Breeds: reform; neither satisfied by Hayes
  - Hayes' attempt at civil service system not supported by either; wife's temperance reform angered many
- Repubs. compromised w/ James A. Garfield (Stalwart) for president, Chester A. Arthur for vice president
  - Won both houses of Congress against Democrat Hancock
  - Garfield initially favored civil service reform, Half Breeds → direct defiance of Stalwarts → great conflict, assassinated four months after inauguration
- Chester A. Arthur, successor, closely allied w/ Stalwart leader; attempted reform against Stalwarts w/ civil service measure **Pendleton Act** to require merit for job appointment

**Gilded Age Presidents had to cater directly to factions within their parties; Rutherford B. Hayes inspired great Republican factionalism between the traditional Stalwarts and the reforming Half Breeds. Garfield, a Half Breed, won the presidency but was assassinated for his defiance of the Stalwarts; his successor, Arthur, continued Garfield's reform against the Stalwarts, with significant focus on a civil service program.**

How did tariffs play a role in the presidencies of Cleveland and Harrison?

- 1884: Repub. candidate (James G. Blaine) represented epitome of partisan divisions → group of Republicans supported Democrat candidate, **Grover Cleveland**
  - Blaine suffered religious hit after Protestant spokesman supporting Blaine denounced Catholics → Cleveland won tight last-minute victory
- Cleveland known for strong opposition to machine politics, willingness to veto (particularly tariffs) due to belief that high federal revenues corrupted legislation
- 1888: Democrats nominated Cleveland, supported lowered tariffs; Republicans selected **Benjamin Harrison** w/ clear diff. betw. parties → decisive victory for Harrison

**Democrat Grover Cleveland won the 1884 election thanks to a religious controversy which put Republicans out of Catholic favor; he was known particularly for his opposition to high tariffs. The tariff issue became a critical issue in the 1888 election, allowing Republican Benjamin Harrison to clinch a decisive win.**

What were significant public issues emerging during and after Harrison's presidency?

- Harrison generally passive w/ little attempt to influence Congress; public influence became far more powerful force
- Mid-1880s: 15 western/southern states banned combinations that reduced competition → most corporation went to NJ/Delaware to bypass
  - **Sherman Antitrust Act** in 1890 widely supported, having limited impact but passed as a symbolic attack against corporations
- Republicans focused on tariff (believed to be winning factor of election) w/ **McKinley Tariff** sent to Congress in 1890
  - Misunderstood public opinion: 1890 midterms saw destruction in House, reduced majority in Senate
- 1892 elec.: Harrison continued to fight for tariffs, Cleveland opposed it, People's Party wanted more major reform
  - Repubs. too badly weakened w/ Dem. majority in both houses, Cleveland winning presidency
  - Cleveland passed tariff production; made it through but greatly weakened by Senate/
- Public pressure for railroad regulation from Midwest farm organizations
  - Midwest state legislatures passed several legislations in 1870s; Supreme Court ruled one unconstitutional in 1886 bc. represented control of interstate commerce
    - \* Supreme Court later displayed power even more w/ limitation of state's power to reg. commerce w/in boundaries
  - Regulation had to come from fed. govt. → 1887 **Interstate Commerce Act**
    - \* Banned rate diffs. betw. long/short hauls; required published rate schedules w/ govt.; required all rates to be fair
    - \* Interstate Commerce Commission/ICC would administer but relied on judicial support → little effect

After Harrison took control, he passed high protective tariffs in the McKinley Tariff as well as the Sherman Antitrust Act as a symbolic show of power against corporations, but his misinterpretation of public opinion cost the Republicans the next election, putting Cleveland back in power. Furthermore, federal regulation of railroads became increasingly desired; the Interstate Commerce Act aimed to accomplish this but lacked practical effect.

## The Agrarian Revolt

How did farmers oppose the Gilded Age federal government?

Farmers initially formed the Grange organization, dedicated to economic improvement to prevent the influence of middlemen and corporate monopolies; they made some political strides, but collapsed due to the return of agricultural prosperity. The Farmers' Alliance succeeded it, with similar short-term goals but eventually expanding to merge the two largest groups and forming the Populist party. Populists were typically isolated, impoverished farmers unable to keep up with the expansion of agricultural technology; they sought to provide cooperatives for farmers and reject government concepts of *laissez-faire* and stress absolute ownership.

- Despite stereotype of farmer independence, formed Grange organization post-Civil War after Agri. Dept. official appalled by isolation of rural life
  - Created National Grange of the Patrons of Husbandry, leading to networks of smaller organization
  - Initially modestly defined goal as keeping up w/ advancing agri. techniques; also creating community to combat loneliness
- Depression of 1873 → ↓ farm prices → ↑ Grange membership concentrated in South/Midwest
  - Rising numbers → focused more on economic benefits, seeking to bypass "middlemen," who took cut of profits from selling crops, and reduce railroad/warehouse monopolies
  - Grangers created several stores, warehouses, factories to cater to farmers; founded mail-order Montgomery Ward and Company; most failed due to operator inexperience
- Grangers sought to elect state legislators; generally worked through existing policies but a few attempts at "Antimonopoly" and "Reform"
  - At peak, controlled some Midwest legislatures w/ strict 1870s railroad regulation
  - Temporary revival of agri. prosperity, judicial destruction of Grange laws → organization shrunk rapidly

The Grange organization united farmers with the common economic goal of cutting out middlemen and limiting railroad monopolies. They created enterprises to cater directly to farmers and elected state legislators, even gaining control of some midwestern legislatures to restrict railroad power. A return of agricultural prosperity caused the organization to rapidly decline.

How did the farmers united in the Grange?

How did the Farmers' Alliances succeed the Grange?

- Emerging before decline of Grange in South, farmers banded together in **Farmers' Alliances**
  - 1880 Southern Alliance (concentrated in TX) known for more than 4m members; Northwestern Alliance grew in plains states
- Sought to solve local problems w/ cooperatives, marketing mechanisms, stores, banks, processing plants all to avoid middlemen
- Some sought to build society w/ econ. competition replaced by cooperation through neighborly responsibility; travelled throughout rural areas attacking corporations
- Women generally afforded great power in organizations
  - **Mary E. Lease**, lecturer, became Populist orator bringing farmers to action
  - Several focused on temperance
- Alliances suffered from poorly-functioning cooperatives w/ market forces too strong
- Weakening of Farmers' Alliances → political organization
  - Southern/Northwestern Alliances agreed to weak merger w/ national convention in Ocala, FL to create party platform
    - \* 1890 mid-terms: Alliances won control (mostly by endorsing Democrats) of legislatures in 12 states; some Senate/House seats
  - Northwestern Alliance (and some from Southern Alliance) sought third party, including **Tom Watson** of GA, **Leonidas L. Polk**, both heavily involved in Alliance
    - \* Formed People's Party (commonly known as Populist) w/ great early success in 1892: 8.5% of pop. vote, 22 elec. votes, some state legislatures, governors, congressmen

**The Farmers' Alliances banded together primarily in the large Southern Alliance as well as the Northwestern Alliance; their initial goals were similar to the Grangers, seeking to solve local problems by limiting middlemen and railroad monopolies. They allowed several women to participate. However, the power of market forces meant they were often unsuccessful, encouraging a Northwestern/Southern merger and the creation of a third party: the Populist Party. It was very successful even in its early years.**

What were the main demographics of the Populists?

- Populists sought coalition primarily of farmers w/ limited economic security, antiquated farming methods in the face of mechanization
- Midwest Populists family farmers losing land; Southern Populists often sharecroppers/tenant farmers
- Geographically isolated turned to Populism for sense of community, purpose
- Attempted actively to attract labor unions w/ attempts at mergers w/ Knights of Labor but never widely successful due to conflicting interests
- In Rocky Mountains, attracted large numbers of miners
  - Supported "free silver," where gold/silver would become fundamental to currency (but temporary success)
- In South, struggled w/ question of admitting Afr. Americans; "Colored Alliances" formed with similar structure to Farmers Alliances
  - Most white populists accepted blacks if control remained guaranteed
- Populist leaders part of rural middle class, consisting of both men and women; some extremely serious but others crazy
  - Inspired idea of "southern demagogue"

**Populists were typically isolated farmers using archaic agricultural techniques who sought to join the party for economic security and a sense of community. Attempts were made to attract labor forces, but these were never widely successful; African Americans were usually accepted but forced to remain subordinate. Populist leaders were adverse population, with some somber and serious but others crazy.**



What were the central ideas of the Populist platform?

- Suggested "subtreasuries" to strengthen cooperatives of Grangers/Alliances, govt. warehouses for farmers to deposit crops as collateral to borrow money
- Called for end of national banks, absentee land ownership, direct election of senators; sought regulation and eventually govt. ownership of railroads
- Some were Anti-Semitic, blaming Jews for economic expansion; others anti-intellectual, anti-eastern, anti-urban, mystical, deranged
- Despite some discrimination, Populists overall sought solutions to economic issues (like end of *laissez-faire* and absolute ownership rights)

**Populists sought to strengthen cooperatives through subtreasuries, form a national warehouse network, end national banks, directly elect senators, and prevent absentee land ownership; they eventually sought railroad regulation. Though some were greatly discriminatory, most sought practical solutions to economic problems.**

## The Crisis of the 1890s

What major controversies unfolded in the 1890s?

The major controversies were the Panic of 1893, where rapid railroad expansion ultimately led to collapse. Silver was a very important specie; when the government phased it out due to its reducing use but it suddenly spiked in value, farmers and silver-mine owners responded with great passion; both sides passionately debated the issue, with the nation's honor on the line.

What unfolded during the Panic of 1893?

- Most severe depression nation had ever emerged in 1893
  - Short-term: two successive corporate failures → stock market collapsed → banks failed → credit contracted → loan-dependent businesses collapsed
  - Long-term: lowering agriculture prices, European depression, rapid expansion of railroads beyond market demand, market interconnectedness → widespread collapse mainly due to railroads
- Panic → collapse of 8k businesses w/in 6 months, even lower agri. prices, 20% of agri. workers lost jobs
- Caused social unrest w/ Populist Coxey proposing public works program to create jobs for unemployed
  - Coxey marched to capital to advocate cause but soon arrested
  - Americans saw labor turmoil (paired w/ strikes) as sign of instability, revolution w/ potential for radicalism

**The Panic of 1893 was ultimately stimulated by the too-rapid growth of the railroad industry beyond market demand leading to the stock market collapse with several large companies following. It led to great social unrest and unemployment; Coxey attempted to solve it with a large public works program, but was rejected by the government.**

What was the significance of silver?

- Panic weakened monetary system → Cleveland saw unstable currency as main cause of conflict
  - Modern dollar based on public confidence in govt.; many used to belief in importance of physical reserves (specie) of precious metal to back up worth
  - U.S. initially accepted gold and silver; gold was given a value of 16x of silver despite being far more → silver fashioned into objects by jewelers for easy wealth → silver stopped flowing to mint → stopped
- Congress discontinued silver coinage: no longer recognized; opposition init. weak but resumed after silver grew greatly in worth → felt money had been taken
- Classified as "Crime of '73" w/ those seeking to use silver as "free silver" as currency seeing as tyrannical
  - Silver-mine owners wanted govt. to take surplus, pay more than market price
  - Discontented farmers wanted increase in quantity of money through inflation to raise farm prices, ease debts
  - Congress made little response
- Gold reserves falling; Cleveland blamed on Sherman Silver Purchase Act of 1890 (designed to help silver miners) → had repealed w/ great battle leading to split in Dem. Party
  - Southern Dems. opposed him
- Silver became issue of great debate w/ those on both sides arguing w/ signif. passion
  - Supporters of gold standard felt it was critical to the nation's honor/success
  - William H. Harvey Clay convinced many of free silver ideology
    - \* Saw silver as collective finance for all to share → wrote book arguing economic importance
    - \* Led imaginary school to prepare students in long-term with financial knowledge which persuaded students of key importance of silver

**After the government discontinued silver currency to rely on gold alone due to its low financial worth, few responded; however, silver quickly became far more important, causing silver-mine owners and discontented farmers to rise up against the government in the "Crime of '73". It became an issue of passionate debate with the nation's honor on the line; Clay convinced many of the importance of free silver in his powerful book and through his imaginary financial school.**

## "A Cross of Gold"

What was the "Cross of Gold"?

For the election of 1896, the Republicans selected McKinley, whose traditional campaigning (very little) won out against powerful orator Bryan's more radical, widespread campaigning; he had been selected for his powerful "Cross of Gold" speech emphasizing the gold standard. Because the Populists had endorsed Bryan for his stressing the gold standard, Bryan's loss led to their collapse. McKinley's presidency was focused on restoring economic prosperity from the Panic of 1893; he raised tariffs and assured the gold standard, ultimately returning prosperity to America.

- Election of 1896: Republicans confident of success due to Democrat failure to handle depression; nominated **William McKinley**, involved in tariff act
  - Opposed free coinage of silver unless leading commercial nations formed agreement → 34 mountains/plains delegates walked out to join Dems.
- Southern/western Democrats sought to neutralize Populists by absorbing into their own thru. acceptance of some demands (notably free silver)
  - Convention saw several defenders of gold standard; final speech ("Cross of Gold") given by **William Jennings Bryan** of NE powerfully defended free silver through power of words, delivery
  - Bryan nominated for Dem. president; youngest nominee at 36; some saw as too powerful, many admirers saw as symbol of rural, middle-class America
- Populists had expected both parties to support gold standard, Democrats stole thunder → could either continue w/ reduced voters or endorse Bryan and lose partisan identity
  - Ultimately endorsed Bryan

How did Bryan transform public opinion on the free silver issue?

The Republicans were confident of their win in the 1896 election, nominating gold standard William McKinley, who had been heavily involved in the protective tariff acts. The Democrats, on the other hand, surprisingly nominated youthful William Jennings Bryan for his "Cross of Gold" speech emphasizing the importance of free silver. Populists, surprised by having lost their critical argument against the gold standard, were forced to lose their identity by endorsing Bryan.

How did the Republicans win the 1896 election?

- Republicans feared Bryan victory → stuck w/ tradition
  - Poured money into campaign (\$7m to \$300k)
  - McKinley followed traditional path of not taking active role in campaigning, instead receiving Republicans at door and speaking w/ them
- Bryan violated standard by actively campaigning throughout nation in several villages and by addressing millions
  - Despite pioneering modern presidential politics, did more short-term harm than good w/ many voters lost due to belief that Bryan's behavior was undignified
- McKinley won election by signif. electoral margin; Democrats' concentrated/narrow campaign won Southern/Western vote but too small
- Populist party had given up partisan identity through fusion for success of Democrats; dissolved soon after the election

**McKinley stuck to tradition, receiving large sums of money for the campaign and rarely campaigning, instead receiving Republicans at his home for discussion. Bryan, on the other hand, pioneered modern presidential politics by campaigning throughout the nation; several deemed his behavior undignified. McKinley ultimately won the election due to Bryan's loss of several voters, leading to the collapse of the Populist Party.**

How did McKinley work to recover from the economic devastation from the Panic of 1893?

- Little dissent to McKinley's administration w/ 1897 labor unrest → most Americans frightened, agrarian protest collapsed w/ loss of Populist party
- McKinley dedicated to preserving stability amidst economic turmoil
  - Central issue: higher tariffs w/ **Dingley Tariff** ↑ duties, reaching peak in U.S. history
  - Little concern for issue of silver: McKinley considered some agreements w/ Europe, sending commission to discuss w/ Britain and France; no agreement reached → Gold Standard Act of 1900 confirming gold standard
    - \* Effectively ended debate over free silver and gold standard
  - Prosperity returned in 1898
    - \* Foreign crop failures → rising prices for American crops
    - \* American business exited "bust" part of cycle to resume expansion
- Gold standard not flawless: Western countries experienced ↑ growth but money supply had not kept up bc. gold supply remained near-constant until late 1890s w/ gold deposits in Australia, South Africa, Alaska
  - Populists would have likely been correct abt. economic collapse if prosperous gold deposits not discovered

**McKinley entered his presidency with little dissent due to fear of another economic collapse as well as the weakening of the agrarian revolt. He centered his campaign on the preservation of economic stability through increased tariffs and the federal finalization of the gold standard; furthermore, the tides turned in 1898 to bring prosperity back, with crop failures leading to rising prices for American crops. Several gold deposits were discovered in the late 1890s: had they not been found, the reliance of the currency on the quantity of gold would surely have eventually backfired.**