

Chapter 23: Political Paralysis in the Gilded Age (1869—1896)

The "Bloody Shirt" Elects Grant

- Andrew Johnson promoted bad stereotypes on professional politicians and the public thought that a good war general should be president next
 - General Grant was the most popular northern hero but he was incredibly uninformed and dense
- Republicans enthusiastically nominated Grant, to which he accepted, and won
 - party called for Reconstruction of the South but Grant wanted to have peace
- Democrats could not agree on any ideas at all
- Republicans gained support for Grant by "**waving the bloody shirt**", trying to revive glorious memories from the Civil War
 - Grant won with 214:80 ECV to Seymour, but only won the popular vote by 300k
 - mostly black slaves supported Grant and gave him 500k votes, not counting Mississippi, Texas, Virginia

The Era of Good Feelings

- although majority of businesspeople and government officials had decency, the whole atmosphere after the Civil War was one of corruption
 - unethical stock-market manipulators and judges or legislators who traded power for money
- "Jubilee Jim" Fisk and Jay Gould corrupted the gold market together by jacking up prices of gold
 - they hoarded gold and bid the price upwards, counting on the fact that the government wouldn't release more gold and that Grant's brother-in-law would stay silent, with bribes of \$25,000
 - the Treasury released gold and genuine businesspeople were screwed over
- **Tweed Ring** displayed lack of ethics in NYC when Burly "Boss" Tweed used bribery, graft, and fraudulent elections to milk the city of \$200 million
 - the *New York Times* finally secured evidence and published it, despite receiving a \$5 million plea not to
 - Tweed was jailed and died

A Carnival of Corruption

- even more serious than Boss Tweed was the federal government, who was doing stuff behind peoples' backs
- Grant's cabinet consisted of grafters and incompetents
 - people tried to seek favors from Grant in return for cigars, wines, and horses
- Grant was first tarred by the **Credit Mobilier scandal** in 1872
 - Union Pacific Railroad workers formed a construction company and hired themselves and inflated railroad prices as much as 348 percent

- gave stock to congressmen to keep quiet and a newspaper exposed two congressmen and the VP as receiving money
- Whiskey Ring in 1874—1875 let millions escape in excise-tax revenue
 - Grant was eagerly for convicting all the criminals, until his private secretary showed up on the list of the culprits, and he gave a written statement to exonerate the thief
- Secretary of War William Belknap resigned after pocketing bribes from suppliers to Indian reservations
 - Grant accepted his resignation with "great regret"

The Liberal Republican Revolt of 1872

- people were starting to be really unhappy with Grantism by 1872, even before the worst scandals
- citizens who wanted reform banded together and formed the Liberal Republican party with the slogan "Turn the Rascals Out"
 - wanted to purify the Washington administration and end military Reconstruction
 - nominated Horace Greeley for the presidency, who was dogmatic, emotional, petulant, and notoriously unsound in his political judgments
- Democrats endorsed Greeley when he had only ever labelled them as traitors, slave shippers, saloon keepers, horse thieves, and idiots
- Greeley pleased many people when he pled for clasping hands across "the bloody chasm"
- Republicans renominated Grant
- the decision was between two people who were woefully underqualified to be president and both sides slung insults at the other hoping to gain an upper hand
 - Grant won 286:66 ECV
- Congress reduced high Civil War tariffs

Depression, Deflation, and Inflation

- the **panic of 1873** happened and made Grant's problems worse
 - there were more tracks, mines, factories, and grainfields than people could manage and far too many loans to were unpaid
 - 15,000 American businesses went bankrupt
- black Americans were hit hard
 - Freedman's Savings and Trust Company made unsecured loans that went under and men lost over \$7 million to their banks
- debtors were also hit through the reissuing of greenbacks
 - reasoned more money meant rising prices and easier-to-pay debts
 - creditors didn't want to accept depreciated dollars
- hard-money supporters persuaded Grant to veto a bill to print more paper money and pass the Resumption Act of 1875 which would withdraw all paper money starting 1879
- debtors looked towards silver but more discovery in the late 1870s made silver worth less

- the Treasury stockpiled gold and reduced greenbacks which deflated the economy and worsened the depression
- Republican hard-money policy was so unfavorable that it helped elect a Democratic House of Representatives

Pallid Politics in the Gilded Age

- politics were daintily balanced in the **Gilded Age** where a slight nudge could hand power to the opposition
- Democrats and Republicans were mostly eye-to-eye on economic issues and majorities generally aligned even in the currency issue
 - except the two parties were extremely well organized and ferociously competitive, with nearly 80% of eligible voters casting ballots
 - failing to vote along party lines was extremely rare
- Republicans adhered to Puritanism with strict moral codes and believed government should regulate both economic and moral affairs of society
 - had voters mostly scattered throughout the Midwest or rural Northeast
 - some freedmen in the South continued to vote Republican
 - voters came from the Grand Army of the Republic (GAR)
- Democrats wanted a single moral standard on the entire society
 - had a grasp on voter bases in the South and northern industrial cities
- **patronage** had a strong grasp on both parties, trading jobs in return for votes

The Hayes-Tilden Standoff, 1876

- some wanted Grant to be president for a third term, and he ran, but the House reminded the country of the two-term tradition
- Republicans turned to Rutherford B. Hayes who previously served three terms as Ohio governor
- Democrats nominated Samuel J. Tilden who bagged Boss Tweed in New York
 - he got 184 out of 185 votes needed
- three contested southern states, Louisiana, South Carolina, and Florida
 - Constitution stated that the ballot returns should be sent to Congress, and opened by the president of the Senate
 - didn't know who to count the votes because both parties would have tilted it in their favor

The Compromise of 1877 and the End of Reconstruction

- some of the Democrats began to get ready to fight until Tilden got to be president
- **Compromise of 1877** detailed an electoral commission of fifteen men from the Senate, House, and Supreme Court
 - at the first disputed state, Republicans won over by 8:7 votes to accept the Republican returns
 - Democrats agreed Hayes could be president if he withdrew federal troops from Louisiana and South Carolina

- Republicans promised the Democrats at a place at the presidential patronage trough and support to subsidize Texas and the Pacific Railroad's southern transcontinental line
- after the election, Republicans quietly abandoned ideas of racial equality
- **Civil Rights Act of 1875** was supposed to guarantee equal accommodations in public places and ban racial discrimination, but the Supreme Court pronounced it unconstitutional
 - Fourteenth Amendment prohibited governmental violations of civil rights, not individual ones

The Birth of Jim Crow in the Post-Reconstruction South

- Democratic South started to collapse upon the blacks after Reconstruction officially ended
 - blacks faced unemployment, eviction, and physical harm
- many blacks and poor whites were forced into **sharecropping** and tenant farming
 - previous slaveowners turned to landlords and creditors
 - storekeepers extended credit to also include food and supplies which allowed them to take harvests or force farmers permanently in debt to them
- informal segregation of blacks and whites eventually developed into **Jim Crow** laws
 - literacy requirements, voter-registration laws, poll taxes to discourage blacks from voting
 - **Plessy v. Ferguson** ruled that "separate but equal" facilities were constitutional under equal protection
 - segregation in inferior schools and all public facilities
 - violations or protests were dealt with through lynching

Class Conflicts and Ethnic Clashes

- 1877 was the official end of Reconstruction but opened new struggles on the basis of class
 - presidents of the four largest railroad companies cut wages by 10%, but the workers struck back
 - Hayes called in federal troops to settle unrest
 - labor movements were extremely weak and all power was lent towards the businesses to operate and not for the workers
 - racial and ethnic differences caused disunity, especially between the Irish and Chinese
 - most Chinese after the 1880s worked at low end jobs without women or families and never fully assimilated to the English language and American customs
 - Irish-born Denis Kearney told his followers to abuse the Chinese who already resented the competition of Chinese for cheap labor
- Congress passed the **Chinese Exclusion Act** in 1882 which prohibited all immigration from China until 1943

Garfield and Arthur

- as the 1880 election approached, Hayes had already been denounced by the Republican part, who wanted a new candidate, eventually selecting James A. Garfield
 - barely won the popular vote against Winfield Scott Hancock but took ECV 214:155
 - immediately caught up in political conflict
- Charles J. Guiteau, disappointed and mentally deranged office seeker, shot Garfield in the back at a Washington railroad station
 - his death caused shocked politicians to reform the spoils system, lead by Chester Arthur
- Republicans unrelentingly wanted more reform and passed the **Pendleton Act** which made campaign contributions from federal employees illegal
 - established Civil Service Commission to make appointments to federal jobs
 - effectively stopped most blatant abuses of power
- Republican party turned on Arthur and he died a few years later

The Blaine-Cleveland Mudslingers of 1884

- James G. Blaine finally got presidential nomination in 1884 through the Republican party
 - reform-minded Republicans hated Blaine and said he was really corrupt
- Democrats nominated Grover Cleveland
 - Republicans unearthed a report of Cleveland having an affair with a widow who had an illegitimate son that Cleveland provided financial provisions for
- few fundamental differences separated Cleveland and Blaine and it came down to personality and level of support
- Blaine blundered in the last moments of campaign in New York when he was insulted with "Rum, Romanism, and Rebellion" which stuck to him after he failed to refute the statement
 - Cleveland won with 219:182 ECV

"Old Grover" Takes Over

- pandered to business people and bankers
 - vetoed a bill to provide seeds for farmers in drought-ravaged Texas
 - "Though the people support the government, the government should not support the people."
- first catered towards ideas of reform but caved to Democratic bosses and fired 120,000 federal employees to make room for Democrats
- Cleveland red every bill sent on pensions to combat pension-grabbers and vetoed hundreds of them

Cleveland Battles for a Lower Tariff

- tariffs were raised in war times but were not needed without war, Republicans did not want benefits reduced at all

- Cleveland expressed his want for a lower tariff in 1887 which made Democrats frustrated with him
 - Republicans said lower tariffs would mean higher taxes, lower wages, increased unemployment which created the first real issue that divided parties during the next election
- Democrats renominated Cleveland to which Republicans nominated James Harrison
 - Harrison won 233:168

The Billion-Dollar Congress

- Republicans were ready to hold public offices again
- Democrats delayed legal proceedings by not answering role call and then demanding role calls
- Republican Speaker of the House was Thomas B. Reed
 - denied that the Democrats were legally there and dominated the first "Billion-Dollar" Congress
 - showered pensions on Civil War veterans and increased government purchases of silver
 - passed McKinley Tariff Act of 1890 which raised tariffs to highest level in peacetimes
 - many rural voters were angry they had to buy high-priced manufactured goods while only selling their crops to unprotected worldwide markets
- in the congressional elections of 1890, Republicans had 88 seats as opposed to 235 Democrats, and also 9 from the Farmers' Alliance who were militant southern and western farmers

The Drumbeat of Depression

- Populists appeared in 1892 rooted in the Farmers' Alliance
 - wanted free and unlimited coinage of silver at 16:1 silver to gold ounces
 - wanted further graduated income tax
 - government ownership of railroads, telegraph lines, telephones, direct election of U.S. senators, one-term limit on the presidency, shorter workdays, allowing citizens to shape legislation more directly, immigration restrictions
 - nominated James B. Weaver for their presidential candidate
- questions raised about whether the Populists could topple the capitalist order
 - Andrew Carnegie called in 300 armed Pinkerton detectives to crush the **Homestead Strike** by angry steelworkers
 - treatment of protests turned violent
- Populists gained 22 ECV for Weaver but did not appeal at all to the urban East
- Populists appealed to blacks who were farmers for votes, and it almost worked before the South started playing historical racial antagonisms to counter the Populists
 - nearly led to extinction of black suffrage in the South
 - used literacy tests and poll taxes to deny the ballot
 - created the **grandfather clause** which exempted requirements to voters whose previous generations had voted in 1860, when blacks could not vote at all

- more severe Jim Crow laws and racial segregation enforced by lynching
- finally ended with the Populists bitterly lapsing into vile racism and advocating for disenfranchisement of blacks

Cleveland and Depression

- Cleveland took office again because his opponents were too busy arguing
 - same Cleveland, different country
 - workers restless, debtors up in arms, preceding a panic
- depression of 1893 burst and lasted 4 years, arguably the worst economic downturn of the 19th century
 - caused by overbuilding, labor disorders, agricultural depression, and silver
 - European backhouses began calling in loans from the United States
- 8,000 businesses collapsed in 6 months
- gold in the Treasury dropped and Cleveland repealed the Sherman Silver Purchase Act of 1890
- Cleveland also had health complications, as he had cancer developing on his mouth and had to be operated on
- Cleveland chose to use his power and alienated silverites and went through with the repeal
 - America in grave danger of moving away from the gold standard which would cripple international trade
 - Cleveland turned to J. P. Morgan who lent the government \$65 million in gold and improved confidence in the nation's finances

Cleveland Breeds a Backlash

- people thought Cleveland was a sellout for dealing with Morgan
 - Cleveland was sure that he didn't even do anything wrong and admitted the deed without shame
- Democrats promised to lower tariffs and passed the Wilson-Gorman Tariff in 1894, but it was so loaded with special terms and conditions that it barely affected the McKinley Tariffs
- Democrats were taken out of the House in the next congressional elections with 105:204 seats
- Cleveland failed to cope with the economic crisis and the five presidents before him are known as the "forgettable presidents" because they basically accomplished nothing
 - one last effort would be made by debtors and disgruntled workers in the election of 1896