



# The Making of the American Dream

An Unconventional History of  
the United States from 1607 to 1900

II: The Beginning of the End of the Republic

**LEWIS E. KAPLAN**

Algora Publishing





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THE AMERICAN DREAM

Volume II



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Volume II: The Beginning of the End  
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Lewis E. Kaplan

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To my wife Carolyn  
and to the next generations of Kaplans,  
with heartfelt appreciation to my son Sam.





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## INTRODUCTION

In 1941, a book entitled *The Mind of the South*, written by an unknown Southern-born journalist, W. J. Cash, focused attention on the mindset of the average white male Southerner. Originally published in a series of articles in H. L. Mencken's *American Mercury* magazine, one of the leading intellectual publications of that period, it enjoyed an immediate success and went through one reprinting after another. The author's basic thesis was that the newly industrialized South with its textile mills of the 1920s did not represent a fundamental change in the mentality of the average Southern white male but merely placed him in a new environment and that he continued to live within the projective system of his antecedents and their attachment to the soil. What Cash set out to illustrate was that despite the passage of time, the Southerner retained much the same attitude as his ancestors who marched off to war singing Dixie in the belief that his way of life was superior to that of the Yankee, and he would have no problem whipping the Yankee's ass. While in Margaret Mitchell's *Gone with the Wind* and David O. Selznick's subsequent film, only the upper class was shown as voicing those sentiments, Cash viewed them as indigenous to the entire white male population. Moreover, nothing had changed over that 80-year period. The white male still was romantic and sentimental; he still loved the military and was dogmatic in his religious beliefs. At times he also showed a streak of cruelty. Cash viewed these characteristics as being shaped by two factors. First was the Southerner's attachment to the small plot of soil on which he cultivated cotton, along with the fact that the growing season for the crop from planting the seed to picking the product was only three months. As a result, he had an enormous amount of free time at his disposal which he spent hunting and fishing and just dreaming. The other factor was the homogeneity of the population, almost entirely Anglo-Saxon, and the resultant

intermarriage, with cousins marrying cousins including first cousins, so there was nothing strange about a wealthy Southerner referring to a poor white dirt farmer as his second or third cousin. While Cash's argument was valid for the original seven cotton-producing states of the Deep South where cotton was its mainstay crop, his premise did not apply to Virginia, North Carolina, Tennessee, Missouri or Arkansas which cast their lot with the success or failure of the original Confederate states. While cotton was produced in the southern regions of North Carolina, Tennessee, Missouri and Arkansas, it was not a major factor in their economies, and in Virginia it was non-existent.

Cash was typical of the Southern liberals who were frustrated by the inability or unwillingness of the average white male Southerner to challenge the status quo. Where labor unions had succeeded, thanks to the legislation passed under the New Deal, the mentality of Southern males had prevented them from making any progress. On the other hand, his analysis of that mentality, tracing its origins to the ante-bellum South, explained why the South had been able to fight a war against all odds for four years. Jefferson Davis, who had served as Secretary of War in the Pierce administration, was well aware of the huge discrepancy between the two regions in terms of manpower and war material, as the war would bear out. Not only was the nation's navy based in the North, but so was its access to raw materials and manufacturing. Where the Northern states had an extensive railway system which facilitated the movement of troops from one section of the country to another, the Southern states were hamstrung in terms of mileage and connections and were hindered by the differences in track gauges. As a result, in connecting one rail line with another, the men and material had to be dismounted, put on horses and wagons, and transported to the next rail line.

If the Confederate states suffered from these disadvantages, why did the war last as long as it did? Since the Southern armies were largely on the defensive, as in any war they had an advantage in fighting on their own turf. Even more significant was the composition of the Confederate forces. Most of the men were farmers who had a symbiotic relationship with the soil. Although it may not have been their own acreage they were defending, they felt it belonged to a fellow farmer. It was the same attitude of those New England farmers at Lexington and Concord who routed the highly trained British troops. Finally, as Cash pointed out in his description of the average male Southerner, it was his romantic nature and his love of anything military that enabled him to view his role as a knight called upon to defend his way of life against a foreign invasion. He did not view himself as an American but as a Texan, South Carolinian or a Georgian. When Winfield Scott, a fellow Virginian, offered Robert E. Lee a promotion to a full colonelcy in the American army, Lee's response was that he was a Virginian first and then an American. To Scott, Lee's answer was unbelievable since Lee's father was Light Horse Harry Lee, a hero of the American Revolution.

The premise of Cash's book, which came as an eye opener to his readers, was that nothing had changed. Despite the radical changes that had altered the rest of America in the 80 years since the start of the Civil War, most of the Southern population remained as isolated from the American mainstream as if the conflict had never ended. It is only by coming to grips with this difference between the two sections of this country that the inevitability of the war can be understood. There were two regions living side by side, separated by their economies and their way of life. On one side were the states of the Deep South with their single-based economy of cotton; on the other were the industrialized Northern states and the recently populated Midwestern states whose economies were linked to the Northern states. In between were the Border States whose economies had one foot in both sides but where slavery still remained a fundamental part of some of their economies. These states did not bolt from the Democratic nominating convention held in Charleston, South Carolina, which led to four candidates vying for the presidency; the establishments in these states were waiting to see the turn of events. Although pressured to join the Confederate government, they remained on the sidelines until Lincoln called for a preemptive war ostensibly to recover the federal facilities occupied by the Confederate government.

While some historians continue to view slavery as the major factor that led the states of the Deep South to secede, and others are convinced it was the tariff and the threat of increased tariffs under a Republican presidency, there is a third school that sees the act of secession as something rooted in the mentality of their establishments. Thanks to the invention of the cotton gin, Southerners had emerged as the *nouveau riche* of American society. In their lifestyle and the mansions they built they aped the old Virginia aristocracy. However, unlike Virginia, which was forced to diversify its economy because of the decline in importance of tobacco as a money-making commodity, the original seven seceding states were tied to King Cotton. And, unlike Virginia, which had provided the Republic with four of its first five presidents, these seven states remained on the fringe of American politics. Even more galling: in order for the Democrats to hold onto the presidency, a Northerner favorable to their economic interests was their only possible choice if the party was to win the White House. It was this growing sense of isolation from the American body politic, along with a firm belief in Britain's dependency on cotton for its mills, that convinced the establishments in these seven states that their destiny was to be found outside of the Union. In the Confederacy they would be big fish in a small pond. It was this point that Cash missed in his effort to explain the mentality of the average white Southern male. His independence was one of isolation, and that made him dependent on the existing social order whether in ante-bellum or the post-bellum South. If his superiors believed it was necessary to march off to war to maintain their independence, he had no reason to question their judgment.



## CHAPTER I. SETTING THE STAGE FOR HOSTILITIES

Any politician who ascends to the presidency, no matter how broad and extensive his previous political experience, soon discovers that the job he has inherited is bigger and more complicated than what he imagined. But no president prior to or after Lincoln ever had to contend with the situation he faced. Begin with the fact that he was the only president who was obliged to arrive in the capital through subterfuge. Warned by the Pinkerton detective agency that there was a plot to assassinate him when he changed trains in Baltimore, since there were no through-rail lines to bring him to Washington, he was smuggled onto a train that would take him to his inauguration. At the swearing-in ceremony, armed soldiers were posted in all the building that he was to pass from his hotel to the White House where Roger Taney, the Chief Justice, was to swear him into office. His major political rival for the presidency, William Seward, whom he had asked to join his cabinet as Secretary of State and whom he had entrusted to negotiate a possible surrender of Fort Sumter through a third party, only reluctantly agreed to assume that important post as the last minute. Until then Seward had balked at serving in the same cabinet with Salmon Chase, his political enemy, who had prevented Seward from getting the nomination. The members of Lincoln's cabinet were far from being one happy family. Lincoln was aware of it and understood that was the price he had to pay in order to be nominated as the Republican candidate. In politics, markers were expected to be paid.

Having made the decision not to surrender Fort Sumter to the Confederate government, Lincoln now faced the major crisis of his presidency — how to convince the seven states that had seceded from the Union and formed an independent nation to return to the legitimate government to which they had formerly pledged their allegiance, short of war. While a naval blockade of the South's prin-



cial ports would prevent the exportation of cotton, the source for the revenue to sustain an economy, it could never be 100 percent effective. Far more troubling, however, was the prospect that the Confederacy might be recognized by Great Britain, which would eliminate the option of a blockade and ensure the South's independence. To coerce the seceding states through military force would require the approbation of those Southern states that bordered them, namely Kentucky, Tennessee and Missouri. After consulting with Winfield Scott, the commanding general of the US Army, Lincoln issued a proclamation that federalized the militia of all the states in the Union with the avowed purpose of putting down an insurrection against the lawful government. Moreover, this action was within the Constitutional authority granted to the president. To the governors and legislatures of the Border States, along with North Carolina and Arkansas, the president's proclamation was nothing less than initiating a war against fellow Southerners, a euphemism for those states where slavery was legal. It is doubtful whether Lincoln or Scott understood the implications or potential ramifications of this proclamation. Not only was there a potential for the slaves in invaded states to rebel against their former masters, but slaves in the other states might rebel as well. This had always been the greatest fear of the white slave owners, and war could only exacerbate an already tenuous situation. The establishment in Virginia, with the largest slave population of any state and which already had experienced a major slave rebellion with the resultant slaughter of whites, was not prepared to risk those potential consequences. The governor and members of the legislature would contend that the proclamation was illegal and an infringement of states' rights, but they were well aware that their fellow Virginian, President George Washington, had called upon the Virginia militia to help put down the Whiskey Rebellion in Pennsylvania. Despite the willingness of Virginia's governor and a majority of its legislature to align Virginia with the Confederacy, there was such fierce opposition, especially in the western part of the state, that the act of secession was put to a referendum among the voting population; a majority did vote to cast the state's fortune with that of the Confederacy. Virginia's adhesion to the new government was ensured by making Richmond the Confederacy's capital. Ironically, of the ten states that seceded from the Union, Virginia was the only one that put the decision to a referendum by the people.

The decision by Virginia to secede awoke Lincoln to the precarious situation of the Union's capital. Sandwiched between two slave states, it was open to attack and defenseless. Already Virginians had seized the federal arms depot at Harpers Ferry and the naval facility at Norfolk, Virginia. While most of the weapons and ships had been destroyed, this action did pose the possibility of an armed attack on Washington, with the capture of Lincoln and members of his cabinet as well as the seizure of the nation's treasury. While Governor Thomas Hicks of Maryland and most of its legislature were pro-Union, as well as the

mayor of Baltimore, a considerable percentage of the state's population was pro-secession, including many residents of Baltimore. Already they had sabotaged the tracks that carried troops entering Baltimore, preventing them from transferring to the tracks leaving for Washington. They also had cut the telegraph lines which communicated with the Northern states. Furthermore, Governor Hicks could not guarantee the loyalty to the Union of the state's militia. Whether it could be termed panic or prudence, Lincoln ordered General Scott to inform his officers to arrest and imprison any individual considered to be an agitator or a potential one. Lincoln had suspended the Constitutional guarantee of an individual's right to habeas corpus in order to prevent a potential Fifth Column from emerging. Given the freedom to exercise their own judgment, there was a massive arrest of suspected sympathizers to the Confederacy and the potential threat of an insurrection vanished. It was only when large contingents of Northern troops arrived in Washington by steamboat that Lincoln felt the nation's capital to be secure.

While the northern passage to Baltimore and Washington now was open to rail traffic, that from Ohio and the other Midwestern states had been closed off once Virginia seceded from the Union and Confederate troops occupied western Virginia. Although the majority of its population had voted against secession, Confederate troops now occupied the region. The military officer chosen to secure the rail line and if possible detach western Virginia from the Confederacy was George McClellan.

If there was a term to describe McClellan, it would be a "boy wonder." At 13 years of age, he was admitted to the University of Pennsylvania to study law. Two years later he decided that he preferred a military career. Although he was underage, since 16 was the earliest age for admission to West Point, through political connections the age restriction was waived. He graduated second in his class and joined the engineers as a second lieutenant. Like the other generals who served on both sides of the war, he saw active duty in the Mexican War, and while he participated in some of the major battles as a Lieutenant, his role in the strategy was non-existent. Following the end of the war, most of his army experience was in surveying for potential rail lines, which is how he became acquainted with Jefferson Davis, then Secretary of War in the Pierce administration, who called upon him to survey some of the planned routes for a transcontinental railroad. As a result of this contact and because he was fluent in French, he was the only American military advisor sent to cover the Crimean War and report back what he had learned and how it could be applied. Since promotion in the peacetime army was slow, he had only risen to the rank of captain. Like so many West Pointers, he resigned from the service, and given his experience with railroads and his engineering background, he was hired as chief railroad engineer for the Illinois Central at a munificent annual salary of \$10,000. As a Douglas Democrat, he was a strong supporter of the Union, and when it appeared that hostilities

would break out, he was courted by the governors of Ohio, Pennsylvania and New York to take command of the voluntary forces being raised in their states. Governor William Dennison of Ohio flattered him the most and appointed him to the temporary rank of major general in command of the Ohio volunteers. But it was through the efforts of Salmon Chase, Lincoln's Treasury Secretary, and the approval of Lieutenant General Winfield Scott that he was promoted to major general in the regular army, now second only to Scott in terms of rank within the fledgling army being assembled. At the age of 34, he had been promoted to a military position that outranked other West Point graduates who had far more experience and service in the regular army.

Newly promoted, he was responsible for the defense of Pennsylvania, Ohio, Indiana and Illinois, along with western Virginia. His first job was to secure the railroad and bring the western section of Virginia to support the Union. Serving under him was another West Pointer, Brigadier General William Rosecrans who had graduated from the military academy four years before McClellan. The military advantage lay with the forces under McClellan, not only in term of numbers (he possessed a force of volunteers of 20,000 as compared to about 10,000 from the Confederacy) but also because he faced a friendly civilian population. While Rosecrans later would complain that McClellan had failed to reinforce him, as he had promised, by throwing in his reserves, the fact that the Confederate forces in the region had been forced to retreat and vacate western Virginia overshadowed his contention. To the commanding general go the plaudits for a victory. Because the Northern press was looking for some indication that the war was on its way to being won, McClellan's defeat of the Confederate forces defending the region was blown out of proportion. And because he was relatively short in stature, some in the press spoke of him as the American Napoleon. Rosecrans, who had served under him, did not share that opinion. When in November 1861 Lincoln promoted McClellan to Scott's position of commander-in-chief of all the Union armies as well as commander of the army of the Potomac, Rosecrans was invited by McClellan to join him. Instead, Rosecrans requested a transfer to the army of the West, which he was given. Rosecrans's assessment of McClellan as a commanding general would be proven accurate once he took command of the army of the Potomac. As a commanding general who could inspire the forces under his leadership, he had no equal. What he lacked, which Napoleon possessed, was what the French describe as *l'audace* — the conviction of a general that the only thing that counts when engaged in a battle is victory. Time and again McClellan would refuse to take the risks that were the hallmark of Napoleon.

Following the adulation heaped upon him by the Northern press, he sent General Scott a letter outlining his strategy for winning the war. He proposed a well-trained and disciplined army of 80,000 men that would invade the Confederacy either through the Kawaha Valley in Virginia or through Kentucky and

Tennessee. Since Kentucky had voted to remain neutral in the forthcoming conflict, his second alternative appeared to be ridiculous since it would bring the state to join the Confederacy. Nevertheless the general answered McClellan's letter; while Scott approved of an army of 80,000 men, his concept for defeating the Confederacy was quite different. Known as the Anaconda Plan, after the South American boa constrictor snake, Scott's concept was to strangle the Confederacy by a combined naval and military strategy. He would strengthen the blockade while at the same time using a large military force to open the Mississippi River and deploying a naval force to seize New Orleans. Having cut off Texas from the Southern states, his army then would proceed to invade the states of the Deep South and cut them off from supplying the Confederate armies in Virginia and Tennessee. At the same time, with his huge manpower reserves, he could prevent Virginia and Tennessee from invading the North and Midwest. Scott's plan envisaged a war of a year-and-a-half to two years' duration.

But military men are not politicians and politicians are not military men. To Lincoln and his political advisors, the adhesion of Virginia to the Confederacy and the removal of its capital from the sleepy town of Montgomery, Alabama, to Richmond, Virginia, put a new face on the Confederacy. Such a move might lead to Britain's recognition of the new nation and put an end to the blockade. Therefore, while he approved of the blockade, he thought the major military thrust would have to be the seizure of the capital, Richmond, to bring the conflict to an end before the British government decided to recognize the Confederacy. This would mean a war of minimum duration and allow the federal government to reestablish its authority over the states that had left the Union. Lincoln had no intention of freeing the slaves; all he sought was to recreate the harmony that once existed among all the states. The President believed, unfortunately, that except for South Carolinians the majority of the population in the states of the Deep South were loyal to the Union and had been gulled by some of their leaders into seeking their independence. He underestimated the determination of the Southern population to separate their states from what they believed to be the tyranny of Northern domination. Instead of adopting the strategy of General Scott, who envisaged a somewhat longer war, Lincoln followed his own instincts, which led to a horrific war that lasted four years. The terrible irony is that it took three and a half years before Scott's plan could be implemented — when General Sherman's forces finally broke through the Confederate defenses in Tennessee and entered Georgia. It was Sherman's march through the underbelly of the Confederacy, Georgia and the Carolinas, which set the stage for Lee's unconditional surrender to General Ulysses Grant.

Jefferson Davis, on the other hand, knowing the huge disparity in manpower and war material between the opposing sides, saw a protracted defensive war as the only hope for the Confederate armies. They would have to hold on until Brit-

ain recognized the Confederacy or the North tired of the war effort and sought peace. The strategies of both presidents were predicated on the war being brief. Lincoln assumed that an army of 80,000 men would easily overwhelm any defense used by the Confederate forces; Davis was certain that if the Confederate army held onto Richmond, Britain would recognize its government and put an end to the blockade. Neither man foresaw a protracted war and mounting casualties. The longer the war lasted, the less likely either side was to concede defeat. Moreover, with its far smaller population, the Confederacy could ill afford a war of attrition. It only was in 1863, after Southern manpower had been wasted by leaving the initiative of the war in the hands of the Northern forces, that Davis allowed General Robert E. Lee to launch his major effort to bring the war to the North, resulting in the defeat of the Confederate army at the famous battle of Gettysburg. The judgment of both leaders was flawed, and the conflict dragged on interminably; the casualties incurred by both sides were horrendous.

In the spring of 1861, however, neither Lincoln nor Davis had the vaguest idea what direction the impending conflict would take. As of April 17, the day after Lincoln had issued his Proclamation, only the legislature of Virginia had announced its decision to secede from the Union and align itself with the Confederacy. The legislatures of the other Border States and North Carolina and Arkansas had yet to act. Although Claiborne Jackson, the Governor of Missouri, had joined the other governors in denouncing the Proclamation as unconstitutional, his response was viewed with a large dose of cynicism by Lincoln. Jackson was hardly the man to discuss constitutionality. As soon as the seven states of the Deep South announced the formation of a Confederate government and adopted a provisional constitution, February 8, 1861, the governor immediately sought to have Missouri join the Confederacy. Instead of bringing the decision before the Missouri legislature, he had ordered a special convention of elected delegates to make the decision. But the pro-Union sentiment was too strong and the governor's proposal was rejected. Although rebuffed, Jackson had not given up hope. He assumed that once the legislatures of Kentucky and Tennessee had voted to join the Confederacy, the sentiment in Missouri would change. When the legislatures of both states had yet to make a decision, on May 3 he announced to his legislature that Missouri would remain neutral for the foreseeable future. Claiborne Jackson spoke with a forked tongue; he was determined to use whatever power he possessed as governor to alter the attitude of the citizens of Missouri, which would lead them to join the Confederacy. On the same day he sent his letter to Lincoln, he dispatched two officers from the Missouri militia with a confidential letter to President Jefferson Davis requesting Jackson be sent several cannons and howitzers capable of penetrating the walls of the federal arsenal in St. Louis, which would enable his militia to overcome the federal troops guarding the arsenal and to seize the tens of thousands muskets and ammunition stored

there. His plan was to distribute these weapons to those citizens who shared the governor's views on secession. While the governor's scheme would seem absurd to rational people, in the wartime atmosphere that engulfed the American public in 1861, anything appeared plausible. Davis wrote back that while he wished he could send more, he would supply Jackson with what was available.

Superficially, Missouri could be viewed as a mirror image of Maryland. The economy of the southern section of Missouri was geared to the cultivation of cotton and contained the bulk of its slave population; its northern tier, which was centered around the commercial city of St. Louis, the gateway to the Mississippi River, was populated by a large number of Germans, the majority of whom had emigrated to this country following the 1848 revolutions which had swept their native land. As the first state west of the Mississippi River to be admitted to the Union, it had provoked the crisis that led to the Missouri Compromise of 1820, the first indication of the serious political and economic division of this country into two regions. It had been settlers from western Missouri who had crossed over into the neighboring Kansas territory and had attempted to establish the ersatz government at Le Compton. Unlike Maryland, the western section of Missouri bore all the trapping associated with the frontier. Kansas City, the largest metropolis in the West, was notorious for its gun slingers, saloons and open prostitution trade. In contrast to the Border States of Tennessee and Kentucky, whose voters had supported the Constitutional candidate, John Bell, one of the founders of the Whig Party in the 1860 presidential election, Missouri was the only state to cast its electoral votes for the Northern Democratic candidate, Stephen Douglas.

While Governor Jackson was determined to move Missouri to join the Confederacy, legally or not, another man was equally intent on seeing that Missouri remained in the Union. His name was Francis Blair Jr. His large German constituency in St. Louis, who had elected him to Congress first as a member of the Free Soil Party in 1852 and 1856, and then as a Republican in 1860, knew him as Frank Blair. Blair was more than just a Republican congressman in a state that was overwhelmingly Democratic; he had family connections that would enable him to thwart the worst intentions of Governor Jackson, namely President Lincoln. Not only had Lincoln appointed his brother, Montgomery Blair of Maryland, as postmaster general in his Cabinet, but his father, Francis Preston Blair, had been instrumental in getting Lincoln the Republican nomination and now was the key member of what the press referred to as Lincoln's "kitchen cabinet," the men Lincoln relied on before making a major decision. The irony, which stuck in the craw of the official members of Lincoln's cabinet, was that until 1853, when the senior Blair severed his relations with Democratic President Franklin Pierce over the issue of Kansas and hitched his political future to the nascent Republican Party, he had been a mainstay of the Jackson wing of the Democratic Party. Not only



was he a personal friend and confidant of the late president but when Andrew Jackson was elected president in 1828, Blair, a journalist, had been rewarded by being named the editor of the *Globe*, the official newspaper of the Jackson and Van Buren governments.

Missouri Governor Claiborne Jackson had his eye on the St. Louis arsenal, with its large supply of guns and ammunition; Frank Blair had his eye on it as well. Despite the secrecy surrounding Jackson's request to President Davis, word had leaked out that something was afoot that had to do with the arsenal. Nathaniel Lyon was a Connecticut farm boy who decided he preferred a military career to that of farming. He had received an appointment to West Point and graduated among the top members of his class. He had fought in the Seminole War and the Mexican War, and so distinguished himself by his bravery and initiative in the latter that he was promoted to the rank of captain. With the signing of the peace treaty he was posted to Ft. Riley in Kansas where he was supposed to maintain the peace between the warring factions in Kansas. With his Connecticut Yankee background, Lyon was a strong supporter of the Union and was known as a tough disciplinarian of the soldiers under his command. This was the kind of officer Blair required. Using his family connections, he had no problem having Captain Lyon transferred to take over the garrison guarding the arsenal. With Lyon now at his service, Blair unfolded a two-part strategy to counter any potential threat posed by the governor. First, he contacted Republican Governor Richard Yates of Illinois and requested that he send a steamboat commanded by a Union officer to remove the bulk of the weapons stored at the arsenal. The boat was anchored at night, and almost all the weapons and ammunition stored at the arsenal were removed and transferred to Alton, Illinois where they were put on a train and sent to Springfield. Since such a large shipment of arms could not be kept secret, news of the plot was picked up in the Northern press and ballyhooed as a great feat which had prevented Missouri from falling into the hands of the Confederacy. The second part of Blair's plan was to have Captain Lyon organize his German emigrant supporters into paramilitary groups armed with the weapons still remaining in the arsenal. While this was as illegal as Governor Jackson's plan to seize the facility, Blair used the excuse that the parading Germans were merely replaying their former role as the Wide Awakes, the marching groups organized by the Republicans prior to the election. At the same time, Blair was aware that Brigadier General William S. Harney, a regular army officer in command of the St. Louis district, would not countenance the use of an illegal armed force. Once again, Blair called on his well-connected sons to provide the remedy, and General Harney was transferred to Washington and replaced by newly appointed Brigadier General Nathaniel Lyon who was ordered to muster into service four regiments as well as to use his discretion in arming loyal citizens. The purported purpose for both groups of armed men was to protect public property.

Governor Jackson also was preparing to act. After announcing that Missouri would remain neutral for the foreseeable future, he still intended to seize the weapons stored in the arsenal. A few days earlier the shipment of cannons and howitzers had arrived in wooden crates consigned to him as marble. He also had called on General D. M. Frost to assemble a brigade of the state militia and post them in a position where they would be able to attack and seize the weapons in the arsenal after creating an opening with the cannons sent by Davis. But when he marched his brigade to take up that position, he discovered it already was occupied by the four regiments mustered by General Lyon along with the German civilians now under arms. General Frost was forced to select another site for the ostensible purpose of conducting military drills. Events were moving faster than any of the participants had anticipated. On May 6, news came over the telegraph wires that Arkansas had voted to secede and join the Confederacy, and on May 7 that Tennessee had voted to do the same. Under those circumstances, it was time for action. After arming the German irregulars with muskets and ammunition from the arsenal and assembling them behind two companies of regulars, on May 10 General Lyon sent an ultimatum to General Frost ordering him to surrender. General Frost might remonstrate that Camp Jackson with the American flag flying outside his camp was perfectly legal, but given the disorganized state of his militia, he had no alternative but to comply. Lyon then notified him that his 50 officers and 650 enlisted men now were prisoners of war and would be paroled once their names and ranks had been registered. After Lyon took possession of all the guns including the cannons and howitzer sent by Davis, the unarmed officers and men were marched through the streets of St. Louis to be formally registered at the arsenal as paroled prisoners of war. Meanwhile, news of the surrender and prisoners captured spread throughout the city and crowds formed to witness the event. If the band had not struck up a march to celebrate the so-called victory, the number of civilians who assembled might have been fewer. But bands are notorious for bringing out crowds and among them were women and children along with men, some of them relatives of the captured soldiers and officers. While the army regulars were disciplined and cleared a path for the prisoners by firing their guns in the air, the German irregulars, heckled and taunted by the epithets used by some in the crowds, panicked when a pistol was shot at them and returned fire blindly. By the time the prisoners reached the arsenal, several dozen people had been killed and others wounded, most of them innocent bystanders including children. That night thousands of men milled through the streets of St. Louis looking for trouble. Saloons wisely closed their doors, and men even raided gun shops looking for rifles. What happened that afternoon and night was a presage of what would soon take place — a civil war in the state of Missouri.

When news of the events of May 10 reached the members of the Missouri legislature now in session at the capital, Jefferson City, their reaction was one of



outrage. Blair and Lyon had gone too far. They had humiliated men of the state militia with most of the officers from some of the leading families in the state; they had forced a legally organized body to surrender and in the process innocent civilians had been killed. Legislators who had been pro-Union now viewed the federal government in Washington in a different light. If it intended to trample on the rights accorded to the states by the Constitution, then the republican government of the Founding Fathers had been replaced by a dictatorship. In May 1861, it would have been impossible for men sitting on either side of the aisle to imagine a four-year long conflict which would only end when the Confederacy was beaten into submission. Rational men now were carried away by emotion. If they had not convoked a special convention to make the decision on whether or not to secede, the legislators would have voted for secession at that time. Instead, they passed a bill that placed the state on a wartime footing and accorded Governor Jackson the power to act arbitrarily by giving him what amounted to a blank check. They authorized him to spend \$2 million to repel any invasion and every able-bodied man in the state was enlisted in the militia. Furthermore, the men enlisted in the militia could take orders only from officers appointed by the governor. Finally, legislation was passed that made any individual resident subject to a court martial should he publicly criticize the actions of the governor. It now appeared that Claiborne Jackson's amateur and ridiculous plan to seize the guns in the arsenal had succeeded because of its failure. In his wildest dreams, the governor never had expected such a favorable turn in circumstances.

Before recounting the events that led to a civil war in Missouri, it is necessary to place the actions taken by Lyon and Blair in perspective. The two men had not acted arbitrarily but in consultation with the President. The decision by the legislature of Arkansas to secede and join the Confederacy, while a setback, was not viewed with much alarm; but when Tennessee, the native state of Andrew Jackson, did the same the following day, this action was as much of a shock as when Virginia did so. Meanwhile the legislature of Kentucky was still in debate, and its future intentions were still up in the air. Should Kentucky decide to follow in the footsteps of Tennessee, the pressure on Missouri to join the other Border States might prove too great. The Lincoln administration had panicked. With Missouri a thousand miles away, it had no idea of the situation on the ground, other than from the communications it received from Blair and Lyon. In hindsight, it was apparent that Lyon's decision had been stupid and foolhardy, and its only accomplishment was to alienate a large percentage of the population. But now that the die had been cast, there was no turning back. Missouri would have to be held for the Union. If it meant civil war, so be it. It wasn't until May 20 that the Kentucky legislature would vote to remain neutral — on the same day that of North Carolina made the decision to secede and join the Confederacy.

On the evening of May 11, however, the legislature had adjourned and the members had returned to their homes when they were awakened by a messenger informing them that Governor Jackson had called for a special session to be held at midnight, in light of the fact that 2,000 troops from St. Louis were marching on the city with the intention of overthrowing the legitimate government. Immediately, Governor Jackson had ordered the burning of the Osage Bridge, the only means to reach the city, and the members of the legislature, all of them heavily armed with rifles and pistols, were poised to engage in combat with an imaginary enemy — since the next morning it was learned that it was only a rumor. During the night the legislature decided to remove the state's treasury and supply of gun powder to a safer location. But the news of the St. Louis affair had unexpected reverberations. As had been the case with the members of the legislature, other leading figures in the state previously pro-Union began to have second thoughts. Foremost among them was Sterling Price, considered in some circles as the state's leading citizen. A former congressman and governor who had distinguished himself in the Mexican War, he viewed the actions taken by Frank Blair in St. Louis as reprehensible and pronounced himself to be in favor of the Confederacy. Governor Jackson quickly appointed him a brigadier general in charge of the state's militia. Throughout the state men were aligning themselves with one side or the other in preparation for what appeared to be an inevitable civil war. When Lincoln was informed of the sudden turn of events, in an effort to keep the situation from taking a turn for the worse he decided to return General Harney to his command post in the hope it would restore the status quo. At the same time Lincoln sent a letter to Frank Blair giving him the authority to remove General Harney and replace him with General Lyon whenever he saw fit. The civil war which had yet to become a civil war had instead evolved into a *drôle de guerre*.

Unlike most of the war's famous generals, Harney was not a West Pointer but had risen in the ranks of the regular army. Starting as lieutenant in 1818, he had distinguished himself in the Seminole and Blackhawk wars as well as the Mexican War where he served as a colonel under General Winfield Scott, also a product of the regular army. He was one of the few American officers who went out of his way to get along with the Native Americans whom he engaged in wars in Florida and in fighting the Sioux as well as when he was posted to Oregon. Prior to the war he was one of four generals in the regular army. When Harney was returned to St. Louis to resume his former command he was determined to keep the peace. He negotiated a treaty with General Price to maintain it and consulted with Governor Jackson to insure that he was in accord. But Frank Blair viewed the situation differently. To him the treaty only would serve the interests of Jackson and Price by giving them the time to organize the militia into an effective fighting force. He also was disturbed that Harney had advised him to disband the unauthorized German militia which he refused to do contending they had been

organized legitimately. While Lincoln had expressed reservations both before and after writing the letter and later would admit that he had committed a serious error in removing Harney, it was the elder Blair who had convinced him of its necessity. On May 30, Blair found the excuse to remove General Harney from his command claiming that troops from neighboring Arkansas were on their way to reinforce General Price. He presented General Harney with the letter from Lincoln and once again Harney was returned to Washington and General Lyon replaced him.

Where Frank Blair was a man of conviction and was determined to use any means to prevent Missouri from allying with the Confederacy, Governor Jackson was almost the opposite. He would have preferred Missouri to ally itself with the fortunes of the Confederacy but he was unwilling to implement his wishes. While the legislature had voted him the funds and provided him with the authority to create a strong militia, the only action he had taken to execute its directives was to appoint Sterling Price a brigadier general in command of the militia. With General Harney once again in command of the federal forces, he assumed that the threat posed by the Blair-Lyon forces had disappeared. In his mind it no longer was incumbent upon him to fulfill the powers the legislature had granted him. It was only a month later when Harney had been cashiered for a second time and once again replaced by General Lyon that he realized how weak his military position was. He and General Price called for a meeting with General Lyon in the hope of arriving at a truce. What he proposed was a temporary division of the state between the armed forces under the command of General Lyon and the state militia under General Price, with both sides respecting each other's territorial authority. After several hours of fruitless discussion it became apparent to General Price that Lyon had no intention of maintaining the status quo. Instead Lyon made clear to both men that his aim was to restore Missouri to the authority of the federal government. On June 14, three days after the aborted meeting, Governor Jackson issued a proclamation to the citizens of Missouri informing them that the federal government was attempting to reduce the state to the status of Maryland and finally issuing a call for the arming of 50,000 members of the militia to defend the sanctity of the state. His rhetoric was meaningless when confronted with a powerful military force. While Jackson was writing his proclamation, an armed force of 10,000 men, some army regulars, others composed of the German irregulars, was marching on the capital, Jefferson City. With no military force to defend it, the Governor and the legislators abandoned the city. At the small town of Boonville, some members of the militia would attempt to make a futile stand and were overwhelmed by a superior force.

Governor Jackson and his supporters fled to southwestern Missouri. The struggle for control of Missouri was far from over. Confederate forces from Arkansas and Texas were sent to reinforce the remnants of the Missouri militia. It

was at this moment that John Fremont, the first Republican candidate for president, returned from Europe with his wife Jesse, the favorite daughter of the legendary Senator Thomas Hart Benton of Missouri. Benton was the first man to have served five consecutive terms in the US Senate. His views changed on the issue of slavery and he became an opponent of the institution. It was because of this relationship to the famous Missourian that Lincoln offered Fremont the command of the western district of the Union army, which included Missouri, and appointed him a major general. Like most political appointees, Fremont's military experience was limited; but given his political standing in the Republican Party as its first presidential candidate and the fact that he was an ardent Abolitionist, Lincoln had no alternative. Fremont might be a great explorer but his only military experience was when he led a group of Americans against Mexicans defending the Presidio in San Francisco, and the Mexican garrison immediately surrendered. Determined to make a reputation as a great military commander, and against the advice of General Lyon who wanted to wait for reinforcements, Fremont ordered Lyon to launch an attack on the far larger Confederate army assembled at Wilson's Creek on August 10. In the ensuing battle not only was the Union army defeated but General Lyon was killed in an effort to save the remnants of his army. Furious at this setback to his prestige as a military commander, he issued an edict that freed all the slaves in the state and called for the hanging of any secessionist. Fearful that such an edict might bring Kentucky into the war on the side of the Confederacy, Lincoln asked Fremont to modify the edict. Instead of obeying the orders of his commanding officer, he sent his wife Jesse to Washington to plead his case. Lincoln now realized that Fremont intended to run his own war; he relieved him of his command and transferred him to command of the Union forces fighting General Stonewall Jackson in the Shenandoah Valley. Suffering one defeat after another, although the forces available to him were far larger than those of Jackson, he resigned from the army. Fremont blamed his removal from the command in Missouri on the machinations of Frank Blair. When the Abolitionist wing of the Republicans nominated Fremont as the presidential candidate for the Republican Party, the price for his resignation from the candidacy was the removal of Montgomery Blair from the cabinet. Once Lincoln agreed to this demand, Fremont dropped his candidacy.

Throughout the conflict, Lincoln would refer to it as a civil war when in fact the only civil wars occurred in the Border States. Although there was opposition to the act of secession in the seven states of the Deep South, once the decision had been made every one rallied around the Stars and Bars and continued to support the war effort until Lee's surrender. Lincoln's decision to issue the Emancipation Proclamation following the horrendous casualties suffered by both sides in the Battle of Antietam, was a last ditch effort on his part to have the seceding states return to the Union: the Proclamation was meaningless unless ratified by

two thirds of Congress and three fourths of the states, an impossibility if the seceding states did not return to the Union. Lincoln's Proclamation was aimed at the financial interests of the establishments of the seceding states. Almost all their wealth was tied up in the value of their slaves. The Emancipation Proclamation did not apply to those states that remained loyal to the Union, which included western Virginia and eastern Tennessee now under the control of the Union armies. Lincoln's ploy failed because the Confederate states had suffered too many casualties to abandon the struggle. But, the Proclamation did dissuade the French and British from recognizing the Confederacy.

## CHAPTER 2. WHY THE WAR LASTED FOUR YEARS

In describing the four-year long conflict, historians tend to focus on the series of battles that occurred while the war dragged on, as though they played a significant role in the final outcome. Historians also concentrate on the tactics employed by the generals on both sides, but they never give serious attention to why the war lasted four years. This omission is due in a large part because the war would appear to be less dramatic if it was discussed as nothing more than a war of attrition, as was the case with the First World War. In fact, that was the course the war took. While some are want to believe that Gettysburg was the turning point in the conflict, the war did continue for more than another year and a half, and as late in the conflict as February 1865, two months before Lee surrendered at Appomattox, Lincoln did send the elder Blair to see if a peace could be negotiated. That the secret meeting produced no results is beside the point as is Lincoln's rationale for wanting to bring the war to an close when it was obvious that Lee's army was at the end of its rope. More than any other factor, and there were a number of them, especially Lincoln's wish to reintegrate the Confederate states back into the Union with the least number of post-war problems, was the senseless bloodshed which continued unabated until the very end. While there was no official count of the number of dead at that time, it was clear that the final tally would be as horrendous as it turned out to be. More than 600,000 dead or more Americans killed than in all wars before and since then.

To the millions of men and some women who still remain enamored of the war, removing the glamour and heroics of the conflict might appear as a denigration of the nation's history. Nevertheless it is a fact that neither side believed or contemplated a war of such long duration, which explains to a large part why it lasted as long as it did. The end always was around the corner but the corner

never was turned. Before discussing the details of why the war was as protracted as it was, it is necessary to understand certain basic facts. To start with, neither side was prepared for war. The nation's regular army, small as it was, was spread out in the West, which meant that the men mustered into service, eager volunteers or members of the various state militias, at the onset of the conflict were totally untrained and unprepared for combat. While many were experienced with the use of a musket, none of them had faced the deadly fire of cannons or were ready for war's psychological effect on novice soldiers. There is no better example of the difference between a trained and seasoned soldier and a volunteer than the decision of General Zachary Taylor to resign from his successful campaign in the Mexican War rather than pursue the enemy with a force of volunteers. Once his superior officer, General Winfield Scott, ordered him to turn over the regular army troops in his command for the invasion of Mexico by sea, as far as Taylor was concerned it was fruitless for him to continue his already successful campaign. Until then, Taylor's small army of 5,000 men was more than capable of defeating far larger bodies of Mexican soldiers. Even Scott's army of 15,000 men, the majority of whom were volunteers, never would have been successful but for the veteran volunteers Taylor had sent him. But the basic element missing in both the Union and Confederate armies was a corps of well-trained non-commissioned and junior officers, a requisite for any army. These were the men who inspired and held the troops together, and as the war progressed each side soon learned to single out junior officers as their targets. The first battle of Bull Run serves as a case study of an army in the process of disintegration. With no experienced junior officers to control them, platoons and companies of men melted away into individuals running away in the hope of saving their lives instead of forming an orderly retreat. A prime reason for their unfitness to command was that all too often, and especially in the militia, they were chosen by their fellow soldiers because of their popularity or because they were men of means. What was missing from General Irwin McDowell's army at Bull Run was discipline. Unlike their European counterparts, Americans took pride in their attitude of independence. Of all the generals who fought on either side of the war, only Thomas "Stonewall" Jackson was able to inculcate his troops with the concept of unswerving discipline. Jackson had acquired his nickname at the first battle of Bull Run when another officer pointed to him as standing as firm as a stone wall. Jackson's retort was that it was not he that was standing like a stone wall but the troops under his command. Although he was considered to be an obsessive tyrant, his relatively small force of men was able to defeat far larger bodies of Union troops. To those who espoused the Confederate cause, his accidental death was considered to be the most tragic loss suffered by the Confederacy.

Last but certainly not least were the generals who developed the strategy and tactics used in the battles. Most of these leaders on both sides were West Point

graduates who had no previous experience in leading large masses of troops. The only knowledge they possessed was derived from textbooks that covered the Napoleonic wars. McDowell for example had chosen to follow Napoleon's strategy used at the battle of Austerlitz, which he believed to be nothing more than an attempt to outflank the enemy on the left thereby getting behind his lines. General P. G. T. Beauregard, who had studied from the same textbook, chose to outflank McDowell's army on the right. At the same time General Robert Patterson, the other Union commander, was to engage the Confederate forces under General J. E. Johnston to prevent him from coming to the aid of Beauregard. But Patterson's commander failed to give him the order to proceed, and Johnston's forces were able to arrive on the scene and turn a potential victory into a rout. Outflanking an enemy's forces was standard military strategy but it had nothing to do with Napoleon's strategy at Austerlitz. In fact, Napoleon's strategy at Austerlitz was the opposite of that attempted by McDowell and Beauregard. Since the armies facing each other were about equal in numbers, including cavalry and artillery, Napoleon's plan was to allow the Russian and Austrian armies to believe his forces could be outflanked on the right, thereby weakening their center. Once the center was broken through, the left and right sides of the combined forces were both vulnerable and trapped in a vise.

Set aside that the textbook studied by both generals was wrong in detailing Napoleon's strategy. The Grand Army of Napoleon and the armies of the Austrians and Russians he faced were far larger and composed of battle-seasoned officers and enlisted men, which both McDowell and Beauregard lacked. Nor could McDowell be blamed for the failure. He was well aware that the troops and junior officers under his command never had participated in battle before and were not properly trained. But Lincoln's response was that the Confederate forces he would face were just as green and inexperienced as the Union forces. Given that to be the case, as it proved to be, what Lincoln failed to take into account was what could happen if McDowell's army should be defeated. Green soldiers led by green junior officers are incapable of effectuating an orderly retreat. Stonewall Jackson was correct when he asked President Davis to give him 5,000 fresh troops so he could seize Washington. And the forces he requested were available. First Davis seemed prepared to accede to his request but finally turned him down. Some military historians contend there were enough troops still in the nation's capital to prevent Jackson from crossing the bridges into the city. But an army in rout, such as McDowell's army was, if actively pursued by fresh forces, is more than likely to surrender rather than be killed. Furthermore, those who managed to escape and reach Washington would be in a state of panic and confusion, both of which are contagious. Under those circumstances and given what is known about Jackson as an inspirational leader of men, the odds would have favored Jackson's success. Lincoln, on the other hand, never would forget



how vulnerable the capital had been at that time. When McClellan requested the use of the 40,000 reserves he had left behind to guard Washington, Lincoln turned him down. The protracted war bore witness to a number of “what ifs,” which is one of the reasons why it lasted for four years.

If the West Pointers who became the leading generals on both sides during the long conflict often resorted to textbook knowledge to develop their plans, it was because they had no other recourse. Thrust into the roles of leading large bodies of troops, for which they possessed no previous experience, it was natural to seek some form of guidance. But as the war continued and they became accustomed to their new role, they soon realized they would have to rely on their own judgment and instincts if they were to succeed. Their major problem, however, was the political pressure placed on them. This was particularly true for the Northern generals who because of the superiority in the number of troops available to them were expected to win the war. Winning the war in Lincoln’s mind was to capture the capital of the Confederacy, Richmond. If there was one single factor which could explain why the war lasted four years it would have to be Lincoln’s obsession that the seizure of Richmond was the primary goal of the military effort to win the war. He had rejected Scott’s military plan to concentrate the Union forces on opening up the Mississippi River. But he did agree with Scott’s naval strategy of a strict blockade of all the ports and the seizure of New Orleans. On April 28, 1862, after sailing past Forts Morgan and Jackson and defeating the Confederate flotilla, soon to be Vice-Admiral David Farragut captured the city, and on May 1, General Benjamin Butler and his troops took it over. The occupation of New Orleans, a city thought impregnable, had the potential to alter the conduct of the war. It now was possible to open a third front and invade the soft underbelly of the Confederacy and force it to divide its forces to protect its interior. With Farragut in control of the waters in the Gulf of Mexico, a large number of troops could be shipped from the Northern states and a full scale invasion launched into neighboring Mississippi. Vicksburg, which Grant didn’t force to surrender until July 4, 1863, cut Texas off from the Confederacy; otherwise, Texas could have been occupied a year earlier. Now forced to fight a war on three fronts, the Confederacy found its resources, both in terms of manpower and war material, stretched to the breaking point.

Lincoln, however, was fixated on the surrender of Richmond, and nothing could change his mind. There were a number of reasons why Lincoln rejected any alternative strategy. First was his assumption that the capture of Richmond would put an end to the war. Equally important, it would convince Great Britain that the cause of the Confederacy was doomed and prevent recognition of its government. It also would convince the people of Virginia that continuing the conflict was fruitless, and once Virginia left the Confederacy, its government would collapse. Since Richmond was only 100 miles from Washington, the dis-

tance was no deterrent. A major reason why Lincoln adopted this rationale was that in European wars the capture of the enemy's capital resulted in its capitulation. As a result he was blind to any other option. Given the North's superiority in manpower, once he found the right general, his concept of strategy would succeed. Part of the reason for his short sightedness was his dependence on his new Secretary of War, Edwin M. Stanton, who had replaced Simon Cameron, who was so blatantly corrupt that a fellow Pennsylvanian, the soon-to-become-famous Thaddeus Stevens, remarked: "Cameron will steal anything but a red hot stove." As a result, Stanton assumed more power than was usually associated with a Secretary of War and was the bane of the generals Lincoln continued to appoint, until he finally settled on Grant. All of them: McDowell, McClellan, Pope, Halleck, Burnside, Meade as well as Grant were West Pointers, and Stanton suspected that because their classmates were serving the cause of the Confederacy, the West Point relationship tended to make them sympathetic towards the South. As a result, Stanton, a very successful Washington lawyer and the only Democrat in Lincoln's cabinet, tried to undermine them by exaggerating their failings to Lincoln. In addition to alienating the generals, he also was suspect in the eyes of the other members of Lincoln's cabinet since as a Democrat he had served as Secretary of War in the final days of the Buchanan administration. But the President remained firmly convinced that Stanton was necessary if the Union was to win the war. Even though Stanton asked to be appointed to the Supreme Court upon the death of Chief Justice Roger Taney in 1864, Lincoln turned him down and named Salmon Chase, his Secretary of the Treasury, instead. Lincoln was convinced that Stanton was the best Secretary of War he could find because not only was he honest but he was in total agreement with Lincoln's strategy for winning the war. When viewed in that sense, Stanton helped prolong the war.

There were a number of other factors that insured a long and protracted war. The fact that most of the war was fought on the home turf of Virginia and Tennessee provided the incentive for soldiers from those states to fight to the bitter end since they were defending their kith and kin as well as the lands they farmed. While Negroes in the border states of Virginia and Tennessee upon learning of the Emancipation Proclamation deserted their farms whenever possible for the protection of the Union forces, those Negroes in the states of the Deep South were oblivious to the Proclamation and continued to labor for their masters throughout the war, which enabled those states to furnish the food to maintain the Confederate armies in the field. What sustained the morale of the Confederate soldiers in the face of one defeat after another was that mystical intangible known as "the cause." The cause was the Southern way of life as distinguished from that of the Yankee. If you asked the average Confederate soldier to define the cause he would have given you a blank stare. It was impossible for those born in the South to put their emotions in words. This is what W. J. Cash in *The Mind*

*of the South* meant when he characterized the average white male Southerner as romantic. The cause was the preservation of the world he knew, and since he knew nothing else, he magnified its value. Although thousands did desert when the cause appeared hopeless, most remained until the final surrender.

In the final analysis, the fundamental reason why the war was so protracted had to be laid at the doorstep of Lincoln, the Commander-in-Chief of the Union's armed forces. No other president took upon himself the strategy for winning a war. In the Mexican War, although Generals Zachary Taylor and Winfield Scott were Whigs, Democratic President Polk left the conduct of the war in their hands. The same held true for the Spanish-American War, the First World War and the Second World War. Even a hands-on president like FDR left the strategy of winning the war in the capable hands of his Army Chief of Staff, George C. Marshall. Since the North prevailed eventually, Lincoln's failed strategy in directing the war has been overlooked. Most historians credit him with having won the war by his steadfastness. The more than 600,000 dead are a testimony to his perseverance.

### CHAPTER 3. THE IMMEDIATE AFTERMATH OF THE WAR

A century and a half later, it is impossible to comprehend the mindset of the defeated South. Compounding the disaster that surrounded those still alive — the senseless loss of lives and limbs; the physical damage to property; the presence of Northern troops as an occupying force; the liberation of its slaves; and its financial ruin — was the emotional drain on its residents, which left them in a catatonic state. For four years Southerners had been prisoners of a fantasy: the bravery and courage of the white Southern male would prevail over all the odds for failure; if cotton was King, the cotton mills in England would force the British government to recognize the new nation. What could the civilian population say to the returning veterans who were as mute as those who welcomed them home? If the rebellion had been in vain, then who was responsible: the leadership of the Confederacy or those who supported them? Mixed in with these doubts was a certain pride. Against all odds, Southern manhood had been able to keep the enemy at bay for four years. The South may have lost the war, but it would rise again. But these were nothing more than empty words. The states of the former Confederacy now were prisoners of a war they had initiated. Their future, now that Lincoln was dead, lay in the hands of a Southern president who had supported the enemy and a Republican Congress determined to punish the South.

There wasn't much left to punish unless it was the individuals whom most Northerners held responsible for the act of secession. The more than 3.5 million emancipated slaves, most of them illiterate and living amongst a white population filled with bitterness over its defeat and humiliation, were a burden rather than an asset. As for the white population which had remained at home, those too young or too old to fight, their future was as bleak as that of the veterans who survived the war. The South was bankrupt; its currency worthless and its

morale broken. Federal troops, including companies of Negro soldiers, patrolled the cities and towns. The freed slaves gamboled about unworried about their future because the federal troops and the Freedmen Societies created by the federal government were there to feed and protect them. A large segment of the South's arable land had been destroyed during the war, and the tools used for farming had rusted. Now that Lincoln was dead, and with his passing the hopes for a relatively easy reintegration into the Union, the remnants of the former Southern establishment had no idea of their future. Members of Congress were openly speaking about hanging all the former leaders of the Confederacy, along with their major military officers; there were even some who spoke of appropriating all of their properties and turning them over to the newly liberated slaves. One thing was certain. There would be no Marshall Plan for the rehabilitation of the South. Those who had brought on the war would have to pay for it.

The Southern establishment knew they would face a hostile Republican Congress. The unknown factor was the new president Andrew Johnson, a Southern Democrat from eastern Tennessee who had been added to the newly-named Union Party ticket in an effort to capture Northern Democratic votes in the presidential election of 1864. In summer of 1864, when the Republican convention met to re-nominate Lincoln, the prospects for his reelection were not good. Even less favorable were the prospects for ending the war. There was dissatisfaction with Lincoln's conduct of the war; General Sherman was still bogged down fighting in Tennessee; General Grant, moved to the eastern front, was unable to make a dent in Lee's defensive lines; the Democrats had yet to nominate the popular Democratic General George B. McClellan, whom Lincoln had cashiered. But the worst news of all was that a week before the Republicans met in Baltimore, the Radical Republicans held their own convention in Cleveland and nominated General John Fremont, the 1856 Republican standard bearer, as their presidential candidate under the new party name of Radical Republicans. The Republican Party, barely a decade old, had splintered over the future of the South. Where Lincoln sought to reintegrate the Southern states into the Union once they accepted that their slaves were freed, the Radical Republicans in their convention platform not only demanded the manumission of the Negroes but insisted they be given all the rights of any citizen except that of suffrage. However, the most controversial item in their platform was the confiscation of all the properties of the large slaveholders, giving these parcels to the slaves who had labored on these lands. Although John Fremont opposed this plank, it was adopted at the convention. It was only with the surrender of Atlanta on September 7, 1864 that the Radical Republicans concluded that Lincoln would win reelection and their opposition was fruitless. As previously noted, Fremont withdrew his candidacy in exchange for exacting his revenge against the Blair family. In July 1864 the Radical Republicans passed the Wade-Davis Bill. While Lincoln sought to heal the wounds

caused by the war by integrating the secessionist states into the Union as quickly as possible, the hardliners viewed the Southerners of the Confederacy as traitors and were determined to punish them. Lincoln's plan was feasible, calling for only ten percent of the voters in the 1860 presidential election to petition for readmission to the Union, providing they took an oath to support the Constitution, drew up a new state Constitution that banned slavery forever, and were prepared to accept the Negro as a human being. The Wade-Davis Bill called for 50 percent of the voters in the state to swear to such an oath and excluded those who had served in the Confederate army. Where provisional governments already existed in Louisiana, Arkansas and Tennessee, under the Wade-Davis Bill they would be illegal. The Wade-Davis legislation not only was unreasonable, it was impractical if the former states of the Confederacy were to rejoin the Union. Lincoln pocket vetoed the bill.

The Radical Republicans and those who supported their agenda while the war still was being waged never constituted more than a minority within the Republican Party. The passage of the Wade-Davis bill and their effort to promote an alternative candidate to Lincoln were symptoms of the frustration that dominated the party in power as well as the Northern public in general. The ever growing number of casualties and the absence of any sign of the war coming to an end served to accentuate their distrust of Lincoln as a wartime leader and to intensify their hatred for the enemy. Once it became apparent that the war was entering its final stage, the moderate Republican majority in Congress abandoned the Radicals and their program for rehabilitating the rebellious states. Lincoln was at the height of his popularity, and the Republican majority in Congress, which had been elected on his coattails, was prepared to support his plan for reintegrating the former states of the Confederacy when he was assassinated. With Andrew Johnson now sworn in as the seventeenth president, it was a time of wait to see if he was prepared to continue Lincoln's policy or initiate his own.

So the former illiterate tailor, the self-made man who had pulled himself up by his own bootstraps, now sat in the White House. The Radical Republicans in Congress were overjoyed. In place of Lincoln the conciliator, there was Andrew Johnson, relatively unknown to the public, with a visceral hatred of the Southern oligarchy which he blamed for initiating the conflict. In their enthusiasm for Lincoln's departure from the political scene, they managed to overlook two small blemishes in their newly crowned hero. First, as the successor to Lincoln, he felt obliged to carry out the presidential policies as Lincoln would have done if he still were alive; second, although Johnson despised the South's upper classes and their attitudes and affectations, he still saw himself as a Democrat and not a Republican. He was against high tariffs and for cheap money. He was a Populist before his time: he had sponsored a Homestead Act when he served as a representative of his district in the Tennessee legislature. His heroes were Jefferson and

Jackson when their ideas coincided with his own. Therein lay the fundamental weakness of Johnson as a politician. Like Jackson, there would be no room for compromise: the voters threw Johnson out of his elected office when he voted against using state funds to construct roads for his district. Johnson could be as stubborn as a deaf, dumb and blind Southern mule.

To quote Shakespeare, "wishers were ever fools." Thaddeus Stevens, the leader of the Radical Republicans in the House, and Charles Sumner, his counterpart in the Senate, were convinced after several conversations with the new president that he saw eye to eye with them on the future of the defeated Southern states. Their false assumptions were based on nothing more than his willingness to listen to their objectives without criticizing them or presenting his own alternatives. Neither of them recognized nor understood that this was Johnson's technique for disarming potential opponents to the policies he intended to initiate. With Congress soon to be adjourned until the beginning of December, the fate of the former Confederate states would come under the province of the executive branch of government. To the Radical Republicans now that they no longer would have to contend with Lincoln, who had the confidence and support of the public, the task of reintegrating these rebel states back into the Union would fall under the purview of Congress. One thing was clearly apparent to the congressional leaders of the Republican Party. If the Southern oligarchs that had precipitated the secession were to return to power, given the bitterness incurred by their defeat they would constitute a solid Democratic bloc, which in conjunction with some Northern Democratic states, would have the votes to take over the presidency and the Congress. The Republicans' goal was an alliance with Southern Whigs and hopefully the newly enfranchised Negroes. Every action taken by the Republican congressional party during the period referred to as Reconstruction was designed to prevent the South from forming a solid electoral bloc around the Democratic Party. There were two fundamental errors in their projection for the future of their party. As a result of the four-year-long war and the repeal of slavery, remnants of the Southern branch of the Whig Party no longer existed; and once the former states of the Confederacy had been readmitted to the Union, the now freed Negroes would be reduced to the state of second class citizens.

The man who espoused this concept more than any other figure in Congress was Thaddeus Stevens of Pennsylvania, the leader of the Radical Republicans in the House of Representatives, and deemed to be the most honest man in the Congress. He was determined to break the Democratic monopoly in the Southern states. To accomplish this end would require extending the ballot to the newly freed Negro. On the other hand there was nothing duplicitous in his attitude towards the Negro. Stevens was sincere in his belief that the Negro, once given the same opportunity as a white, was his equal. Stevens, who had been admitted to the bar in Maryland, soon left the state for Pennsylvania, on seeing the horrors of

the slave auctions. A member of the state legislature, he was elected to Congress as a Whig in 1849 and served until 1853. During his brief tenure he followed the Whig philosophy of high tariffs, a national bank, internal improvements, and free education. Throughout his life Stevens was a man who saw things in terms of black and white. In the same way that he espoused the Whig philosophy, hook, line and sinker, he had a hatred for Jackson Democrats, Masons and above all slaveholders. Defeated for reelection to Congress in 1853, he returned as a Republican in 1859 and served until his death in 1868. Stevens was not a man to be trifled with when it came to debate in the House. His corrosive tongue, his invective, his withering sarcasms cowed his fellow Republican representatives. Elected to the chairmanship of the powerful House Ways and Means Committee, he then moved on to the chairmanship of the equally powerful House Appropriations Committee. To his Democratic opponents he was Robespierre without the guillotine although he would have gladly used it on the members of the Southern oligarchy who had led the secession. A bachelor all of his life, he maintained a female colored housekeeper which gave rise to scurrilous rumors that she was his mistress, albeit she was married. To Stevens there were two solutions to keeping the South from falling into the clutches of the Democratic Party. First, the civilian and military leaders who had led the insurrection should be barred forever from holding state or federal office. Second, and equally important, the estates of the landed gentry should be confiscated and turned over to the slaves who were responsible for the wealth they produced. In turn, once given their own land to cultivate, the more than 3.5 million Negroes in the South should be given the right to vote and would become the bulwark of the Republican Party which would enable it to maintain its power for the foreseeable future. As the leader of the radical Republicans in the House, he did not look favorably on President Lincoln. To Stevens, Lincoln's second Inaugural address to the nation was a travesty when he spoke of: "with malice toward none, with charity for all." More than 360,000 Union soldiers had lost their lives during the four years of the conflict without counting the tens of thousands who had been permanently maimed or wounded. The "bloody red shirt" would become the slogan of the Republicans throughout the nineteenth century. With most of the 2,500,000 veterans of the Grand Old Army now returned to civilian life, it would prove highly effective in maintaining the Republicans in power.

Lincoln's concept of restoring the seceding states to the Union as soon as possible was anathema to Stevens. Once Lincoln had been reelected and the war was won, and Lincoln had proposed readmitting Tennessee, Louisiana and Arkansas back into the Union provided ten percent of the population took an oath to support the Union, the Radical Republicans were up in arms. Not only was Lincoln's plan considered to be heretical, it also meant that these states would be able to send six Democratic senators to Congress. This was the rationale behind their



unrestrained enthusiasm for the elevation of Johnson to the presidency. The leaders of the radical wing of the Republicans and their supporters in the press were absolutely convinced that the ascendancy of Andrew Johnson to the presidency was a guarantee that the program they desired for the defeated South would be carried out. Under those circumstances, a head-on clash was inevitable.

Upon what in Johnson's past history did they base their misjudgment? Unlike the Southern aristocrats who had led the secession, he was truly a man of the common people. Even more so than Lincoln, he had been born into dire poverty. His father had died when he was very young, leaving his mother to support two sons by taking in laundry and sewing. As a child living in Raleigh, North Carolina, he had absolutely no schooling and was illiterate. At a very young age he and his brother were apprenticed to a tailor; after several years, the two of them ran away to South Carolina. Meanwhile his mother had remarried a worthless man. Finding no work in South Carolina, the two boys had returned to Raleigh only to be rejected by their former employer. Seeing no future in Raleigh, the two boys, along with their mother and her new husband, set out in a cart drawn by a blind horse for eastern Tennessee. After a brief stay in a small village, the family moved on to a larger town, Greenville, where Andrew set up a tailor shop. Andrew married, and his wife produced three sons and three daughters. More importantly, his wife, who was semi-literate, began to teach him letters and numbers and eventually how to read and write. The people of Greenville and eastern Tennessee were independent yeomen, artisans and mechanics, Jefferson's salt of the earth. Little by little, Andrew Johnson began to prosper in a modest way. Soon he was able to hire two assistants, and while he was working, he would have people read to him. On Friday night he would walk four miles to partake in a local debating society. As was the case with Lincoln, Andrew Johnson was no ordinary man. He craved power and recognition, and after being appointed an alderman, he was elected mayor and then moved on to the state legislature. When he arrived in the state legislature Johnson became aware of two things. Most of the other legislators were people of means — either members of the large scale planting class, the so-called aristocrats of the South, and the lawyers who represented them; and, the opposition party, the Whigs, held views on government that were diametrically opposed to those of his heroes, with the exception of slavery. Like Thaddeus Stevens, the Southern Whigs were in favor of a strong national government, a national bank and the federal government subsidizing roads and canals. Johnson may have been a great stump speaker, with a certain charisma which appealed to the common man, but he had yet to comprehend the difference between the state sponsoring internal improvements, which was fundamental to the political beliefs of the Democratic Party, and the federal government paying for these amenities. But he did exhibit his desire to have opportunities opened up for the poor. While serving in the Tennessee legislature he sponsored and pushed through that

House the first Homestead Act, only to have it killed in the Tennessee Senate. Johnson would soon learn the error of his ways when it came to internal improvements, but he never would forget the manner in which the ruling class looked down upon him. Out of his experiences in the legislature was to remain a deep-seated hatred for the Southern elite — a hatred that was to dominate his life.

Having mended his ways as far as his constituents were concerned, Johnson moved up the political ladder and was elected to Congress where he served five terms before his district was Gerrymandered by the Whig legislature, which supposedly left him out in the political cold. While he resented those who believed themselves to be his superior, he did learn from them. The lowly tailor, the man of the people, soon learned that the road to economic security was investment in lands and bonds. He took advantage of the insider knowledge he gained as a legislator; as a result he became a man of means, constructing a large brick house in Greenville for his large family. Despite his new-found prosperity, without politics Johnson was a lost soul. Unlike Thaddeus Stevens and Lincoln who maintained law practices once they were defeated for office, he was not about to return to his tailor shop in Greenville. Except for his family he was a man completely devoid of outside interests. Where Stevens could relax by gambling and Lincoln enjoyed the company of other men while traveling the judicial circuit, Johnson was a loner. In all his years in public life he had developed but one friend and confidant, Preston King. He was a man of the people, but from a distance. He represented their interests but had no interest in them. Historians seeking to gain an insight into Johnson during his early political career are stymied by the fact that there are no letters, diaries, or written recollections by contemporaries. Johnson, until he became wartime governor of eastern Tennessee, and later vice president and president, left no paper trail. Until he was sworn in as president, all the country knew about him was during his swearing in as vice president; when delivering his acceptance speech he appeared to be drunk; since the words he spoke were so garbled and senseless that no other explanation made sense. Actually, he was tipsy as a result of feeling ill and compounding it by taking a few large shots of whiskey.

Johnson was an anomaly in American politics. He had changed his means of gaining a living from that of a tailor to that of a politician and he had used his new position to enrich himself so he no longer had to be a tailor. Because of his impoverished background, he was insecure, and he transferred that insecurity into blind hatred. His dogged obstinacy, his refusal to compromise, his certainty that he was right in his own judgment — all were reflected in the political positions he held prior to gaining the presidency upon Lincoln's death. During his two terms as governor of Tennessee, the only major legislation that he was able to have adopted by the legislature was a bill authorizing public school education. To Johnson he was the governor of the common man. As in the case of Andrew

Jackson, one of his idols, he held in contempt those politicians who made common cause with the Southern aristocracy or worse yet, actually represented them. When Jackson made the decision not to renew the charter of the Bank of the United States, over the objection of the Senate, he was censured by that body for removing the Secretary of the Treasury who would not follow his instructions. Ironically enough, when the Republican Congress attempted to impeach Johnson, nine of the 11 charges brought against him referred to the Tenure of Office Act, passed by Congress, which forbade the president to remove any member of his cabinet without the approval of the Senate.

The fundamental flaw in Johnson's approach to politics was that he viewed himself as following in the footsteps President Jackson. As was the case with Jackson, he envisioned himself as the representative of the people and their voices, as opposed to the members of Congress which represented special interests. What Johnson failed to take into account was that there was nothing heroic in his past, nor did he have the charisma of a Jackson. To the public at large, Jackson was only one of them in his origins. Starting with nothing he had advanced himself through his military prowess. Nothing endeared him more to the common American than his stunning victory over the military might of the British at New Orleans. No one, not even George Washington, had single handedly, without any outside help, twisted the British Lion's tail and sent the British army and navy scurrying from the battlefield with its vaunted reputation in tatters. Coming on the heels of the aborted American attempt to invade Canada and the ignominious American retreat from its nation's capital, which the British burned, Jackson's victory restored America's pride in itself. There was nothing comparable in Johnson's record. Yes, like Jackson, he was for the people, but outside of eastern Tennessee, who knew or cared? Unlike Jackson, he had no reputation for physical bravery over and beyond what any normal man would undertake. If Johnson was deluded in picturing himself as another Jackson, rallying the common people to his side, the fundamental mistake made by the radical wing of the Republicans with respect to Johnson was that he was a Southerner. Like most Southerners of means he owned a family of household slaves. His opinions about the Negro were not shaped by the Southern aristocracy but by the common white folk of Tennessee. Nor was his opinion much different from those held by whites in the Northern and western states. Negroes, whether free or slave, were barred from entering the states of Indiana, Illinois and Iowa. Except for Massachusetts, which had a Negro population of 10,000, their numbers in the other New England states were minimal. Only in these states were they guaranteed the right to vote. When the Radical Republican Senator Ben Wade of Ohio insisted that the Negro have the right of suffrage in the conquered Southern states, they rebutted, asking why the Negro did not have the right to vote in his own state of Ohio. Indeed, Johnson's attitude as a Southerner was not that far removed from those who championed

their cause in the Republican Senate. The difference, of course, was that in the North, at that time, the Republicans had no need of the Negro vote to be elected. If the Party was to make inroads in the South, however, the Negro vote was a necessity. The Radical Republicans initial enthusiasm for Johnson was based on the false premise that he could be used to attain their political end — a strong Republican Party in the South. Johnson, however, was a big D Democrat.

That the Radical Republicans misunderstood Johnson's real motives could be ascribed to ignorance. Little did they realize that in the 1860 Democratic convention held in Charleston, South Carolina, Johnson had dispatched his two sons to promote his candidacy for either the presidential or vice presidential nomination. When the Democratic Party split in two at that convention, with the Southerners nominating Breckenridge and the Northern wing of the party nominating Stephen Douglas, Johnson's potential candidacy was left out in the cold. On the other hand, when the Tennessee legislature voted for secession, Johnson was the only member of Congress from that state who did not resign his post but stayed on as a senator. When Lincoln appointed him as military governor of that part of the state that had been liberated by Union troops, Johnson reciprocated this honor by having the voters of Tennessee ratify the Thirteenth Amendment to the Constitution, which emancipated the slaves. That he accomplished this task by disfranchising those who were in opposition and circumventing the laws of the state constitution did not faze him in the least. Johnson was looking towards his own future. With Lincoln having only one more term to serve, Johnson would be his natural successor. It was because Tennessee was the first of the Confederate states to emancipate the Negro that Johnson gained his reputation as a staunch supporter of Republican principles as far as the Negro was concerned and was awarded second place on the Union ticket. Johnson was not Lincoln's choice for a running mate. Instead, Lincoln left the decision in the hands of the delegates at the convention. Since the Republicans had aligned themselves with those Democrats in the North who supported the war, Lincoln was nominated for the presidency not as a Republican but as the candidate of the Union Party — a fusion of the War Democrats and the Republicans. As a result the delegates deemed it necessary for the vice president to be a Democrat who supported the war. Their first choice was Daniel Dickinson, a former Democratic senator from New York. Placing Dickinson on the national ticket would have meant that Seward would have had to resign as Secretary of State. At that time in American history, when the electoral vote of each state had to be taken into account, having two major appointments from a single state was viewed as politically inefficient. It was then that the delegates turned to Johnson, and he was approved unanimously.

The decision to nominate Johnson as Lincoln's running mate was not made without some forethought. The Radical Republicans knew where Lincoln stood when it came to his post-war plans for dealing with the former states of the Con-

federacy. Here was a man who had openly called for hanging the traitors who had led the secession. His statement was in accord with those of the Radical Republicans. One statement, however, does not constitute a man's philosophy. Once Congress had adjourned in late spring and would not return to Washington until December, the future fate of the rebellious Southern states would be in the hands of the president, along with his cabinet. They did not have to wait long. On May 29, Johnson issued the North Carolina Proclamation, which had been approved by the cabinet. It is important to bear in mind, that except for Salmon Chase, who had been elevated to Chief Justice of the US Supreme Court, and Montgomery Blair, whom Lincoln was forced to throw to the wolves, it was Lincoln's not Johnson's cabinet that had signed off on the North Carolina Proclamation. Under the amnesty provision: it provided for a presidential pardon for all citizens who had participated in the rebellion once they took an oath of allegiance to the Constitution; it restored their property, with the exception of slaves, and all property that had been or legally might be confiscated; and it excluded 14 categories of people from the general pardon. Fundamentally, those exempted from the pardons were the civilian and military leaders of the rebellion, and those residents possessing taxable property of over \$20,000. Those people would have to apply to the president for a pardon. Under the Proclamation the president would appoint a provisional governor who would summon a convention that would draw up a new constitution for the state that would establish a republican form of government. Once that had been concluded, the state would be able to rejoin the Union. There was only one catch to the document. Only those who had been eligible to vote in 1860, provided they took the loyalty oath, could elect delegates to the convention. As a result, the newly-emancipated Negroes were left out in the cold. The convention or the newly organized legislature would have to determine whether or not they had the right of suffrage. To Johnson and his cabinet, the plan was more than equitable. They, like Lincoln, had fought the war to restore the rebellious states to the Union. When the Proclamation became public, it was greeted with enthusiasm by Democrats in the North and by conservative Republicans. The moderate wing of the Republican Party was annoyed in that it did not provide some form of suffrage for the Negro, and the Radicals were dismayed.

But at the time there was another crisis on the table that occupied the attention of the public and the politicians. Coinciding with the commencement of hostilities between the North and the South, an armada of ships and soldiers from Spain, England and France descended upon Mexico with the avowed purpose of collecting the \$80 million of debts that was owed to merchants in their respective countries. Upon arriving there, bickering broke out between the representatives of the three European powers. France insisted that any money collected should first go to repay the \$15 million in government bonds that had been issued by Mexico. There was even some talk at that time of creating a renewed

sense of unity between the North and the South by sending a joint force to expel the French. In the meantime, while the War Between the States continued to expand, no attention was being paid to the presence of a small contingent of French troops attempting to negotiate with the government of President Benito Juarez. To resolve the question of the debt, Charles Louis Bonaparte, better known as Napoleon III, with the US deadlocked in what appeared to be a never-ending conflict, in 1863 decided to dispatch 30,000 French troops to Mexico and overthrow the government, resolving the still unpaid debt by raiding the Mexican treasury.

Prior to his death, Lincoln had ordered General Grant, commander of the Union Army, to dispatch troops to the Texas border with the purpose of dislodging the French and returning the Mexican President Juarez to power. In response, Grant had ordered General Phil Sheridan, with a force of 53,000 veteran Union soldiers, to be ready for action awaiting the final decision of the president. Here was Johnson's unique opportunity to turn himself into a hero and ensure his own nomination, which he desired above all things. The late president had given orders to Grant to arm the Mexican troops on the other side of the border and to join in the campaign to oust the French. With Congress out of session, and having the psychological support of the late president's order, all that was necessary for the army to move was the order by Johnson. The entire nation was behind the move to expel a foreign force from the western hemisphere. If the Monroe Doctrine had any meaning, this was the time for the US to assert that doctrine by force. From here on, everything becomes confused and contradictory. If Lincoln ordered Grant to send troops to the border and arm the Mexican soldiers in the North, it was done with the concurrence of his cabinet. No president would act on his own when by such actions the country could become involved in a war with France and other European powers.

Those who cavil at Johnson for not taking action forget one small detail. Under the Constitution, only Congress could declare war. If Congress returned for a special session to take up the subject of war, at the same time they could probe into what the president was attempting to do with the North Carolina Proclamation. On the other hand, without the support of his cabinet, Johnson was in no position to act — Congress or no Congress. He had been able to issue his North Carolina Proclamation because his cabinet had approved of his decision. In the case of Mexico, Secretary of State Seward was opposed to any military action. There were a number of reasons to avoid war. Aside from the casualties that would result from any conflict, there was the more important deterrent of the US avoiding involvement in post-war Mexican politics once the conflict was over. He also recognized that Napoleon III could not take on a war 3,000 miles away. The mere threat of the US ready to expel the French was enough to convince him to exit gracefully. Finally, since it was not a Frenchman who sat on the throne of

Mexico but an Austrian, France's honor would not be at stake. Seward's reading of Napoleon's mind proved correct. Instead of war, the dispute could be accomplished through diplomatic channels. Napoleon was an opportunist and once the option was offered for a slow withdrawal of his forces, Napoleon recognized the futility of attempting to remain. Once the last of the French troops left, the fate of Emperor Maximilian was sealed. He and his wife were taken in front of a firing squad and killed.

## CHAPTER 4. THE ROAD TO IMPEACHMENT

By leaving Seward to focus on the problem with Louis Napoleon, Johnson was able to concentrate on his prime purpose — bringing the Southern states back into the Union. While the North Carolina Proclamation, given the positive reception it had received in the North and the South, seemed to be on track, in reality it was a bold gesture without taking into account the facts on the ground. The rebellious states may have lost the war and been totally defeated in every way but they did not accept the results. Occupied by Northern military, with their land and property in ruins, their economy in a state of total collapse, and the Negro now freed from slavery, the defeated Southerners neither accepted Johnson's amnesty proposals nor his idea that only men who had taken the loyalty oath would be allowed to vote. They did favor the notion that only men who had the franchise of suffrage in 1860 would be allowed to vote, which eliminated the Negro, whether free or slave. Aside from ending slavery with the Thirteenth Amendment (which not all the Southern states had yet ratified), the status of the Negro in this newly created Southern world was left out of the Proclamation. Negro soldiers had fought and died to restore the Union. While the bulk of the Negro population was illiterate, there were free Negroes, men of property, some of whom had been slave owners, and many of whom were far more literate than the poor Southern whites. On reflection, Johnson wrote to some of his provisional governors advising them to grant the right of suffrage to all those who had fought in the war; could read the Constitution; and owned property upon which they paid taxes with a valuation of \$250. Johnson's advice fell on deaf ears. Meanwhile, the Negroes, now that they were emancipated, also expected to be granted land that they could cultivate themselves. Obviously these tracts of land would have to come from the large plantations. In fact, General Sherman, once he had



subdued South Carolina, granted a huge tract of land stretching 30 miles inland from the coast, which he set aside for the freed Negroes. Since private property was an absolute tenet of the Constitution, Johnson abrogated that order. Finally, Johnson, who had disfranchised every Confederate sympathizer when he was military governor of Tennessee, now that he was president began to issue hundreds and soon thousands of pardons to former leaders of the Confederacy. The result of his action was that Alexander Stephens, who had been vice president of the Confederacy, was selected by the Georgia legislature as one of their senators. What Johnson failed to address in his Proclamation was how to get the Southern economy functioning now that slavery had ended. A large number of Negroes, now that they were liberated, had left the plantations and moved into the towns and cities. Counting on the Freedmen's Bureaus, which had been initiated by Lincoln and established in March 1865 to supply food, shelter, health care and education, the Negroes had no intention of returning to the cultivation of the land.

For the white Southerner, this was a stark, new world: companies of Negro soldiers marching through the streets with their rifles and bayonets; Negro men being saucy and impertinent and often drunk; Negro women parading through the streets with finery that they often had stolen from their mistresses' homes. Many of them with their new freedom were arrogant to the point of insolence. Furthermore, who was going to plant the cotton, rice and sugar and harvest the products? Thus, in some of the states of the Deep South, the newly formed legislatures passed what came to be known as the Black Codes. In essence, this legislation was a desperate effort by their former owners to have Negroes return to work. On the surface, these new laws represented a major improvement over their former status. On the positive side, those Negroes returning to work would have written contracts specifying their remuneration. They could sue as well as be sued in local courts. On the negative side, all Negro orphans under the age of 18 could be set to work without pay; and all vagrants could be fined and forced to pay off their fines with free labor. Since there was no specie left in the South, the pay would be in terms of the harvested crop. On the other hand, since they now were free, the plantation owner no longer was responsible for feeding, clothing and housing them. To rectify this, small plots of land were allocated for the raising of their own food. What had changed dramatically, however, was that the Negro, being free, could work at his own pace. In addition, with labor now scarce, there was competition between the planters for Negro laborers, resulting in Negroes moving from one plantation to another depending upon remuneration.

A crystal ball was not needed to predict that with slavery gone, a new system would have to evolve. The South was entering a traumatic period for both the white and the Negro. With the return of Congress in December 1865, the North Carolina Proclamation, the election of Southerners and the plight of the Southern Negro came under the scrutiny of the Republican leadership, and above all, the

Radical Republicans. The struggle between Johnson and the Radical Republicans, soon to include the moderate Republicans, centered on the interpretation of why the war had been fought. To Johnson, as it had been to Lincoln, the war was waged to preserve the Union. To the Radical Republicans, the secession of the Southern states was a direct result of the institution of slavery. One and the other were inseparable. At the beginning of the conflict, Lincoln's and Johnson's only concern was the preservation of the Union. Where they differed was that Lincoln was adamantly opposed to the extension of slavery outside of the states where it was in existence; Johnson was indifferent on that question. Lincoln had stated both before and after his election that he considered slavery to be intrinsically evil but since it was written into the Constitution, the best approach was to allow it to wither on the vine within its present confines. Lincoln's attitude reflected the general opinion in the North. Johnson's hatred towards slavery was directed at the large slaveholders whom he believed were responsible for the secession.

Personally, Johnson had contempt for the mass of the Negroes. He considered the overwhelming majority unfit for citizenship and the vote. On the other hand, he was realistic enough to understand that at least a token effort should be made to give some of the Negroes the ballot. In that way he hoped to deflect the views of the Radical Republicans whose fundamental goal was to establish the Republicans as the majority party in the South on the basis of the Negro vote. While Johnson was basking in the favorable reviews in the Northern press on his handling of the problem of restoration of the Southern states to the Union, the Radical Republicans, led by Thaddeus Stevens, were planning their counterattack. Stevens proposed a 15-member joint House-Senate Committee to investigate conditions in the South and recommend appropriate legislation. The bill was passed by the Republican majority, while at the same time refusing to recognize any of the congressmen or senators who had been elected from the seceding states. To Johnson, the formation of such a committee and the rejection of the congressmen were nothing more than a personal attack on him and the office of the president. To him, the restoration of the Southern states and the future of the Negro resided in his province, not that of Congress. As Lincoln had been the leader of the war effort, he was the leader of the peace effort. He did not realize the power that Stevens wielded in the House or his determination to achieve justice for the Negro, and at the same time work for a Republican majority in the South by obtaining the vote for the Negro.

The first clash between the two men came when Stevens introduced a resolution in the House that would have granted the right of suffrage to the Negro in the District of Columbia. Johnson relished the idea of vetoing the bill since in a recent referendum among the citizens of the District, more than 95 percent had voted against giving the Negro suffrage. Unfortunately, Johnson never had the

opportunity to exercise his veto since the resolution was rejected in the Senate. As one bill after another was being bruited about in the Senate and House calling for a Constitutional amendment that would give the Negroes the vote, Johnson decided to preempt his opponents by calling for an amendment that would bind it to the number of qualified voters in the state. In proposing this amendment, Johnson was attacking the leader of the Senate Abolitionists, Charles Sumner of Massachusetts, in whose state and in other New England states there were thousands of non-voting Irish emigrants. The direct result of such an amendment would be to decrease the number of representatives that Massachusetts could elect to the House. Quite naturally, it was defeated in the Senate. While all this jockeying and backbiting was going on between Johnson and the Radicals over the question of Negro suffrage, the moderate Republicans in the House and Senate had come up with a bill designed to improve the welfare of the Negro. The Freedmen's Bureau bill extended the life of the bureau indefinitely (it was supposed to expire in March 1867); increased the number of agents; set aside three million acres of public land in the South for allotment to Negroes and loyal whites; confirmed for three years the land grants to the Negroes on the Sea Islands of South Carolina; authorized the establishment of schools and asylums for white loyalists and Negroes; and empowered the bureaus to protect the civil rights of the Negroes by means of military tribunals.

Once again, Johnson played coy with the authors of the bill, Senator Lyman Trumbull of Illinois and William Fessenden of Maine. They visited with him in his office and asked if he had any objections or modifications that he wished to make. As usual, Johnson remained silent without offering any objections. Johnson obviously enjoyed playing this game with his opponents. If he preferred to surprise them rather than alert them, it was Johnson's way of saying to Congress that in the matter of Reconstruction or Restoration the ball was in the President's court and not in the hands of the legislators. He, with the advice of his cabinet, would decide what was best for the future of the liberated Negroes. In many ways Johnson's veto message was logical and to the point. First, he saw no need to extend the bureau now when it would not expire for a year, anyway; second, to do so was unconstitutional because it extended military power in peacetime in areas reserved to the civil authority and judiciary; third, it was unjust because it would remove land from the public domain and offer it exclusively to Negroes. Finally, he characterized the Freedmen's Bureau as being expensive, prejudiced in favor of the Negro at the expense of the white, and originally intended as temporary, to enable the former slaves to make the transition to freedom. If Negroes continued to be artificially propped up by the Bureau, they would be impaired from becoming self reliant and taking their place in society. Not satisfied solely with the veto, he went on to chastise Congress for not seating the elected officials from the seceding states. While he accepted the right of Congress to admit

or reject elected officials, he went on to say that in his opinion these states had fulfilled all the conditions for readmission to the Union.

Andrew Johnson lived in his own world; he believed himself to be right and his enemies — those who disagreed with him — wrong. This explains his habit of listening to moderate senators, never disagreeing with them, and leaving them with the assumption that he was in accord with their views. Since his judgment was right, he saw no reason to argue with them. In a sense, the moderate Republican senators were as obtuse as the President. In addition to the Freedmen's Bureau bill, the Senate Judiciary Committee, headed by Senator Lyman Trumbull, offered a Civil Rights bill. Designed to protect the Negro against oppression in general and the Black Codes in particular, it bestowed on them the right of citizenship in contradiction to the decision of Supreme Court Justice Roger Taney in the majority Dred Scott decision, which declared that the Negro never could be a citizen of this country. Trumbull's bill guaranteed all people born in the United States, except Indians, the rights to make and to enforce contracts, to sue and to be witnesses in court, to own land and other property, and to enjoy equal protection under the law. It stipulated punishment for anyone violating these rights, and it conferred broad enforcement powers on the president and the federal judiciary. Early in February 1866, the Senate passed the bill by a majority of 33 to 12, and the House followed suit on March 13, by a majority of 111 to 38. Once again the leaders of the Senate trooped into his office looking for any objections that the President might have and any alterations he might want to discuss so as to ensure its passage. Once again the same scenario was repeated. He listened, voiced no objections, and they blithely assumed that peace had been restored between the executive branch and the Congress. Once again Johnson pulled the rug out from under them with a veto. The gist of his reasoning was as follows: It was an un-Constitutional invasion of states' rights and a movement towards the centralization and concentration of all legislative powers within the national government. In addition, the Negroes were not qualified for citizenship, and the bill discriminated against large numbers of intelligent, worthy and patriotic foreigners. Finally, it would operate in favor of the colored and against the white race. In many ways, Johnson was right. It was an infringement on states' rights, which set the federal government over what had been, until this bill, the function of the states. With the Supreme Court decision in the Dred Scott case, the Negro never could be considered a citizen, whether free or slave. On the other hand, Johnson's reasoning about foreigners was specious since naturalization laws were universal in the states; as to class warfare between the colored and the white, that was an absurdity. Johnson was playing the race game to obtain white support in the Senate.

For the veto, the only support Johnson had for his actions in the cabinet was that of Gideon Welles. All the other members counseled some kind of compro-

mise or were totally opposed. Various moderate Republicans tried in vain to have him make some adaptations so as not to cause a rift within the Republican Party. All of these efforts by men who either had his best interests at heart or, if not that, then at least wished to avoid a major rift within the Republican Party which could only serve to weaken it, were to no avail. Andrew Johnson had climbed the ladder of political success not through accommodation but by being a maverick. It had served him in good stead throughout his career, and like any man set in his ways, he assumed it would continue. As history unfolded over the next 100 years, his assessment of what would happen in the South, once the North tired of dealing with the problem of the Negro, proved accurate. Under a system of government that the Founding Fathers had instituted — a republic or a loose federation of states, with the power of the federal government severely limited — the Negro, whether in the South or the North, was a minority. Moreover, because of the color of his skin, the Negro would continue to be distinguished from the majority.

Andrew Johnson was a Southerner and a product of his time. He had been a slaveholder, albeit only for household servants. He had been the first president to invite Negroes to the White House, but not to sit down at his dinner table and break bread with him and his family. To Sumner and Stevens, the leaders of the Abolitionists in the Republican Party, as a human being the Negro was the equal of any white man. If he were backward in comparison with white, it was because he had been enslaved, deprived of education, and treated as nothing more than a domestic animal to be exploited. They sincerely believed that over time and with the help of the federal government, he would prove to be the equal of any white. Sincere as were their beliefs, they were not about to force it down the throats of their fellow Northerners. Chief Justice Chase, and the fiery Abolitionist, Senator Ben Wade, both from Ohio, both fervent and ardent supporters of Negro rights in the South, did not blush at the fact that the Negro was denied the ballot in their own state. To Johnson, they could live with this hypocritical attitude because there were little more than 40,000 Negroes in a state with a population of more than a million whites. In South Carolina and Mississippi, on the other hand, there were far more Negroes than whites. Johnson's unfounded fear was that the bulk of the free Negroes, working for the large plantations, would be influenced to vote for their employers and therefore return to political power the former ruling class. Johnson's contempt for the Negro and his hatred for the upper class were such that only he could see the natural alliance between these two opposites.

At this time, a number of events would take place that would serve to isolate the President and his position on the veto. The moderate Republicans, whom he had counted upon up until this time, had had enough of him. They joined the Radicals in the Senate and provided the necessary votes for a two-thirds majority to override his veto. For the first time in American history, a presidential veto

had been overridden. Only several days before, he had issued a proclamation that declared the rebellion at an end and the Southern states now back in the Union. A few days later he ordered that military trials in the South be halted, citing as his reason the preliminary verdict of the Supreme Court in the *ex-parte* Milligan case. In that case, the Court had decided that to try civilians in military tribunals where the civil courts were still functioning was illegal even in wartime. Satisfied that he was governing within the framework of the Constitution and that the Supreme Court would uphold his decisions, Johnson was hardly prepared to take on the latest onslaught from the Radical Republicans. For months, the Joint Committee on Reconstruction had been investigating conditions in the South, hearing testimony and considering possible legislation. Then on April 30, the same day that whites in Memphis, Tennessee went on a three-day rampage against Negroes, which included arson, rape, murder and the heedless destruction of property, the committee called for a Constitutional amendment designed to make permanent the protection guaranteed the Negroes under the Civil Rights Act. For two months the members of the House and Senate argued over the final wording of the Fourteenth Amendment. At the beginning of June 1866 the Senate ratified the final bill by the veto-proof two thirds of the votes cast, and a few days later the House did the same.

The amendment contained five main sections. First, all persons born or naturalized in the US are citizens of the US and the state in which they reside; states are prohibited from enacting or enforcing any law abridging the “privileges or immunities” of any US citizen, and from depriving any person of “life, liberty or property, without due process of law,” and from denying any person “the equal protection of the laws.” Second, all persons residing in a state, excluding untaxed Indians, are to be counted for the purpose of representation in the House; a state denying or in any way abridging the right of 21-year-old male citizens to vote would have its representation reduced proportionately. Third, no person is permitted to hold any federal or state office who through engaging in rebellion against the US is guilty of violating an oath to uphold the Constitution; Congress, by a two-thirds vote of both Houses, could remove such disability. Fourth, the validity of the US public debt is not to be questioned; all debts incurred in aid of rebellion and all claims involving the emancipation of any slave are illegal and void. Fifth, the Congress shall have the power to enforce, by appropriate legislation, the provisions set forth in the amendment. By vetoing the Civil Rights Act, Johnson had opened the door to the abridgement of the rights of the states. The first clause of the Fourteenth Amendment would supersede the authorities of the states and place them in the hands of the federal government. Over the next century and a half the Supreme Court would be able to interpret the Fourteenth Amendment as a tool to reduce the power of the states and concentrate it in the hands of the federal government. At the time neither Johnson nor the authors of

the amendment were conscious that they had opened up Pandora's Box in more ways than resolving the franchise for the Negro. In their effort to ensure that the government would never be responsible for the payment of the debt accrued by the seceding states, they inserted the statement that the "validity of the public debt of the United States...shall not to be questioned." As a result of that clause, the government had the right to accumulate as much debt as it wished without violating the Constitution. Thus, in today's economy, with the dollar still considered to be the means of exchange throughout the world, the fact that the government has no debt ceiling has allowed the concept of capitalism to expand without any restraints. This clause allowed for flexibility in the country's money supply. Thirty-five years after the war had concluded, in 1900, the government debt was still \$991,000. This was before Congress had passed the Federal Reserve Act. From 1900 until the present day the United States Treasury has been in debt, both under the gold standard and when it was removed. The Fourteenth Amendment had set the United States on a course of unrestricted growth as far as debt was concerned.

Johnson's answer to the Fourteenth Amendment was that it was unconstitutional because the 11 states of the Confederacy were not represented in Congress and did not have the opportunity to vote on the amendment. Of course if they were sitting in those bodies of Congress, the necessary two-thirds majority never would have been attained. The answer of the Republican Congress was forceful. If the 11 states not represented in the Congress wished to return, the door was open once they ratified the Fourteenth Amendment. To add insult to injury to the President, four days before his statement, Governor William Brownlow of Tennessee announced that the legislative bodies of Tennessee had ratified the Fourteenth Amendment and would be sending representatives and senators to the Congress. Brownlow had accomplished this legerdemain by disenfranchising all those who would have opposed the ratification of the amendment. The unity of the South, for which Johnson had successfully lobbied all the year, had been broken. As a final touch of bitter irony, his own son-in-law now was Senator David Patterson, representing his home state. Only one hope remained open to Johnson, the fall elections to Congress. If the Democrats triumphed in the North, he still might be vindicated when the second session of the 39th Congress assembled in December.

Despite this setback Johnson was convinced that a majority of the population supported his views on both the future of the Negro and the Southern whites. To accomplish his political agenda would require an alliance between the conservative Republicans and the Democrats in the North. Unlike Lincoln's wartime coalition, which brought together Republicans and those Democrats who supported the cause of the Union, most of the Democrats who assembled in Philadelphia for the National Union Convention in August 1866 — especially those from



the 11 Southern states that had seceded from the Union — bore no resemblance to those Democrats who had backed Lincoln's candidacy. Nevertheless delegates were chosen from all 36 states, including those from the Southern states still waiting on Congress to accept their elected members, as well as anti-war Democrats from the North and a smattering of conservative Republicans. Ostensibly the purpose of the convention was to show to the American people that bygones could be bygones. The Confederacy accepted its defeat and the emancipation of the Negro; now it was time to return to normalcy by bringing together all the states, which would heal whatever wounds remained from the four years of conflict. The fact that former Abolitionists like Seward and Welles along with the Democratic Blair took this farce seriously only served to raise Johnson's hopes that once the divisive political nature of Washington was left behind, the people would support his policy of Restoration rather than the Reconstruction formula of the Radical Republicans.

To prove his point that the people were behind him, and would support his policies, Johnson decided to use the excuse of dedicating a memorial erected in Chicago to honor the late Stephen Douglas, as a rationale for personal appearances in the major Northern cities. Knowing his proclivity for losing his temper upon being goaded by crowds, most of his friends and advisors counseled him against making the swing through the North. First, no sitting president ever before had attempted a political tour to sell his agenda. But Seward thought it an excellent idea, and by showing off to the crowds such wartime heroes as General Grant and Admiral Farragut, the tour would give the appearance that the military, which had won the war, was behind his policies. In the beginning, the trip went well. Leaving the nation's capital, he faced large and friendly crowds in Baltimore, Philadelphia and New York. For the first time in American history the people had a chance to see and meet their president. Seward stage-managed the trip effectively. He had the presidential train moved from New York City to upstate New York, where the President was warmly greeted by people in the smaller cities of western New York State. Up until they arrived in Cleveland, both the press covering his trip and General Grant were bored and annoyed since Johnson delivered the same spiel wherever the train stopped.

In Cleveland, however, while a large crowd gathered outside his hotel to greet him, there also were hecklers in the audience. Instead of playing it cool, Johnson decided to take on the hecklers. The result was foot-in-mouth disease. The anti-Johnson press now had something to write about. In certain cities the crowd became so unruly that the train had to leave the station. When Grant got drunk in Cleveland and had to be sent to Detroit to sober up, the press targeted Johnson as the drunken tailor. In other words, what had started out as a triumphant tour of the North turned out to be a political disaster as far as achieving its purpose. Only crowds in Louisville and Cincinnati were receptive to the President.



Barnstorming to the crowds had paid off earlier when he ran in Tennessee, but it didn't work in the Northern cities. Nor were his efforts successful to gain the support of the Irish vote in New York by supporting the ridiculous attempt by the Fenian Brotherhood to seize Canada effective.

His effort to replace Secretary of War Stanton with General Sherman hit the shoals when General Grant refused to be shunted off to Mexico as a diplomat. Johnson had tried to take the reins of government away from the Republicans and failed. In the midterm elections of the fall of 1866, the Republicans swept every state in the North. To Johnson's dismay he discovered that while the overwhelming majority of the Northern voters shared his attitude about the relative position of the emancipated Negro in society, their allegiance to the Republican Party, which had won the war, had not wavered. Furthermore, with more than a million servicemen now discharged from the armed forces, their influence on the voting patterns of those who had remained at home was considerable. They had seen their fellow soldiers fight and die to preserve the Union, and their allegiance was with the Republican Party which had successfully won the war.

Whatever power Johnson had as president was in a shambles. It would be the Republican Congress that would dictate the future of the rebellious states. To Seward's and Johnson's loyal supporters, the election results signified one thing. If Johnson wanted the former Confederate states readmitted to Congress, he would have to use his influence to have them ratify the Fourteenth Amendment. In other words, given the results of the election, with the Republicans now in a position to override any veto Johnson made, it appeared logical to compromise on the Fourteenth Amendment and have Johnson use his influence and prestige to have the legislators of the ten hold-out Southern states ratify the amendment and once and for all grant the Negro citizenship. Johnson, however, was not a man prone to compromise. He had been an underdog throughout his political life and had always managed to triumph in the end. If the Southern states held out on ratifying the Fourteenth Amendment, what recourse did the Republicans have? The only options open to them would be to use military force, give the Negroes the vote, and thereby force the legislators to adopt the Fourteenth Amendment. On Johnson's side was the Supreme Court which already had ruled in the *ex parte* Milligan case that military courts could not supersede civilian courts even in time of war. Johnson's attitude was to let the Republicans stew in their own juice. Without ratification of the Fourteenth Amendment, the Negro, while remaining free, still was not a citizen and still not entitled to vote. Given Johnson's recalcitrance and the refusal of the Southern legislators to adopt the Fourteenth Amendment, the breach had been opened for the Radical Republicans to take charge.

Thaddeus Stevens was not a man easily deterred from taking action. To him the treatment of the Negro and of the officials of the Freedmen's Bureaus in the

South as well as the loyal Unionists was intolerable. For Johnson, he had total contempt. Mirroring this contempt, shortly after the Congress had returned to fill out the balance of its term, Stevens reintroduced his bill to give the Negroes in the District of Columbia the right of suffrage. When Johnson vetoed it, Congress overrode his veto. In January, Congress established Negro suffrage in all the territories and voted to admit Nebraska and Colorado to statehood. Johnson did not veto the granting of suffrage to the Negro in the territories but he returned the bill granting statehood to Nebraska and Colorado. In the case of Colorado, the Republicans agreed that with a population of only 30,000, the territory was not yet ready for statehood. But Nebraska was admitted, and there were now two more Republicans in the Senate. In a further effort to punish the South for its intransigence, Congress enacted legislation that prevented presidential pardons to include the right to vote. Finally, Congress enacted legislation that made certain that no representative from an unreconstructed Southern state could enter Congress without its approval.

All of these actions did not resolve the problem of what to do with the recalcitrant Southern states that refused to ratify the Fourteenth Amendment. Meanwhile the harassment of the Negro continued as Southern whites persisted in their efforts to intimidate this segment of the population. To Stevens, this situation was intolerable. He believed the only way to counter it was to reorganize the states on the basis of Negro suffrage. The moderate Republicans were not ready to go that far, so Stevens offered them the option of putting the Southern states under total and indefinite military rule. Realizing that they had to take some action, the moderate Republicans joined with the Radicals in devising the First Military Reconstruction Act. Passed by the Senate at the end of February 1867 and approved by the House a few days later, it divided the ten unreconstructed states into five military districts, each under a commander empowered to employ military courts and troops to maintain order and enforce federal laws. Second, it directed that conventions, elected by Negro voters and eligible whites, be held in each of the ten states for framing new Constitutions that were to guarantee Negro suffrage and that would be submitted to the same voters for approval. Third, it stipulated that after a state had adopted its new Constitution, it was to elect a governor and a legislature; once the state ratified the Fourteenth Amendment and that amendment became part of its Constitution, the state would be entitled to congressional representation and no longer subject to military occupation. Finally, it barred from voting for and serving in the state constitutional convention all persons guilty of violating an oath to uphold the US Constitution by their voluntary participation in the rebellion.

While some considered the legislation moderate because it did not include the provisions sought by Stevens in the House and Sumner in the Senate — these provisions did not allow for admission to Congress based solely on passage of

the Fourteenth Amendment, and did call for the confiscation of rebel lands and their distribution to Negroes — in fact the First Military Reconstruction Act not only violated the Constitution on numerous counts, but also set the stage for the travails of the Southern Negro over the next 100 years. Johnson's immediate answer to the legislation was to come up with the North Carolina Plan. Designed by leading politicians in North Carolina and other Southern states, it called for passage of the Fourteenth Amendment minus the disfranchisement clause and limited Negro suffrage. In their meeting with moderate Republican leaders, the plan was rejected on the grounds that the entire Fourteenth Amendment would have to be accepted and that suffrage would have to be granted to all the Negroes. In reality, Johnson now was defenseless. His veto on any legislation passed by Congress was worthless since the Republicans had an overwhelming majority in both Houses of Congress. Moreover, the Republicans were determined to reconstruct the rebel states as they saw fit. Nor were the Republicans content to limit the president's power with respect to Reconstruction. Shortly after, they passed the Tenure of Office Act which handcuffed the president with respect to firing officials whose appointments were contingent upon the approval of the Senate. Now, in addition to controlling appointments, the Senate could countermand any dismissals of government officials which they had previously ratified. But the second session of the 39th Congress, although its term had expired as of March 2, continued to function in order to make certain that they had left no room for Johnson to frustrate their wishes. When the Army Appropriations Bill was presented to the President, three riders were attached. The first required the President and the Secretary of War to transmit all orders to military commanders through the General of the Army, Grant. It also forbade the President to relieve, suspend or transfer the General of the Army from Washington without the consent of the Senate. This clause was in answer to Johnson's attempt to dispatch Grant to a diplomatic post in Mexico, thereby opening the door to the appointment of General Sherman as Secretary of War. Finally, it called for the disbanding of the Southern militia. Per usual, Johnson's immediate reaction was to veto the legislation. Meanwhile the Fortieth Congress, which ordinarily would not have assembled until December, decided to make certain that Johnson enforced the laws that the previous Congress had enacted. Already the House Judiciary Committee was seeking grounds of impeachment but had come up empty. Johnson's reaction was typical, but in the end he realized that he had to enforce the First Military Reconstruction Act and appoint military commanders to the five districts.

Dutifully following Grant's suggestions, he named the commanders. But before the new Congress adjourned, it discovered that the Military Reconstruction Act had failed to delineate the procedures for registering voters and for calling a convention. The result was that the Southern establishment refused to register

voters or attempted to intimidate Negroes and Unionists from registering. The Fortieth Congress reacted by passing the Second Military Reconstruction Act which authorized the district commanders to register Negro and eligible white voters; prescribed a stricter oath for whites; and placed under military supervision the holdings of the conventions and the referendums on the Constitutions that they produced. Johnson immediately vetoed the act, and the next day the Congress overrode his veto. A week later, Congress adjourned until the beginning of July, confident that the President now was boxed into the programs they had passed and that there was nothing he could do to alter the circumstances. In order to make certain that the President recognized the determination of Congress to control Reconstruction in the former Confederate states, before adjourning the House of Representatives ordered the House Judiciary Committee to report to it following the recess, on the subject of impeachment. Given one resounding defeat after another, and with the threat of impeachment hanging over his head, it would appear that Johnson was totally emasculated. From a political point of view, he certainly was a dead duck. But from a Constitutional point of view, as president, he was still commander-in-chief of the armed forces and chief law officer of the nation. In other words, he still had wiggle room left, and given his pugnacious nature, he intended to use it. In the midst of all this brouhaha, the Russian Minister to the United States, Baron Edward de Stoeckl, had received instructions from the Czar to offer Alaska for sale. He approached Secretary of State William Seward, who jumped at the opportunity to expand the territory of the US even further. Stoeckl had been instructed to ask for \$7 million in gold and settle for \$5 million. Seward offered \$5 million and settled for \$7 million. Both leaders of the Radical Republicans, Thaddeus Stevens in the House and Charles Sumner in the all-important Senate, which would have to ratify the treaty, were in favor of the acquisition. Since Sumner was chairman of the Senate Foreign Relations Committee, with his backing the agreement was passed overwhelmingly. At the last minute, the Baron, ever the European diplomat, decided he should be rewarded for his efforts in consummating the treaty: he added \$200,000 to the price, which was readily agreed to by Seward and the Senate.

Another problem that cropped up following the end of the war, which had nothing to do with Reconstruction, was that of the Indians on the western plains. In building the transcontinental railroad, which would connect the East with the West Coast, thousands of Indians of various tribes would have to be displaced. In addition, tens of thousands of veterans from both the Union and Confederate armies had poured into the new territories in search of free lands. Finally, there were the thousands of Irish immigrants who had been hired to lay the tracks from Omaha, Nebraska, eventually linking up with the tracks from Sacramento, California. Under the Nebraska territories act of the 1850s, the Indians in those territories were to be moved either to the Dakotas or to Oklahoma. But as the railroad

moved further westward, past Nebraska, more Indians had to be dealt with if the railroads and the new settlers were to be protected. In theory and practice, the Indian question was under the jurisdiction of the Bureau of Indian Affairs which reported to the Secretary of the Interior, an agency that was notoriously corrupt. Aiding in the peaceful resettlement of the Indians was the War Department and the army, whose sole function was to protect the settlers and the rail crews. General Sherman, who was in command of the army in the West, believed that Indian affairs should be turned over to the army and the War Department, which would pursue an aggressive policy and force them onto reservations. In opposition were some congressmen with vested interests in the Bureau of Indian affairs as well as ministers and intellectuals in the East. The latter contended, rightly, that the Indians were the victims of the unbridled western expansion, and further that a better solution was to "civilize" the Indians by promoting the Christian faith and bringing them within the same orbit through education.

While the Indian issue was under debate, 81 soldiers were massacred outside of Fort Phil Kearney in Wyoming. General Sherman wired Grant that the only way to handle the Indian problem was with the force of the army. He, Grant and Secretary of War Stanton wanted the War Department put in charge of the Indian problem. But the Secretary of the Interior in Johnson's cabinet, Orville Browning, fought back. Like any cabinet member, he was determined to hang onto those government affairs that came under the jurisdiction of his department. Moreover, he had friends in the Senate and in the cabinet who backed his point of view. Johnson, reluctant to take sides against those cabinet members who supported his policies on Reconstruction, and certainly hostile to giving any further power to Stanton, backed the peace party. At best, the handling of the Indian problem was a charade. The settlers pouring into the western territories were determined to appropriate as much of the Indian lands as was feasible. Treaties were signed and broken by one party or the other. Military incursions would bring Indian reprisals against the settlers. In the final analysis the Indian problem would only be settled when the Indians were defeated by a superior military force. General Philip Sheridan led a campaign to bring the hostile Indians to their knees. The now famous General George Custer led his cavalry in an attack on a Cheyenne village and killed most of the Indian braves as well as women and children. Sheridan was determined to drive the Indians back to their reservations, and he pursued them relentlessly throughout that winter until they were forced to submit. The history of American policy towards the Amerindians, from the earliest settlements on the Atlantic coast until they were finally subdued in the early twentieth century, is one of ethnic destruction, a veritable holocaust.

## CHAPTER 5. THE CASE FOR IMPEACHMENT

Since there was no case for the impeachment of President Johnson, one would have to be invented. The Radical Republicans were prepared to jettison the Constitution in order to impose its concept of Reconstruction. Even though the Supreme Court was dominated by Republicans, it was not about to throw the Constitution overboard in order to satisfy the Radicals' objectives. Given this impasse, there was only one solution. If the Constitution could not be thrown overboard, the President could be. Under the articles of the Constitution, the House could bring charges of impeachment, and provided there was a two-thirds majority in the Senate that agreed with the articles of impeachment, the president legally could be removed from office. Since Johnson only came to the office of the presidency by virtue of the death of Lincoln while he was vice president, the next in line for the presidency would be the President Pro Tem of the Senate, Ben Wade. Therein lay a serious problem for the moderate Republican senators. While Wade's credentials as an early opponent of slavery were equal to those of the ardent New England Abolitionists, as the new leader of the nation, he hardly fit the role. He was loud, brash and ignorant, to name a few of his virtues. Moreover, if he attained the office, he could run for the nomination in 1868. As president, he would be in a position to bestow favors on potential supporters. Although by the admission of Nebraska as a state the Republicans had added two new senators to their majority, the law still required two thirds of all the senators to ratify impeachment.

In the effort to impeach President Johnson, the House of Representatives voted first to impeach him and then had to figure out what constituted High Crimes and Misdemeanors, which the Constitution required. By early March 1868, when the proceedings in the House began, Thaddeus Stevens, appointed to

the committee to bring formal charges against the President, was close to dying and had to be brought into the chamber on a chair, being too weak even to speak. Thus the role of incendiary leader fell to Ben Butler, ex-Democrat, formerly pro slavery, the so-called “beast” of New Orleans, who now had changed his wardrobe, and as a newly elected congressman from Massachusetts, was leading the Republican charge for impeachment. In a strange way there was a fundamental honesty in his charges. To Butler this was not a question of High Crimes and Misdemeanors; this was a matter of politics. Johnson was opposing the politics of the Republican majority in Congress; therefore he had to go. In the Senate, the Radical Republicans had the same attitude. Johnson was guilty of interfering with the politics of the Republican majority in the Senate. Thus, the indictment to be considered was not whether he was guilty of High Crimes and Misdemeanors, as the Constitution required; as far as the Radical Republican senators were concerned, any charge would meet that standard. Eight of the original charges against the President referred to the Tenure of Office Act. A ninth was added, charging him with attempting to suborn General William Emory in the conduct of his duty. At the last moment, two more were added — the first, for using intemperate language in his denunciation of Congress; and finally an omnibus bill, which repeated all the charges contained in the other articles. Since the defenders of Johnson successfully had rebutted the eight charges in the Tenure of Office Act, the prosecution decided to make its stand on the omnibus charge that had been added at the last moment — the theory being that because of its all-encompassing nature, the Republican dissidents might find one charge that would satisfy their doubts and convince them of the necessity for impeachment. That Johnson escaped impeachment was a miracle. Edmond Ross of Kansas, whose political sympathies would have indicated he would vote against Johnson, who was hounded by both sides because he refused to reveal ahead of time how he would vote, cast the necessary nineteenth vote that defeated the two-thirds majority. The Radical Republicans were unwilling to concede, so votes were then taken on the articles directly relating to the Tenure of Office Act. In one instance after another, the seven Republicans held firm. Realizing that there was no way of convincing the renegades, the Senate then adjourned sine die. It is difficult for any reader today to understand the degree of bitterness and hatred among Republicans following the failure to impeach Johnson. Although they had failed the first time, Thaddeus Stevens and other radicals were prepared to bring new charges. But for most members of the party, the fire in the belly was gone. To them it was far more important to concentrate on the election of Grant in the 1868 presidential elections, which would be coming up in the fall.

Whether the effort to impeach President Johnson failed at the hands of those Republicans who believed that replacing him with Senator Ben Wade of Ohio was worse than keeping him in office, or the few Republican senators who were



convinced that there was no merit to the Articles of Impeachment, is beside the point. The Constitution and its fundamental concept of the separation of powers between the three branches of government was at stake. In their anger and frustration over the President's attitude towards their proposals, the Radical Republicans and their supporters in Congress were prepared to jettison the meaning and significance of this document to attain their ends. It wouldn't be until 1926, when the United States Supreme Court declared that the Tenure of Office Act was unconstitutional, that the original division of powers between the three branches of government would be restored. The basic lesson that emerged from the aborted attempt to impeach Johnson was the potential tyranny in one-party rule. Not only did it totally emasculate the executive branch of the government but it elevated the importance of the Supreme Court in maintaining a balance between the other two branches of government.

In trying to assess the presidency of Andrew Johnson, historians have overlooked the most salient fact. The original purpose for the North initiating the conflict was to bring the rebellious states back into the Union. The emancipation of the Negro from slavery was a by-product of the war effort. Whether Lincoln's proclamation was a result of pressure from the radical wing of his party or an effort to explain to the Confederacy the consequences of continuing the conflict is a moot point. Once the Republican Party had committed itself to freeing the Negro, the Abolitionists now believed that the war had taken on a new and overriding moral dimension which superseded its original purpose. One also could adopt the opposite point of view — that in liberating the slaves, it gave the Confederacy an incentive to continue the struggle after the loss of Vicksburg and the defeat at Gettysburg. The leaders of the Confederacy now were faced with the financial loss of \$3 billion in property, which pushed them to go deeper and deeper into debt in order to continue the struggle. Lincoln, while opposed to slavery as an inhuman system of forced labor, was not an Abolitionist in the true meaning of that term. His major concern was how the freed Negro would fit into Southern society once he had been liberated. Lincoln was well aware of the position of the Negro in Northern society, where he had been free for decades. His home state, Illinois, had onerous restrictions barring Negroes from entering the confines of the state. In Illinois, at the beginning of the conflict, there were 8,000 Negroes as compared to 1,700,000 whites. In the Southern states, Negroes represented anywhere from ten percent of the total population to a majority of the population, such as in South Carolina and Mississippi. In the North, even though Negroes were free, they were not considered citizens until the Fourteenth Amendment to the Constitution was ratified, except for Massachusetts.

What is most remarkable about the attitude of the Radical Republicans, and the moderates as well, was their inability to comprehend that Johnson was not a Republican but a Democrat — that he had no interest whatsoever in advancing a



Republican agenda. He had agreed with the emancipation of the Negro because it was fitting punishment for the Southern oligarchy who had maintained their political hegemony in the ante-bellum South because of the wealth they derived from slave labor. Aside from that, he had no interest per se in the Negro, and like most whites, whether in the North or the South, perceived them to be inferior beings. This was true even of Lincoln. The most obvious fact in the three-and-one-half-year struggle between the President and the Republican Congress was that it was strictly political in nature. The Negro, per usual, was merely a pawn. Johnson was to remark that the most honest man in the Republican Party was Thaddeus Stevens, his most virulent opponent in Congress. Stevens was honest in the sense that the basic aim of his policy was to prevent the South from returning to the political arena as a solid Democratic bloc. Stevens's vision for the former Confederate states was that they should be treated as conquered provinces until such time should have elapsed when a Republican alliance could be constructed between the newly emancipated Negroes and former members of the Whig Party who had remained loyal to the Union. Stevens made no bones about what he wished to accomplish; nor did Johnson, on his part. His goal was the restoration of the Southern states without the previous Southern oligarchy dominating Democratic politics. As a defeated and humbled nation, occupied by the Northern military, there was no doubt in his mind that their allegiance would be to the Democratic Party. As for the Negroes, he was prepared to give the ballot to those who had served in the Union Army and to those who were literate or had achieved a modicum of prosperity and independence based on their own labor. In that sense, he was not a total racist. As a Southerner, he believed in the social segregation of the races. He was convinced that the overwhelming majority of the Negroes were not only inferior to whites but also lazy and stupid. He carried this impression of the Negro race so far as to assume that if given the vote, they would come under the influence of the large planters and aristocrats in the South, and return the former Southern oligarchy to the control of the Democratic Party. Meanwhile, with the generals deciding who was eligible to vote and who wasn't, the legislatures in Arkansas, Florida, North Carolina, Louisiana, South Carolina and Alabama approved the Fourteenth Amendment to the Constitution, thereby satisfying the necessary approval by three-fourths of the states. To add more confusion to the legality of the Fourteenth Amendment, the legislatures of Ohio and New Jersey in subsequent votes withdrew their previous commitment to the ratification of the amendment.

Despite this fact, Seward, as acting Secretary of State, on July 20, 1868, certified it as an official amendment to the Constitution, and a few days later Congress declared the amendment a part of the Constitution. In fact, a majority of the citizens in the states had not ratified the amendment, but then again, as in so many cases under the 39th and 40th Congresses, that was a mere bagatelle. John-

son did seek the Democratic presidential nomination in the 1868 campaign for the presidency and was rebuffed by the Northern wing of the party. Instead, a reluctant Governor Horatio Seymour of New York received the nomination. With Grant, the most popular figure in the North as their candidate, the Republicans assumed that he would breeze into office. There were a number of reasons for the closeness of the election. The first was Johnson's pocket veto of a bill that would have refunded the federal debt. Sponsored by Senator Sherman, it was designed to appease those who wanted more greenbacks pushed into the economy, something sorely desired by the western states. Next, with Congress having readmitted to the Union the states of North and South Carolina, Georgia, Florida, Alabama, Arkansas and Louisiana, the Military Reconstruction Acts no longer applied to them. As Commander-in-Chief, Johnson then appointed General George Meade in command of Georgia, Florida, Alabama and the Carolinas, and General Lovell Rousseau, a Democrat, in charge of Arkansas and Louisiana. As a result, Georgia and Louisiana wound up in the Democratic column in the 1868 presidential election. In September, Maine and Vermont voted overwhelmingly for Grant, and in October, Pennsylvania, Ohio and Indiana followed suit. When the votes were finally tallied, Grant had won a smashing victory, or had he? He had garnered 3,013,421 popular votes and 214 electoral votes compared to Seymour's 2,700,829 popular votes and only 80 electoral votes. But on closer examination, all was not as kosher as it appeared. In reality, about 300,000 votes separated Seymour from carrying the Electoral College and the presidency. The great conflict that had divided the country was not even four years in the past, and the winning side, headed by the heroic general who was purportedly responsible for bringing the conflict to an end, barely squeaked into the presidency. Grant's victory was made possible because of the Negro vote, which totaled about 500,000; Seymour captured the majority of the white vote in this country. Furthermore, Grant's margin of victory in California was only 514 votes. As a result of disfranchisement of white voters in Tennessee, West Virginia and Missouri, Negro voters gave him 67 of his 214 electoral votes. A similar pattern was evident in the other Southern states that had been readmitted to the Union, and whose electoral ballots counted; if the disenfranchised whites had been permitted to vote, Grant would have lost the election. In addition, the votes from Virginia, Texas and Mississippi had not been counted since they had yet to ratify the Fourteenth Amendment and were still being ruled by district military commanders. Even more disturbing was the fact that the Democrats had gained 24 seats in the House, while the Republicans only were able to pick up six seats from the reconstructed states in the South. On August 11, months before the votes had been tallied, Thaddeus Stevens died. He remained bitter about not seeing Andrew Johnson impeached; he would have glowed with pride that the Negro vote had been the swing vote in the for-

mer border and Confederate states. For the moment, his dream of a Republican Party in the South seemed to have been fulfilled.

To the Republicans in the North the importance of their new Negro constituency did not go unnoticed. Up until the election of 1868, outside of most New England states, the only states to voluntarily grant the right of suffrage to the Negroes were Iowa and Minnesota — Iowa, with fewer than 6,000 Negroes, and Minnesota with fewer than 1,000. Something had to be done to insure their supremacy in the North and in the South. In February 1869, the Republicans pushed through Congress the Fifteenth Amendment to the Constitution, stating that “the right of citizens of the US to vote shall not be denied or abridged by the US or by any state on account of race, color or previous conditions of servitude.” At the same time, they required that Virginia, Texas and Mississippi, still outside the Union, would have to ratify the Fifteenth Amendment along with the Fourteenth if they were to be readmitted. During 1869, the Republicans took advantage of the fact that they controlled most Northern legislatures, as well as those of the Reconstructed South, to ensure that the amendment be adopted. It went into effect in February 1870, in time for the mid-term congressional elections and for the presidential election of 1872. At this moment in time the Republicans were convinced that they had secured their Negro constituency in both the North and the South as a result of the Constitutional amendment. In later years they would learn that the force of Constitutional amendments had limitations, especially once the Southern whites regained control of their legislatures.

What, if anything, was the legacy of the presidency of Andrew Johnson? Given a Congress that could override his vetoes with impunity, there was little he could do to restrain their agenda other than throwing roadblocks in the way. There are some historians who believe that if he had been more willing to compromise over the second Freedmen’s Bureau Act he wouldn’t have antagonized the moderate Republicans to the degree he did. That theory might stand up if Johnson had not had his own agenda, and that was the return of the Democratic Party to national power. That was his goal from the beginning of his presidency, and he never altered it, which led to the effort to impeach him. Nor was he oblivious to that fact. He threw the dice, and he lost. The Republicans were as good at arithmetic as he was. If he had succeeded in bringing the Southern states back into the Union, with their Democratic majority, in all likelihood he would have gained the Democratic nomination for the presidency in 1868 and defeated Grant in the Electoral College. But he did not, and with his failure went his reputation as an effective president.

## CHAPTER 6. THE PLIGHT OF THE NEGRO

Before discussing the presidency of Grant and his efforts to enforce the Republican concept of Reconstruction as dictated by the radical wing of the party, it is necessary to understand the state of mind of the Negro in both the North and the South. Northern Negroes who had volunteered and served with honor and distinction in the Union Army, led by white officers, found their position in society remained the same once the war ended. They were not absorbed into the economic mainstream in the Northern states; they still were treated as social inferiors. Physically, Negroes were confined to ghettos; and while there were no Black Codes like those that emerged in the South once Reconstruction ended, there were unwritten laws that forbid them to patronize white establishments. Economically, they were at the bottom of the totem pole. They were pariahs because of their "race." Because they were so few in number, only 200,000 in the North at the end of the war, or one percent of the population, they were barely visible except in the large cities. Most of them were ill fed, ill housed, ill clothed and uneducated. In most Northern and Western states they did not have the right to vote until the passage of the Fifteenth Amendment. What Negroes did have in common with their white counterparts were the practice of religion and the ability to raise a family. In the Black churches, they were able to express their feelings and find a place of refuge from an outwardly hostile environment. There was more than a touch of hypocrisy among those Northern politicians who insisted on equal rights for the Negro in the Southern states while they practiced their own form of segregation in their own backyard.

It would be impossible to account for the animosity of the majority of Southerners towards the Negroes in their midst without taking into consideration the Northerners who descended upon the South following its defeat and occupation.

Some who came South with the Freedmen's Bureaus had the best of intentions but were naïve about the complexity of the situation in an economically devastated region. Others, who are generally referred to in the pejorative term of Carpetbaggers, arrived to pick the meat off the bones of the economy. It was a mixed bag of do-gooders and scoundrels, each group with a different agenda. There were the young men and women who came South with the goal of elevating the Negro by setting up schools with the express purpose of bringing literacy to the former slaves so they could take their place in society. Then there were some shrewd Northerners who took advantage of the parlous political situation in the South, and made a killing. Bales of cotton could be bought for greenbacks and sold up North for specie; in some instances, railroad bonds were acquired for a song which later turned out to be a bonanza. The acquisition of land for agriculture, the last vestige of wealth left in the region now that the slaves had been freed, posed too many problems. The most salient of these were the unavailability of labor, now that the Negro had been emancipated, and the price of cotton on the world market. On the other hand, there were minerals underneath the soil, and the few Northerners who did acquire those rights became millionaires. In some instances, the old Southern establishment welcomed the arrival of Northern entrepreneurs, especially if they had capital to invest; in most cases, the residue of hostility toward the victors remained too strong. Defeat was a bitter enough pill to swallow. Add to that the decade of Reconstruction when the Southern establishment was stripped of its rights as citizens, while Carpetbaggers, Scalawags and semi-literate Negroes were elevated to positions of power in political life. All of these perceived and real insults provided the impetus for future revenge.

The principal positive legacy of the men and women who served in the Freedmen's Bureaus was that of religion. In the ante-bellum South, it was a rare slaveholder who allowed his slaves to be exposed to religion. Only those who were free were permitted to participate in religious services. It was in religion that both the Northern and Southern Negro would find solace. The stories in the Old Testament as well as the New became their passport to freedom from tedium and hardship as well as a means of expanding their vocabulary. It was from religion that the Negro spiritual would emerge; and it was from religion that the Southern Negro would be introduced to the concept of monogamy and marriage. Under slavery, the Negress was abused not only by whites but by Negro males as well. In the slave quarters, unless she had a protector who would defend her from other males, she became a victim. The concept of a family, which had redeveloped among Northern Negroes, was almost unknown on the large Southern plantations. It was common for children to have no idea who their father was. Because of this, the mother was held in highest esteem, as she is even until today. It was she who attempted to keep a family together; under slavery, where Negroes were property and bought and sold as such, this feat was almost impossible. Re-

ligion became her salvation once she was liberated; it was she who supported the Black churches that began to emerge. Today's huge percentage of Black women heading single-parent households, especially in large urban areas, can be traced to the time of slavery when the female slave was forced to serve as father and mother.

The Southern Negro bore the brunt of the post-war bitterness of the white Southerners. The wounds from their defeat ran too deep. Most of them still believed that they were justified in seeking secession from the Union. They needed a scapegoat, and the Negro fit the bill. They believed the war was fought not to reunify the country but to free the Negro. Every action taken by the victorious North seemed to confirm this belief. The decisions by the Radical Republicans to force the Negro on their white society by making him their equal reinforced this belief. In the states of the Deep South, it took time, but eventually the Negro would be segregated from white society. The presence of federal troops determined to enforce equality at the point of a bayonet only exacerbated the Southerners' hatred for the Negro. To a certain degree, the future plight of the Southern Negro was fostered by the Radical Republicans in their effort to create a Republican enclave in the once solidly Democratic South. Once the troops were removed, the backlash would begin. Little by little the newly emancipated Negroes would be reduced to the position of unwanted outsiders. Despite their numbers, they would be closed off from white society and physically segregated as much as possible. While the Southern Negro had attained his freedom, he still was a prisoner of a cotton-based economy which was in decline because the soil was exhausted and competition had arisen from newly developed sources of supply. While Northern politicians would trot out the "bloody red shirt" as the rationale for supporting Republican candidates, the Southern white politicians would point to the Negro as the reason to vote Democratic. The Southern and Border States, which at one time supported Whigs as well as Democrats, now became the solid Democratic South. The fate of the Southern Negro was sealed by a number of decisions by the US Supreme Court. In 1883, in the *Civil Rights Cases*, the court ruled that the Fourteenth Amendment applied only to actions taken by the government not by private individuals. Its effect was to invalidate most of the provisions of the Civil Rights Act of 1875, a law passed by Congress to protect Negroes from acts of discrimination in the private sector. The final blow came in 1896 when the court upheld lower courts in the case of *Plessy vs. Ferguson*. In its seven-to-one ruling the court stated that social policy did not imply discrimination since the complainant, Plessy, had been offered equal facilities. In this case the facility was a passenger car on a railroad that had separate cars for whites and coloreds. The railroad was not in violation of the Fourteenth Amendment to the Constitution, the court held, because it had provided Negroes the same

means of transportation as afforded to whites — establishing the “separate but equal” precedent.

There had to be a reason why the issue of slavery did not prick the American conscience until more than a half a century had passed since the Declaration of Independence. That it took place in Boston was not strange. Once slavery was abolished in the Bay state, and its male Negroes given the right of suffrage, the issue of slavery itself surfaced. Actually, the Abolitionist movement led by William Lloyd Garrison and Wendell Phillips was an outgrowth of the American Colonization Society, whose aim was to solve the Negro problem by shipping them back to Africa. Since slaves were other men’s property, the society’s agenda was to send the free Negro back to his homeland — in other words, an out-and-out racist goal to remove the free Negro from Northern society. In line with this thinking, the administration of James Monroe played a major role in the establishment of Liberia, with the first republican form of government in Africa. In his honor, the capital of the new nation was named Monrovia. What turned Garrison, Phillips and others away from the American Colonization Society to supporting the principle of abolition was the emergence of the Abolitionist society in England. Unlike the United States, where slavery was part of the Constitution, in Great Britain its existence was confined to the sugar islands in the Caribbean, Barbados and Jamaica. Furthermore, the abolition of slavery in the British colonies was enacted by Parliament in a reform bill that was passed in 1834. In that bill, the sugar planters, most of whom were absentee owners living in England, were reimbursed for the loss of their slaves. But the main reason the bill sailed through Parliament was that the sugar islands no longer were competitive with sugar producers elsewhere. Nevertheless, the movement in England had its repercussions in the United States, and Garrison became its major apostle. Despite the paucity of its circulation, only 3,000 paid subscribers, *The Liberator*, the title he had chosen for his newspaper, had an influence all out of proportion to the number of its paid subscribers. While it appeared that Garrison was a voice crying out in the wilderness, in reality he was stirring up a witches brew. For the first time in American history, the institution of slavery and the very Constitution that endorsed it were being publically challenged. Nor did Garrison in his newspaper restrict himself to the issue of slavery. He also championed the women’s suffrage movement. As the influence of his paper began to grow, the Southern establishment became paranoid on the subject. His paper was confiscated in the mails. Worse yet, his influence on religious ministers in the North began to grow. The morality of slavery, which had never been challenged before (the Missouri Compromise was political in nature), now was on the front burner. In the early 1850s, the issue would reach the boiling point when there would be a total separation of the Northern and Southern branches of the Methodist, Baptist and Presbyterian churches over the issue of slavery.



To Garrison, slavery was a moral problem that was eating away at the soul of American democracy. Until the nomination of Lincoln, he had shunned joining any political movement. There was an Abolitionist Party but he was not party to their platform. He was a man with an obsession, and a purist. Once the Thirteenth Amendment had been ratified, he lost all interest in the fate of the Negro. What happened to the Negro and his future no longer concerned Garrison. He had attained his mission while on this earth. For 30 years he had waged a war to liberate the slaves. Now it was up to the politicians to determine the Negro's fate and future. Thaddeus Stevens in the House and Charles Sumner in the Senate were every bit as sincere as Garrison in taking up the cause of the Negro. Unlike the fiery editor of *The Liberator*, they were pragmatic as well. They recognized that while the establishment Southerners had been temporarily defeated in war, they had not been eliminated. They were still alive and well. Unless political and economic measures were set in place while they were still in disarray and licking their wounds, eventually they would return to power because they were far more sophisticated and educated than the average Negro field hand. And while the Negro no longer would be enslaved in the old sense of the word, he would become economically dependent upon his former masters and sink down into a form of peonage, which is exactly what happened. Ironically, it was the same fear voiced by President Johnson in opposing suffrage for the Negro. Where Stevens and Sumner hoped to use the Negro to develop a Republican Party in the South, Johnson believed his vote would be used to return the old oligarchy to power.

Some historians tend to blame the failure of Reconstruction as the cause for the eventual plight of the Southern Negro: pushing the white Southerners too far and too fast produced the backlash. Others contend that the attitude of most Republicans toward the emancipated Negro was to use him for the selfish purposes of the Republican Party. The essence of Reconstruction was to make the Negro the ward of the national government, until such time as he could make it on his own. Time and again, those championing the rights of the Negro in the South would speak of the necessity for him to pull himself up by his own bootstraps. This was sheer nonsense in a society that was dominated by whites. Those Negroes who did make it in the post-war South did it by exploiting their own kind. Early on, during Reconstruction and for the decade and a half following it, Negroes by virtue of their numbers could be elected to public office but they were ostracized from the financial and economic power that finally emerged once the South was on its feet. Socially they might be able to travel in the same railroad cars as the whites and in certain cases eat in the same restaurants, but with the passage of time these circumstances would change as well. It would take time for the Jim Crow rules to become public practice. Moreover the Southern Negro and the Northern Negro, as well, were more than conscious that they were tolerated — not accepted as equals. The growth of the Negro churches in the post-war



years is proof positive that they knew they were unwelcome even when worshipping a common God. In the white man's church, they could worship by standing in the rear. The message of the white preachers had no bearing on their lives. In their own churches, they could find refuge. They could create their own music and feel free to express their own emotions. In many instances, they were exploited by their own ministers and preachers, but at least the exploitation was being done by their own kind rather than by those who looked down on them as Darkies or Niggers.

The attitude of the white establishment Southerners, once the military had left and they returned to political power, was more patronizing than hostile. Unlike the North where the Negro was a total stranger to the whites, the Negro had been part of the Southerners' landscape, and when growing up, a part of their daily lives. In the North, the Negro was an unknown cipher. The Southern whites might look down on the Negro as an inferior being, but at least they were more than conscious that he existed. In the North, having no experience of living side by side with the Negro, he was an oddity. The Southern Negroes, in their naivety, believed that because the North had liberated them from slavery, the Republicans had their best interests at heart. Some did. Certainly that was true of Thaddeus Stevens and Charles Sumner. But the fundamental reason for the failure of Reconstruction was the economic condition that the defeat in the war imposed upon the South. Economically, the South remained in the backwater of the phenomenal growth that the North was experiencing. Shorn of any investment capital, as a result of the war, whatever industrialization that did take place was controlled by Northern interests. The bulk of the Southern economy was chained largely to cotton and, to a lesser degree, tobacco, rice and sugar cane — all commodities, and all bought and sold on a world market. With the opening of the Suez Canal in 1869, India became a major competitor with Southern cotton. In Egypt as well, the British were developing cotton plantations. Thanks to the Suez Canal, rice could be brought from the Far East. Without any economic growth in the region, the bulk of the Negro population was reduced to the role of impoverished sharecropper. Whatever textile plants arose in the South, employment in those mills was restricted exclusively to the poor whites. The industrial North had its own labor problems, and what took place in the South was of no interest to them. Both the Republican and Democratic parties were controlled by Northern capitalists who viewed the Southern states almost as a colonial possession, to be exploited for the benefit of Northern bankers and manufacturers, as well as the growing number of wholesalers who came to dominate the system of product distribution. Most of these wholesalers were former Carpetbaggers who remained in the South, and because of their growing wealth soon became pillars in the Southern ruling clique. The Radical Republicans tried to use the Negro for political ends, and when that failed, they lost all interest in the welfare of the for-

mer slaves. If most Negroes were destined to poverty because of the economics of the post-war South, they soon learned that they were to be stripped of any political power even before the federal troops had been withdrawn from the Southern states. One by one, groups of white Southern vigilantes began to emerge on the scene with the sole aim of intimidating the Negroes and eventually reducing whatever political power they had accumulated with their access to the ballot box. Among these were the Ku Klux Klan, the Knights of the White Camellia, the White Liners and the Red Shirts. Of them all, the most famous and therefore the most notorious was the Klan. What started as a joke by four Confederate veterans of the war in Tennessee, including the uniform of the hooded white sheet and the cone hat, a year later evolved into an organized movement in Nashville, with Nathan Forrest appointed as Grand Wizard and with lesser titles of Grand Dragons and Grand Cyclopes. It soon spread throughout the South as a means of terrifying the Carpetbagger, the Scalawag and the Negro, using such tactics as murder and lynching in order to terrorize its targets. As the scope of its activities widened throughout the South, Congress took action by passing two Enforcement Acts, and when these failed, in 1871 it passed the Ku Klux Klan Act, which suspended the right of habeas corpus and legalized the trying of Klan members in federal courts. The Klan had become such a force in South Carolina, yet to be admitted as a state, that President Grant had to call in the military to break it up. Although Grand Wizard Forrest officially disbanded the organization, active chapters remained throughout the South. While its scope waned once the establishment was firmly in power, elements of the old organization continued to flourish, but not to the previous extent. As legal impediments were gradually put in place to prevent the Negroes from voting, the activities of the Klan diminished. By the turn of the century, the influence of the Negro in public affairs had disappeared. Jim Crow was in effect throughout the South. There were separate facilities for Negroes — separate drinking fountains and rest rooms in public areas; they were no longer allowed in white restaurants, hotels, etc. Segregation of the races was complete. The solid, white Democratic South reigned supreme.

In the 35 years following the end of the conflict, a new generation came to power in the South. This was the generation of fantasists. The glory and bravery of those who had fought in the War Between the States were elevated to almost sainthood; the Southern way of life was extolled; the act of secession had been entirely justified. There was no mention of the high rate of desertion among the Confederate troops during the last year and a half of the war, but rather the bravery of the Southern soldier fighting against insuperable odds. Whereas Jefferson Davis's generation condemned him for his leadership during the conflict, the new generation raised him to Olympian heights; Robert E. Lee was elevated to the same pedestal as Alexander the Great or Napoleon. The Confederate flag was unfurled everywhere. Dixie, the marching song of the Confederacy, became

the symbol for the Southern autonomy. In Vicksburg, Mississippi, July 4th never was celebrated because that was the day that the famed fortress surrendered to Ulysses Grant. The only way to expiate the South's defeat was to create a mythology, and its leaders worked diligently to turn fantasy into reality. The new generation of Southerners would not let the memory of the glorious war fade away. In the midst of the extreme poverty that blighted the South, there was the memory of things past. Part of this madness was to reduce psychologically the Negro to his pre-war status as an outsider in the all-white community. This new approach to the Negro would take many forms. To prevent the mixing of the races among the poor whites and Negroes, both of them working side by side as sharecroppers in the fields picking cotton, textile mills would be created so as to segregate the poor of the two races. At the turn of the century, as far as the South was concerned, Reconstruction was a bad memory to be forgotten. As far as the North was concerned, who cares?

## CHAPTER 7. THE NORTH: GROWTH AND CORRUPTION

As Mister Dooley would say, all generalizations collapse under the weight of being general, because they are not specific enough. Nevertheless, if any generalization could be applied to the North it would be that of untrammelled economic growth once the conflict was over. The South was boxed into its original states while the North had half a continent of land to fill in with population, industry, railroads and exploitation of the natural resources, which abounded throughout this vast, unexplored territory. It was a time and an opportunity for men who thought big. In fulfilling the potential that lay ahead, anything was possible for those equal to the challenge. The sophisticated would term these individuals as *Condottieri*; the press and the public as Robber Barons; and they, if they thought about it, as trail blazers, creating a great and powerful nation that would become the colossus of the world. The North after the end of the war was the land of opportunity. Poor boys from nondescript backgrounds could rise to the pinnacle of success and power. Wealth became the be-all and end-all. To understand the mindset of these buccaneers from all walks of life and all backgrounds, one has to understand that for them the impossible only took a little longer. Some were inventors, whose additions to society expanded the horizons and ease of life for individuals; others were the industrialists who by amalgamating small businesses were able to create a mass market for their products; and finally, there were the investment bankers who provided the capital from all over the world that enabled the aforementioned to succeed. In the process of realizing their goals any means would be used, even if it meant stealing from the federal, state or local governments. If it required graft to achieve one's ends, so be it. Most of these men were church going, God fearing men. Whether prayers or contributions to their

churches salved their conscience is immaterial. Money was their God, and they worshipped no other deity except when attending church.

To appreciate the impact the war had on the Northern economy, a few statistics are completely revealing. During the four years that the war lasted, more than 2,500,000 men served in the Union armed forces. The number 2,500,000 signified not only the men but the uniforms they wore; the footwear that was issued to them; the tents and cooking equipment required; the rifles or muskets, ammunition and bayonets, distributed; the food that had to be dispensed on a daily basis; the horses, saddles and stirrups for the cavalry; the cannons, howitzers and shells for the artillery; the naval ships to enforce the blockade. All the instruments that were necessary to wage a war had to be manufactured and transported to the battle fronts. Field hospitals with surgical and medical supplies had to be established to care for the wounded and maimed. Any war that has lasted four years becomes a total war. Ghoulish as it might seem, even those who produced coffins prospered from the long conflict. Weapons of war require primary and secondary suppliers. Those who produced iron from which the weapons of war were forged and cast expanded their production to meet this extraordinary demand. It was from the war that E. I. Du Pont de Nemours, a small facility that produced gun powder and explosives, emerged as a large and powerful company. In addition to taking lives, the war also made individuals millionaires. The expanded iron foundries turned their production to producing iron for rails and locomotives, as well as freight and passenger cars, for the post-war rail expansion. A men's clothing industry emerged from those who supplied the uniforms for the soldiers. To service this new industry, textile plants expanded. The same applied to the newly emerged footwear industry; it required the tanning of hides. The war and all the tragedies it induced also served as a catalyst for the expansion of the Northern economy.

While the war opened up vast opportunities for future growth, once the conflict ended and the majority of those in the service were discharged, an economic recession emerged for those engaged in supplying the necessities for the war. Not every industry felt its impact, and those workers who were laid off were mostly in industries geared to fighting the war. Those facilities that could be converted to civilian needs or could be devoted to the expansion of industry discovered the post-war era to be a bonanza. Only the farmers, who had prospered from the war and had invested in new lands and machinery to supply the army, found themselves burdened with debt now that they no longer had that lucrative market to serve. The discovery of oil in Titusville, Pennsylvania added employees to the work force. There was a negative side to the post-war era as well. Since the government had not imposed wage and price controls, inflation reduced the purchasing power of the average worker. Where at the onset of the war, \$100 could buy a \$100 worth of merchandise, by 1865, the merchandise that had cost \$100

now cost \$175, while the value of the money required to purchase it had declined to \$82. Yet in the face of inflation and massive layoffs and a million returning veterans, the Northern economy as a whole did not suffer from a recession.

There were two major factors that cushioned the impact of the recession. First was the impact of the passage by Congress of the Homestead Act of 1862 — designed to exploit and populate the hundreds of millions of acres of government lands west of the Mississippi River. Any individual, whether immigrant or citizen, was offered 160 acres of land gratis, provided he constructed a house and farmed the land. The individual was given five years to meet these requirements. At the end of that time period, if he could find two neighbors who would validate that he had met those terms, a patent was issued in his name and the land was his in perpetuity. The total cost to the individual to receive the land grant was \$10 for the license and \$2 for the agent who supervised the land grants. Veterans of the war were allowed extra years, depending upon the length of their time in the military, to fulfill these obligations. Over time, 540,000,000 acres, or one tenth of the total land mass of the United States, would be granted under the terms of the Homestead Act. Only in 1976 was the act discontinued in the continental US and 1986 in Alaska. Under the terms of the legislation, the alternative was to purchase the land at \$1.25 an acre. While the Homestead Act more than lived up to its expectations of populating the Western territories and expanding farm production, there were certain negatives as well. Unless the land acquired was in proximity to a rail line, it would be difficult to send the excess production to the eastern markets and later to Europe. Roads would have to be constructed and rail lines built to connect the hinterlands with their potential markets. The problem was: which came first, the chicken or the egg. Until there were sufficient numbers of settlers to warrant a road or lay tracks for a railroad, there was no incentive on the part of the states or investors to bring in transportation. Despite these drawbacks, the rapid post-war expansion of railroads was the major factor that stimulated the economy. Led by Wall Street, with funds from foreign investors as well as loans floated by states, existing rail lines were expanded and rail lines merged. A transcontinental track would be constructed which linked the West Coast with the East. Telegraph lines followed the laying of the tracks. With the growth of railroads, other industries prospered as well. Locomotives and freight and passenger cars had to be built; these, along with the tracks, required huge amount of iron ore and later steel as well as lumber for the ties between the tracks. Coal became a major industry. All of these industries gave employment to hundreds of thousands of workers. Chicago, because of its central location, became the railway hub of the nation. While Chicago played a major role in the expansion of the national economy, especially in the newly developed Western states, it was New York's Wall Street that financed the growth of the nation. One of the by-products of the war was to create a number of millionaires among the

owners of those firms that had supplied the war material. While the wartime income tax drained off some of this newly acquired wealth, as a percentage of their income it was negligible. While some of this money was put into government bonds as part of the war effort, a considerable amount of this excess income was invested in stocks and bonds on Wall Street. With this influx of newly created wealth, the brokerage houses on Wall Street flourished as they never had before. The motives of this new breed of investors may have varied, but all of them had one thing in mind: making money from the money they invested. It also brought to the fore a new breed of men. They were ruthless and devoid of any conscience. Some of them were devoutly religious; others, hedonists. But all of them shared the same creed: never give a sucker a break.

Of note were four young men who grew up on farms, left them at the age of 16, and died multi-millionaires. They earned the epithet *Robber Barons*, but this was an unfair sobriquet since they only hoodwinked their peers. Start with Jay Gould who became the leading railroad titan of the nineteenth century. At 16 he apprenticed to a surveyor and was taught a lesson he never forgot: trust no one but yourself. Duped out of the money he had earned, he established his own firm and soon was successful. But a surveyor is not an entrepreneur with a going business; rather he is a temporary employee. Gould's initial success came when he discovered a large tract of land near Stroudsburg, Pennsylvania, covered with hemlock trees. He had met a successful merchant of hides, Zadoc Pratt, after whom a town had been named. Gould put two and two together. Hemlock trees secreted a tannin that could be used in the tanning business, so he proposed a partnership with Pratt. The older man was amused. But a year later, after Gould invested all his capital of \$5,000 in the land, hired 60 laborers to cut down the trees, established a tanning facility and made an arrangement with the Delaware and Lackawanna railroad to ship the finished product to Prattsville, Zadoc entered into a partnership with the 20 year old. Ambition and chutzpa were Gould's strengths. He not only named his new location Gouldsboro but set up his own bank in Stroudsburg, Jay Gould & Co., and used some of the profits to speculate in hides. In a trip to New York City he contacted the largest retail distributor of hides, Leupp & Lee, and convinced Leupp of the profits that could be made by cutting out the middleman. If Gould was devious, Pratt was suspicious and learned that Gould had been siphoning off the profits to his bank. Facing a prison sentence, Gould borrowed \$60,000 from Leupp and bought Pratt out, at a price far in excess of his investment. For three years the partnership was successful, until the panic of 1857, when the Ohio Insurance Co. failed and brought down one bank after another. Leupp was a millionaire, and Gould had used his firm's credit in an effort to corner the hide market. Unable to repay the loans as the banks now demanded, the partnership went bankrupt and Leupp, his reputation ruined, committed suicide. When Lee, Leupp's son-in-law, demanded that Gould repay the \$60,000

he had borrowed, he agreed to make six annual payments of \$10,000 but without interest. Lee then hired some goons from Scranton and attempted to take over Gould's factory. An armed battle ensued, four men were wounded, and Gould maintained his factory. But his reputation was ruined, the factory was closed, and Gouldsboro disappeared from the map.

Gould, who had squirreled away a considerable sum of money, set out for New York City and Wall Street where a man with his talent and shrewdness could amass real money. Because of his youth, Gould grew a black bushy beard, which would become his signature. He also was shrewd enough to realize he needed a partner. Although shy and an obvious hick when compared to New Yorkers, he eventually made the acquaintance of a Daniel Miller. Miller, in addition to being wealthy and a speculator in railroads, also had an unmarried daughter, Helen. There is no accounting for chemistry, and the two young people fell in love. However, she needed her father's permission to marry, and her father denied permission because he viewed Gould as a fortune hunter. Jay Gould in this instance was sincere. Determined to prove that he had a future, he became a junior partner in one of the most prestigious firms on Wall Street and paid \$460 for a seat on the New York Stock Exchange. Unable to convince Helen's father to sanction the marriage, the couple eloped, and Daniel Miller grudgingly accepted Gould into the family. Miller soon discovered that his daughter had made an excellent choice: not only was their marriage successful, but his son-in-law turned out to be a financial genius.

Long before his marriage, Gould had been buying up first mortgage bonds on a small 62-mile railroad, the Rutland and Washington, with a line that ran from Troy, New York to Rutland, Vermont. With the backing of his father-in-law, he acquired a controlling interest. In the same way Gould had learned the tanning business, he now set out to learn the ins and outs of running a railroad. This attitude would more than pay off later in his career. Whether Gould was a visionary or just lucky is a moot point. Consolidation of railroads was in its infancy. Given the high cost of laying tracks, about \$35,000 a mile, depending upon the terrain to be crossed, it was cheaper to acquire an existing line than construct one. The Rensselaer and Saratoga was looking to expand into the Vermont market. Since both lines originated in Troy, acquisition made sense. After the usual haggling, the deal was consummated, and Gould and Miller made an enormous return on their investment. Gould was now a wealthy man, and Miller viewed his son-in-law in a new light. He had no idea how astute Gould was, and since he shunned publicity, Wall Street took no notice of him. While Wall Street and especially the New York banks were thrown into a tizzy with the outbreak of the war, Gould saw it as an opportunity to make a fortune. War material would have to be transferred by rail from the factories to the troops. With his new wealth, Gould acquired the Cleveland and Pittsburgh railroad from another speculator for \$40



a share. Once again he took an active role in managing the line and goosed up the price of the stock to \$120 a share. Where his first acquisition had been fortuitous, in this instance he had in mind the customer for its acquisition, the Pennsylvania railroad, which was expanding its lines westward. While its management balked at the inflated price of Gould's stock, acquisition was still cheaper than laying tracks, so management capitulated. Overnight Gould had become a celebrity, but he continued to avoid the press, preferring to remain a man of mystery.

The second farm boy, Cornelius Vanderbilt, later christened with the title of Commodore because of the fortune he had amassed with his fleet of commercial ships, launched his career at 16 with a sailboat ferrying food between his home on Staten Island and Manhattan when the British blockaded New York during the War of 1812. Vanderbilt's philosophy, which would never change, was to undercut the competition on price. While he would adjust to the new technology, making the transition from sail to steamboats, he never changed his principle. His big break came when the Supreme Court overruled Fulton's monopoly on Hudson River traffic from Albany to New York, which allowed the Commodore to corner the market with his lower prices. By the mid-1840s he was a millionaire, owning a fleet of 100 steam ships, some of which made the transatlantic trip between New York and France carrying freight and passengers, while most of the traffic was still consigned to sail boats. Vanderbilt always was one step ahead of his competitors. During the California Gold Rush, when his competitors used the Isthmus of Panama because it was closer, he opted for Nicaragua, which enabled his ships to use a river to reach the Pacific rather than traveling the route over land. Despite the subsidies granted to his competitors for carrying the mail, he still undercut their price and made a profit. Eventually, they bought him out. What distinguished Vanderbilt and Gould from their equally rapacious competitors was their ability to adapt to change, their contempt for most men, especially politicians, and their willingness to take risks. In 1862, Congress enacted legislation calling for a transcontinental railroad that would link the West Coast with the rest of the country. Vanderbilt immediately sensed that railroads were the future and sold his steamship holdings so he could pioneer in this burgeoning industry. Unlike most venture capitalists, he had a vision when he entered the new means for transportation. He was going to create a monopoly on all rail traffic coming into the largest and most important commercial city, New York. His first acquisition was the New York and Harlem line, which he bought for a low price, and once he had a grasp of the business, he acquired the Hudson River and New York Central so that he now controlled all traffic coming into the city from the North. His only remaining competitor was the Erie railroad, which entered New York from the West.

Daniel Drew was another farm boy, orphaned at the age of 15. With only a minimal education, he enlisted in the army and served during the War of 1812.

Once discharged and with no skills, he became a cattle drover, driving the herds to the slaughter houses in New York City. Using his native shrewdness, he learned to heavily salt the cattle's feed so they would drink enormous amounts of water just before they were sold, and thereby weigh more. By 1834 he was the owner of a thriving cattle business and decided to increase his profits by entering the steam-driven shipping business. Unable to compete with Vanderbilt, he confined his shipping business to areas outside of New York. In 1844 he sold his shipping operations and founded the brokerage firm of Drew, Robinson & Co. When his partner died ten years later, he continued to operate the firm by himself. In 1857, he managed to have himself appointed a director of the Erie railroad. Armed with an insider's knowledge, he sold the stock short and made a fortune. But when he tried to use the same tactic with the New York, Harlem, Vanderbilt, and his associates bought up every share he sold, the result was a personal loss of \$500,000. With the discovery of oil in Titusville, Pennsylvania in 1862, the Erie became a very valuable property because it was the only rail line connected to these fields. It also was in debt to Drew for \$2 million, which he had lent the company. In 1867, according to its charter, Erie was to elect a new slate of officers. Vanderbilt, who had been eyeing the Erie in order to complete his monopoly, now accelerated his purchases of the stock. Drew, who had a serious investment outside of the \$2 million he was owed, was not about to cede control of the line to Vanderbilt. In the midst of this struggle between the two men entered Jay Gould who, seeing the activity on the stock, decided it was a good investment and bought enough shares to be elected to the Board of Directors. Wall Street has always thrived on rumors. When it learned that John Eldridge, a Boston financier, had invested heavily in the line, hoping to merge it with one of his rail lines in New England, the Street believed that Eldridge was prepared to combine his holdings with Vanderbilt, who would have no objection to a New England line linking up with the Erie. In this instance, the speculators were wrong. Eldridge, instead, had joined forces with Gould, who in turn had made a deal with James Fisk, who was acting on behalf of Drew. The battle of the titans was about to take place, and Vanderbilt would learn that Jay Gould was not a pussycat.

James Fisk, Jr. was cut from a different bolt of cloth than the other players in this spectacle to come. He had no interest in amassing wealth; money to him was to be spent on the pleasures of life. As an adolescent, he left the farm to join a traveling carnival, and while never a member of the cast, he imbibed the glamour, the life of a vagabond, and the pleasure of conning a gullible public. Returning home, he joined his father who had become an unsuccessful peddler, traveling from farm to farm with an old wagon. With the knowledge gained from the traveling carny, he painted the wagons red and yellow, outfitted himself as a city slicker, and created the atmosphere of a carnival. Bored with the limitations of a peddler, he moved to Boston and went to work as a salesman for Jordan & Co, a whole-

saler of dry goods. To Fisk, he had graduated one step above that of a peddler. It was with the outbreak of the war that Fisk realized his potential. He convinced Eben Jordan that he could sell the thousands of blankets sitting in a warehouse to the army. He set himself up at the Willard Hotel in Washington, with an open bar, and within a few days, he had sold thousands of blankets to the army. He cultivated congressmen and officers in the Quartermaster Corps and was selling everything from shirts to socks and underwear. He was so successful that Jordan made him a junior partner. Fisk was bigger than life physically and possessed an ego to match. He soon became engaged in trafficking in cotton by going behind the Confederate lines. He viewed the war as an opportunity to make a fast buck. Flushed with his success and certain he could become a multi-millionaire, he resigned from his partnership, and with the \$65,000 that he received, he took off for Wall Street where he was suckered out of his newly found wealth.

To Fisk, this was a minor setback. In the spring of 1865, everyone knew the war would soon be over. If someone could get to England before the official news of the surrender by the Confederacy, he could short the Confederate bonds that some English still were holding at \$80, and make a fortune. His plan was brilliant. The trans-Atlantic cable had yet to be laid; a fast boat sailing from Halifax would have a two-day advance on a boat from New York. The only problem was that the telegraph lines were 50 miles short of Halifax. Fisk convinced a group of investors on Wall Street of the feasibility of his scheme. They posted their man at Halifax; had him charter the fastest steamboat and await instructions. With the investors' money, Fisk oversaw the laying of the extra 50 miles of lines. The investors' representative beat the regular boat by two days, allowing them to make a killing and Fisk to earn a generous commission, which he lost speculating in the Stock Market. What made Fisk remarkable was his ability to charm people. Where the men on the Street were proper and conservative and ostensibly religious, he was loud and brash, both in his demeanor and in his attire. Although married, he flaunted his mistress in public. He was a character out of a Damon Runyon story, a carny man working on Wall Street, the bastion of conservatism. Despite his non-conformist behavior, he was approached by Daniel Drew, the prim and devout Methodist, who viewed him as an asset in his ongoing war with Vanderbilt for control of the Erie railroad. Backed by Drew, Fisk opened the brokerage firm of Fisk and Belden to give him some legitimacy and to enable Drew to invest anonymously. Fisk's role was to seek an alliance with Gould and Eldridge.

Vanderbilt was overconfident; he assumed he had acquired enough shares to seize control of the Erie, and in theory he did. But Drew, as treasurer of the company, had an ace up his sleeve. In addition to stock, the company also held bonds which could be converted into stock, which increased the number of outstanding shares. Drew now put 50,000 shares of these Erie bonds on the market. To counter this move, Vanderbilt had New York Supreme Court Judge George C.

Barnard issue an injunction forbidding the sale of these bonds. Barnard was one of the many judges Vanderbilt kept on his payroll. He then ordered his brokers to acquire as many shares of Erie as existed. He had no idea that Gould had entered into a partnership with Drew and that they had a joint stock trading account. It was not the only time Vanderbilt would underestimate Gould. In November 1867, Vanderbilt continued to buy Erie stock at \$80 a share, assuming he was safe because of the injunction issued by Barnard. Despite the injunction, Drew, Fisk and Gould continued to sell the bonds as stock. Gould now had a bigger surprise in store for the Commodore. As a member of the executive committee of the railroad, he authorized the issuance of another \$5 million in bonds which could be converted into 50,000 shares of stock. In March 1868, Barnard issued a second injunction against these 50,000 shares. There were now 100,000 shares of illegal stock on the market. To purchase these shares would require an investment of \$8 million. Vanderbilt was caught in a trap. If he didn't buy, the price of the stock would fall and he would incur serious losses. While he was contemplating what to do, the stock fell to \$67.50 while he had paid \$80. He had no alternative but to purchase what was on the market. To make certain that no more bonds were thrown on the market, he had Judge Barnard issue contempt of court orders against Drew, Fisk and Gould for selling stock when they had been ordered to cease and desist. Upon learning of the Judge's action the three men moved their operation to Jersey City, where they would be outside the court's jurisdiction. For the New York Press, it was a field day. There were rumors that Vanderbilt was planning to invade their new headquarters. While Fisk was commanding a group of boats to prevent a possible invasion and acting as the spokesman to the press, Gould went to Trenton trying to incorporate the company in New Jersey. Having failed, he moved to Albany in an effort to bribe the members of the legislature. Before he could succeed, he was arrested, brought back to New York City where he was freed after posting bail. Gould now returned to Albany, supposedly armed with \$200,000 in cash, and the money produced the expected results. Not only did the legislature pass a bill ex-post facto legalizing the sale of convertible bonds, but it made it illegal for Vanderbilt to create an interlocking directorate of any of the lines he owned with the Erie railroad. With the passage of that legislation, the rationale for Vanderbilt to acquire the Erie vanished.

The deflation of the Commodore's ego may have troubled him, but of far greater concern were the millions he had invested in Erie stock, which now was of no value to him. He sent an agent to Drew, who was more than willing to double-cross his temporary partners: he secretly moved the treasury of the Erie back to the New York City. Gould reacted by attaching Drew's personal fortune, still in Jersey City. Under those circumstances, Drew returned the treasury. Gould also understood the concern of Vanderbilt, and he intended to use it to feather his nest as well as that of Fisk. The deal worked out with Vanderbilt allowed

him to recoup \$4.75 million of his investment and still be left in a position to dispose of his additional holdings without incurring a loss. In exchange, Vanderbilt would cast his votes to insure that Gould and Fisk had control of the Executive Committee of the Erie. Drew, relieved to have kept his personal fortune, offered no objection. A year later, when Gould was elected president of Erie, Drew was removed from the board. In his place, Gould appointed William M. Tweed, the political boss of Tammany Hall who had been instrumental in helping him bribe the members of the legislature. Now firmly in control, Gould increased the capitalization of the Erie from \$34 million to \$54 million, enabling Gould and Fisk to pocket the fictitious \$20 million. It was a trick invented by Vanderbilt. There was still one piece of unfinished business, the perfidy of Daniel Drew. Fisk who had worked for him understood Drew's approach to the stock market. Drew had made his fortune through selling stocks short. To sucker in the old man, they launched a campaign to drive down the price of Erie stock. By November 1868, the price had fallen from \$70 to \$35. Assured that Drew had swallowed the bait, they repurchased the stock until its price had hit \$62 a share. Drew, who had bet on the stock continuing to decline, now had to make up the difference.

Vanderbilt had neither forgotten nor forgiven Gould for what he had done to his plan to create a monopoly. Knowing that the Erie was overcapitalized on paper, he initiated a freight war forcing Erie to compete for the profitable business of bringing cattle to New York City. Every time Erie lowered its price to meet his, he reduced it further, until the price for a carload of cattle descended from \$125 to \$1. If the freight war had continued, both lines would have gone into bankruptcy. Before Gould made a public announcement that the freight war was over and that the price would revert to \$125 a carload, he rounded up all the cattle west of Buffalo and shipped them to New York on Vanderbilt's New York Central at \$1 a carload. Vanderbilt would later refer to Gould as the smartest son-of-a-bitch in America.

## CHAPTER 8. THE SCANDALS OF THE GRANT ADMINISTRATIONS

Why Jay Gould decided to corner the private gold market in this country remains as much of a mystery as how Abel Corbin, a 61-year-old widower managed to meet and marry Virginia Grant, the 34-year-old spinster sister of Ulysses S. Grant, now the president of the US. Corbin was a wealthy New Yorker who invested in land and was a minor speculator in stocks. To his wife, the marriage to Corbin was a miracle. Instead of living in Galena, Illinois and an empty life, she became the wife of a wealthy man living in the most interesting city in the country. To her husband, he now was the brother-in-law of the President, a man who had failed in business and would certainly lean on him for counsel and advice. For both, it was a marriage made in heaven. Equally interesting is that Gould and Fisk had met Corbin when they purchased some land from him for the Erie railroad. As a result, Gould and Fisk were now on a first-name basis with Corbin who in turn prided himself to be associated with the men who had outsmarted Vanderbilt.

In addition to hubris, a number of reasons may have led Gould to undertake a project never before conceived or considered — controlling the private gold market, the instrument of exchange for all commerce, domestic and foreign. The most logical was that he intended to make a fortune on greenbacks, the \$350 million of paper currency issued by the government to fight the war. Although theoretically backed by the good faith of the government, this currency still was valued at \$100 to \$131 of gold-backed currency. Thus, if the price of gold increased, the value of the greenback would decrease, which would enable Gould to sell greenbacks short and make an enormous profit. To understand the deviousness of Gould's mind it is necessary to understand the role of gold. Gold was traded in a special room off of the stock exchange. People bought and sold gold much as they do

today, but the fluctuation in price was minimal since there was no world market. In addition to the gold bought and sold on the private market, the federal government maintained a gold balance of \$100 million. In the private sector, people bought gold certificates that could be converted into the metal, not the actual metal itself. The principal users of gold certificates were importers. Gould could not only make a killing on greenbacks if he controlled the supply of private gold before the government stepped in, but he also could rake in a fortune from importers and speculators since he would control the official means of exchange for all commercial transactions. Unlike Vanderbilt's effort to monopolize all rail traffic coming into New York City, Gould's scheme was a hit-and-run operation because at any time the government could step in with its supply of gold and break the monopoly. Nor would he have any problem financing his coup since he would be buying on margin. Furthermore, the Tenth National Bank of New York had been in trouble, and through Boss Tweed he had been able to take it over. While the bank's capitalization was a million dollars, its credit in the market far exceeded that amount. But the most important factor in his favor was that no one, even in his wildest imagination, would suspect what he intended to do. The only possible fly in the ointment was the possibility of government interference, which is why in May 1869 Gould paid a social call on Abel Corbin. The ostensible purpose of his visit was to espouse his philosophy of the importance of gold in maintaining the nation's prosperity; his actual purpose was to massage Corbin's ego and learn how much influence he had with his brother-in-law, President Grant. Corbin, anxious to impress the man whom the press had labeled the Wizard of Wall Street, boasted how Grant leaned on him for advice when it came to business. Confident that the fish was hooked on the line, Gould explained the advantage that would accrue to the economy if the price of gold was high. Corbin said he agreed with his theory and that the next time he was in Washington he would attempt to convince the President of Gould's logical approach to the economy. As he was leaving, Gould informed Corbin that he was buying a million and a half dollars worth of gold in Corbin's name and that the profits from this investment would go to Corbin. Furthermore, Gould was purchasing an additional half million in Julia Grant's name and he assumed that Corbin would deliver to her whatever profits were made. Gould was playing a dangerous game. Julia Grant was the President's wife.

On June 15, Gould met Grant at Corbin's home. While the meeting was brief, Gould managed to convince Corbin, the President, and his wife, and daughter, that they should travel to Boston to celebrate the Peace Jubilee on Jim Fisk's steamboat, the *Providence*. Grant was naïve when it came to associating with wealthy men. He assumed they were sufficiently rich not to want to take advantage of him. Fisk, who had never met the President, rose to the occasion. He hired the best band in New York to play at the pier, outfitted himself in a commo-



dore's uniform, and arranged for a 20-gun salute as the ship left the dock. Among the guests invited aboard the boat were the Secretary of the Treasury George Boutwell, Cyrus Field who had laid the first Atlantic cable, and other important dignitaries. The main topic of discussion in the saloon was the benefits that would accrue to the economy if the price of gold was high. While there was a considerable amount of drinking, and the discussion lasted until midnight, Grant puffing away at his cigar remained non-committal.

The entertaining of Grant and his family continued when they returned to New York and were invited to watch a performance of *La Perichole*, to hear the famous singers of that time, and to get a first glimpse of the French can-can, sitting in Jim Fisk's personal box in his Fifth Avenue mansion, the major theater in the city. All of Gould's efforts to curry favor with the President did nothing to advance his goal. Grant had no interest in economic theories; his only interest was in racing horses. Then came a lucky break. H. H. Van Dyke resigned as assistant US treasurer in New York, the top treasury post in the city whose main function was to keep Washington informed on the gold market. This was the moment of truth for Gould. Either Corbin had some influence with the President or he was a bag of hot air. When Corbin's first choice turned him down, he chose General Daniel Butterfield who had led a group of investors who had bought a home in Washington for Grant and his family when they moved to the nation's capital at the end of war. When Grant entered the White House, he sold the property for his own benefit. Upon his appointment, Gould purchased \$1.5 million of gold in Butterfield's name. Thus far, his confidence in Corbin had paid off. So when he suggested that Gould buy a half a million dollars in General Horace Porter's name, Gould assumed he could be helpful to his cause. It was only when Porter turned it down that Gould learned that Porter was one of Grant's personal aides. In fact Gould was overreacting. No one had any idea he was attempting to corner the gold market; as proof, when Grant visited Corbin on September 2, he told him he was writing a letter to the Secretary of the Treasury advising him not to sell gold without his permission.

Until now, Gould had kept Fisk in the dark about his intention, perhaps because he feared he would let the cat out of the bag. Now he needed Fisk's personal wealth to help to solidify the scheme. While Gould was pushing the price of gold up, there were adversaries attempting to push it down. So on September 15, Gould unveiled his scheme to Fisk. At first Fisk was reluctant; if Gould wanted a partner, why did he wait until now? But Fisk was a gambler, and remembering how Gould had outsmarted Vanderbilt, from a skeptic Fisk became an enthusiast. With Fisk's financial support, the price of gold began to climb from \$137 to \$140. It was at this moment that Gould became nervous. Despite the letter from Grant to Boutwell, he needed further assurance that the Treasury would not step in. After writing a letter to Boutwell emphasizing the importance of keeping the



price of gold high, he had Corbin write a letter to Grant, who was vacationing in Washington, Pennsylvania, once again stressing the economic necessity to keep the price of gold high. Gould, who had bested the most powerful man on Wall Street, Vanderbilt, now was behaving like a nervous bride on her wedding night. He insisted that Corbin's letter be delivered by a special messenger. Grant was playing croquet with General Porter when the messenger delivered the letter. Told to wait, the messenger finally handed the letter to Porter and left. Then the messenger, following instructions, telegraphed Fisk: "Letter delivered; all right." All that the messenger meant was that he had delivered the letter. If Gould or Fisk was stupid enough to believe that Grant had approved the contents of the letter and relayed his approval through their messenger, it is astonishing.

A few days later, Corbin's wife received a letter from Julia Grant. The contents of the letter were damning. The President was convinced that Virginia's husband was speculating in gold. Abel Corbin panicked and showed the letter addressed to his wife to Gould. Not only did Corbin want out of the scheme; he also wanted the \$100,000 he had earned through Gould's investment. Gould was no fool. He told Corbin he would give him the money, but Corbin would have to remain in the pool. Corbin and the President's wife, Julia, were his insurance. Gould also was certain he had to get out of the gold market before it crashed and ruined him financially. On September 24, 1869, while Gould was discreetly selling his gold certificates, Fisk and others were buying them up, still convinced that Gould was an active player in the gold market. Early in the morning, the price rose from \$141 to \$145 and shortly after that hit \$150. From \$150, it climbed to \$160. Jim Fisk was ready to bet \$50,000 that the market would hit \$200 before the day was over. At 11:54 AM, the price had reached \$161 when the news came over the wire that the government had released \$4 million of its gold holdings into the market. This was the infamous Black Friday when investors were ruined not only in the gold market but in the stock market as well. Everyone had been buying on margin. Gold leveled off at \$138, then settled down. While Fisk went bankrupt, Gould, who had sold off his gold holdings, walked away with millions of dollars not only from gold but from greenbacks as well. Since Fisk had been in the forefront of bidders on Friday as far as the press and public were concerned he was the villain. In the end, because of the money sent to Julia Grant, the Republican-controlled House quashed a congressional investigation. As Gould had planned, Corbin became the fall guy while Fisk recovered his fortune by letting his brokers take the loss.

But if Grant and perhaps his wife were absolved, there still remained a smell. The only major player to really suffer, in addition to Corbin, was General Butterfield who was removed from his job. For his efforts, which were nil, at least he walked away with \$35,000.

In fact, in comparison with the other scandals associated with the railroads and Congress, the Grant's two administrations were relatively clean given the nature of the times — except for Grant's defense of his principal aide, General Orville Babcock (who had delivered Grant's surrender demand to General Lee at Appomattox). The four-year war had pumped almost \$3 billion into the Northern economy, opening enormous opportunities for graft. Take the Whiskey Ring scandal which began under the Lincoln administration and continued to flourish through Johnson's tenure and into Grant's. Sin taxes were one of the most common means of raising revenues for the government; to help pay for the war, an excise stamp was placed on every bottle of whiskey sold. Since Americans consumed approximately 20 million gallons per annum, the potential revenues to be collected were more than considerable. Since the revenues collected went to the Treasury Department, it was up to it to police the distillers, to make sure the stamps were not only adhered to every bottle but paid for as well. Given the volume of booze sold, the potential for graft was enormous and impossible to police unless one could expose the perpetrators involved. The man in charge of collecting those fees at the beginning of Grant's first term was John McDonald, a wartime friend of Grant. Headquartered in St. Louis, he was responsible for the sale of stamps in seven states in the region.

Benjamin Bristow's lifetime goal was to be elected president. A brilliant lawyer and a dedicated Republican, he was appointed Solicitor General in the Justice Department during Grant's second administration. When his Secretary of the Treasury resigned, Grant elevated Bristow to that position. Although it was common knowledge that there was widespread corruption in the issuance of stamps and that the Treasury was losing millions of dollars in revenue, until Bristow was appointed, no Secretary had bothered to launch an investigation. Supposedly, the editor of the *St. Louis Post Dispatch* informed Bristow that he knew of a free lance reporter, Myron Colony, capable of exposing the Whiskey Ring in St. Louis. Invited to Washington by Bristow, Colony told him it would require \$125,000 to gather the evidence. Colony must have presented the Secretary with some evidence for Bristow to approve such a large sum of money to a total stranger. A few months later, however, Colony returned to Washington and placed the evidence on Bristow's desk. When McDonald was shown the evidence implicating him, he confessed and pleaded for mercy. According to Bluford Wilson, the solicitor in the Treasury Department, McDonald then called on him and asked not to be indicted. He swore he would get restitution from the distilleries and begged Wilson not to seize them. McDonald's entreaties ignored, he informed Wilson of his personal contacts within the Republican Party, including President Grant. He would later deny making such assertions. Bristow and Wilson then apprised Grant of the situation and informed him that it extended to the Chicago office as well. Grant's initial reaction was that the McDonald had betrayed his friend-

ship and his duty towards the public. Again, according to Wilson, his reaction changed when he learned that General Babcock also was involved in the scandal. Babcock was more than involved in the scandal, and Grant's attempt to protect him at the cost of perjuring himself led some cynics to conclude that Babcock was blackmailing the President. Moreover, Grant's desperate efforts to have the US annex San Domingo, today's Dominican Republic, tends to confirm this suspicion since Babcock was financially involved in that scandal as well.

That Grant was naïve to the point of being stupid, there is no quarrel; that he also could be obstinate in the face of reality was just as evident. He was secure only in the military. In that setting, either a man followed someone's orders or you gave them and expected them to be carried out. That was the sum total of Grant's knowledge and experience. To believe that wealthy men had no interest in exploiting him was no different than his acceptance that politicians had no axe to grind. He would tell President Johnson one thing, and when he discovered it might jeopardize his chance to be nominated for president, he would deny ever having made such a statement. Moreover, it never crossed his mind that he was a liar since had he known how the Republican leadership would react, he never would have made that promise to Johnson. Grant believed he was entitled to the presidency because he was the general who had won the war. Once in office, he believed that the president as Commander-in-Chief gave the orders and Congress obeyed. When Senator Charles Sumner, chairman of the Senate Foreign Relations Committee, blocked his efforts to acquire San Domingo, he took it as a personal affront. Sumner was just as puzzled as to why Grant wanted to acquire an island with a million impoverished Negroes when the administration was unable to cope with 3,500,000 American Negroes only recently liberated from slavery. Neither man realized that General Babcock, whom Grant had dispatched to San Domingo to determine whether the US should consider its acquisition, had been paid off by the president of that country with a valuable grant of land which would be worth a fortune if the island was absorbed by the US. Babcock was neither a Cardinal Richelieu, the power behind the throne or a Rasputin who controlled the Czar; he was a crook, who for one reason or another had the President in his power. There is no known explanation for Grant's attitude towards San Domingo or his refusal to dismiss Babcock. It was only when Hamilton Fish, his Secretary of State, showed him the evidence that Babcock also had been involved with General Butterfield in the gold scandal that Grant finally dismissed him and brought in his son, Buck Grant, to replace him. As for McDonald, he was convicted along with 350 others and spent 18 months in prison. While there he wrote a book not only confirming Babcock's guilt but damned the legal system for his having avoided being sent to prison. McDonald also contended that Grant was in on the take. When a Democrat on the investigating committee asked Bluford Wilson if Grant had committed perjury, his response was: let the record speak for

itself. Grant did appoint Babcock as Commissioner of Lighthouses, and he died shortly after when his boat capsized. The other scandals in Grant's administration involved two prominent members of his cabinet. His Secretary of the Navy, George Robeson, was accused of taking kickbacks from a food supplier, and his Secretary of War, William Belknap, allegedly took kickbacks for Indian trade post appointments. After he resigned, he was impeached by the House, but the Senate vote fell short of impeachment. His Secretary of the Interior, Columbus Delano, also resigned after it became known that he had been given partnerships in surveying contracts over which the Interior Department had control.

While the scandals surrounding Grant sullied his reputation, he paid no attention and even sought a third term, even though no president had ever considered doing that. Grant and his wife considered the presidency as an entitlement rather than a responsibility. In the final analysis, he was the hero on the horse who, once he dismounted, was a very ordinary man.



## CHAPTER 9. RAILROADS, CORRUPTION AND THE PANIC OF 1873

The period of time from the beginning of the war in 1861 until the end of the century easily could be labeled the Age of Corruption. Yet, the title chosen for this second volume is the End of the Republic. The rationale for that choice of words is simple. The railroads had altered the face and fate of this country. No other force or element in the post-war period did more to break down and destroy the fundamental concepts of the Founding Fathers than the tens of thousands of railroad tracks that crisscrossed this country and made the independent states interdependent one upon the other. True, all of the old trappings still were in place. The states were largely independent of federal authority. Except for the Sherman Act and the Interstate Commerce Commission, Washington had yet to poke its nose into the day-to-day life of the states. But the handwriting was on the wall. The states' rights concept of Jefferson and Jackson had been washed away as the country expanded westward. The statistics tell everything. Between 1865 and 1880, the freight tonnage miles carried by the railroads increased from 2.16 billion to 14.8 billion. In the same period of time, track mileage advanced from 35,000 to 115,000. Over the next ten years, the number of passengers carried soared from 289 million to 520 million; total freight skyrocketed to 78 billion tons. There were 18,000 locomotives in operation. The growth of the railroads stimulated the inventiveness of the people within the profession. George Westinghouse invented the airbrake, which added to the speed and safety of the roads; George Pullman created the sleeping car. By the middle of the 1880s, one could ride from New York to San Francisco for as little as \$21.50. The trains would stop along the way so people could go out and shoot game. Dining cars were added with immaculately dressed Negro waiters serving five-course meals. By 1880, the railroads employed more workers than any other industry, almost 800,000.

Thanks to the railroads, the iron and steel industries grew enormously, as did those of coal and lumber used for the rail ties. If a town was strategically located along one of the rail lines, the town became a city, and in some cases, the city a metropolis. Herds of cattle were driven from Texas and other parts of the west to Omaha and Kansas City, to be shipped by rail to the slaughter houses of Chicago. By the end of the century, more miles of track had been laid in the US than in all of Western Europe and Great Britain. To accomplish this Herculean task, one ingredient was mandatory, that of money. Laying rail line was expensive in terms of both material and manpower. Because of that, most rail line constructed in the 1840s and 1850s, generally sponsored by individual states, tended to have short runs. Except for Commodore Vanderbilt with his New York Central and Harlem River lines, which connected Buffalo with the city of New York, and Daniel Drew with his Erie line, the only other major lines were the Baltimore and Ohio and the Pennsylvania railroads, both of which linked the eastern seaboard with the Midwest. All the efforts following the end of the war were to consolidate these various small lines, but there were major problems to resolve in both physical and financial terms. Some of the roads employed different gauge track than others; some had gone bankrupt and were in receivership, leaving the state that had sponsored them holding the bag; too many of them had been launched during the early days of railroading without taking into account whether they would be commercially viable. This movement towards consolidation was hastened by the decision of Congress in 1862 to authorize the construction of the Union Pacific Railroad and its counterpart, the Central Pacific. By this legislation, Congress, in effect, was subsidizing the cost of the two branches of the railroad that would link the East with the West Coast. The eastern end of the trans-continental railroad was to start at Omaha, Nebraska, and the western portion of the line at Sacramento, California. The two of them were to meet at Promontory, Utah.

The five partners for the Central Pacific were four Sacramento, California businessman — Collis Huntington, who was in partnership with Mark Hopkins in a hardware store; Charles Crocker, an ex-gold-miner who owned a dry goods emporium; and Leland Stanford, a wholesale grocer — and Theodore Judah, an engineer. The only professional among the five was Judah, so he was dispatched to Washington to convince Congress that these men were fully capable of completing the western spur of the line, which would take the rail line over the Sierra Nevada Mountains. Judah must have been a superb salesman because he came back with the contract. He soon had a falling out with his partners because he balked at overcharging the government for track laid on flat land. (The subsidy was \$16,000 per mile for construction on flat terrain versus \$48,000 for mountainous.) He died of typhoid fever in November 1863 in New York City, where he had travelled, via Panama, to interest investors in buying out his partners. Given their backgrounds, now that Judah was out of the picture, the remaining four

partners hardly seemed to be the likely candidates to construct this spur of the rail line. While it constituted only 742 miles of track, as compared to the 1,038 for the eastern spur, it was the most difficult to complete since it faced mountains to cross. Given the small population of California at that time, they tried to enlist Mexicans in their workforce. When that failed, Hopkins came up with the brilliant idea of employing Chinese. He rounded up as many as he could on the West Coast and imported the rest from Canton. Although small in stature by Western standards, it was thanks to the diligent Chinese workers that their end of the spur was completed. The venture was extremely remunerative for the partners: at the completion of the line, the four men divvied up \$23 million. While this sum was little more than half of the profits that had been made on the eastern spur, \$42 million, it was still a handsome start in life for four men whose combined wealth prior to the construction of the railroad would have been considered a joke back East. But they had two advantages over the Union Pacific. First, the wages they had to pay the Chinese laborers were far less than those paid on the eastern spur; second, there was less likelihood of a congressional investigation since no members of Congress were involved in their operation. There also was one fundamental difference in the structure of the two corporations. The Central Pacific was one wholly owned corporation; the Union Pacific consisted of two corporations — the railroad, which was the Union Pacific, and the construction company, Credit Mobilier. Although the stock holders and the directors were one and the same in the two corporations, the rationale for this division was compelling. While the completion of the trans-continental railroad would allow the western spur to ship products from California and the Orient to the East, thereby making the rail line profitable from the moment the two were joined, the eastern spur was traversing land that had yet to be settled. There was no way that the rail line could be profitable, even with its land grants on both sides of the tracks, until a population had developed. Bearing this in mind, it would have to be the construction company that would be the cash cow for the investors and stockholders.

The name of the construction company, Credit Mobilier of America, seemed like a great idea. The fame and fortune of Credit Mobilier of France was known throughout the world, and its failure was years ahead. It was obvious to the directors of the Union Pacific Company, who were also the directors of Credit Mobilier of America, that the one thousand plus miles of the road they had committed to construct would be impossible without direct and indirect aid from the federal government. Neither the domestic nor foreign markets for bonds would be willing to invest that kind of money in a project that would not pay off for years. Being astute gamblers, what they were counting on was an act of Congress, which was passed in 1864, calling for the necessity to construct a trans-continental line. It was in the light of this act that Theodore Judah, representing the



investors of the Central Pacific, was able to obtain their contract for that portion of the proposed line. What it eventually boiled down to was that the federal government was to supply the funds, either through second mortgages or loans, to construct a railroad for the benefit of private citizens who happened to be the directors of both the Union Pacific railroad and Credit Mobilier. To make certain that its investment would be secure, that this no-man's land between Omaha and Utah would be populated eventually, the government sweetened the deal by allotting to Union Pacific huge tracts of land on both sides of the track, which the railroad then could sell to prospective buyers. For the directors of Union Pacific and Credit Mobilier, it was a win-win situation. Under its contract with the government, it was stipulated that the stock of the company could be sold only at its par value of \$100 a share. However, since investment in the stock was at best speculative, most of it was sold at \$30 a share.

A major part of the scheme or scam of the speculators was to find front-men who ostensibly signed a contract to lay the track for a specified number of miles. The first of these dummies was a man by the name of Hoxie, who ran a ferry across the Missouri River and also was an employee of Credit Mobilier. He was supposed to invest a half a million dollars in order to obtain the contract. Of course, Mr. Hoxie did not have a half a million dollars so he assigned his contract over to the Credit Mobilier. The cost to the railroad company for Mr. Hoxie's contract was about \$13 million; the actual cost to Credit Mobilier was about \$8 million, leaving a profit of \$5 million. There was a similar contract to a man by the name of Davis in the amount of \$23.5 million, while the actual cost to Credit Mobilier was in the neighborhood of \$15.5 million, leaving another profit of \$8 million. But the biggie was the contract to Oakes Ames, a wealthy industrialist from Massachusetts, who also happened to be congressman from that state. Ames contracted to build 667 miles of the Union Pacific railroad at prices ranging from \$42,000 per mile to \$96,000 per mile. His contract was for \$57 million, and the cost to Credit Mobilier was about \$27 million dollars, leaving a net profit of \$30 million. In addition, there was the payment made directly to Credit Mobilier of \$1 million for 58 miles of line which they had constructed on their own without any dummy partners involved. All in all, the total actual cost to construct the 1,038 miles of line had come to about \$50 million, with a profit to Credit Mobilier of about \$42 million. Meanwhile, the second mortgages and loans held by the federal government would not have to be paid off for 30 years. All of these shenanigans might have been lost in the euphoria of 1869 when the eastern and western spurs met at Promontory Summit in Utah, and a golden spike was driven in by a silver hammer to commemorate the completion of the line that now linked the West Coast with the East, save for the fact that Oakes Ames name appeared as one of the dummy corporations. Could it be that members of Congress had been in collusion with Credit Mobilier? Fortunately, at that time the House of Representatives still was

controlled by the Republicans or the investigation might have become far more damaging. As it was, among the eleven congressmen or senators who held Credit Mobilier stock, thanks to Oakes Ames only one was a member of Grant's cabinet — the former Speaker of the House and the current vice president of the United States, Schuyler Colfax. James Garfield, soon to be president of the US, only had a small piece of the action. What the investigation did uncover, outside of the fact that Colfax was dropped from Grant's ticket in the 1872 election, was that most of the investments made by these lawmakers were small, with the exception of Ames and James Brooks of New York. For the press, however, it was a field day; corruption in the very halls of Congress. To read the papers it would appear that until then political figures had been clean. Nevertheless, the publicity was so damning that the initial response of the House was to expel both Ames and Brooks from that body. On further consideration, the House relented and merely censured them for their actions. Over the next few years, and as calmer heads prevailed, it was discovered that while the profits of Credit Mobilier were excessive, they did not represent, as believed earlier, half of the total money expended by the government on the eastern spur of the line. It was these rationalizations that made the era appear more corrupt than it actually was. After all, \$42 million was not exactly half of the \$93.6 million it cost the government.

The Panic of 1873 and the Depression that ensued is generally ascribed to the failures of the three banks owned by Jay Cooke. That would assume, of course, that the economy of the US in the last quarter of the nineteenth century was isolated from what took place on the European continent or Britain. Nothing could be further from the facts. The incredible economic growth of this nation, starting with the canals and moving on to the railroads, had been financed largely by European capital. Most of it came from Great Britain, but a large percentage as well was provided by the German banking houses, especially those in Frankfurt. The emergence of Germany as a unified nation under the leadership of Prussia, following the defeat of the Austrians at Sadowa in 1866 and its subsequent easy victory over the French at Sedan in 1870, may have been greeted with unbridled enthusiasm by the large German population in this country, but its ramifications went far beyond the fact that Germany now was the leading military power on the European continent. Following the peace treaty, in addition to seizing Alsace and parts of Lorraine, Germany imposed a \$5 billion indemnity on the French government to be paid in gold. Until such time as it was paid, German troops would remain in France. The enormity of the sum of money demanded may have shocked the world, but France was determined to pay it off as soon as possible in order to remove the presence of German troops from its soil. France would raise part of the ransom through its own means and borrow the remainder from Britain. In a short period of time, the reparations were paid and the German troops evacuated. The result of such an enormous infusion of gold into the German economy

had two major financial repercussions. First, it enabled Germany to go off the silver standard and join the exclusive club of those nations where gold was the only standard for trade; second, it set off a building boom throughout Germany and Austria, which resulted in over-construction, causing German funds to be tied up in real estate with no buyers in the market. This retrenchment, coupled with Great Britain having advanced 90 million Pounds in gold certificates to France, which might threaten its own supply of the precious metal, brought about serious repercussions in the US. The economic recession in Germany spread to Great Britain with the result that investment in US railroads came to a screeching halt.

While Jay Cooke has been associated with the likes of Gould, Fisk and Vanderbilt because of his later involvement with railroads, he had nothing in common with them. Jay Cooke was born in 1821 in a small town outside of Sandusky, Ohio. Like Gould, his father had been a farmer but sufficiently important and wealthy to have served one term in Congress. Like Gould, Cooke showed no interest in farming and after a rudimentary education, at age 14 he went to work in a dry goods store as an apprentice clerk. While there he became head clerk and learned double entry bookkeeping. From there he drifted to St. Louis, now earning \$600 a year. Like Gould, he always was on the move and soon found work with William Moorehead with whom he entered into a partnership. But his real break came when he joined the banking firm of E. W. Clark & Company in Philadelphia. Starting as a clerk, within five years he had risen to be a full partner. It was while working there that he received his experience in railroad organization and finance as well in the financing of the Mexican War through government loans. He became adept at selling bonds to the public for financing railroads as well as placing loans for the state government. With this background and the money he had saved, in January 1861, Jay Cooke opened his own bank, Jay Cooke & Company. His first opportunity as a banker was to float a \$3 million loan for the state of Pennsylvania. Since the state drew upon these funds only gradually, the capital of the loans could be used to finance his bank. Cooke was not shy about his success in placing such a sizeable loan. He sent off the names of the loan subscribers to newspapers throughout the country in the hope of gaining publicity, and to Salmon Chase, Secretary of the Treasury in the Lincoln cabinet, and to Jefferson Davis as well. At this stage of his life, Cooke was apolitical. Following the defeat of the Union forces at the first battle of Bull Run, without any prompting from the Treasury he raised in loans almost \$1.8 million dollars from prominent bankers and businessmen in the Philadelphia community. He then wrote a letter to Chase at the Treasury, giving the names of the men and the interest they sought for their loans. He followed this up a month later with a letter offering to place himself and his firm at the disposal of the federal government for the purpose of raising funds for the conduct of the war.

Cooke's approach to Chase was not accomplished in the blind. Because Cooke's father had been involved in Ohio politics, there was a longstanding relationship between the family and the political fortunes of Chase in Ohio. Before Chase had joined Lincoln's cabinet as Treasury Secretary, he had been a senator and the Governor of Ohio. Cooke's father had stumped for Chase's elections; his brother, Henry, who owned the *Sandusky Register* and the *Ohio State Journal*, had supported Chase in his political campaigns and as a result had been admitted to his inner circle, which further served to cement the Cooke brothers' relationship with Chase. Through the political connections of his father, Jay Cooke's bank had loaned money indirectly to the senatorial campaign of John Sherman and assisted him financially in many other ways. Once again, John Sherman's position on the Senate Finance Committee stood him in good stead.

There is no doubt that the Cooke family was doing everything in its power to exploit their relationship with Chase. Jay and his father finally convinced Henry to sell his two newspapers and open a small bank in Washington so he could use his familiarity with the Secretary to advance the financial fortunes of the family. Egged on by the father, who viewed Henry's and his own relationship with Chase as a potential gold shaft to be mined, Jay Cooke had no qualms about sending the gift of a carriage to Chase's daughter Kate (which Chase wisely returned), lent him money, and convinced him to open an account in the Washington bank Henry had opened, making certain that Chase's personal deposits earned profits. In September 1861, Cooke was named one of many subscription agents for a national loan. Unlike the later 5-20s, which made Cooke a wealthy man, these initial loan offerings were aimed at banks and provided 7.3 percent interest. They proved to be a failure because there wasn't enough specie in the banks to handle their normal commercial business and to support the government's war efforts on a massive basis. A better way had to be found to finance a war, which in its initial stages already was costing the government \$1.25 million a day. Eventually, between Cooke's agents and the sub-treasury offices around the country, the 7-30s were placed, but the cost of the war was escalating to the point where the government now required \$2 million a day to keep its armies in the field and there was every indication that the war would continue to escalate further.

How and why Jay Cooke & Company became the exclusive outside agents to dispose of a half a billion dollars worth of 5-20 bonds did not go unnoticed by Congress. Obviously, a relatively small banker from Philadelphia ordinarily would not be entrusted to market the size of such a loan. The answer produced by Salmon Chase, the Treasury Secretary, was rather lame. His explanation to the congressional investigating committee was that among all the agents who had offered the original 7-30s in 1861, Cooke had been the most successful. What saved Chase and Cooke from further scrutiny was the phenomenal success that Cooke had in marketing these bonds. While this explanation tended to dissipate some if

not all the suspicions, a cloud of quid pro quo hung over the relationship between Chase and the Cooke family. Chase, ever alert to the possibility of a scandal, and who still dreamt of the presidency, cautioned Cooke in all his official correspondence to address him as Dear Sir. Out of the original \$500 million in bonds, his firm handled \$361 million worth of sales. It was an incredible tour de force for 20-year bonds that paid six percent interest semi-annually, and which could be redeemed for gold or gold certificates at the end of five years. Cooke's method was to break ground in the area of marketing bonds or stocks. In place of appealing to the wealth that would accrue to the individual investor, Cooke harped upon its purchase as a patriotic gesture on the part of the buyer. With more than a million Northerners now in uniform, he had a fertile field to cultivate.

Not only had he found a live-wire pitch that could jolt the people at large, but the Northern press as well was more than receptive to broadcasting his message (except for those Democratic newspapers that were opposed to the war). Cooke used a blend of some paid advertising that more than paid off in the amount of free publicity it generated. Cooke had found a way to manipulate the press. When he launched a second wave of the 7-30s at the end of the conflict (30-year bonds that paid the same six percent and could be converted in seven years), he was able to dispose of \$830 million of these new bonds in a relatively brief period of time. This time there was no congressional investigation. The firm's profits from these sales of \$1.2 billion were a mere one percent or about \$1.2 million. He almost could be considered a patriot who devoted his energies to the course of winning the war. Add to this that his firm gave ten percent of its earnings to charity, and he was almost certain of finding a place in heaven reserved for him and his family. There was, however, a darker side to his activities. His brother, Henry, was in Washington throughout the war, keeping himself up-to-date on its progress as a result of his contacts with Chase and Senator Sherman. The opportunity to take advantage of military successes or failures at the front, before the press could communicate the news to the public at large, provided the Cooke bank's brokerage arm with unique advantages unavailable to other firms. While the Philadelphia bank did not speculate on the price of gold, it did run an active business in stock brokering. Even more important, while selling the bonds he was making the Cooke bank a household name for thousands of investors. Thus, Cooke was able to open a New York branch of the bank under the supervision of a brilliant associate, Horace Fahnestock. Now in the financial center of the nation, the New York branch would supersede Philadelphia as the center of Cooke's empire. The problem facing Cooke, now that financing the war had receded into the background, was the limitation placed on his banks for growth. His banks could be part of the syndicate that would repurchase some of the government debt, but the new Secretary of the Treasury was conservative and the opportunities for earning commissions limited. With the war over for five years,

all the advantages that had accrued to the brokerage divisions during the conflict were gone. In the post-war competitive arena, Cooke was one of many successful banks and brokerage houses.

The year was 1870. The Credit Mobilier scandal had yet to surface, and with the war over there was a massive increase in immigration. Minnesota, in particular, was experiencing a huge growth in population. Why not a northern route that would connect St. Paul with Oregon? Jay Cooke had visited the area and was impressed with the potential for a rail line which would link the northern tier of the nation with the northern Pacific coast. Thus was born the idea for the Northern Pacific railroad. Thanks to his own government contacts and those of his brother, much greater right-of-way land grants on either side of the tracks were acquired than had been allotted to the Union Pacific. Jay Cooke was not a rash individual. He had sensed a unique opportunity, but he knew nothing about railroads or rail construction. He hired the best engineers and surveyors to plot out the optimum route before he made his initial proposition to Congress, which had enabled him to acquire the millions of acres of yet untouched land on which to construct his railroad. The only possible drawback would be financing the construction of the line. Given his prowess as a super salesman, Cooke envisaged no great problems in getting the government to subsidize his railroad, much as they had done for the Union and Central Pacific. It all seemed so simple — publicity, a little greasing of the wheels in Congress, and with government backing the Northern Pacific would become a reality. Counting the profits that could be made from selling off the land on either side of the tracks, it would be an absolute bonanza. And then in 1872, the scandal of Credit Mobilier broke upon the scene, with the involvement of congressmen in the corruption. What once had been a beautiful dream overnight became a nightmare. There was no way that Cooke could finance the railroad by himself. Unlike Gould, who when he realized that his best laid plans to corner the gold market were gone, revamped his strategy so as to recover from a potential disaster, Cooke went straight ahead with his plans as though the Credit Mobilier scandal were a mere bagatelle.

When he turned to the German market, which formerly had invested heavily in American railroads, he discovered that those banks that previously had been receptive to investment in America's future now were scrambling to maintain their own liquidity. Jay Cooke had drawn heavily from the funds deposited in the New York bank while waiting for government financing to solve the problem of railroad construction. He assumed that by using the funds from his own banks, especially the New York branch, to begin construction of the tracks, that Congress would take the work in progress into account and provide the means to complete the rail line. It was a serious error in judgment. The magician who had emptied the pockets of tens of thousands of Americans to support the war now found himself frustrated by his inability to pull off a trick a second time.



Fahnestock, who operated the largest and most successful branch of Jay Cooke in New York, warned him to retreat from the venture before he ruined the New York bank, but Cooke would listen to no one. And then the inevitable happened. The New York branch had been borrowing from other banks in order to subsidize the laying of the tracks. Some of these banks became nervous and began to call in their loans. What began as a trickle soon turned into a heavy downpour. The New York branch collapsed under the weight of not being able to meet the payments on its loans and brought down with it the Jay Cooke banks in Philadelphia and Washington. With the failure of Jay Cooke, one bank after another followed suit.

The Depression of 1873 jolted the nation's banking system. As one bank after another called in overdue commercial loans in order to pay off depositors or loans from other banks, the depression snowballed. Business failures followed and with that, unemployment. With millions now out of work, food prices declined, which affected the farmers. With the depression already in place in Britain and on the continent, food exports suffered. It was as though a house of cards was collapsing. The Grant administration, just returned to power for a second term, had no idea on how to cope with the situation. While blame was heaped on the Cooke banks for precipitating the economic downfall, in reality their failure was only a small piece of the problem. Without an influx of foreign capital, rail construction automatically slowed down, bringing about a decrease in iron and steel production as well as the need for coal to fuel the furnaces. Wages were cut, strikes followed, and the entire economy seemed to be in a downward spiral. The artificial pump priming of the economy as a result of European investment had been cut off as a result of their own economic woes. The political parties failed to understand that the initial post-war growth in the American economy was due in large part to the amount of money infused by the government-contracted debt to fight the war. Even less understood was the link between the US economy and that of Western Europe. When it caught a cold the American economy got sick. Directly tied to the economic woes of the nation were politics. The off-year congressional elections were coming up in 1874, and it was apparent that unless the Republican administration did something to alleviate the economic misery, the Democrats would take over the House of Representatives. The actions taken by an undecided administration followed the usual course. It straddled the question by attempting to release \$26 million of greenbacks into the economy which it believed would satisfy those calling for inflating the currency.

When such a small amount of money had little effect, as should have been expected, Congress called for an additional \$64 million of greenbacks. Grant was caught between the hard and soft money advocates in the Republican Party. Since his Treasury Secretary had no more knowledge of economics than he did, and congressmen were lawyers and politicians, he vetoed the congressional bill

permitting the issuance of more greenbacks. The bankers and Wall Street had prevailed. But the Republican Party would pay a steep price. In the fall elections of 1874 the Democrats took over the House of Representatives and made inroads into the Republican Senate. In the new congressional lineup, the Democrats had moved from 88 seats (with five Independents) in the House to 168 seats (with 14 Independents and Liberals), while the Republican representation decreased from 199 to 108. In the Senate, Democrats had added ten seats. Moreover, on the local level, Democrats were even more successful in capturing legislatures and governorships, which in turn could mean recapturing the Senate as well. The Northern wing of the Democratic Party had been resurrected. If the depression continued, in all likelihood it would take over the White House and all the political plums that went with a new administration. What Thaddeus Stevens had feared, a resurgence of Democratic domination in the Southern states, had been realized. Once admitted back into the Union with the passages of the necessary three amendments, the old Southern Democratic war machine was resurrected. The inroads into the once solid Democratic South produced by a combination of Carpetbaggers, Scalawags and Negroes in electing Republican representatives to Congress had been broken. The old order now was going to take charge.





## CHAPTER 10. THE STOLEN PRESIDENTIAL ELECTION OF 1876

The year 1876 not only marked the one hundredth anniversary of the Declaration of Independence but a repudiation of the very concept of government that the American Revolution had ushered into existence. The political parties that had emerged since the signing of that document had become so corrupt and venal that any resemblance to a republican form of government had disappeared. A nation that had been founded on the precepts of freedom and justice under a Constitution of laws had evolved into a system of political parties whose only role was to control the levers of government for their aggrandizement. The Republican Party, which had won the war, liberated the Negro from slavery, given him citizenship and the right of suffrage, now was prepared to abandon him in order to hold onto political power. The Democrats were no better. Out of office for 15 years, they sought to gain control of the levers of power so they could enjoy the fruits of governance. The economic depression that had begun in 1873 enabled them to succeed. Democrats had taken control of the House and cut into the Republican margin in the Senate. Men might have political loyalties, and Republicans might wave the bloody red shirt, but people vote their pocketbooks, and to the unemployed any change had to be a change for the better. Moreover, in the same way that Northern politicians could count on veterans of the war to vote the Republican ticket, Southern politicians also had their veterans who would vote Democratic.

Corruption permeated every segment of the body politic, and its extent was determined by the amount of money available to steal. The peculations that took place in the Grant administration were symbolic of the attitude that had infected many in the post-war generation. The most outrageous, which shocked even the blasé, were those committed by Boss Tweed and his henchmen at Tammany Hall.

For example, the cost of a courthouse originally estimated at \$250,000 ballooned to \$12.5 million by the time it was finished. Tweed was sent to prison, and a reformed party led by Samuel Tilden, a lawyer, emerged, later electing Tilden governor of New York and elevating him to the Democratic presidential candidacy in 1876. Despite upstate Republican votes in the presidential election, the reformed party in New York City provided enough votes for Tilden and the Democrats to win the election and the state's all-important electoral votes. With the addition of Indiana, New Jersey and Connecticut along with the now solid Democratic South, the Democrats had recaptured the White House. In the midst of this Republican doom and gloom, John C. Reid, managing editor of the Republican *New York Times*, did a little computation. If the electoral votes of Florida, South Carolina and Louisiana were added to Republican candidate Hayes's total, he would have 185 electoral votes to Tilden's 184. Since these were the only Southern states still under Republican control, he sent a wire to their governors not to release the electoral votes. The dispute between the two parties centered on the counting of the popular vote, which in turn would determine the electoral vote. The Republicans contended that Negroes had been intimidated from casting their votes; the Democrats claimed that white voters had been stricken from the list of legitimate voters.

The problem facing both parties was that the Constitution, upon which the legality of the election depended, was not specific in prescribing who should do the counting. All the Twelfth Amendment stated was that the president of the Senate should do the counting in the presence of the Senate and House. If the president of the Senate, a Republican did the counting, Hayes would win; if both Houses did the counting, the Democrats with their large majority in the House, would award the presidency to Tilden. Compounding this Gordian knot was the fact that Tilden had a plurality of 250,000 in the popular vote. Furthermore, the Democrats also had a majority of the popular vote in the three contested states. In reality, there was no way the Democrats could prevail if the Republican-dominated electoral commissions in the three states announced Hayes had won the electoral votes. On the other hand, if the Democratic controlled House refused to count the ballots required to make Hayes's election official and instead launched a filibuster, the March 4 deadline for Hayes's inauguration would pass and there would be no president. Under the Constitution, if the president and vice president died, the secretary of state would temporarily assume the presidency until new elections could be held. With both parties stymied, they finally agreed to appoint a commission that would decide the results in the three contested states. The composition of the commission, apart from the members from the Supreme Court, was ridiculous — three Republicans and two Democrats from the Senate; three Democrats and two Republicans from the House. From the Supreme Court however, there were two Democrats and two Republicans and one independent,

Justice David Davis, who had been instrumental in Lincoln obtaining the Republican presidential nomination. In other words, Davis would decide who won the electoral votes.

History is replete with examples of stupidity and self-destruction but few can compare with the Democrats in the Illinois legislature. The Senate had approved the members of the commission; the House had yet to vote. In Illinois the legislature was deadlocked over the reelection of Senator John Logan. The five members of the independent Greenback Party were holding back support for either the Democratic candidate or the Republican, Logan. Oblivious to the consequences, on the fortieth ballot the Democrats threw their support behind David Davis as an independent candidate, and with the five votes from the Greenbacks, Davis was narrowly elected. Upon his election, Davis resigned his seat on the Supreme Court which meant that the fifth member of the commission had to be a Republican since all the remaining Justices were Republican. The choice of Justice Joseph P. Bradley to replace Davis was welcomed by the Democrats. He had been one of the Justices who had declared the Enforcement Act as unconstitutional, and he had presided over a Southern circuit court for several years where his rulings were considered to be eminently fair. To say the Democrats were naïve would be an understatement. He owed his appointment to a Republican president and his confirmation to a Republican Senate. Even before the counting of the votes began, an agent of the Treasury Department, Joseph H. Maddox, testified before a congressional committee that Republican Governor of Louisiana, J. Madison Wells, had commissioned him to put the votes of the state up for sale. Obviously, the whore houses were not restricted to Bourbon Street.

The first of the disputed election counts to be decided by the commission was Florida on February 8, 1877. The night before, a friend of Justice Bradley had visited with him and read his opinion. He then informed the head of the Democratic National Committee with whom he was staying that Bradley would definitely come down on the side of Tilden. When he heard Bradley deliver his opinion the following morning, not a word of what he had read had changed, only he came out for Hayes. For the next three weeks, the farce would continue with the vote always eight-to-seven in favor of Hayes. In Louisiana, where the corruption was so blatant and obvious that even President Grant spoke out about the corruption of the Electoral Board, it still made no difference. In addition to the bribe proposed by the governor, there were other violations of the Constitution. For example, two of the electors were federal office holders and ineligible to vote. The returning committee was composed of four members from the same party, when state law specifically stated that it should be composed of five members from different parties. How could Kellogg's signature be valid if he wasn't governor at that time? The facts were unimportant. In every instance, the vote was eight-to-seven for Hayes, with Bradley casting the crucial deciding vote.

On February 10, when the Electoral commission presented the tally on Florida, the Democrats moved for a recess of the House until the following Monday. With their majority they could initiate a filibuster, which would prevent the votes from ever being tallied and prevent Hayes from taking office. Furthermore, they were acting within the framework of the Constitution, if not its intent. The only hope for the Republicans was to create a schism between the Northern and Southern Democrats, which would break the filibuster. Two theories have been offered to explain the decision of the Southern Democrats to disobey the party's leadership and call off the filibuster and allow Hayes to be inaugurated. The first deals with a meeting that took place at the Wormley Hotel in Washington on February 26 and 27, when the so-called Compromise of 1877 was devised. According to reports of those meetings, the following agreements were accepted. In exchange for breaking party ranks, the Southern Democrats were offered the following: Congress, meaning the Republican Senate, would recognize the Democratic governments in South Carolina and Louisiana, and the federal troops would be withdrawn from those states either by President Grant or by the newly elected Hayes. In return, the Democrats would respect the rights of the newly enfranchised Negroes. To ensure that the Republicans lived up to their end of the argument and withdrew the troops, the Democratic House where all appropriations were made would hold up the Army Appropriations Bill so that officers and enlisted men could not be paid until the agreement was fulfilled by the Republicans. Not only does this explanation smell fishy; it stinks to high heaven. For one thing, if Tilden was elected president, the troops automatically would be withdrawn. Second, if Southern Democrats double-crossed Northern Democrats, they would approve the appropriations bill in revenge.

Up until the publication of C. Vann Woodward's book *Reunion and Reaction, the Compromise of 1877 and the End of Reconstruction*, this had been the accepted theory for the election of Hayes. Woodward's book begins with a meeting between two Whigs, General Henry Boynton of the Union Army and Colonel Andrew Kellar who had fought on the side of the Confederates. Using the figures from the 1860 presidential election, they proved that John Bell, the Whig candidate, and Stephen Douglas, the Northern Democratic candidate, had received more votes in the Southern states than John C. Breckenridge, the Southern Democratic candidate. On such specious reasoning, they concluded that life could be breathed back into the Whig Party, and with the votes from the newly enfranchised Negroes, they would become the majority party in the South. It was a rerun of Thaddeus Stevens's fantasy, which had flopped at the box office. The only missing ingredient was the backing of Rutherford Hayes, the Republican candidate. Unfortunately Hayes was much like Andrew Johnson. He listened without committing himself one way or the other. At this point, the book flashes back to 1874, and a new cast of characters appears on the scene. They are Tom Scott, president of the Penn-

sylvania and the Texas & Pacific railroads, and Grenville Dodge who had been chief engineer on the Union Pacific railroad, now working for Tom Scott and his effort to get financing for the Texas & Pacific. Both men were trying to revive a railroad that had slipped into bankruptcy but had great potential since it was one of two transcontinental lines approved by Congress — the other being Jay Cooke's Northern Pacific, whose collapse was instrumental in causing the Panic of 1873 and the subsequent economic depression. What both these lines had in common were huge grants of valuable lands on either side of the proposed tracks. Prime real estate for nothing is a bargain in any man's lexicon. News of the resuscitation of this moribund rail line traveled all the way to the West Coast since its western terminal would be San Diego. The man whose ears perked up at the news that Scott and Dodge were attempting to revive a corpse was Collis Huntington, one of the four partners responsible for the construction of the Central Pacific, the western spur which had linked up with the Union Pacific. While his other partners had abandoned railroading for other professions, Huntington had progressed to build the Southern Pacific railroad, which ran from Sacramento to Los Angeles. As far as Huntington was concerned, if a railroad was to enter California, he would own a major share in that line.

For the next two years, the book traces the efforts of Scott and Dodge to acquire financing for the Texas & Pacific. Since Europe as a source was out of the question, as Cooke had learned, the two men turned their hopes and attention to the Southern congressmen and senators. Lacking the funds to bribe these men, they launched a major campaign in the Southern press, whose editors could be bought for next to nothing, touting the advantages that would accrue to the Southern economy with a Southern trans-continental railroad. While Scott and Dodge were scrounging for funds and acquiring even more acreage on the assumption that their proposed line could link up with Ft. Worth, Huntington, without any subsidies, began to lay tracks from San Diego to the border of Arizona. Under those circumstances, Scott would have to make a deal with him, which Scott did. Huntington would continue to lay tracks through Arizona, and the Texas & Pacific would link up with his line. At the same time, Scott was busy lining up votes among Southerners in Congress to support subsidies for his section of the proposed line. To get the support of representatives from Louisiana, Mississippi and Tennessee, he promised to construct branch lines from New Orleans, Vicksburg and Memphis, which would link up with the Texas & Pacific, all of which would be paid for by the federal government. If ever there was a boondoggle, this was a pip.

It was at this moment in time, when the Democrats were threatening a filibuster that would prevent Hayes from being inaugurated, that the forces of Boynton and Kellar formed an alliance with Scott and Dodge. Boynton and Kellar were supposed to get a pledge from Hayes that the federal troops would be withdrawn

from Louisiana and South Carolina; that Democratic governors would be installed in those states; that a Southerner would be appointed to his cabinet; that Southern states would receive federal subsidies for levees, for clearance of ports, and for the all-important Texas & Pacific, including its aforementioned branch lines to New Orleans, Vicksburg and Memphis. In return, these imaginary Democratic-Whigs, every one of whom had fought on the side of the Confederacy, were to promise the following: treat the Negroes fairly at the polls; allow the Republicans to organize the House of Representatives by abandoning the Northern Democrats, and, of course, stop the filibuster by breaking with the Northern Democrats. As an aside, Boynton and Kellar hoped these Whig-Democrats would see the light and align themselves with the Republicans, creating a one-party system. According to Woodward's book, this is what really took place at the Wormley Hotel on February 26 and 27, when the Southern Democrats agreed to abandon the filibuster and to allow Hayes to be inaugurated.

How well did these agreed-upon understandings pan out? Hayes did appoint David Key of Tennessee to his cabinet as Postmaster General, and the federal troops eventually were withdrawn from Louisiana and South Carolina, and Democratic governors did take office. (The latter two events would have occurred had the filibuster remained in place and another election called.) All the other understandings turned out to be fantasy. The Southern Democrats did not provide the votes for the Republicans to organize the House; while the Negro was treated fairly under Governor Wade Hampton in South Carolina, in the remaining Southern states the Negro's position was reduced to that of a second-class citizen. He was free as an individual, but once the Supreme Court declared the Civil Rights Act unconstitutional, he was left to the mercy of his white overlords. After Wade Hampton resigned to enter the Senate, under subsequent South Carolina governors the suffrage rights of the Negro were curtailed as they already had been in the other Southern states. As for the Texas & Pacific, which had seduced so many Southerners with its assurances that its current plight would vanish once the railroad was operational, the company was knocked off track by a series of unforeseen events. First, there was the Great Railroad Strike of 1877, which occupied Tom Scott's time and energy since it cost him and the railroad millions of dollars. Then there was an interview given by President Hayes in which he more than implied his intention to veto the Texas & Pacific bill because of the excessive subsidies demanded of the government. Finally, there was the old nemesis of Scott and Dodge, Collis Huntington, who continued to extend his section of the rail line all the way to Ft. Yuma on the border of Arizona without any government subsidies. Terrified that Huntington's progress without any subsidies might kill the legislation, Dodge called on his friend George McCrary, the Secretary of War, to announce a moratorium on all construction. But McCrary committed a major blunder: he had exposed the weakness of Scott's position to

Huntington, who immediately journeyed to Washington and presented his case to President Hayes. Southern Pacific had laid track from San Diego to the Arizona border without taking any subsidies from the government. All he asked was permission to continue laying track in Arizona at no expense to the government. McCrary had to back down. The moratorium was lifted, and both Huntington and Texas & Pacific were allowed to lay tracks in Arizona. For Texas & Pacific, there was only one problem: the operation was still 1,200 miles away from the border and still waiting on government subsidies to lay more track.

Three years later Huntington had laid track across all of Arizona while Scott was still waiting on Congress to enact the legislation. It took time for Scott to accept the inevitable and sell his stock and his control of Texas & Pacific to the most successful railroad speculator of the nineteenth century, Jay Gould. A year later, Huntington's and Gould's lines would meet at El Paso, Texas, and the South would have its trans-continental railroad at no expense to the government. As for the branch lines to New Orleans, Vicksburg and Memphis, they vanished along with all the internal improvements that were promised to the Southern establishment by General Boynton and Colonel Kellar. Hayes had never promised anything; he even took his time before removing the troops. The Southern establishment had been duped and had no one to blame but itself. Nor would the Northern Democrats forget their betrayal. During the two Democratic administrations of Grover Cleveland, nothing would be done to address the South's economic needs.





## CHAPTER II. THE HAYES ADMINISTRATION

Any effort to assess the Hayes presidency suffers not only from its illegitimacy but from the promises that were made in his name and never fulfilled. Behind his veil of innocence and ignorance were the surrogates who acted in his behalf, ostensibly without his knowledge. Start with his boyhood friend and close confidante, William Henry Smith, the general manager for the Western Associated Press, who had been the messenger employed by Boynton and Kellar to alert Hayes to the commitments made in his name. There is no doubt that Hayes was aware of what the two men had promised, but he had not necessarily signed off on these promises. On the other hand, neither did he shut the door on these commitments made in his name. It was the same situation when it came to the conference at the Wormley Hotel when the agreement was made to withdraw Federal troops from South Carolina and Louisiana and to replace the Carpetbagger Republican governors with duly elected Democratic governors. Once again, it was not Hayes who gave his word but his surrogates from Ohio: Congressman James Garfield, former Governor William Dennison, Senator John Sherman, and Hayes's close confidante and relative, Stanley Matthews. And in fact Hayes did follow through on those commitments but not on the timetable guaranteed by those who spoke on his behalf. Prior to the Wormley meeting, many of these same individuals had gone down to New Orleans to ensure that Hayes received Louisiana's electoral votes. To accomplish this, the two parishes that had voted overwhelmingly Democratic would have to be excluded, and for that to come to fruition, a deal would have to be made with the Democrats and the Carpetbag Republicans. The Democrats insisted on the governorship and one of the two Senate seats in Congress. Delivering these demands was not simple. The Republican governor had to be paid off, along with members of the legislature who appointed senators. Funds

for this project were raised through the New Orleans Cotton Exchange and the Louisiana State Lottery. It was these obvious machinations that caused President Grant to question the legitimacy of the electoral count in Louisiana.

But it did not end there. When the confirmation of William Kellogg came up before the Senate, the fall guy who was to make room for a Democratic senator as dictated by the New Orleans arrangement, there were objections to his being seated not only by Democrats, as to be expected, but by Republicans who were present when the deals were being made. It was then that James Blaine, the senator from Maine who had lost the party's nomination to Hayes, took the floor of the Senate and spoke of certain Republicans who had sold out the principles of their party to have Hayes elected. It was his next statement, however, that exposed the truth. "If Packard is not the legal governor of Louisiana, Hayes has no title to the office of President." It was well known that Stephen Packard, the Republican candidate for governor, had received more votes than Hayes in the election. Hayes and the majority of Republicans viewed his words as those of a sore loser. To them, how he attained the presidency was immaterial; their only concerns were the spoils that went to the victorious party.

Nor would the illegality of Hayes's election fade away. Six months after being sworn into office, *The New York Sun*, the major Democratic news organ in the city, came out with a series of articles once again challenging the legality of Hayes's election. While most was a rehash of what had been printed before, the paper also had uncovered new and more damaging evidence. This time the evidence they presented came from some of the officials who had delivered the official ballot count for the state of Louisiana. According to their testimony, both senator John Sherman of Ohio and Congressman James Garfield who investigated the returns for Hayes were aware of the discrepancies in the votes. As evidence, there was a letter from Sherman indicating that there actually had been no intimidation of the colored voters in the two parishes whose votes had been thrown out and that there was a deliberate attempt by Sherman and other Republicans to cover up what they had discovered. Bribing individuals is often a tricky business since one is never sure if they will be satisfied with the payoff. In order to make sure that the briber lives up to his promises, it is best to hold some evidence in reserve. James E. Anderson and D. A. Weber, who had doctored the election returns, had documents notarized in which they admitted that their electoral count had been fraudulent. It was Anderson who had brought these documents to *The New York Sun* because the position he received from the Hayes administration did not measure up to what he had been promised. Moreover, what had motivated him more than anything else was the mysterious death of the other commissioner, Weber. Anderson, fearful for his own life, had contacted Sherman who promised Anderson that he would be taken care of in the near future. To make certain that Sherman kept his word, Anderson asked for written confirmation from

the senator. Sherman, who had presidential aspirations, was slow to respond to these allegations, hoping they would fade away. And well they might have had not Samuel B. McClin, Florida secretary of the state, made similar charges about fraud in counting the ballots. McClin was furious, and he believed that he had every reason to be. Under the direction of former Republican Governor Edward Noyes of Ohio, whose payoff was appointment as Minister to France, McClin had manipulated the electoral count to have Hayes elected. McClin's payoff was supposed to have been appointment as Associate Justice in the New Mexico territory; however, the position was awarded to another Republican, leaving him unemployed. The Democratically controlled House set up a committee to investigate. President Hayes was furious. Sherman and Garfield denied the allegations, leaving the Democrats frustrated. There was nothing that they could do to alter what had been done. It was the previous Congress that had confirmed the validity of his entitlement to the office of president.

In addition to the sniping, which eventually would fade away with time, and the fact that he was doomed to be a one-term president, barely five months in office Hayes had to cope with the nation's first national strike, a by-product of the economic depression now entering its fourth year. Moreover, it was not conducted by unions, as would be the case later in the century, but rather was almost spontaneous, moving from city to city across the country. As had been the case with the Pacific Northern and the Texas & Pacific, the absence of European capital was placing a strain even on existing rail lines. As a result there were massive bankruptcies, followed by lines put into receivership. To compound the problems of all the railroads, there was a sharp decline in passengers and freight as the depression took its toll on other industries. The age-old solution for declining revenues is to reduce prices, and the only variable in a railroad's cost structure was labor. Even before the railroads instituted wage reductions, the wage scale paid for each profession was hardly generous. The brakemen, whose work was the most dangerous, received the lowest pay, about \$1.75 for a 12-hour day; the firemen, about \$1.90; the conductors, \$2.75 and the engineers, \$3.25. At the end of the trip, the crew had to lay over at its own expense. Furthermore, there was no guarantee of full employment. Taking into account temporary layoffs, the average brakeman or fireman was lucky to earn \$30 a month, of which two thirds generally was consumed by paying for layovers, leaving him barely \$10 to pay for a family. Pushed to the brink of starvation by a new reduction of ten percent in their wages, the workers for the Baltimore & Ohio struck in Martinsville, West Virginia. The Governor called out the militia but the soldiers refused to use force, so Hayes was requested to send in the army. The President had no problem responding to the call since, as governor of Ohio, he had used the militia to put down local strikes; but he was not prepared for a national strike. Next came Maryland. Although the strike started in Cumberland, violence erupted in

Baltimore, where the militia killed 10 and wounded 25. The strikers' marauding and destruction continued, resulting in Hayes deploying federal troops there to restore order. When the strike moved to Pittsburgh, the major staging area for the Pennsylvania railroad, millions of dollars of equipment was either destroyed or damaged by the strikers, and scores were killed and injured by the Maryland militia before federal troops finally arrived on the scene to quell the uprising. From Pittsburgh, the violence leapt to Philadelphia and Reading, and from there to East St. Louis and Chicago. In each incidence, vast amounts of property were destroyed and scores were killed or injured. Federal troops were sent from city to city, suppressing strike after strike. After 45 days of mayhem, the strike was over. At its peak the strike cut off all rail traffic between the Midwest and the East. Mail went undelivered and perishables either rotted or were stolen. Hayes was under enormous pressure; the army, which he had used to restore order, had not been paid since the Democratic House had held up its appropriations to make sure that Hayes lived up to the bargain of his emissaries. Furthermore, Hayes had not called a special session of Congress to rectify this situation because he had yet to withdraw the troops from South Carolina and Louisiana. Hayes was trapped in a vise of his own making. On his right, the Radical Republicans were asking what else had been given away since Republican presidents do not appoint Democrats to their cabinet as Postmaster General unless there is something rotten in Denmark. On his left, the Southern Democrats wanted to know when he intended to fulfill the promises made by his emissaries. Finally, there were the 12 Southern Republican congressmen who had been thrown to the wolves in order for him to be elected. They expected to be compensated along with the Republican governors of South Carolina and Louisiana and their aides. Every appointment Hayes made only served to confirm the obvious: his presidency had been bought, and now it had to be paid for in jobs.

Political rivalry was not restricted to Democrats and Republicans. Within each party there was internecine warfare especially among senators. Blaine was not the only senator who had sought the nomination in 1876; also in the running was Roscoe Conkling, the political boss of the New York Republicans. He was noted for his acerbic tongue which he used to flay political opponents in the Senate. It is with this background in mind that an explanation can be found for the decision by Hayes to reform the Civil Service. Issuing a presidential order, federal office holders now were forbidden to engage in partisan politics as well as to contribute to party treasuries. These orders did not come out of thin air. They were part of a plan to destroy the political base of Senator Conkling. Supposedly, it stemmed from a decision by Treasury Secretary John Sherman to investigate the New York Custom House. Sherman appointed a commission headed by John Jay, the grandson of the first Chief Justice, to make a report. What it uncovered was nothing new. The New York Custom House handled three-fourths of the nation's

imports. It favored New York merchants over those in Chicago. The more than 1,000 employees owed their appointments to political favors, and the man who engineered their appointments was Conkling. The report concluded by stating that 20 percent of the workforce was superfluous and that graft and corruption were rampant. In light of these findings, Hayes issued Executive Order 1, which applied to every Civil Service employee and which was far more sweeping than his original orders. It was absurd and ridiculous. For example, it stated that party leaders should have no more influence in appointments than other respectable citizens. No assessments on office holders or their subordinates should be made. No useless office holder or employee should be retained. No office holder should be required or permitted to take part in the management of political organizations, caucuses, conventions or election campaigns.

It is impossible to understand what Hayes or his mentor on Civil Service reform, Secretary of the Interior Carl Schurz, had in mind. No effort was made to reform the system by establishing qualifications and standards. All appointments were political, whether they were members of his cabinet or were recommended by senators or congressmen whom the President could ill afford to alienate. More important was that no apparatus had been established to police or enforce the executive order. The only thing apparent was that the executive order was aimed at Senator Conkling who controlled New York's Republican Party through the spoils system. To attack Conkling's lieutenants in the New York Custom House immediately would have been too obvious. He waited until members of the reform movement called for action. He called for the dismissal of Chester A. Arthur as port collector; Alonzo B. Cornell as the naval officer, and George H. Sharpe as the surveyor. Sharpe, whose term was about to expire, resigned; Arthur declined on the grounds that he had instituted reforms and Cornell, who was chairman of the state Republican committee, dismissed the executive order on the grounds that it was a restriction of his personal and political rights. Two weeks later, Cornell called for a convention of the New York Republican Party for the avowed purpose of denouncing Hayes and his reform supporters. Leading the reform movement was George Curtis, editor of *Harper's Weekly*. The attacks on Curtis were vicious. Conkling referred to him as a man milliner, which was nothing less than a homophobic attack on the man since the phrase referred to a man who designs women's hats. Conkling then proceeded to savage Hayes. "When Doctor Johnson referred to patriotism as the last refuge of a scoundrel he was then unconscious of the then undeveloped capabilities and uses of the word reform. Parties are not built up by department, or by ladies magazines or by gush." It was then that Curtis committed verbal suicide when he presented a resolution to the convention stating that "the lawful title of Rutherford Hayes to the presidency is as clear and perfect as that of George Washington." The resolution was defeated overwhelmingly.

The decision to attack Conkling through his lieutenants was motivated by blind hatred. Hayes overlooked the irregularities in every other custom house, especially New Orleans, notorious for its corrupt practices. Hayes used the revision of the Tenure of Office Act, which had been used unsuccessfully in the attempt to impeach Andrew Johnson and now allowed a president to remove officials when the Senate was out of session, to remove Arthur and Cornell. The problem was finding replacements that the Senate would approve. After two strikes, on the third try he finally found some men who were not personally hostile to Conkling, and with Democratic support they were confirmed. Other than appointing his friend, Henry Smith, to head up the Chicago Custom House, the dismissal of Arthur and Cornell was the extent of his Civil Service reform. As far as Hayes was concerned, it was up to Congress to initiate the legislation. Ironically, the following year, Alonzo Cornell would be elected governor of New York and Chester Arthur would wind up as president of the United States, thanks to the assassination of President Garfield.

With the onset of the depression in 1873 and the subsequent Democratic capture of the House in the 1874 congressional elections, the Republican majorities in both houses of Congress passed the Specie Resumption Act of (January) 1875 before the 43<sup>rd</sup> session of Congress was over and the Republicans no longer controlled the House. Under this legislation, the \$360 million of greenbacks issued by the government to prosecute the Civil War now would be redeemable at par value in gold, starting in January 1879. Since few if any believed the greenbacks would ever be redeemed, they had been selling for 25 cents on the dollar in commercial transactions. At the same time, since they were legal tender guaranteed by the government for their face value, they were used by farmers to pay off their mortgages. The Resumption Act also covered the hundreds of millions of dollars in government bonds, issued at the same time in denominations of \$100, now valued at \$35. Under the Specie Act, as of January 2, 1879, both greenbacks and bonds could be redeemed for certificates of gold at face value. For farmers and small businessmen this was a disaster. Most of them had depended on this cheap money to survive. To bankers and speculators, however, the Resumption Act would be a windfall. Since they had the funds to acquire and to hold onto the greenbacks and bonds until the date of redemption, these instruments began to be hoarded instead of recirculated. In addition, speculators began offering to purchase the small-denomination \$100 bonds from those people pressed for cash, paying at the going rate of \$35.

In November 1877, the House of Representatives, now in the control of the Democrats, introduced two bills to alleviate the shortage of currency. One would have set back the Resumption Act to a later date or repealed it altogether; the other called for the free coinage of silver at a ratio of 16 grams to one of gold. Where silver had been interchangeable with gold in the early years of the na-

tion, with no renewable supply it had gradually disappeared from circulation. With the expansion of the railroads into the Western states, silver mines were uncovered in Nevada, New Mexico and Colorado. While the quantity of that silver was still unknown, the fact that it was being mined in three states indicated there were huge quantities. To farmers and small businessmen, silver became their new panacea; silver would replace the greenback. Unfortunately, by 1875 Western Europe was on the gold standard and silver no longer was redeemable in international trade; as a result, the focus of Congress centered on the repeal of the Resumption Act. While there were more than enough votes in the House and Senate to repeal the act, no one was certain that there would be enough votes to override Hayes's expected veto. It was a close call, but in the end Hayes was able to twist enough arms for his veto to be sustained in the Senate. If the Democrats couldn't keep the greenbacks, then at least they would have silver, and the initial bill offered by Representative Richard Bland called for the unlimited coinage of silver. If this bill had passed, the country would have been drowned in silver, given the lodes of silver already discovered. It was John Sherman, Hayes's Secretary of the Treasury and would-be presidential candidate in 1880, who arranged a compromise between the silver supporters and those who insisted that gold remain the only viable currency. Under the Bland-Allison Act, the free coinage of silver would be limited to between \$2 million and \$4 million a month. This time Hayes's effort to veto the bill was overridden, and its passage would have repercussions over the next quarter of the century.

None of these pieces of legislation would resolve the depression or the economic plight of the Southern states or the status of the freed Negro among a hostile white population. Until the economies of Western Europe and Britain recovered, the US economy would remain in limbo. As for the Southern whites and Negroes, still dependent on agricultural commodities that now had to compete with Asian and African producers, the economy upon which they were dependent would never recover. The Southern white establishment had bet its future on the promises of Hayes's emissaries, and it had lost. The Northern Democrats would neither forget nor forgive once they captured the White House under Grover Cleveland. The only legacy left by Hayes was the absence of any scandals other than his own election to the presidency.





## CHAPTER 12. THE PLIGHT OF THE CAPITALIST FARMERS

Nothing could stop the phenomenal growth of the American economy in the post-war years. Statistics may make for dull reading but they are an accurate reflection of what took place in the last 40 years of the nineteenth century. In 1860, just before hostilities began, there were 11,110,000 men, women and children employed in this country, including the slave population. Of that number, about half, 5,880,000, were engaged in agriculture. Forty years later, the number employed in agriculture had doubled to 11,680,000 but agriculture only represented one third of the work force. The number of gainfully employed people almost had trebled, now totaling 29,070,000. And well it should have been. The total US population of 76 million was double that of the combined population of France and Great Britain, the former being 37 million and the latter 35 million. In the now unified Germany, the population was 56 million. Both industry and commerce had flourished during these four decades as the cities expanded at a prodigious rate at the expense of the countryside. Once again, the statistics tell the story of America. The number employed in mining increased from 170,00 to 637,000; in fishing from 31,000 to 62,000; in construction from 620,000 to 1,665,000; in manufacturing from a 1.6 million to almost 6 million; in trade from about 900,000 to almost 4 million. But nothing indicates the influence that railroads had on the economy more than their employment figures. In 1860, there were about 80,000 employed; at the turn of the century, the figure surpassed one million.

The more one examines the government figures for employment, the more obvious it becomes that in those four decades the US had undergone a radical transformation as a society. The number of people engaged in the teaching professions had quadrupled to 436,000; even the number of people engaged as domestics, with the South no longer able to count on its house slaves, had advanced

from 680,000 to 1,800,000, indicating the growing number of people able to afford domestic help. An industrial and agricultural colossus had emerged on the other side of the Atlantic as the most powerful nation in the world. Our 180,000 miles of railroad tracks was greater than all of Europe and Great Britain combined, and we produced more iron and steel as well. Thanks to the merger of Carnegie and other steel firms into United States Steel, the US now possessed the single largest corporation in the world. With the discovery of oil in Pennsylvania and later in Texas and California, this country was the leading exporter of those products to the world. In addition to our industrial might, there were a host of inventions, which spilled out one after the other — from the telephone to the gramophone, from the arc light to the incandescent light bulb. But it was in the area of agriculture that the world marveled and feared the amazing productivity of our nation's farmers. No nation could come close to our farmer community in the production of wheat, corn, cotton, cattle and hogs. Unlike Europe, where farming was practiced on small areas of land, and without machinery, the large American farms were fully mechanized, and with the growth of the land grant colleges, were turning more and more to scientific farming. While all of these statistics seem to indicate that the nation's farmers were fat and rich from the bounties of their lands, nothing could have been further from the truth. Due to the vagaries of weather and the problems of having to cope with plant disease; as well as being at the mercy of the railroads, who ruthlessly overcharged on freight, and the operators of the grain mills, who decided on the quality of the wheat, and the banks who squeezed them on their mortgages, a large number of the independent farms in the Midwest either were thrown into bankruptcy or teetered on the verge of it. There is no better example than those men who took advantage of the Homestead Act passed by Congress in 1862, which opened up the unoccupied lands west of the Mississippi River to development. Every individual was granted 160 acres of land for his personal farming upon registering a claim. He had five years to build a house and become engaged in farming before he could receive a patent from the government, permitting him to purchase the land from the government for \$1.25 per acre. Two decades later, only one third of the tens of thousands who had taken up the generous government grants had succeeded. There were good years and bad years, often depending upon the export business to Europe, but the overall picture was anything but rosy. Their two major complaints were: being overcharged by the railroads to transport goods and the high cost of money. The idea of farmers organizing like labor into unions was considered ridiculous. They worked for no one; they owned their own lands and equipment even if both were heavily mortgaged; and the idea of forming some kind of association, in which they could use the power of many to induce changes in their conditions, ran against the very grain of a farmer's independence. Unlike the aborted efforts to organize industrial labor into unions by staging strikes

against the large manufacturing firms that had emerged in the last two decades of the nineteenth century, the original organization of farmers contemplated neither violence nor political activity. In fact, the original Granges, which started in the upper Midwest and spread southward, were adamant about keeping religion and politics out of their agenda.

It was the growth and consolidation of the railroads in the post-war period that allowed Oliver Kelley to drift from one career to another while moving from state to state in the pursuit of happiness. Kelley was not your run-of-the-mill drifter. The son of a New England tailor, he began his career as a clerk in a drug store; in Illinois he became a newspaper man; in Iowa, telegraph operator; and in Minnesota, a farmer. Kelley, a man with ants in his pants, was not cut out for farming. He was gregarious, and a farmer's life was lonely. Out of his musings came the concept of a Masonic organization for farmers and their wives. Like Freemasonry, it would be a secret organization on a national scale in which members would rise from one rank to the next. He named his new organization the Grange of the Patrons of Husbandry. For an organization to be national, it would have to be headquartered in Washington. He petitioned the Republican governor of Minnesota for a job in the agricultural department and wound up working in the Post Office. Nothing could deter Kelley. In 1867, he convinced William Saunders, Superintendent of Propagating Gardens at the Department of Agriculture, to become the organization's president and appointed himself secretary. After several years of developing the organization, he returned to Minnesota. As an ex-newspaperman, he knew that for an organization to grow it would require publicity, so he called on Colonel Dan Robertson, the editor of the *Minnesota Democrat*. It was the Colonel who explained the facts of life to Kelley. What the farmers wanted and needed was not sociability and culture but an amelioration of their economic condition. If the new organization was to be successful, it would have to focus on lowering freight rates and exploiting the potential for joint purchasing of farm equipment. At the end of 1868, Kelley formed the North Star Grange, the first in Minnesota. (The word "grange" was adapted from the Latin word *granarium*, meaning a granary. The choice of the word was arbitrary; the press made the word a generic, applying it to any organized farm association, and there were many both before and after Kelley launched the North Star.) Kelley was a dreamer, not a politician who would take to the road to promote his concept. He had a vision and expected the farmers to see and act upon it. By the early 1870s, membership in the Granges had begun a precipitous decline; it continued to languish in the 1880s and was virtually non-existent by the turn of the century.

It was Stephen Smith, the head of the Farmers Association of Illinois, who finally convinced the members of his organization that the ballot box could effect more changes than even violence. Smith did not have to tell his membership that they were being exploited by the railroads. They were well aware of that. Instead,

he explained that farmers represented three fourths of the voters in Illinois and that if they used their right of suffrage, they could elect officials who would represent their interests and not those of the railroads. The members of the state legislature soon realized that Smith's clarion call to the farmers was no empty threat. Within a year the same members of the legislature who had worked to support the railroads enacted laws that curbed the predatory actions of the railroads.

The answer of the railroad interests was simple. Within a year, one of the Judges on their payroll would declare the new legislation unconstitutional. To Smith and his adherents, this was the final straw. Armed, he led a group of farmers into the halls of the legislature. Faced with armed and determined farmers, the members of the legislature passed new legislation far more stringent than that which had been declared unconstitutional. But Smith and his angry farmers still weren't satisfied. In the June elections, the farmers finally arose to defend their interests by using their voice at the ballot box. The Judge in the pay of the railroads was defeated for reelection. In addition, they elected two Supreme Court Judges as well as Judges presiding over the district courts. Suddenly, it dawned upon the farmers that they could resolve the inequities imposed upon them by the legislatures and by Judges in the pay of the railroads merely by using the ballot box. At the annual July 4 picnics that year, egged on by speakers, the farmers now vowed to bring their complaints to the halls of Congress. Unlike the members of the Iowa Granges, these Illinois farmers were determined to follow through on their complaints. Taking advantage of their initial success and their enthusiasm, a few weeks later a farmers' convention met in Chicago and prepared a platform that would be presented to Congress. Among their demands was that Congress should enact laws that would fix the maximum rate that could be charged on interstate commerce. Moreover, the same demand should be sent to the Illinois legislature. In addition, Congress and the legislature should put an end to subsidies for private corporations, especially the railroads. That was merely the initial demand they sought from their representatives. It was the second resolution of the convention that turned heads. Flushed with their recent victories in Illinois, they now called for the federal government to take over the ownership and operation not only of the railroads but of the commercial ships that plied the waters of the Great Lakes and connected the Midwest with the East Coast. What the farmers now demanded was an end to monopolistic private enterprise and the introduction of socialism. There was nothing quite so radical in the other resolutions. They called for support of locally manufactured merchandise; reminded the farmers that being in debt weakened their position with the railroads; declared that all legislation favoring one industry over another was inimical to other industries, and finally, the most important, urged farmers to organize politically throughout the country and support fellow farmers in their quest for political office. What these farmers failed to recognize was their new

role in the economy. The Western farmers, unknowingly, had entered the world of capitalism. Much like the ante-bellum South, which had lived or died on the price of cotton, they too were experiencing the fortunes and perils of dealing in a one-commodity marketplace.

In 1870, there were approximately 2.7 million farms in this country valued at approximately \$9 billion; a little more than half the population was engaged in agriculture. These farms produced 254 million bushels of wheat; 4 million bales of cotton; over a billion bushels of corn; 21 million bales of hay, and 110 million head of cattle, sheep, hogs, horses and other livestock. Seven years later, when the Carpetbaggers and the federal troops had vacated the Southern states, there were four million farms; the output of wheat had increased to 375 million bushels, the production of corn and hay had risen by a third, but the number of cotton bales had advanced only ten percent. By 1890, once all the restrictions had been removed from former leaders of the Confederacy acquiring land, and with continued expansion into the states of the Western regions of the country, there were 4.6 million farms with a total valuation of \$16.4 billion. In other words, despite the large increase in the number of farms, their dollar valuation, proportionately, had remained almost the same. Since 1890 was a year of drought, total production figures are more accurately reflected by 1891. In that year, 675 million bushels of wheat were produced, which was well over double the volume produced 20 years earlier; cotton and corn production had more than doubled, with the former at 9 million bales and the latter at 2.3 million bushels. Hay also more than doubled, moving from 21 to 51 million bales, but livestock advanced only from 110 million head to 170 million. There was a good reason why livestock did not keep pace with the other commodities. American hogs, fattened on corn, were much cheaper than their European counterparts; to placate their farmers, Germany, France and Austria contended that American pork was contaminated with trichinosis. Notwithstanding these trumped-up restrictions on pork, some of which were soon lifted, American farm products accounted for three fourths of the nation's exports.

Despite these impressive increases in farm production, the percentage of people employed in agriculture continued to decline. Where in 1870, 53 percent of the population had been employed in agriculture, by 1890 that figure had dropped to 42 percent. There were two major reasons for this remarkable advance in productivity in the face of more farms and less labor. First and foremost was mechanization. What started with the McCormick reaper prior to the war had expanded considerably. While gasoline-driven engines had yet to surface, steam-driven engines were coming into vogue. There were powered bailers, seeders and even ploughs. As the percentage of small farms continued to increase, their lands were acquired by the more successful farmers, who in turn were forced to mechanize. In the sparsely populated Dakotas, capital was invested in farm syndicates that

were geared to farming on a mass scale. In a sense, all of these figures seem to contradict one another. The number of farms increased by two million and the number of people engaged in agriculture declined by 11 percent. The old adage is that figures don't lie, but liars make figures. Except in this case, both statistics are accurate. The diminution in the percentage of the work force was a direct result of the expansion of industry, which continued to take a bigger bite out of the total labor force. Meanwhile new groups of immigrants kept arriving into this country. There were the Western states that had yet to be settled. In Florida and California, a citrus industry had evolved. One has only to look at the changing demographic figures in this country. In California between 1870 and 1900, the population had tripled. In Colorado, it had advanced during the same time frame from 40,000 to more than a half a million; in Florida, from 188,000 to well over a half a million. In a wheat-producing state such as Minnesota, the population rose from less than a half a million to over 2 million. As more and more of the Western states were opened up, the number of farmers increased, while at the same time, in the more populous Northeast, farms were being vacated. In certain instances, farmers could no longer compete; in other cases, children were abandoning the farms for the large cities. American society was in a flux in more ways than merely farming. The old New England states no longer were growing; but for the influx of French Canadians from Quebec, Maine, Vermont and New Hampshire would have seen an absolute decline in population. The center of the population was moving westward, thanks to the railroads. The Native Americans were in the process of disappearing from their original lands and were being placed on reservations, opening up new territories to be exploited. While Western farming was expanding, thanks to the opening of new lands for cultivation and a steady influx of immigrants, conditions in the South continued to deteriorate.

Where farmers in the Western states were engaged in the mass production of their commodities through mechanization and could price them below those of any other country, the Southern commodities of cotton and tobacco still depended upon manual labor. Moreover, with the opening of the Suez Canal, cotton grown in India, which was less expensive than that produced in the United States, became more competitive thanks to the Canal reducing the cost of transportation to the Continent and Great Britain. An additional negative for Southern cotton was that the productivity of the soil had declined because it had been drained of its minerals by decades of use. With the former Southern aristocracy destitute, everyone in the Southern states — from landlords to tenant farmers to field hands — lived on credit. The only commodities acceptable for credit were cotton and tobacco. It was a vicious cycle from which there was no escape. Except for the independent farmer, who owned his small parcel of land and used it to feed his family, most Southern whites and Negroes were reduced to lives of quiet desperation.

While most of the Southern states, with the exception of Texas, remained mired in poverty, two additional efforts were initiated by individuals to arouse the Midwestern farmers to exercise their potential political clout.

Ignatius Donnelly had absolutely nothing in common with Oliver Kelley. Born into a well-to-do family in Philadelphia, he was well-educated, and at the age of 21 he began a successful law career. Backed by a wealthy Philadelphian, John Nininger, he purchased some land — a huge bluff in Minnesota overlooking the Mississippi River — and named it Nininger city after his benefactor. He also had the backing of another Philadelphian, Alexander Ramsey, the appointed governor of the Minnesota territory. Donnelly may have been a lawyer, but his real forte was writing, and he proved to be a master of hyperbole. Within a brief period of time he set about publicizing his newly created city, and such was his ability at exaggeration that he was able to sell lots to 350 prospective settlers. He constructed a huge mansion for himself and his wife overlooking the mighty waterway. All would have gone well, but the Panic of 1857 came along and wiped out his investment as well as those of his settlers. All that remained of Nininger City was his mansion and his dreams. The incredible thing about this Irishman was that nothing daunted him. He was certain that he was destined for a great future. With Minnesota now a state, and Governor Alexander Ramsey in the statehouse, Donnelly persuaded this former Philadelphian that he would make a splendid lieutenant governor. When the war broke out, as was the case with so many politicians anxious to advance their careers, he petitioned Governor Ramsey to raise a regiment. Ramsey, however, was no fool. He understood Ignatius. With a wartime record, this shrewd young man would be in a position to challenge him for the governorship of the state. Instead, he sent him off to Congress as the sole representative of the state and the youngest congressman ever elected. With the war going on, he served for three terms. Challenged by a returning veteran, he soon learned that voters disliked his acerbic mouth, and he was defeated for reelection. Donnelly may have owned a farm but he was not cut out to be a farmer. He was meant for bigger things in life. Turning over the operation of the farm to his wife, he immersed himself in a study of ancient and modern civilizations. At the conclusion of his research, in 1873, he published a widely distributed pamphlet entitled *Facts for the Granges*. By focusing on the importance of the Granges as a political force, and not the independent farmers, he was challenging the leadership of Oliver Kelley and his view that the Grange should remain a social organization and not become involved in politics. The facts presented in his pamphlet contradicted everything in the Grange philosophy. Donnelly called for regulation of the railroads; cooperative buying and selling; cheap water transportation; resumption of specie payments; and direct taxation to replace high tariffs. Having offered a program, he followed it up by calling a meeting of all



the Granges of Minnesota in September 1873. The site chosen was Owatonna, 60 miles south of Minneapolis.

Donnelly understood that in order to get his points across to these Grange members, he would have to abide by their rules of no politics. Shrewdly, he allowed for the normal discussions to take place before calling for an adjournment of the Grange. He then mounted the rostrum. He was not only a brilliant orator but a brilliant politician. Here he was an Irishman and a lawyer by profession, facing a group of farmers all of whom were Protestant, many fundamentalists, others supporters of the Temperance movement; the only way to gain their attention was through self deprecation. For a half an hour, he entertained them with Paddy jokes, illustrating the ineptness and bungling of the average Irishman. When the laughter finally subsided, and he was accepted as one of them, he turned their attention to his days in Congress. He concentrated on the Credit Mobilier scandal which had been publicized throughout the country. Using his Irish brogue to make his point, he recounted how his fellow congressional representatives had first decided to expel the culprits for their actions and then relented and merely censured these criminals. By now, he had the audience on his side. He had served there for three terms; he should know. He then turned his attention to the Treasurer of the state of Minnesota whom he accused of defalcation of the state's funds. With that preamble, he attacked the two political parties. The voice of the Republicans was concentrated in New England; that of the Democrats in the South. Who, he asked rhetorically, is representing the farmers in the Midwest? Since the problems facing the farmers were basically the monopolistic practices of the railroads and others, if the farmers were to have a new party, it should be called the Anti-Monopoly party.

From a social gathering, Donnelly through his oratorical skills had turned the meeting into a minor political convention. The attending members of the Minnesota Granges, now thoroughly aroused, wanted Donnelly to head up the ticket as governor. Donnelly rejected their offer. He was more interested in a seat in the state Senate. He had bigger fish to fry than the state of Minnesota. If the new party captured the legislature the following year, he looked to being appointed to the Senate. What Donnelly wanted was a national voice in the affairs of the country. He may have been crazy enough to believe that eventually he might have a shot at the presidency, itself. As for the state's Republican Party, the words coming out of the Grange convention awoke them to the fact that their monopoly on power was threatened. There was no bloody shirt to wave. They would have to come up with a candidate for governor who espoused the same philosophy as that of the Anti-Monopoly party. The once silent farmers were learning how to be heard by the politicians. But it was in Iowa, which had the largest number of Granges, that the new radicalism would take root. The Republican Party in that state was definitely pro Grange. Its governor, Cyrus Carpenter, was a member

of the Grange; the Grand Master of the Grange, Dudley Adams, was being considered for lieutenant governor; Jim Weaver, a lawyer, and therefore not eligible to be a member of the Grange, was looked upon as a true friend of the Grange and was also considered a potential candidate for the governorship. More importantly, the mood of the Iowa Granges was anti-establishment. The Republican Party had been long on promises and short on deeds. In the late summer of 1873, it assembled a Farmers Anti-Monopoly convention in Des Moines, which would foreshadow the platform of the Populist party in the late 1880s and 1890s. Not only were these farmers intent upon attacking the railroads, they went one step further. The major plank in their platform called for all corporations to be placed under legislative control. Instead of Donnelly's plan for an income tax to replace tariffs and aid industry, they proposed government income derived only from income tax and the complete removal of all tariffs on salt, iron, lumber, cotton and wool. In addition, there were to be no further land grants to railroads. Finally, in an effort to garner the veterans vote, the platform proposed that all soldiers with an honorable discharge should be offered gratis a quarter of the acreage available under the Homestead Act, as a reward for their service during the war. Before adjourning, and as an added fillip, the convention accused the Republicans and the Democrats of frauds, swindles and embezzlements. The Anti-Monopoly Party was registered in both states and candidates were selected for both the governor and the legislature.

Meanwhile, the Democrats, a distinct and distant minority in those states, were quick to jump on the bandwagon and endorse most of the candidates running on the Anti-Monopoly ticket in Minnesota and Iowa. The concept of the farmers organizing their own party and presenting their own candidates did not go unnoticed in other farm states. In Wisconsin, Kansas and Nebraska, and even in California, reform tickets appeared on the ballot. In the state legislatures, the reform parties were extremely successful. However, only in Wisconsin did the reformers capture the governorship. What was most remarkable about their triumph at the polls was that merely a few weeks before the two conventions, the Granges were dedicated to non-political activity. Once the farmers in the Grange movement realized that their economic future was tied to political activity, they shook off Kelley's prejudices and seized the moment at hand. Excited by their success at the polls and confident that they were taking the right course, the Granges and the other reform movements were looking forward to 1874 when they could use their political clout to change the face of Congress. If there was a weakness in their movement, it was the inability of its leaders to understand the complexity of the post-war economy. As far as commodity producers were concerned, the US economy was international as well as domestic. Ignatius Donnelly may have studied ancient and modern civilizations, but he had no idea that the House of Jay Cooke fell not because of economic conditions in the US but

because he had predicated completion of the Northern Pacific railroad on funds borrowed from Frankfort banks. There were no references in the books Donnelly had devoured referring to the complexities of international capitalism. It is doubtful that any American at that time comprehended how the US economy was linked with those of Britain and Western Europe.

Fortunately for the Midwestern farmers, the collapse of Jay Cooke's banks had a far more profound effect on the working poor in the cities than it did on the nation's farmers. But as the depression began to make itself felt in the farm belt, most of them took the attitude that economic forces were beyond their control, and obtaining political office would not resolve their problems. In 1874 and 1875, the politicians that they had helped to elect suffered one defeat after another. Abandoned by the Democrats, who no longer needed them in a depressed economy, the Granges and the other reform movements that had been spurred to political action found themselves out in the wilderness. Every legislature that they had gained in 1873, they lost two years later. Even in Wisconsin, where they had attained the governorship as well as the legislature, they suffered an ignominious defeat. Most of the Granges felt that they had no place in politics by offering their own candidates. It was better to play off the Democrats against the Republicans than to seek office by themselves. As the Depression of 1873 deepened with more small businesses thrown into bankruptcy and unemployment passing the one-million mark, there was a hue and cry for financial relief from the government in Washington. Even Midwestern farmers were affected by the economic collapse of the nation, as one bank after another either was moving towards insolvency or had collapsed entirely.

Midwestern bankers, which in the past had shown some leniency towards farmers with extended mortgages, now were calling in their loans. Foreclosures and auctions of farm equipment were becoming commonplace. What farmers and small business needed in a hurry was cheap currency — the famous greenbacks that had been issued during the war to pay for its cost.

Not many Americans are familiar with the inventive genius of Peter Cooper. In New York City he is famous for having established Cooper Union, where free college courses were and still are offered in science, engineering and art. In 1828, on 3,000 acres of land, he established the Canton Iron Works, primarily to supply the budding Baltimore and Ohio railroad with the material required for its expansion. After turning over his first successful businesses to his son and son-in-law, he appeared to have retired. When English engineers announced that the current locomotives in use had their limitations and challenged anyone to construct a locomotive that could pull a train with 40 passengers up the hilly and twisty land that was specified as the trial course, Cooper, piqued by this challenge, set about to develop the famous "Tom Thumb" locomotive, which could pull a load of 40 passengers at ten miles per hour up the prescribed run. Continuing to work

closely with the B & O, he made a fortune. In 1854, he constructed a factory in Trenton, New Jersey, which produced the first structural iron beams for buildings. He supported Cyrus Field's Atlantic cable project until it became successful and became president of the North American Telegraph Company. During the same period, he produced a washing machine, a compressed air engine for ferry boats, and a waterpower device for moving canal barges. But he did not limit himself to inventions and education. As an Alderman in New York City, he advocated paid police and firemen; improved public sanitation; and public schools. (He himself had only one year of formal school training.) This was the man who had the money and reputation to launch the Greenback Party. Almost alone, he understood that the deflationary policies of the Grant administration were sustaining the economic depression in the country. While Cooper enjoyed a national reputation, the idea that one man could launch a national political party and run for the presidency appeared ludicrous. Nevertheless, a party was organized with a platform that demanded the further issuance of greenbacks and was determined to fight the Specie Resumption Act of 1875, which called for the payment of greenbacks in certificates of gold, thereby further reducing the amount of inexpensive currency in circulation. In the contested 1876 election, the Greenback Party would poll only 80,000 votes. But the fledgling party was far from dead. In the 1878 congressional elections, after joining forces with labor, it changed its name to the Greenback-Labor Party, polled more than one million votes and elected 14 of its members to Congress. In the 1880 presidential election, it nominated General James B. Weaver, the lawyer who backed the Iowa Grange movement, as its candidate. Furthermore, it broadened its platform to include such issues as women's suffrage, federal regulation of interstate commerce and a graduated income tax. This time it polled 300,000 votes, but the greenback issue now was on the sidelines. The depression had finally ended; the Resumption Act had gone through and it was given credit for the amelioration of business conditions, and with the passage of the Bland-Allison silver act, it was thought that the additional coinage of silver would solve the greenback problem.



## CHAPTER 13. THE LAST EFFORT TO ORGANIZE THE FARM COMMUNITY

The only Southern state that appeared to hold any future for a returning Confederate soldier was Texas, which had been unscathed by the war. While the cattle industry was still in the process of developing, its basic crop still remained cotton. Moreover, unlike the worn-out lands of the old South, where continuous cultivation of one crop resulted in smaller yields every year, Texas loomed as a state with the potential for great success because of the vast open spaces that had yet to be settled. In 1860, the total population of Texas was 604,000, divided between 421,000 whites and 183,000 Negroes, most of them slaves. Twenty years later, it had increased to almost 1,600,000, with about the same percentage of whites to Negroes. By 1890, its population stood at 2,236,000, and at the turn of the century, it had passed the three million mark. Its growth dwarfed that of any other Southern state. Since it was the largest state in terms of total acreage, it was assumed that its vast expanse of land could support agriculture successfully. To the dismay of many of the newcomers, this expectation did not turn out to be the case. The western part of the state, which bordered New Mexico, was at the fringe of the great southwestern desert. Beyond a certain line, there was a shortage of rainfall during the year. These pioneers from the Southeast faced other problems as well. The cattle that were being driven up to the market in Abilene, Kansas, had no respect for private property. Finally, horse stealing was rampant on the frontier.

Whoever heard of Lampasas County in western Texas? In 1877, just about the time that the Grange movement in the Midwest had folded up its tents, a new kind of Farmer's Alliance made its appearance in the aforementioned Lampasas County. The man who spurred the growth of this movement into a national political force was S. O. Daws, a former tenant farmer from Mississippi

who had the talents of a fire-and-brimstone preacher (having been raised in a severe church-going family). With almost religious fervor, he was determined to organize the country's farmers into a unified organization that not only would bring about reforms in the current way they conducted their business, but would give them political clout as well. Without any knowledge as to how big city political bosses rose to power and held onto the electorate, he arrived at the conclusion that without a continuous drumbeat of propaganda, the converts to his concept would backslide and return to their old ways. Thus, he devised a plan to set up precinct captains among the farmers; these men not only would proselytize the concept of cooperation between farmers but, after gaining new members, would continue to lecture them on the opportunities that cooperation afforded. Armed with this idea, Daws convinced the Texas Farmer's Alliance to appoint him a "traveling lecturer" whose mission was to spread the word throughout the vast farm belt. Early on, while attempting to circulate his message and establish lecturers who would follow in his footsteps, he met a young Tennessean, William Lamb, who was an illiterate but was so taken up with the concept that he became Daws's Saul of Tarsus, eager and ready to spread the new gospel. The doctrine that the two of them preached was simple: Unless the individual farmers organized themselves into cooperatives, where they had strength in numbers, they would continue to be exploited as single farmers. This concept was to be applied across the board — to buying seeds, fertilizers and mechanical equipment, to selling cotton to the broker, and to negotiating with the railroads, as well. For eight years, Daws and his acolyte Lamb traveled untold miles to explain the concept: If you assemble 500 to 1500 bales of cotton in one place, the cost savings to the buyer were such that he would pay a higher price since his transportation costs would be much lower. The only drawback to executing this obvious cost saving principle was the condition of the back roads, which were in such poor shape that they impeded transportation. Despite this limitation, the move was a step in the right direction, and where it was applied, produced some results. However, when the Farmer's Alliance attempted joint purchasing, it ran into two major problems. First and foremost was that the manufacturer of farm equipment had no intention of selling on credit to a mass audience. Cyrus McCormick, who had pioneered in selling his reapers on credit, had done it on a one-to-one basis. That is to say, he could make the determination on the risk involved with each farmer who sought credit. In joint purchasing, not only was the financial risk enormous but there was no way of checking the credit worthiness of each buyer. Secondly, there was the cost of delivery. Unlike cotton bales which could be brought to a central place, the farm machinery would have to be delivered to different areas. In that case, the overall credit for the purchase might be valid but individual farmers might not be capable of paying the cost of freight. William Lamb, like most converts, was more enthusiastic than his mentor about the

possibilities for cooperatives. Lamb reckoned that while joint purchasing of farm equipment might not yet be feasible, at least the Farmers Alliance could set up its own manufacturing facilities for milling wheat into flour. The basic concept of the Farmers Alliance, its ability to recruit lecturers to spread the faith, was truly amazing. In eight years, following the concept of using lecturers to espouse the cause in their local areas, what had been a handful of local Farmer's Alliances had grown to more than 50,000. Daws's Farmer's Alliance no longer was an idea in the making. It now had the opportunity to become a political reality. Both Lamb and Daws even spoke of cementing a political alliance with the Knights of Labor. But at this stage, it was all talk.

As the Farmer's Alliance continued to expand, it could not overlook the Negro farmers, both those who were independent and those who were tenants. To Lamb, anxious to build up the largest possible organization, the Negro farmer would be included, while still segregated. Thus, side by side with the evolution of the Farmer's Alliance, Lamb initiated a Colored Farmer's Alliance. It would be built along the same principles as the white organization. It would send out lecturers to recruit new members and to continue to instill in the Negro farmers the idea that only by cooperation could they lift themselves out of the economic constraints that were imposed upon them by the railroads and others intent upon exploiting their labor. What Lamb accomplished was a tour de force. At its peak, in the 1890s, the Colored Farmers Alliance, like its white counterpart, had expanded from its Texas origins to include all the states in the South and could boast almost a million members.

Charles Macune was another of those rare individuals that the nineteenth century elevated from seemingly nowhere to positions of power. Born in Wisconsin in 1851, Macune was orphaned at the age of 10 when his father died while chasing gold in California. His mother moved to Illinois without him, which obliged him to join the workforce as a hand for a nearby German farmer. As a result, his formal education was decidedly limited. At 15, he apprenticed to a pharmacist; three years later he was off to California where he worked as a ranch hand. Less than a year later, he was in Kansas working for a circus; the following year he was in North Texas working as a cattle drover between the cities of Fort Worth and Mineral Wells. By the spring of 1874, he moved to the small town of Burnet, Texas, and became a house painter. Six months later, he found himself the editor of the town's weekly Democratic newspaper. He began his career in journalism by announcing to his readers that he was a Jeffersonian Democrat and, of course, violently opposed to Reconstruction. As a result of his progressive stance, he was elected to the executive committee of the County Democratic Party. He then married the daughter of the man engaged in building the County Court House in Burnet. He tried managing a hotel, and when that failed, he decided to study medicine. A year later, he was certified by the state medical examiner to prac-



tice medicine; practicing medicine enabled him finally to amass some money. He acquired a farm, had a family of six children and, with another man, purchased the local newspaper in Cameron, Texas. Like any good business man in a small community, he joined the local chapter of the Farmer's Alliance and was elected a delegate to the convention held in Cleburne in 1886.

Charles Macune was about to step onto the national stage. Somehow, this latecomer to the Farmer's Alliance maneuvered himself to be appointed head of the committee that would look into the possibilities of expanding the Texas Farmer's Alliance to other Southern states. Now in a position of authority, he sent the news and the demands of the Cleburne convention to every newspaper in Texas. The enthusiasm generated by the convention had immediate effects. Dozens of lecturers left the convention determined to expand its base even further. By January 1887, when Macune's special committee held its first meeting in Waco, Texas, the Alliance had expanded its membership in that state from 50,000 to more than 200,000 in 3,000 districts. At the same time, the Grange membership in Texas remained static at 9,000. The committee that assembled in Waco, Texas, chaired by Macune, had more concerns to address than the growth of membership. From its inception, a tragic sense hung over the Farmer's Alliance of Texas because of the belief of the leaders and the followers that by dint of effort alone, they were capable of extricating the Southern farmer from the tyranny of his situation. The odds were insurmountable. The average Southern farmer lived from one year's credit to the next. He had no access to cash nor would membership in the Farmer's Alliance provide him with a credit card. The leaders of the Alliance might preach the advantages that would accrue from cooperative buying and selling, but neither the merchants, nor the middlemen, nor the wholesalers nor the bankers were about to cut their own throats by subsidizing an organization whose goal was to extricate its membership from their clutches.

When Macune and his committee made their report to the membership gathered at Waco, the response of the farmers was that of unbridled enthusiasm. The document presented called for a massive invasion of the former states of the Confederacy. The same success that the organization had achieved in Texas would be expanded throughout the South. Lecturers would sally forth and preach the "Gospel" to their fellow Southern farmers. Cooperative buying and selling would provide the salvation to their problems. The rationale for the expansion of the movement was premised on the concept that such a huge potential market would awaken the buyers and sellers to the potential for huge profits. This concept was logical. What the Alliance was proposing was what was taking place in American business; consolidation to achieve more efficiency, and the establishment of a mass market for the potential buyer and seller, which would translate into a more efficient way for them to do business. As the lecturers spread out, first to the bordering states and then onwards to the east coast, wherever they went

they were greeted with enthusiasm. What had been circumscribed to one state, no matter how large, soon was a steamroller conquering one state after another. Word of mouth spread the Alliance's doctrine. The concept of local lecturers took hold. Both buyers of cotton and manufacturers of farm equipment took notice for the moment, without considering the absurdity of the proposal. Overlooked in the initial euphoria was how these indigent farmers were going to pay for the equipment. The banks seemed unlikely to extend credit to a large number of farmers with no assets other than the land they cultivated. Neither the banks nor the railroads looked favorably on the mushrooming organization. For the banks, there was the huge risk that the farmers would default on their payments, which in turn would jeopardize the banks' loans to the manufacturers; for the railroads, bulking of cotton bales would force them to compete for the business and in turn lower the rates they charged for transport. While some progress was made in bulking cotton bales together to obtain a better price, when it came to joint purchasing, the necessary capital that William Lamb assumed would be there never materialized. The Texas Exchange established for that purpose was unable to meet its financial obligations and despite a desperate appeal for the farmers to save the Exchange, it went bankrupt. Despite this setback, Lamb remained an optimist. The Texas Farmer's Alliance had developed into the National Farmers Alliance. Whether the figure of a million and a half members was factual or not, the drive to expand the organization into the other Southern states had been successful. In addition, the movement contended that there were an additional million members in the Colored National Farmer's Alliance. To Lamb, an organization with that potential membership should embark on the next step and become involved in politics. This was to provoke the first crisis among the leadership of the movement. The radicals, led by Lamb, were convinced that without political power, despite their numbers they would remain impotent. Macune, from his position of leadership, along with others, were opposed to any political adventurism. Meanwhile, efforts were being made to enlarge the Southern base of the National Farmer's Alliance by bringing into the fold other agricultural organizations from the Midwest and the Far West. In a famous meeting held in St. Louis, which was presided over by Charles Macune, there was talk of combining the various farm organizations into one solid front. If the purpose of the gathering, which brought Midwesterners in direct contact with Southerners was not political, what other purpose could these disparate groups accomplish? On the other hand, the Midwestern Republicans and the Southern Democrats had one thing in common. While the leadership in both parties was committed to hard money, or maintaining the gold standard, the membership of both sets of farmer associations was in favor of soft money and the further issuance of greenbacks. Therein lay the weakness of all the farm organizations; they wanted the govern-

ment to become their partner. They would have to wait for the Depression and the New Deal to achieve a modicum of prosperity.

The Midwestern delegates who arrived in St. Louis from Kansas, Nebraska and Minnesota were ready to listen to the proposals put forth by the National Farmer's Alliance without committing themselves one way or the other. They remembered all too well their experience of the early 1870s when the Democrats had flocked to the Grange banners and helped them elect legislatures and even a governor in Wisconsin. Then, following the Panic of 1873, when the nation's economy fell into a Depression, the Democrats, taking advantage of an economy in tatters, had dropped the Grange candidates summarily and taken control of the House of Representatives. The farmers had no intention of being used, this time by Southern Democrats. Since Macune dominated the proceedings, there was no talk of combined political action. Instead, the thrust of the convention centered on cooperatives and the advantages of centralized purchasing. What did impress the Midwestern delegates was the extent of the expansion of the National Farmer's Alliance and how it had managed to sweep the entire South within such a brief period of time. While Macune ostensibly was directing the agenda of the convention, he remained under pressure from the radical wing of the Alliance to move the organization into the political sphere. To blunt this movement, he convinced the delegates to dispatch him to Washington where he would set up headquarters for the National Farmer's Alliance and produce a publication. While there, he would also act as a lobbyist representing the interests of the farmers. Obviously, to incur this kind of expense, he still had to have the confidence of the majority of the Alliance leadership. Macune was more than up to the challenge. He had risen to his current position in the organization because he was a charismatic orator. As for Lamb and his followers, who wanted the Alliance to move into politics, he convinced them that his move to Washington as a lobbyist was the necessary preliminary step before the organization entered the political scene; as for the conservatives, a national publication would unify the disparate organizations within each of the states. Having satisfied both elements of the Alliance that his move would be beneficial to the future of the organization, the funds were allocated for both of his projects. It was while in Washington that Macune devised one of the most brilliant and preposterous plans ever conceived. Macune was determined to prevent the radical element in the Alliance from moving the organization into direct political activity. What Macune concocted was a plan where the federal government would enter into a partnership with the farmer. Applying the imprimatur of legitimacy by referring to it as the sub-Treasury plan, the government would assume the role of the farmer's banker, his sales agent, his insurer and his warehouse. The plan was as follows: At the end of the growing season, the farmer would ship his crop to government owned warehouses. He then would be paid in scrip backed by the government for 80

percent of its valuation. The government would then sell the crop on the open market, charging the farmer a small sales fee. The remaining 20 percent would be held in government-owned warehouses, waiting for the best possible market price. When that was finally sold, the government would pay the farmer, minus the cost of sales, insurance and warehousing, the remaining balance of 20 percent. In other words, the plan would free the tenant farmer and the sharecropper from the predatory activities of the merchant class and provide the independent farmer with the best possible price for his crop. In effect, the government would become the farmer's cooperative. The middleman merchant would be eliminated entirely, and with the government-backed scrip, the farmer would be able to enter the competitive marketplace and purchase his needs and wants at the normal competitive prices. Tenant farmers and sharecroppers would regain their independence and no longer would be head over heels in perpetual debt.

Like the farmers' call for the reissuance of greenbacks, this was a new twist on pie in the sky. There was no possibility of Congress adopting a socialistic program. Only William Lamb, the leader of the radical movement of the Farmer's Alliance, understood this basic fact. To him, the only salvation was political action and that meant an alliance between the farmers and labor. He believed that such an alliance would produce another Republican Party, which had emerged from out of nowhere and almost captured the White House two years later. He overlooked the fact that the base of the Republican Party was composed of former Northern Whigs such as Lincoln. Lamb was not the only man who saw the potential in such an alliance.



## CHAPTER 14. THE POPULIST PARTY

It is only with this background in mind that one can understand the events that led to the formation of the short-lived Populist Party. All through the late 1870s and throughout the 1880s, the composition of the House of Representatives would swing back and forth between the Republicans and the Democrats depending upon the state of the economy. For one term, even the Senate had a Democratic majority, albeit only of three. In 1884, the Democratic Party finally took the White House. Once again, New York's 35 electoral votes enabled the party to triumph, electing New York's Governor Grover Cleveland to the presidency. Even though a Democratic president now was in power, he might as well have been a Republican. Cleveland supported gold as the only standard for currency, did nothing to lower tariffs, and took for granted the electoral votes from the South which produced his majority. To the National Farmer's Alliance, now that it was disabused of Macune's fantasy, it became apparent that there was no future in aligning itself with the Democrats. As for the reform farm groups in the Midwest, they too realized that whether a Democratic or Republican administration was in power, both parties were staunch devotees of big business and Wall Street. When Benjamin Harrison, the Republican candidate in the 1888 election, defeated Grover Cleveland who was seeking a second term, once again the farmers' support of the Republican ticket had done nothing to alleviate their problems. Nature had not been kind to the farmers in the Midwestern states. Starting in 1889, there was a decline in the average amount of rainfall. By the spring of 1890, a full-fledged drought covered the entire region. Wheat and corn plantings were devastated. In the Southwest, cotton suffered as well. In the midst of this economic catastrophe for the farmers came the call for political action. What was obvious to these distressed Western and Southern farmers was that they could

expect no relief from either political party. Now that Macune's Socialistic plan proved to be chimerical, the leadership of the National Farmer's Alliance was expropriated by the radicals led by William Lamb and a newcomer, Tom Watson of Georgia. Among the Midwestern farm states, a woman named Mary Lease was the most articulate spokesperson. Her war cry was: it was time for the farmers to start raising hell rather than more corn. The meetings that took place in the Midwestern states were revivalist in nature. Songs were sung evoking the rights of the farmers and working men. The newspapers were aroused by the agitation of the farmers. Where under the leadership of Macune there had been no talk of a new political party, now farmers from the South and Midwest were ready to join hands and leave the old political parties behind them. It was a case of spontaneous combustion. In 1890, the People's party, soon renamed the Populist Party, swept the legislature of Kansas, and William Pepper became the party's first US senator. Independent candidates also were successful in Minnesota, the Dakotas and Nebraska. In the South, victories were confined to Texas and Arkansas. Far more important than the election results was the fact that farmers from the South and the Midwest were determined to form their own political party. The farmers in the Midwest had finally cut loose from the slogan of the "bloody red shirt." Or, so they believed.

At the same time that this revolution was taking place among the nation's farmers, abandoning the perennial political parties, a different revolt was taking place in the mining states of the Far West. Despite the Bland-Allison Act, passed in 1878, which provided for the coinage of \$2 million worth of silver per month, the price of silver relative to gold continued to decline in the United States. The basic reason was that the rest of the industrial world had abandoned silver for gold. But there were other factors. The silver mines in this country were capable of producing far more silver than the Treasury was absorbing. In addition, new Western mining states had been added to the Union, including Montana, Idaho, Wyoming, Utah and the state of Washington. While their representation in the House of Representatives counted little, because of the paucity of their population, in the Senate, their representatives carried the same weight as senators from the highly populated states of the Northeast. Besieged by the senators from the Rocky Mountain states and deeply concerned about the growing Populist sentiment in the Midwestern farming states, Republican President Benjamin Harrison, along with the Republican leadership in Congress, were well aware that a combination of the farm and mining states represented a threat, not only to their control of the legislative body, but to the forthcoming election for the presidency in 1892.

At the same time, William McKinley, the Republican chairman of the House Ways and Means committee, was calling for a further increase in the tariff rate that already was protecting American industries. Thus, a bargain was cemented

between the Senate and the House. The Senate would support the new tariff rates, and in turn, the House would support a major increase in the volume of silver that would be absorbed by the Treasury department. The Sherman Silver Act, passed in July 1890, solved the economic problems of the Rocky Mountain mining states by absorbing all the silver they could produce. However, instead of issuing coin, as the Treasury department had done with the Bland-Allison Act, it now issued certificates of silver that could be exchanged either for gold or for silver. In other words, the US Treasury was subsidizing the mining companies that were producing silver rather than increasing the amount of specie in circulation, which is what the farmers sought and expected. Once again the farmers had been bamboozled by the Republican leadership in Congress. Since the new silver certificates could be redeemed for gold or silver, those who purchased them exchanged them for gold. Worse yet, once the silver certificates were redeemed for gold, they were returned to the Treasury where they could be issued once again. As could be expected, when the Sherman Act passed, the price of an ounce of silver was pegged at the government's fixed ratio of 16 to 1, or \$1.29 an ounce. As the amount of silver absorbed by the Treasury increased month by month, the price in the open market began to decline. From its high of \$1.29, it moved to 98 cents and finally reached the low of 50 cents before the Sherman Act was repealed in 1893, when the Treasury was being depleted of gold and the financial panic of that year sent business into the deepest Depression it ever had experienced.

While the Sherman Silver Act may have enriched the mine owners in the Western states, it accomplished nothing for the farmers. The only hope for the indebted farmers, whether in the Midwest or the South, was to join forces and elect their own representatives who would cater to their needs and interests. If the Republican establishment was concerned about the early successes of Populist candidates in the Midwestern states, this consternation was nothing in comparison to the fears of the white Democratic establishment in the South. The appeal of the National Farmer's Alliance was not only to the poor, white Southern farmers, struggling to stay alive, but to the poor Negro farmers as well. The proselytizing efforts directed at the Negroes had resulted in the formation of the Colored Farmer's Alliance. While membership enrollment in both the white and colored farmers alliances was suspect — a million and a half in the white and a million in the colored — the very idea of such a solid voting bloc leaving the Democratic party and voting for a third party was enough to terrorize the Southern establishment. So it was that in December 1890, a meeting of delegates from the white National Farmer's Alliance met in Ocala, Florida. The convention was characterized by sharp divisions among the delegates. There were the radical leaders of the party, led by William Lamb, Ben Jones and Tom Watson of Georgia. Their position was to join with the Midwestern farmers and form a solid front between the South and Midwest within the newly created Populist Party.



Then there were the fusionists, who believed that legislative reforms could be achieved by working within the Democratic Party. Finally, there was the sticky racial question of whether or not to invite the Colored Farmer's Alliance to join the ranks of the newly formed Populist Party. To some radical members, and certainly to the fusionists, this would be tantamount to committing suicide. If the Negroes were allowed free access to the ballot box, they would join with the white Republicans and defeat both the Populists and the Democrats. Tom Watson of Georgia objected vehemently; he is quoted as saying: "The poor Negro farmers were as oppressed as their fellow whites. Their leadership was well aware that the Northern Republicans had deserted them. When the Supreme Court declared the Civil Rights Act of the Johnson administration, un-Constitutional, the Republicans in Congress balked at passing new Civil Rights legislation." At the conclusion of the convention, the racist elements in the white Southern establishment triumphed. They insisted that reform could be carried out within the framework of the Democratic Party; that by aligning the Southern Farmer's Alliance with the Populist Party, it would ensure the election of a Republican president. Their rationale was predicated on the electoral vote count. Since the majority of the electoral votes were concentrated in the big states of the Northeast and the near Midwest, if the Southern Farmer's Alliance joined with the Midwestern farm reformers, the Democrats never would have enough electoral votes to capture the White House. The success of the fusionists at the convention decided the fate of the Southern Farmer's Alliance. The Southern Democratic Party with its accent on racism would emerge triumphant. In the final analysis, the failure of the Farmer's Alliance to take root in the states of the Deep South, east of the Mississippi river, can be attributed to two factors. It was late in being organized and therefore had no long-term history, and the percentage of Negroes to whites was far larger in most of those states than in Texas and Arkansas. The new Southern establishment that emerged after the Civil War was as encased in the lost cause as much as the old landed aristocracy that it replaced. Its economy and its very politics were under the control of the Northern wing of the party. In the Cleveland cabinet, none of the major positions were held by Southerners. The Southern establishment had forgotten its betrayal of its Northern colleagues in the 1876 presidential election.

Despite the fissures in the ranks of the Southern Farmer's Alliance, delegates from all the states came to Omaha, Nebraska for the first national convention of the newly formed Populist Party. The purpose of this convention was to nominate presidential and vice presidential candidates as well as to plan strategy and approve a platform for the forthcoming presidential election of 1892. Unlike Democratic and Republican conventions, there were no favorite sons jockeying for the top position. There were no backroom deals. The convention was a combination of a revival meeting, a song fest and a time for jubilation at hav-

ing freed themselves from the major parties, neither of which represented the interests of the farmers or working men. For president, they nominated former Union General James Weaver of Iowa, who had been the last candidate to run for president on the Greenback-Labor Party ticket; for vice-president, former Confederate General James G. Field of Virginia. These nominations were more than symbolism. As far as the delegates to the convention were concerned, the war was over. Their war was with the Republican and Democratic parties, both of which supported hard money and high tariffs. The platform of the new party was the first of its kind in American history. In order to attract the votes of labor, it endorsed labor unions and called for an eight-hour work day. It also called for an end to court injunctions against labor unions. It championed a graduated income tax as a way to redistribute wealth from business to farmers and laborers. It demanded suffrage for women; the secret ballot; direct election of US senators and of the president and vice president, as well as initiative and recall to make the political system more responsive to the people. It summed it up with the statement: "The fruits of the toils of millions are boldly stolen to build up the fortunes of a few; unprecedented in the history of mankind." The party put aside moral issues, such as prohibition, in order to focus on the economic needs of the people. "The issue," retorted one Populist, when it was raised by a number of delegates, "is not whether a man shall be permitted to drink but whether he shall have a home to go home to, drunk or sober." With the radical element in charge of the convention and the platform committee, the Populists demanded government ownership of the railroads, natural resources and telephone and telegraph lines. But when some arose and called for a coalition of poor white and black farmers, the suggestion was immediately turned down. The convention might be on a crusade to make major changes in American society, but the white American laboring class was not ready to admit the Negro into its world. The delegates left the convention determined to change the political and economic face of the nation. While the Populist Party lacked the massive infusion of capital that supported the major parties, it more than compensated for that weakness by the enthusiasm of the delegates. They had no political machines to turn out the vote, and they failed to make a serious dent in obtaining the vote of labor. But when the dust had settled, the Populist ticket led by James Weaver had polled more than one million votes. It captured 22 electoral votes, elected five senators and ten members to the House of Representatives, as well as three governors. In addition, it had elected to office 1,500 state and county officials. But for the fusionists in the South and the emotional grip that the Southern Democratic establishment fostered by bringing up the "lost cause," the Populists could have become a major political force in the nation.

Without the support of the Southern states, the Populist Party was destined for extinction. The newly admitted mining states of the Rocky Mountains and of

the desert had hitched their wagon to the Democratic Party because it was prepared to support their cause — free coinage of silver, even though the Northern Democrats were opposed to it. Labor was too fragmented to be of any use since unionized labor was a fraction of the total potential voting public and would remain in that position as long as no restraints were placed on immigration. Thus, the only reliable support came from the farm states on the western side of the Mississippi River and the radical elements of the National Farmer's Alliance. Like the farmers, unionized labor would have to wait for the New Deal before its hopes and aspirations could be realized.

## CHAPTER 15. THE PLIGHT OF LABOR

While unions and strikes were present prior to the war, with industries still relatively small in scale, the major focus of the average working man was opposition to immigration. The Know Nothing Party soon to change its name to the American Party, elected members to Congress and state legislatures and even ran candidates for president and vice president. As a matter of fact, at their 1860 national convention, it was subject to question whether they would back Lincoln or nominate their own candidate. The war, of course, accelerated the growth of the manufacturing sector and in turn the number of manufacturing employees, but no effort was made to organize labor. The first significant attempt to develop a union began in Philadelphia and took the name of Noble Order of the Knights of Labor. Like Oliver Kelley's Grange, it was more of a social organization drawn up along the lines of Masonry. Initially founded in Philadelphia in 1869 by six men engaged in cutting cloth for garments, chapters sprang up in other industries independent of each other. The man responsible for bringing together these disparate groups into an organization was Terrence Powderly, recently elected Mayor of Scranton, Pennsylvania, running on the Greenback-Labor ticket in the 1878 election. Although skilled as both a machinist and blacksmith, he championed the democratic nature of these associations where every member was equal. Meeting in Reading, Pennsylvania, the various associations drew up a constitution. The rationale adopted for their national organization was a quote from Edmund Burke: "When bad men combine, the good must associate; else they will fall, one by one, an unpitied sacrifice in a contemptible struggle." In addition to the typical idealistic reasons for men to band together, they laid out specific goals to be attained: Establishment of cooperative institutions both productive and distributive; the substitution of arbitration for strikes wherever possible; cre-

ation of a Bureau of Labor Statistics; abolition of all laws bearing unequally on capital and labor; prohibition of child labor; equal pay for the two sexes; and a graduated tax on income and inheritances.

Powderly, elected Grand Master Workman, set out for his goal the expansion of the organization's membership. From 9,000 members at the time of the convention, within two years it grew to 28,000; a year later to 52,000, and by 1885 to more than 100,000. While Powderly was brilliant as an organizer, his conception of how the organization should use its newly acquired strength was unrealistic. What he proposed was that the workers pool their resources and compete with existing manufacturers. It wasn't socialism; it was workers' capitalism. The employees would be equal shareholders and would be working for their personal benefits. A number of ventures were launched, the largest a coal mine in Indiana, into which the associations had contributed a total of \$20,000 without taking into account that it would take nine months before a trunk line could be hooked up to the railroad. If Powderly's cooperatives turned out to be a disaster, he was successful as a politician. Several states initiated a Bureau of Labor Statistics, and he managed to push legislation through Congress prohibiting the importation of contract labor.

Thanks to a brief downturn in the economy in 1884, with the resultant massive unemployment, by 1886 the Knights could boast of a membership exceeding 700,000. With the increase in members, factions within the organization sought to use the tactics of industrial warfare — the strike and boycott. In March 1885 the Knights took on the Missouri Pacific, one of Jay Gould's rail lines which ran through the states of Missouri, Kansas and Texas. The strike was successful, as was another strike against a different rail line. It was when the Knights called a strike on the Texas & Pacific that the organization struck out. The other strikes had been in response to a reduction in wages; in Texas, the strike was called because management had fired an employee for incompetence. Although the line was in receivership, Martin Irons, who directed the strike for the Knights, claimed the receivership to be nothing more than a legal device of Gould in his effort to destroy the Knights. Irons then called on all the shop men of the entire Gould system to quit working, and 9,000 obeyed. The walkout affected rail traffic in Missouri, Kansas, Nebraska, Arkansas, the Indian territory and Texas. Not only did the strikers quit working, but they disabled the locomotives used for freight. This time the strikers had overplayed their hand. The strike was affecting the public weal. When the same governors who had aided them to win their first strike offered to intercede, the Knights rejected the overture. Realizing the potential damage the strike could have on the national organization, Powderly journeyed to Texas to call off the strike temporarily and seek some kind of arbitration with Gould. It was too late. Once Powderly left Texas, the strike resumed, and frustration led to violence and destruction of property. In May, the workers

capitulated and returned to work. Unfortunately, the strike was national news, and the negative publicity it generated would take a heavy toll on all the chapters of the Knights. Within a decade, the organization would all but disappear from the national scene.

Part of labor's problems was the violence associated with unions and the fear that anarchists were an integral part of that violence. The deaths and injuries that took place on May 4, 1886, at Haymarket Square in Chicago, seemed to prove that point. It all began on May 1. That was the day set for all workers across the country, union or not, to go out on a general strike as a means to force employers to grant workers an eight-hour work day. To prevent the possibility of violence, the Illinois governor had called out the National Guard. It turned out to be unnecessary since it was a peaceful crowd, with wives and children present. There were even rumors that the meatpackers had agreed to an eight-hour day. But on May 3, there were troubles at the McCormick reaper plant when management had brought in scabs to replace those on strike. There was violence, and the police were called in; at the end of the day, two workers were dead. The anarcho-syndicalists called for a protest rally at Haymarket Square the next day. Despite the potential threat of violence, everything was peaceful and the crowd was leaving by ten o'clock that evening. To make sure that the crowd dispersed peacefully, a contingent of 180 policemen arrived on the scene. It was at that moment someone threw a bomb, killing one policeman and injuring dozens of others. The police then used guns and clubs to disperse the crowd. There was no count of the dead and injured among the crowd, but eight policemen were dead and 67 injured. Whatever sympathy existed for the workers disappeared. The seven leaders of the anarcho-syndicalists were charged with conspiracy. Four were hanged, one committed suicide, and two received life sentences in prison.

The two strikes that broke the back of organized labor occurred at the close of the nineteenth century. They were the Homestead, which commenced in June 1892, and the Pullman, which was spawned by an incident in May 1894. In both cases, the odds against the workers succeeding were limited by two basic factors: the unwillingness of management to concede, and its ability to call on state and federal authorities to support its position. Also pertinent were management's ability to withstand a long strike, and the limited resources of the strikers even though they might have the support of the public. The Homestead strike resulted from a deliberate effort by Henry Frick to destroy the only union within the Carnegie Steel empire — which represented the most skilled workers employed at the Homestead plant. The circumstances underlying the Pullman strike were far more complicated. For starters, it took place while the nation was facing the worst economic crisis of the nineteenth century; second, it centered on the dismissal of three employees who had come to petition George Pullman for a raise in light of the economic suffering, or at least a reduction of the rents charged

by Pullman in his “factory town” where the workers were forced to live. When Pullman explained that neither was feasible, he was asked if he would take any punitive action against the three employees who had petitioned him. According to George Howard, the vice president of the American Railway Union who had accompanied the petitioners, Pullman said he would not. The following day, the three men were fired, and the union workers at the plant that manufactured the Pullman passenger railway cars went on strike.

Where the Homestead strike was caused by the blatant effort by Frick to eliminate a small union in a single plant when the majority of the Carnegie workforce was non-unionized, the Pullman strike was to become a test of power for the recently organized American Railway Union and its president, Eugene Debs. Where the Homestead strike was limited to the plant’s location in the Pittsburgh area, the Pullman strike was to affect railroads across the country and practically eliminate the movement of all freight. Where only state militia was used in Homestead, both the army and federal Marshals along with state militia were engaged to put an end to the Pullman strike. In other words, one strike remained localized; the other took on national proportions and crossed state lines. Finally, where the courts and injunctions were used to break up the Pullman strike, hunger and fatigue put an end to Homestead.

At Homestead, Frick’s initial plan was to divide and conquer by reducing the wages of only 300 of the 800 skilled workers, as well as the wages of the semi-skilled and non-skilled workers. Prior to taking this action, he constructed an iron fence around the plant so that only the Monongahela River was open. At the same time, he hired 260 skilled workers to replace those who went out on strike. He had worked out his plan with the Pinkerton National Detective Agency. A fleet of steamboats and barges would be assembled at Ashtabula, Ohio. Since it was illegal to transport arms from state to state, weapons would be taken on at Pittsburgh, and the invasion force would seize the plant. Once the skilled union workers realized the futility of their situation, they would capitulate, and the plant would become non-union. That was his calculation.

However, banking the furnaces two days beforehand removes the element of surprise, and erecting iron fences to keep the workers from entering the factory sends the signal that you have an ulterior motive. Furthermore, iron fences can be as easily uprooted as wooden fences. When the steamboats and barges appeared outside the plant on the Monongahela River, they were welcomed with a barrage of gunfire from the shoreline. The Pinkertons panicked and removed their wounded comrades by steamboat to be taken to hospitals at Ashtabula, leaving the remaining Pinkertons and scabs on the barges like sitting ducks waiting to be slaughtered. It only took a short time before the remaining Pinkertons and the scabs raised a white flag and surrendered. Foiled by his own stupidity, Frick then imposed a lockout in order to prevent damage to the equipment. He then had the

governor call in the militia as further security. Supported by the local population, the members of the Iron and Steel Workers Union and the non-union workers held out for five months until they realized their cause was hopeless. The fact that the strike was costly to Carnegie counted for little. It was not a public company, and the loss of revenue was not enough to hurt him.

In the nineteenth century, with a continuous flow of immigrants from Europe, organized labor was impotent. As a result, membership in unions declined. When the Homestead strike was called, there were 24,000 members of Iron and Steel Workers Union, who had supported the strikers with funds; two years after the Homestead strike, this union saw its membership decline to 10,000 and a year later to 8,000. Even the effort by the anarchist Alexander Berkman to assassinate Frick failed when he recovered from a bullet in his neck.

The spark that ignited the Pullman strike was the walk-out by workers at the Pullman Palace Car Company plant located in the outskirts of Chicago; the workers' union was an affiliate of the American Railway Union. At first, Eugene Debs, the founder and president of the ARU, and George Howard, its vice president, were opposed to calling a general strike. There were valid reasons for their opposition. With the nation mired in the worst economic depression in its history; with 20 percent of the workforce unemployed and one business after another failing; with the banking system in disarray and the administration confused and seemingly helpless, Debs and Howard were convinced the timing was wrong. On the other hand, the barely year-old union, fresh from a victory over railroad magnate, James Hill and the Great Northern Pacific, was arrogant and cocky. Moreover, there was a good reason for this attitude. It had 9,000 members when it forced Hill to restore the wage cuts. Based on that success, a little more than a year later its membership had swollen to about 150,000, almost entirely a result of word of mouth. Unlike other unions which focused on specific crafts, the ARU represented the entire workforce including the white collar workers in the office. Once Pullman refused to agree to arbitration demanded by the ARU, Debs's hand was forced. But, in calling a strike against the Pullman Company, he faced two major obstacles: the economic depression and the fact that Pullman was a monopoly; the company had two small non-union plants in St. Louis and Ludlow, Kentucky which could handle the few small orders it might receive.

Thus, Debs launched a boycott on June 26, instructing ARU switchmen to refuse to switch trains carrying Pullman cars. His initial goal was to tie up all rail traffic entering and leaving Chicago other than those trains carrying the mail. From Chicago, the strike spread throughout the country, eventually involving 27 states and territories and more than 100,000 workers. By obstructing rail traffic, with off-year congressional elections coming up in fall 1894, Debs was inviting government interference. A federal injunction was issued under the Sherman Antitrust Act and troops were deployed. Eventually order was restored, but not be-



fore the country paid a tremendous price — 13 killed, countless injured, \$500,000 in property damage, more than \$1 million in lost wages, and a loss in railroad revenue of more than \$4.5 million. The rail workers had flexed their muscles, but given the opposition of the establishment, the government and the courts, their effort had been in vain. This was organized labor's last hurrah in the nineteenth century.

## CHAPTER 16. THE AFL

The events that had taken place over that brief period of time made an indelible impression on Samuel Gompers, president of the American Federation of Labor. While the American Railway Union and the Knights of Labor would disappear into the history books, the AFL would continue to grow and flourish. Gompers and his executive board were loath to set the world on fire. Some ascribe the failure of the AFL to come to the aid of the ARU in its moment of desperation as jealousy on the part of Gompers; to others, it was a fundamental difference in philosophy. The ARU represented all the workers involved with the railroads, from baggage handlers to the engineers. The AFL, supposedly, was composed of a series of brotherhoods representing specific skills, such as the Brotherhood of Engineers or of Carpenters. This was not entirely factual. The United Mine Workers represented all the workers involved in the mining industry, and there were other examples within the framework of the AFL. There were two very fundamental differences between the two labor organizations. First, the AFL had been around since 1881. Originally known as the Federation of Organized Trades and Labor of the United States of America and Canada, under the guidance of Samuel Gompers, president of the Cigar Makers union and leaders from the Construction Workers Union, by 1886 it had become the American Federation of Labor. Where in 1881 it had been a relatively loose-knit organization of members from various crafts, by 1886, under Gompers' leadership, the various craft unions had come to the conclusion that there was greater strength in unity. The key to the federation was that there could be only one affiliated union representing a specific craft. Local branches of the craft unions were subject to dictation from the board of directors of the federation. The second major difference was that the organization was pragmatic about its relationship to the employers. Unlike the

Knights of Labor, the AFL was not interested in competing with them; what the union demanded were decent working conditions, which included an eight-hour day and a wage scale that allowed a man to support himself and his family in a decent manner. This attitude toward labor-management relations did not evolve that easily. As in any large and diversified labor organization, there were those who preferred that the union engage in political activity, which might have divided the members of the various unions, but Gompers insisted on his restrictive goal.

Gompers was born in London in 1850, but his family actually came there from Holland. His father was a cigar maker, and at an early age Gompers was apprenticed to a shoemaker. Instead he chose to learn his father's trade because cigar makers were organized into a union of sorts. In 1863, the family migrated to New York where the young boy practiced his trade. What made him different from others practicing the trade was that despite a 12-hour day, he found time to attend Cooper Union, the free college that millionaire inventor Peter Cooper had established for poor young men. For 20 years after, Gompers made it his business to attend lectures and participate in its nightly study classes. When he was 18, his union struck against the use of molds in the making of cigars. The union lost, and the skilled workers were replaced by unskilled ones who turned out more cigars than those produced before. It was the first step in Gompers's education. You cannot stop progress. During the 1870s, especially after the Panic of 1873, when socialist and communist agitators seemed to be on their way to dominate the labor movement, Gompers decided that there was no panacea for the working man outside of his own craft union. He also arrived at the conclusion that only someone who actually worked at the trade, and made a living from it, could be entrusted to the leadership of the labor movement. Gompers's rise to the top of the leadership of the old Cigar union and later the AFL was a direct result of his ability to organize the Cigar makers on a national basis. Other unions, seeing his success in dealing with management, soon aped his methods. In 1881, he became involved with the forerunner of the AFL. As is the case with any new organization, it was groping for a means to achieve its ends. The original founders believed this could be achieved through legislation. Thus, it proposed to lobby for the following programs that should become the law of the land. Its demands included compulsory education laws; the prohibition of child labor; sanitary and safety regulations for factories; uniform apprentice laws; a national eight-hour-day labor law; the prohibition of contract convict labor and of the truck system of wage payment; the repeal of conspiracy laws; a National Bureau of Labor Statistics and protection of American industry against cheap foreign labor. On paper, this long list of goals for the new union sounded great. However, once reality took over, the new union's position changed to that of taking direct economic action. It now came to the conclusion that the strike remained the only

viable element for effecting change and that trade agreements, through collective bargaining, were the ultimate aim of trade unionism.

In 1884, the union leaders whittled their program down further. Their first goal now was to be the establishment of an eight-hour day by the year 1886. The time spent on a job had long been the major gripe of labor. While certain states had enacted such laws, employers always got around them by pro-rating the take-home pay based on a ten-hour day. Having established the eight-hour day as their primary goal, the union allocated two years to educate industry and the public to the concept. The plan was that on May 1, 1886, if agreements affirming the eight-hour day were not reached, then the membership of the unions would go out on strike. Given the two-year time period for the various employers to become accustomed to the union's demands, it was assumed that with public support, drummed up during that time lapse, most of the employers would go along rather than face a strike. As for the local unions that would lead the strike, they were advised to set aside funds to carry them over the strike period. By the time May 1 rolled around, some of the locals had been asking for shorter hours, eight or nine, in order to make a dent in the ten-hour day. On the day called for the strike, 150,000 of the union members were granted their demands and 190,000 went out on strike. Of those who struck, only 42,000 were successful. Actually, the strike was not a smashing success. In many instances, the workers' pay was pro-rated on the ten-hour day, and in other cases employers reneged on their agreements once the excitement and publicity had subsided. Obviously, it was not going to be easy for organized labor to achieve its goals.

With the mixed results from its two-year campaign to achieve an eight-hour day, the Federation of Organized Trades and Labor, at its convention held in Columbus, Ohio in 1886, decided to restructure and rename its organization. In its current form, there was no central control. In place of stressing the autonomy of each craft union, a centralized headquarters would be established for the new American Federation of Labor. Samuel Gompers would be elected president of the AFL at a salary of \$1,000 a year, a small office would be opened and a Board of Directors from the various unions appointed. In addition, salaried organizers would be hired. Finally, the union would avoid politics, disassociate the organization from any of the radical doctrines which were being bandied about at that time, and concentrate on the needs and methods of trade unions. The most interesting aspect of the AFL was its pragmatism and its flexibility. In 1888, the new organization decided to call for a general strike to attain an eight-hour day, scheduled to start two years later, on May 1, 1890. At the last moment, that decision was revoked; instead of a general strike, only the Carpenters would lead the charge, this time backed by the financial support of the other crafts as well as its own treasury. The strike proved to be moderately successful, given the additional financial support. The union, under its new direction, was learning that

first you had to walk before you could begin to run. However, when the same approach was attempted with the miners' union, bickering within the organization defeated the proposal before it could be tested. On the other hand, now that the union was using paid organizers, its total dues-paying membership had grown: from 140,000 in 1886 to 278,000 in 1889. The first great challenge to Gompers's approach to labor-management relations came with the crushing defeat of the Iron and Steel workers in the Homestead plant. Following that, there was the use of federal troops to break up a strike among the silver miners in Coeur d'Alene in Idaho, and another by the switchmen in Buffalo, this time by the state militia. Finally, there were a series of strikes by coal miners, in the areas around Tracy City, Tennessee, which sought to prevent the use of convict labor in some of the mines; these strikes were also put down by the state militia. But basically it was the Homestead strike and the ability of management to make use of the federal and state governments to crush the workers that really aroused many unionists and influenced their thinking about moving closer towards the doctrine of socialism. At the AFL convention in 1892, led by trade-union socialists, a large number of delegates espoused the doctrine that organized labor, in order to survive against the power of concentrated wealth, had to change its fundamental philosophy and move towards direct political involvement. Gompers's hostility towards any fundamental change in the proposed direction killed that effort. Despite their setback, the delegates did endorse two planks in the Populist platform — that of the initiative and referendum, and the government ownership of the telegraph and telephone lines. But the Panic of 1893, and the depression and unemployment that followed, gave the radical socialists the power to dictate the union's platform. It called for the following: the establishment of a legal eight-hour day; abolition of the contract system on public works; abolition of the sweatshop system; governmental inspection of mines and workshops; adoption of the initiative and referendum; compulsory education; municipal ownership of public utilities; nationalization of telegraphs, telephones, railroads and mines; and the collective ownership by the people of all means of production and distribution. The AFL convention adopted this platform and recommended its consideration by all of its affiliates. During 1894, as the depression and unemployment deepened, most of the unions, whether national or state federation or city assemblies, endorsed it without reservations. Only one union, the bakers, rejected it entirely. Suddenly, hundreds of locals became addicted to politics, often making alliances with the Populist Party. In addition, some 300 unionists ran for political office. The long-sought alliance between the farmers and labor seemed on the verge of being consummated.

At the AFL convention in 1894, it appeared that the AFL was about to change direction and enter into the political arena. Certainly, that was the overwhelming position taken by most delegates to the convention. That the convention failed to

adopt the political program was a direct result of Gompers and other directors making use of Parliamentary procedures. Gompers ruled that the overall program had to be endorsed one program at a time. The first attack was directed against the preamble, which recommended political action by the union. This was immediately defeated. Then one by one, all the planks were watered down to the point where they were meaningless; and that of endorsing collective ownership was altered beyond recognition. When the amended program was offered to the convention, the purists among its supporters joined with the allies of Gompers to defeat it. In the following year, the altered political program was resurrected at the convention and was adopted as a legislative platform, and Gompers altered his outright opposition to one of encouraging non-partisan political action. During the 1896 Democratic convention, when the Democratic South joined hands with the Silverites, at the expense of the Populists, and nominated William Jennings Bryan on a silver platform, the AFL and the executive board maintained an attitude of neutrality. Although many locals and their membership supported Bryan, he was overwhelmingly defeated by William McKinley. Unknowingly, labor had made its political move at the wrong time. With a Democratic president in the White House, Grover Cleveland, the blame for the economic disaster fell on the Democratic Party despite the fact that the Republicans controlled both the House and the Senate. The combined vote of labor and the farmers did elect 30 new members to the House of Representatives. Following that election, the AFL would remove itself from politics and concentrate on obtaining economic advantages for its craft unions. In the final analysis, Gompers' judgment was right. The membership of the union continued to grow while those unions that took a more radical approach faded from the labor scene.



## CHAPTER 17. THE CONSOLIDATION OF INDUSTRY

As former Whigs, Lincoln and his Secretary of the Treasury, Salmon Chase, were intent on restoring the Bank of the United States, a major plank in the platform of the Republican Party. Since both assumed the war would be over shortly, they decided to hold off until the hostilities ended. By 1863, finally recognizing that the war was likely to last, reforming the nation's banking system had to be addressed immediately. Instead of reviving the Bank of the United States, Congress enacted the National Banking Acts of 1863 and 1864. This move was a belated effort to impose some kind of federal control over the nation's banking system. The legislation enacted sought three specific goals: First, to create a system of national banks that would receive their charters from the federal government rather than the current system where the charters were issued by the states; second, to create a uniform national currency; finally, to develop a secondary market for Treasury bonds which would help pay for the war. Since under this legislation, national banks now came under federal regulatory laws, which were far more stringent than those of state chartered banks, there had to be an incentive for state banks to convert or seek a charter. National banks had higher capital and reserve requirements than their state counterparts; they could not make real estate loans and could not lend to any single person an amount exceeding ten percent of their capital. To make life even more difficult, the legislation created an office of the Controller of the Currency within the Treasury Department, who had the authority to inspect the books of the national banks to make certain they were complying with all the regulations. The Controller's office also held all securities deposited by the national banks, and through the Bureau of Engraving, oversaw the printing of all national bank notes. Given these restrictions and the threat of accountability, why would a state bank seek to convert into a national



bank? The answer was simple. As part of its legislative package, Congress imposed a ten percent tax on all the banknotes issued by state banks. The tax had a dual purpose. Since most state banks could not survive if forced to pay a ten percent tax on the banknotes they issued, it would force them to seek a charter as a national bank; once a national bank, the institution would be forced to issue a common currency. Before the outbreak of the war, such legislation infringing on states' rights would have been unthinkable; under the pressure of winning the war, the legislation sailed through Congress. By 1865, there were 1,500 national banks, of which approximately 800 had been converted from state charters. By 1870, only 325 state banks remained, compared to 1,638 national banks. Where it had been customary for state banks to discount banknotes from other banks, national banks were required to accept banknotes from other national banks at par value. The third aim of the National Banking Act, to have the banks help finance the war by purchasing Treasury bonds, was less successful. Under the terms of its agreement to become a national bank, the institution was required to deposit with the office of the Controller a sizeable amount of the Treasury bonds it held; in return, it received banknotes valued at 90 percent and later 100 percent of the market value of the bonds. If it sought to expand its loan portfolio, it had to acquire additional Treasury bonds to match the volume of the loans. Most banks ignored that requirement and used their own judgment.

Despite the regulations imposed on the national banks, once the war was over they resorted to the same financial practices they had used as state banks. There is no better example than Jay Gould's use of the National City Bank to corner the private gold market. With only \$1 million in assets, he was able to manipulate the books to achieve his purpose. The two positive results from the reform were a single national currency issued by the Controller of the Currency and the elimination of discounting bank notes issued by other banks. On the other hand, commercial state banks were far from dead, although they were prohibited from issuing bank notes. To replace the taxable bank notes, they developed the concept of checking accounts. By the 1880s checking accounts had replaced bank notes, and by 1890 the Controller of the Currency estimated that barely ten percent of the nation's money was in the form of currency. With lower capital and reserve requirements, state chartered banks once again became the dominant banking system in this country. Moreover, in the face of a national Depression such as occurred in 1873 and 1893, national banks fared no better in weathering the storm than state banks.

In addition to commercial state and nationally chartered banks and savings institutions were a handful of private banks under no government regulation. The two largest and most influential of these, when it came to financing mergers and acquisitions, were J.P. Morgan & Co. and Kuhn Loeb. J. P. Morgan had the advantage of his father's association with British private banks. Loeb's son-in-law,

Jacob Schiff, who joined Kuhn-Loeb in 1875, was responsible for constructing alliances with the banks in Frankfort, Germany. Both firms were deeply involved with railroads, the largest industry in the country, whose securities represented 80 percent of those traded on the New York Stock Exchange. But their financial involvements were not limited only to one industry. Morgan was deeply involved in setting up the meat packing trust and is most famous for putting together US Steel while Kuhn-Loeb serviced Westinghouse and Western Union. What made these investment banking houses important in the growth and consolidation of American industry were the roles they played in financing the spate of mergers and acquisitions which dominated business in the last quarter of the nineteenth century. While competition is supposedly the hallmark of capitalism, that view was not shared by American businessmen, especially if the product they marketed was a commodity. In those cases, while the potential for sales volume was enormous since the commodity constantly had to be replaced, the profit margins were very small if dog-eat-dog competition existed. There were two solutions to this dilemma: either acquire your competitors, as Standard Oil did, or combine with them to form a Trust where the percentage of the market the Trust controlled was so dominant the price can be fixed.

The history of the oil industry begins with Samuel M. Kier, who made a fortune in the 1840s out of what is commonly referred to today as snake oil. While oil was found on the surface in many states, Mr. Kiers happened to stumble upon it in a remote section of northwestern Pennsylvania which was used for cutting timber. Oil that had pushed its way up through the earth was a common sight in that particular region, but until Kiers came along and realized that there was a huge potential for it as a medicinal cure, no one had paid any attention. His first idea was to drill a salt well to see if oil could be brought to the surface in larger quantities. His instincts proved right, and Kiers began to bottle his oil under the labels of Kiers Oil or Rock Oil and market it throughout the country in eight-ounce jars with a label that proclaimed its value for relieving pain as well as curing bronchitis, liver trouble, etc. For each of these diseases, the patient was to take three full teaspoons three times a day. Kiers became wealthy and disappeared into history.

In 1854, George M. Bissell entered on the scene. A graduate of Dartmouth, he had spent years in the South working as a journalist and a teacher. Coming North, he had heard or read about this substance found on the surface and decided to lease a strip of land. As an educated man, he was not about to go into the snake oil business, but he was curious about oil's properties. Determined to discover if there was any value in the product, he sent off a sample to Professor Benjamin Silliman, Jr., at Yale, and paid him to do an analysis. The professor returned the report. Not only was it good to produce kerosene for lighting, a marked improvement over the coal oil currently in use, but when refined, it would produce gas,

paraffin and lubricating oil. In his report, the professor added that there was a fortune to be made if it could be produced in quantity. According to Bissell, he happened to look into the window of an apothecary in New York City and read the label on a bottle of Kiers Oil. To prove that it contained some kind of magic elixir, the label stated that it was drawn from the rocks 400 feet below the surface of the land. Bissell was not a man to get his hands dirty; thus, on his return to northwestern Pennsylvania, he found a man who was a jack of all trades but who had mastered none, and assigned to him the role of sinking a well into the earth and coming up with oil. It took some time for Edwin L. Drake to assemble the equipment and put together the rigging to drill a well; during that period of a year or so, he was the butt of jokes passed around by the locals. But in 1859, at a town by the name of Titusville, soon to become world famous, Drake hit a gusher, and the world entered the petroleum business which would eventually become the major source for energy throughout the world. The evolution of the oil business would make some men millionaires overnight. But as more and more men leased or bought land in the region, oil was soon being extracted in quantities that exceeded demand. Where in the early stages it was bringing in the munificent sum of \$5 a barrel, as the glut continued to mount, the price fell to ten cents a barrel.

At ten cents a barrel, the container cost more than the oil it held. While liquid gold was a precious commodity, until it could be refined into its component parts, it might as well be marketed as Kiers oil. John D. Rockefeller, who had been in the wholesale grocery business during the war, and Henry Flagler, who had supplied salt to the union army during the war, were two ambitious young men who met in Cleveland shortly after the end of the war. Both men spoke of the booming oil business and its potential for enormous wealth. Both men also agreed that the key to riches was not in oil but in refining it into its end uses. What the partnership required was a chemist who understood how to break the crude oil into its component end uses. In Samuel Andrews, a chemist and an inventor they found the third partner and the firm of Rockefeller, Andrews and Flagler was launched in 1867. By 1872, the company was refining 10,000 barrels of oil a day and making a sufficiently handsome profit to begin the acquisition of its competitors. The philosophy espoused by the partners was simple. As the necessary middlemen, they were in a position to dictate to the suppliers of the raw material and to those engaged in its end uses, provided they had a monopoly on the refining. Since this is not a history of Standard Oil or the methods they employed to attain their goal, the Rockefeller saga ends here. Acquisition was the method Rockefeller used to attain the monopoly, which enabled his firm to control the final price and make him the richest man in the world.

The Duke family in establishing the Tobacco Trust followed a different route in creating a monopoly. Tobacco was the first successful commodity produced in

the US starting with the initial settlement in Jamestown, Virginia; until Eli Whitney's invention of the cotton gin, tobacco was the nation's single largest export. It was not only smoked but chewed and even inhaled as snuff. Because it was highly addictive, it offered the greatest potential for repeat sales. The premium grades of this dark leaf were used for cigars; the next grade, for pipes; and the cheapest, for chewing, a disgusting but prevalent habit. But the concept of packaging the product where it was grown escaped the notice of its growers. Tobacco always had been cultivated for the export market, primarily England and Western Europe. In the 1850s, two major breakthroughs took place that elevated tobacco to a new plane. The first was the accidental discovery that by curing tobacco over charcoal, it produced a bright yellow leaf that was smoother tasting and less repulsive to the eye. The second was the invention of cigarettes during the Crimean War. Whether the new product was used by Russian or Turkish soldiers is not clear, but the French and British soldiers who fought there brought them home to France and Britain, and the concept soon arrived on these shores. The combination of a pleasant-looking and -tasting leaf and a portable product offered great potential if it could be massed produced. Before the advent of cigarettes, however, the first step was to have tobacco packaged and marketed. Marketing required ease of transportation, so in 1854 a rail line connected Durham, North Carolina, with the outside world. The first to package and label tobacco with a brand name was Robert Morris and his son, who described their product as "Best Flavored Spanish Smoking Tobacco." A few years later, the factory was acquired by John Ruffin Green, who advanced the packaging and promotion of smoking tobacco a step further by adopting the picture of a bull as his trademark, which he borrowed from Colman's English mustard. To further distinguish his product from any other, he renamed the brand "Genuine Durham Smoking Tobacco," soon to be popularized as "Bull Durham."

It was only at the end of the war that Washington Duke and his sons, Brodie, Benjamin and James (Buck) entered the scene. Although Washington Duke had grown tobacco on the farm he had inherited from his father, it had been only one of the many crops the farm produced. Recognizing its potential as a brand rather than just a commodity, in 1866 the farm produced 15,000 pounds that was marketed under the brand "*Pro Publico Bono*." Because of the heavy duties and taxes imposed on tobacco products, profits were limited. Washington also became convinced that the only way tobacco could be profitable was to market it as packaged goods under a brand name. Although Brodie tried to convince his father to move the operations to Durham, which had become the center for manufactured tobacco, Washington was reluctant to abandon the farm he inherited and instead expanded its manufacturing facilities. But he did provide Brodie with the capital to establish his own factory in Durham. By 1873, the combined Dukes factories were manufacturing 125,000 pounds of smoking tobacco annually. By April

1874, Washington Duke finally was convinced to move all the company's operations to Durham. He also gave equal partnerships to his younger sons, Benjamin and Buck; Brodie, his oldest son, moved from his factory to the new facility that Washington had built near the railroad tracks. While the relocation to Durham resulted in major cost savings, the company's major problem was competition within the smoking tobacco industry. The dominant manufacturer was W. T. Blackwell and Company, with its Bull Durham smoking tobacco, the successor to John Green's company, which had become the world's largest manufacturer of smoking tobacco. By now the brand "Bull Durham" had arrived at the enviable position of almost a generic for smoking tobacco. In order to expand the firm's capital in 1878, George W. Watts of Baltimore joined the firm as a partner and the company was renamed W. Duke, Sons and Company.

While tobacco was grown in Maryland, Virginia, North Carolina and Kentucky, the marketing of cigarettes began in the Northern states and gradually made its way southward, settling first in Virginia and North Carolina in the 1870s and 1880s. In 1881, W. Duke made the decision to enter the cigarette market. While cigarettes continued to grow in popularity since they were portable and the safety match had been invented, their assembly by hand was slow and inefficient. Since each cigarette had to be rolled by hand, even an expert could produce only four a minute. With sales of cigarettes cutting into sales of smoking tobacco every year, it was obvious that cigarettes were the future of the tobacco industry. In an effort to accelerate production and gain an advantage over the competition, the decision was made to hire cigar workers who were practiced in rolling cigars. But most cigar makers were Orthodox Jews and they demanded the firm to provide them with an Orthodox Rabbi and a kosher butcher before they would move to Durham. And so, into this small city of Methodists and Baptists poured a contingent of Orthodox Jews, with their beards and yarmulkes, who required a synagogue for worship and who refused to work on their Sabbath and their religious holidays. While cigarette production had to be increased, importing the Orthodox was not the solution. What was required was a machine that would eliminate hand labor. In 1877, Allen and Ginter, the largest manufacturer of cigarettes in Richmond, Virginia offered \$75,000 to anyone who could invent a cigarette-making machine. In 1880, 18-year-old James Bonsack invented such a machine. Once installed in their factory, it had too many kinks in it to be practical, and the Richmond firm discarded it.

In 1880, Washington Duke had retired from the business, and his two younger sons, Buck and Benjamin succeeded him. Both brothers were determined to create a national brand, but before their aspirations could be realized, production would have to be increased. In 1883 electricity finally reached Durham, and it would be possible to use the Bonsack cigarette machine which Allen and Ginter determined impractical. In 1884, two of these machines were leased and installed

in their Durham factory. When it functioned, it could duplicate the work of 48 hand rollers of tobacco. Convinced that the machine was the solution to the major obstacle they faced, maximum production at a lower cost per cigarette, they asked the Richmond-based company to send down a mechanic to work out the kinks in the machine. The man the company dispatched, William T. O'Brien, was able to solve the problems they had encountered. Once the machine operated efficiently, the company could produce as many cigarettes as the market could bear at one half the previous cost to the manufacturer. It was time to take their brands national, and Buck Duke went to New York City to open a branch office. It was Buck Duke's exposure to the hub of commerce that would change the company's marketing philosophy. While a sales force still would call on distributors, Buck would launch a major advertising campaign to reach and influence the consumer and identify the brands the company promoted. Within a few years W. Duke and Sons Company was the leading cigarette producer in the country.

Buck Duke was a man of unlimited ambition and vision. The Dukes faced four major competitors: Allen and Ginter of Richmond; F. S. Kinney Company, and The Goodwin Company, both located in New York City; and William S. Kimball and Company of Rochester, New York. Together, they controlled 90 percent of the cigarettes produced in this country. When Buck Duke first proposed the merger of the four other companies into one company headed by Buck Duke, the others dismissed his concept. Buck Duke was not a man easily deterred once he believed that his idea was the solution to untrammelled competition. To convince them of the feasibility and logic of his proposal, W. Duke and Sons launched a major advertising campaign that blanketed the country. In the face of such a massive promotional campaign, each of the four competitors witnessed a decline in sales and market share. It took a few years before they realized that Buck Duke's concept made sense, and in 1890 the five firms were combined to create the American Tobacco Company, with Buck Duke as its president and chief executive officer. The Tobacco Trust had been created; controlling 90 percent of the cigarette market; it could fix prices to obtain the maximum profitability. For two decades it had a field day until in 1911 the US Supreme Court ruled that monopolies constituted a restraint of trade, and like Standard Oil, it had to be broken up. The four companies that emerged following the dissolution of the Trust were: a new American Tobacco Company, Liggett and Meyers, P. Lorillard and R.J. Reynolds.

There was no formula that led to the consolidation and monopolization of an industry by a single company. In crude oil, which was a three-tiered industry consisting of the explorer of the commodity, the refiner and the end user of the finished product, Standard Oil chose the route of dominating the refining of the raw material. The other two tiers were dependent upon refining for their survival, thus Standard Oil could dictate to both of them as long as its facilities controlled



all the refining in the country. The methods Rockefeller and Flagler employed to attain that goal is the history of Standard Oil. To create a monopoly in the tobacco industry, Buck Duke followed a different course of action. He used advertising and promotion to create a monopoly and forced his competitors into accepting that concept. In the creation of US Steel, the largest corporation in the world, a third route to the same end was followed.

Andrew Carnegie, the canny Scotsman who dominated the steel industry, owed his success to a simple principle. The key factor in the producing a commodity was to keep the costs as low as possible. The difference between him and other entrepreneurs was that he focused his attention on each stage of the manufacturing process, not just the overall bottom line. To him, productivity was the key to success. Any innovation that would increase productivity should be adopted, even at the expense of discarding old but still usable machinery. When the open-hearth method of producing steel was proved to be more efficient than the Bessemer method, he invested in the new technology and discarded the old. His acquisition or merger with the Henry Frick Coke Company, the largest in the country, was another example of how he viewed the necessity to control the cost in each stage of the production of the steel. By maintaining this philosophy, he was able to bring down the cost of the steel product to the point where he could outstrip the competition and still make a handsome profit. Carnegie, unlike Rockefeller, had no intention of dominating a vertical operation. Nor did he attempt to take over the steel industry by merging with smaller firms. Carnegie was satisfied to be the first and most profitable company in the industry. Carnegie was a raw materials producer. He did not fashion the steel into its end products. Whether it was producing railroad tracks, or locomotives or fuel cars, those operations were in the hands of the railroads. But there were other end uses for steel on a smaller scale. They included everything from wires to pipes to nails. In these industries, the investment in plant was smaller and as a result the competition fiercer. The economic Depression of 1873, which lasted six years, would weed out the weaker sisters and bring about the first step in the consolidation of these industries.

With a larger share of the market at their disposal, those manufacturers that survived once again found themselves engaged in price warfare with their competitors. As a result, profits shrank, and the larger companies entered into secret price agreements. The Sherman Antitrust Act, passed in 1890, was designed to prevent price collusion among manufacturers and especially the railroads, notorious for providing kickbacks to major customers. However, if a company followed the route of acquisition, then the presence of collusion disappeared. Even if a company followed the easier course of secret price agreements, they rarely held. There were always some firms that saw these agreements as an opportunity to gain market share, and they generally collapsed. As for acquisitions, without

an economic Depression, this tactic required large sums of money to convince a company to become part of a larger entity and relinquish control of its destiny.

It is a given that banks make money by lending money and collecting the interest on their funds. But banks also make a considerable fee when they become involved with the merging of companies and corporations. So, too, do lawyers, who have the responsibility of drawing up the various legal documents to bring the mergers to happy conclusions. Judge Elbert Gary was one of the leading corporate lawyers in Chicago. As such, he was more than familiar with the leading bankers of New York, who dominated the private banking market. As noted, the Depression brought on by the Panic of 1893 had decimated most of the manufacturing community. John Gates, a manufacturer of wire, saw this as an opportunity to acquire competitive wire manufacturers at a minimal cost and to create a monopoly. Needing funds for such a large project, he contacted Judge Gary, and the two of them presented the proposition to J.P. Morgan, the leading banker in the country. For whatever reason, at this moment in time Morgan evinced no interest in the Gates proposition, but he was intrigued by the idea of taking advantage of the difficult financial times to arrange profitable mergers. Moreover, he was impressed with Judge Gary, and shelving Gates's proposal for the moment (since its profit potential was limited), Morgan focused instead on the idea of bringing together all the small mills in the Midwest into one large producer of raw steel. With Judge Gary's reputation and knowledge and taking advantage of the depression, within a relatively short period of time Federal Steel, a conglomerate of a number of steel mills, had been put together as a corporation. While not as large and profitable as Carnegie's works, it had the advantage of being a vertical operation. When John Gates announced to Andrew Carnegie that he would no longer use Carnegie as his supplier but instead would turn his business over to Federal, the Scotsman realized what was afoot. Federal Steel was going to be a vertical operation. If Morgan and Gary were going to play hardball, Carnegie had the capital and know-how to play the same game. Morgan and Gary's plan, and worse yet, Morgan's large investment now was in jeopardy in a knockdown struggle with Carnegie. It was as an act of desperation when Morgan dispatched an emissary to Charles Schwab, the boy wonder who was in charge of Carnegie's mills, asking if the Scotsman was open to being acquired, and if so, at what price. Schwab informed the banker that he had no idea but he would bring up his proposition. A short time later, Schwab handed Morgan a piece of paper on which were written Carnegie's terms. Morgan accepted Carnegie's demands of \$225 million for himself and \$400 million for the firm. While this munificent sum made Carnegie the richest man in America, Carnegie failed to realize just how desperate Morgan was to make the deal. But Morgan was not out of the woods yet. One potential competitor was still left on the field, John D. Rockefeller. Among his outside investments, Rockefeller controlled the Mesabi



Range in Minnesota, the richest and largest iron ore fields in the world. Moreover, what had started as an investment, to salvage the property of its original owners, had been expanded into railroad and steamship lines that transported the ore to its customers. With the kind of capital that Rockefeller possessed, and with his possession of the Mesabi fields along with the shipping and railroad lines he had created to move the ore to market, it was entirely possible, if not probable, that Rockefeller could enter the steel business, successfully, and with a truly vertical operation from the raw material to the finished product, dominate the steel business and jeopardize Morgan's enormous investments.

The wily banker had put himself on a treadmill from which there was no escape. If his concept of putting together the largest steel operation in the world was to work, he had to bring Rockefeller's interests into the fold. Morgan faced only one serious problem. Neither he nor Rockefeller was on speaking terms. Rockefeller had no need for bankers in creating the Standard Oil colossus, and like all self-important people, Morgan resented his independence. Likewise, Rockefeller thought of Morgan as a pompous ass who believed that he and Wall Street controlled the entire business world. It was Judge Gary who finally persuaded Morgan to get off his high horse and ask for a meeting with Rockefeller. The first meeting was brief and nothing was accomplished. Finally, through the intercession of Henry Frick, whom Rockefeller trusted, a price was agreed upon. The \$80 million may have been more than Morgan thought it was worth but he would have gone higher in order to protect his original investment. The stage now was set for the creation of United States Steel, the largest steel operation and corporation in the world, with a capitalization of \$1.4 billion. Morgan had achieved the best of all possible worlds. United States Steel could not be charged with collusion in fixing prices. It had no visible, important competitors. It was not one of the Trusts, such as Standard Oil or what took place in the Beef or Sugar or Tobacco industries. It did not have to incorporate in New Jersey as a holding company, as the Trusts did, to avoid breaking the law of the land. It had been assembled by a brilliant banker with access to the money markets, the necessary ingredient for a corporation of this magnitude. J.P. Morgan stood at the peak of the financial world. At least among those who believed, as most Americans did, that wealth was the be-all and end-all of life, he was the eighth wonder of the world. As a sideline, in putting together this incredible deal, he had managed to increase substantially his own personal fortune. Two men were instrumental in helping Morgan create this industrial giant. Charles Schwab, who had risen from a stake driver in Carnegie's steel works to become president in 1897, at the age of 35, and Judge Gary, whom Morgan trusted implicitly. The former would be instrumental in bringing Andrew Carnegie into the agglomerate; the latter, Rockefeller. On January 1, 1901, United States Steel became official as a corporation and was listed on the New York Stock Exchange. Its president and chief ex-

ecutive officer was Charles Michael Schwab. Three years later, the same Charles Michael Schwab would leave US Steel to launch Bethlehem Steel, which would soon become the second largest steel producer in the nation. In the conservative world of big business in the nineteenth century, Charles M. Schwab was a misfit. He was a gambler, both personally and in business. He was the opposite of everything that Carnegie, Rockefeller and J.P. Morgan stood for. To place his meteoric career in perspective, he was unorthodox in a world of orthodoxy. In a sense, this gambling streak — this willingness to take chances; to motivate individuals to think beyond the conventional — was what endeared him to the conventional Carnegie, who had carefully and meticulously built up Carnegie Steel Works.

His philosophy of business was that the impossible took a little longer. He also was a firm believer that money was a great motivator in moving people, either inside or outside his plants. When Schwab launched Bethlehem, he realized that his operation would have to be distinctive if it was to compete successfully with his old company. He came up with the concept of a wide flanged steel beam in the shape of an H. Given the extra support, it would allow for the construction of skyscrapers without any limit to their heights. Believing that the new beam would catapult Bethlehem to the peak of success, he had a new plant constructed solely for the manufacture of this H beam. In 1908, the new plant began producing the beam, and overnight, Bethlehem became the second largest steel producer in the nation. Definitely, Schwab did not fit into the picture of the Robber Barons with their false piety. To get an order for 65,000 tons of steel to construct the Trans-Siberian railroad, he bribed the mistress of the Grand Duke Alexis Alexandrovich with a necklace worth \$200,000. He ignored the embargo placed by President Woodrow Wilson on any shipments of raw materials to the warring nations in 1914 by trans-shipping the steel through Canada. He was a notorious playboy and a major player at the tables of Monte Carlo. He died penniless in 1939, having gone bankrupt in the 1929 Crash, but with the rearmament taking place that year, his heirs inherited a fortune.

There was no formula for success in the nineteenth century any more than there is one that exists today, other than the drive to excel. George Pullman had developed a sleeping car before he went to Denver and invested his life savings, \$20,000, in the most magnificent sleeping car imaginable. While his contribution to society was less than that of Thomas Edison, the motivation was the same. Both men had carved a niche for themselves in American society, which brought them fame and wealth. In a nominally classless society such as the US was, they became our royalty. Many built castles, importing the blocks of stone from Europe; others collected art and sculptures from the Old World; and some, like Rockefeller, created foundations so part of their wealth could be devoted to the betterment of society. What drove these men was not necessarily money to ac-

quire things (although many indulged in conspicuous consumption), but rather money as the main measure of success.

## CHAPTER 18. THE REPUBLICANS IN DISARRAY

The other avenue open for fame was politics, and generally lawyers were the ones who followed that path since it also led to the acquisition of clients at the same time. Roscoe Conkling had the advantage of being born into a political family. His father had been a congressman and a judge, and his older brother a congressman and a senator. Roscoe's political career began as District Attorney, then Mayor of Utica, New York; then two terms as a congressman, followed by a defeat, then two more terms, and finally the Senate. Politically he had aligned himself with the Radical Republicans and championed the cause of the Negro. Above all, however, he was a politician who had his eye on the White House and used people to attain that goal. By currying favor with President Grant, Conkling had his people appointed to the New York Custom House, which enabled him to forge an alliance with Tammany Hall. Nor did he neglect the political leaders in upstate New York. To him, the 35 electoral votes of New York were the keys to political power on a national scale, and he labored to convince other Republicans that he could deliver those votes. Conkling was not without ego. A brilliant orator who could hold an audience spellbound, he viewed himself as someone special. He could afford to be a non-conformist. Where senators and congressmen dressed in the sober attire of black, he made a point of wearing loud colors; where politicians were discreet if they had extra-marital affairs, he flaunted his affair with Kate Chase Sprague, the daughter of Salmon Chase and the wife of a fellow senator. While he could charm some, he also could alienate others.

His major political adversary was James G. Blaine, a moderate Republican from Maine. As gifted an orator as Conkling, he had served as Speaker of the House for six consecutive terms before being appointed to the Senate. He had lost the nomination to Hayes when the Democrats uncovered that he had used

his position as Speaker to obtain a land grant for a railroad in Arkansas and then sold the bonds for an enormous profit. It was the nomination for a Republican presidential candidate that would lead to a clash between these two men and the eventual downfall of Conkling. With Hayes out of the running, the field was wide open. Grant and his wife, having taken a two-year tour of the world where he was feted and honored as the hero of the war, had just returned to the US from Japan. At San Francisco he was greeted by a huge crowd, and as he traveled across the country, the reception was the same. Given the corruption surrounding the last election, Conkling viewed his return as a golden opportunity to reinforce his political power in New York. Furthermore, Grant had no qualms about running for a third term. Moreover, it was easy to rationalize why no other two-term president had sought a third term. So when Conkling approached Grant, he readily acceded to be a candidate. For the New York Senator, Grant's election would be a bonanza. Not only would he regain the New York Custom House, but it would cement his control over the Republican Party in the state. Had Tilden been re-nominated, Conkling's plan might well have succeeded. But Tilden was ill, and the Democrats would have to come up with another candidate. Conkling also overestimated his political clout in the Empire state. His effort to impose the unit rule failed. The delegates were not bound to support the choice of the majority. The convention also rejected his bid for the chairmanship. Grant entered the convention with 306 delegates pledged to him. Blaine, although not an official candidate, still had 260 delegates pledged to his candidacy. In third place was Senator Sherman, Ohio's favorite son, with 90 delegates. Wisconsin broke the impasse by casting its votes for James Garfield, Sherman's campaign manager, and a leader in the House of Representatives. When Blaine released his delegates provided they supported Garfield, and Sherman followed suit, Conkling threw in the towel.

Politics not only makes for strange bedfellows but also can deliver surprise packages. With the Southern states now solidly Democratic, to win the election Garfield would have to carry New York, and that meant appeasing Senator Conkling, whose active support he would need to carry the state. Since Blaine had been promised Secretary of State, Garfield believed the vice presidency would satisfy Conkling, and he offered the position to Levi Morton, a wealthy man and a close friend of Conkling who after conferring with Conkling and others turned it down. When Chester Arthur, the deposed head of the New York Custom House, learned the vice presidency was available he threw his hat in the ring. Conkling had no interest in the vice presidency, at best a ceremonial position. What he wanted as a payoff was the Secretary of the Treasury for Levi Morton, who could appoint men to the New York Custom House. Ostensibly, such a deal was made, although Garfield would deny it and there was nothing in writing; in all likelihood, Blaine had killed the deal since Garfield owed his nomination to him.

Certainly, he and Grant lived up to every end of the bargain. They campaigned together not only in New York but in every questionable state. Morton raised large sums of money to support the campaign. Certainly, neither Conkling nor Morton would have exerted themselves as much as they did for the vice presidency. Nor was Conkling stupid. He knew who had pulled the rug from underneath his feet. As it was, Garfield carried the state by only 7,000 votes. While some ascribe the Republican victory to the Democrat's choice of a reform candidate for Mayor, which turned Tammany Hall off, it also was true that the choice of Arthur for vice president played a role in the victory. New York's 35 electoral votes did decide the election.

When Garfield pretended he had satisfied his commitment to Conkling with his choice of Chester Arthur for vice president, neither Blaine nor Garfield expected that four months later he would be shot in the back by an assassin's bullet and four months after that he would die, leaving the presidency in the hands of Senator Conkling's first lieutenant. History might have been different if Garfield hadn't compounded his first betrayal with a second. While Garfield had never served in the Senate, he was aware of senatorial courtesy when making major appointments in a senator's state. In what could be seen as nothing less than a deliberate slap in the face, one of his first appointments as president was William Robertson to be Collector of the New York Custom House when it was well known that Robertson was a bitter enemy of Conkling. When the Senator, as chairman of the Commerce Committee, attempted to block his appointment, he was overruled by a combination of Republican and Democratic senators. For Conkling, this was too much. First Garfield had reneged on the appointment of Morton; now he had added insult to injury to the post formerly held by his vice president, whom Garfield's predecessor had dismissed from office. To quote Euripides: "Those whom the Gods would destroy, they first make mad." Conkling's wrath consumed him to the point where he took leave of his common sense. He was going to show Garfield and Blaine who controlled New York by tendering in his resignation, along with the resignation of the junior senator from New York, Thomas Platt. When they were returned to the Senate by the legislature, Garfield would never dare to trifle with him again. In his fury, he had forgotten his inability to impose the unity rule on the legislature, which had prevented Grant from the nomination. Furthermore, since becoming governor his former protégé Alonzo Cornell had taken on an air of independence. The first to suffer the ignominy of defeat was Platt, who resigned under the threat of being exposed for having an affair. Conkling himself resigned when he realized he did not have the votes necessary for re-nomination. This defeat ended Conkling's political career, but Platt returned to the Senate and eventually became the political boss of New York's Republican Party. Arthur, upon becoming president, offered his old boss an opening on the US Supreme Court as an associate justice, but Conkling

turned it down out of fear he wouldn't be confirmed by the Senate. But he would have his revenge on Blaine when he ran for the presidency in 1884.

When James Garfield finally expired, after hanging onto life for about four months, no man was more appalled by his death than Vice President Chester Arthur. With the exception of war hero generals, no man had presided over the presidency with less political and executive experience than this number-two man in the Conkling machine. Arthur had lobbied for the vice presidency because it fit his lifestyle. It was an honorable and distinguished position that very few Americans could boast of holding. Best of all, the only responsibility was to preside over the Senate, hardly an onerous occupation, which would leave him a great deal of time to do what he liked to do best: schmooze with other politicians.

By profession Arthur was a lawyer, but while he had practiced, his heart was not in the law but in politics. He may have joined the new Republican Party to acquire clients, but his ultimate purpose was to use politics in order to obtain a cushy position in the government. When Edwin Morgan ran on the Republican ticket for the governorship of New York, Arthur devoted almost all his time to ensure his election. As a result of his work, he received his payoff. In 1861, Arthur was given the post of state engineer-in-chief, a position for which he was eminently unqualified. Shortly after, when hostilities commenced, he was named the state's assistant Quartermaster General with the responsibility of supplying barracks, food and equipment for the state's militia. In July 1862, when Lincoln announced the call up for an additional 300,000 troops, Arthur was advanced to become the state's Quartermaster General, and as such became a Brigadier General. Arthur now had a war record, no less than that of a General, no matter how dubious it might appear. Removed from his post when Governor Morgan was defeated by the Democrat, Horatio Seymour, Arthur returned to his law practice but concentrated on Republican politics. While Arthur had to make a living to support a wife and three children, his heart was in politics. He attached himself to Senator Conkling, who had risen to be the Republican political boss of the state; his work for Conkling and the party paid off when Grant was elected president and Conkling had Arthur appointed as head of the New York Custom House, at the munificent salary of \$10,000 a year. To Arthur, this was the perfect job. He spent little time in his role as chief executive, coming in late and leaving early, but he did take care of whatever political appointments Conkling thought necessary in order to maintain his control of the party. It was this attitude on the part of Arthur, his seeming insouciance about the affairs of the Custom House, which enraged the reform movement of New York's Republican Party and led to his downfall. Hayes, anxious to ingratiate himself with leaders of the reform wing, viewed Arthur as the perfect victim. There also is no question that Arthur and his other top associates were singled out as a slap in the face for Senator Conkling.

There also is no doubt that when a commission was appointed to investigate the hiring practices at the New York Custom House, it uncovered that 20 percent of the employees were absolutely unnecessary. In addition, to pay off the largest number of political employees, a rotating system had been set in motion that allowed two or more people to hold the same job by splitting their time on the job. Arthur, of course, was not oblivious to what was going on in the Custom House; he assumed it was normal practice. Since he was taking no graft, he considered the operation to be above board. Arthur was the quintessential party man, and now he was the president of the United States, the Commander-in-Chief of the armed forces, and the Chief Law Officer of the nation.

Aside from the efforts of his Secretary of the Navy, William Chandler, to modernize an outdated fleet of warships, the presidency of Chester Arthur was notable for the food and wine served at the White House. Where Hayes pretended to be a teetotaler and had no interest in food, Arthur engaged the services of a French chef who imported the finest wines. Since all of Garfield's cabinet resigned as soon Arthur he took the oath of office (with the exception of Robert Lincoln, the late President's son and Secretary of War), the new president, who possessed no political contacts outside of New York, found it difficult to find replacements. Without Conkling as his mentor, he was a lost soul. Whatever legislation he vetoed, Congress overrode. The only meaningful bill enacted while he was in office was the Pendleton Act, the first effort to reform the federal Civil Service. While it covered only ten percent of federal employees, it was a step in the right direction since all appointees now would have to pass a written examination. While impotent as the titular head of his party, he went out of his way not to besmirch the office of the presidency. Unknown except to a few friends and his immediate family, he suffered from Bright's disease, an inflammation of the kidneys, with one of its symptoms being extreme fatigue. As a result, he would rise late in the morning and never exert himself other than to indulge his appetite for food, wine and conversation. To most people close to him, his lethargy represented his indifference to his office.

Towards the end of the 1870s, there was a marked improvement in the economy following the Depression of 1873, which was soon followed in the early 1880s by a slump once again. Unemployment rose to the point where more than a million people were without jobs; in other cases, people were forced to accept short work weeks. Ordinarily, under such difficult economic circumstances, the bulk of the blame would be shouldered by the political party in power. But in the election of 1884, the first time that the Democrats would take over the White House since the presidency of Buchanan, the economic downturn barely played any role in the final results. In point of fact, the Democrats lost 18 seats in the House and one seat in the Senate, which had little bearing on the makeup of the Congress since the Democrats still maintained a substantial majority in the House



and the Republicans continued to control the Senate. Months before the actual nominating conventions, the political leaders from the two parties would begin the quadrennial game of selecting the winning ticket. One thing was obvious to Chester Arthur, the incumbent president, he was going to be neither a potential candidate nor a power broker in the final selection. By this time, he had informed a few friends that he was suffering from Bright's disease and was in no condition to even think of entering his name. For the Republicans, it was obvious that finally it was the turn of James G. Blaine. The front runner in 1876, he had been blocked by the Stalwarts. In 1880, in turn, it was his supporters who foiled the efforts of the Stalwarts to impose Grant on the convention for a third term. Now with Conkling out of the Senate, and the Stalwarts in disarray, nothing could stop the man from Maine from receiving his party's nomination.

In point of fact, during the last quarter of the nineteenth century, no candidate from either party had better credentials for the presidency than Blaine: three times Speaker of the House, a senator, and a short stint as Secretary of State in the Garfield Cabinet. Most important of all, Blaine was convinced that his time had come, and he meant to make the most of it. It was with this in mind that he broke what was assumed to be a tradition: that the presidential nominee never campaigned for his own election. But because of his oratorical ability and recognizing that this was the moment of truth for him, he decided to take his message to the public. After a tour of the Midwest, he arrived in New York City to wind up his campaign. He gave a brief speech at the Murray Hill Presbyterian Church. Following his remarks, the Reverend Samuel Burchard delivered a few words in support of Blaine. Naturally, there were reporters attending, in addition to other Ministers who had gathered there to support his candidacy. That is when Burchard delivered the most famous alliteration in American political history. The Democrats, the Minister said to his audience, are the party of Rum, Romanism and Rebellion. Some historians contend that those three words cost Blaine the election since he lost New York by 1,200 votes and, absent New York's electoral votes, the election. While it is true that the Democrats plastered the nation with circulars ascribing the words to Blaine, those three famous words did not account for his defeat. Throughout the campaign Blaine had been charged with being anti-Catholic, among other false charges. In fact, his wife was a Catholic and his sister a nun. But in the wild rhetoric that was tossed around in that era, facts were the least consideration. Among many other charges, he was also accused of having married his wife while she was pregnant. Far more important to Blaine's defeat was the rise of the Mugwump reform party, the failure of President Arthur to lend his support, and the final revenge of former Senator Conkling. The word Mugwump is derived from the Algonquin language and translates into English as Great Man. The Mugwumps considered themselves to be the great men of the American Republic. They were the intellectual class, drawn largely

from New York and Massachusetts. Their leading lights edited such publications as *The Nation*, *Harper's Weekly* and *Puck*. Throughout the campaign, they satirized Blaine through cartoons and words as being a liar, a cheat and a scoundrel. In combination with other organs of news, which had supported Garfield in the 1880 election, they now announced that they were supporting the candidacy of Grover Cleveland, whom they termed to be an honest and incorruptible man. These reformers, who were determined to remake the Republican Party in their image, were savage in their treatment of Blaine. It was not that they had a better candidate to offer on the Republican ticket, other than one of themselves, but they were determined to punish the Republican establishment for not adopting their platform. That was strike one against Blaine, and while the number of their adherents may not have been large, the fact that Blaine lost New York by less than 1,200 votes, 600 coming from them would have put him over the top. The next error was that of the Republican platform committee. A petition was delivered to the committee at the convention by one of the leaders of the Women's Christian Temperance Movement, which called for a plank in support of Prohibition. Instead of accepting it graciously and pretending to give it some consideration, a committee member threw it on the floor in front of the petitioner and stamped on it with muddy boots. The Prohibition candidate for president received 25,000 votes, a large portion of which were drawn from upstate New York. The committee had been blinded by the fact that a woman had presented the petition, and its members erroneously theorized that since women couldn't vote, they had no influence on the election. But they did influence male voters.

Finally there was the revenge of Conkling. Conkling had openly predicted before the election that Blaine would be defeated. On a state-wide level, his political power had been shorn. But within his own county, Oneida, he reigned supreme. In 1880, his county had delivered for Garfield and Arthur a majority of 1,946 votes. In 1884, Cleveland carried the same county by 100 votes. Blaine had lost New York State by 600 votes. Conkling had his sweet revenge. There is no doubt that the visceral hatred for Blaine, led by Conkling and supported by the Stalwart machine, was responsible for his defeat in New York. It would be nice if the al-literation of Rum, Romanism and Rebellion, had brought about his defeat, but it was not the case. While these were the major reasons why Blaine lost New York and the election, there still remains the question of why Cleveland barely carried New York after winning its governorship with a plurality of 192,000. This was the sole reason why the Democratic Party had nominated this political unknown on the second ballot. How did his plurality vanish after but two years in office, and did the size of his original success in attaining the governorship have more to do with his opponent and the disarray in the Republican ranks in New York than his record as Mayor of Buffalo, New York.

Following the final concession by Blaine, the victory celebrations began. After all, the Democratic Party had been in the political wilderness for a quarter of a century, and it was time to take a good look at their new leader. Up until his election, his political views had been unimportant. The fact that some of his economic views were in contradiction to those of the Democratic platform, especially on the question of currency, had been ignored. During the campaign, thanks to the Republicans, his party had learned that he had fostered a bastard child and the details surrounding it did not show him off in the best light. In addition, he had avoided military service by paying a substitute \$300 to take his place. But that was past history, and the important thing was that he had won the election by carrying New York. In politics, winning is the only thing that counts. Just who was this 300-plus pound, hulk of a man, this 48-year-old bachelor who seemed to have emerged out of nowhere and now was the shining light of the Democrats, having been their savior?

Grover Cleveland was one of nine children born to Richard Cleveland and Ann Neal in Caldwell, New Jersey. His father was a devout Presbyterian Minister, which probably explains his own rigidity. It also reinforced his aversion to religion of any sort. While his eldest brother followed in the footsteps of his father, Grover opted for the law. At 16, he left one of the small towns where his father ministered the faith and headed for Buffalo. A major reason for this was his father's death, which eliminated any possibility of his attending college. Despite the lack of a college education, he had attended a private academy for his secondary schooling and was well equipped in terms of the fundamental disciplines to master the legal studies himself. Actually it was thanks to his mother that he received what education he did. Her father was a wealthy printer in Baltimore and had left her an inheritance that served to provide for the education of the boys in the family. How, at age 16, he managed to become apprenticed to a lawyer remains a mystery. Nor did he ever bother to explain his rise to a partnership in the law firm. Obviously, he must have mastered the intricacies of his profession because he was called on to run for District Attorney. Despite losing the election, his appetite now was whetted for politics. His next effort was more successful, being elected Sheriff for Erie County. By itself, this was a well-paying job, but if he officiated at hangings, he could make even more money. It was not a difficult role to play since all he had to do was open the trapdoor and the rope would do the rest. When he left office, he had amassed \$40,000. Buffalo was a port city, and as such, with its sailors, stevedores, and drifters, was a wide-open town. Thanks to its unique geographic position, it was a major terminus for railroads as well as ships coming off of the Great Lakes, which explained its large population of 180,000, second only to New York City. Side by side with its commercial activity, an industrial sector was added to the economic mix. As a result, the city had a large audience of transient men on the loose, some single, some married, seek-

ing some form of relaxation or entertainment before they moved on to their next assignment.

To cater to their pleasures, the city had more than 600 saloons, an excellent number of houses of prostitution, as well as a host of female streetwalkers. In other words, it had all the necessary ingredients that contribute to corruption. Moreover, given the tenor of the city, both Democrats and Republicans shared equally in the largesse that the entertainment industry provided. Little by little, the situation became intolerable and a reform movement gradually began to evolve. Cleveland, by now a very successful lawyer, was approached by leading members of the Democratic Party and asked if he would head the ticket for the mayoral election. All the other members of the ticket had been chosen, and the hope of the Democrats was that with Cleveland heading the ticket, given his reputation for probity, he would be able to draw the votes from the city's reformers. Cleveland agreed to accept on the condition that the number two man on the ticket, notorious for feeding off of graft, would remove himself from the ticket. The man agreed, believing that the reform-minded ticket headed by Cleveland would go down to defeat, thereby ensuring that the status quo would remain in effect. To his utter disbelief, the quasi-reform ticket headed by this political unknown won the election by more than 3,000 votes and catapulted Cleveland on his way to the White House. Cleveland's tenure as Mayor was a breath of fresh air in a city that had become accustomed to corruption. Instead of bids for public projects being passed out to political cronies, with the usual kickbacks, he opened them up to sealed bidding. As a result, the city acquired a modern, healthy water supply and sewage system at a lesser cost. He also investigated the way foster children were being treated and altered the system then in vogue. But he first attracted state-wide attention in a murder case. A man, Martin Flanagan, had been accused of murdering his foreman. It only was after an Appeals Court had rejected the evidence put forth by the defense that Cleveland was apprised of the situation. Contacting the Republican governor, Alonzo Cornell, he received a stay of three weeks so he could examine the evidence against the man. When he discovered that the lead defense attorney had been drunk and unable to present the facts and that his assistant had little or no knowledge of the case, Cleveland journeyed to Albany along with witnesses and documents to prove the man's innocence. After presenting his evidence, the District Attorney who had prosecuted Flanagan presented his own. When the governor decided that the District Attorney had proved his case, Cleveland demanded to rebut his arguments. The governor was reluctant, but Cleveland pressed Cornell so forcefully that he agreed to listen. Upon hearing the rebuttal, the governor commuted the sentence. The case, unimportant by itself, did attract state-wide attention, and the newly elected mayor of Buffalo came to the attention of leading Democrats in the state.

In an effort to rectify what he considered an injustice, Cleveland unknowingly had stumbled into the political limelight.

Overnight, Cleveland became a model for probity and honesty in a party that was generally associated with Tammany Hall. Daniel Manning, the upstate leader of the Democratic Party, believed he had found the right candidate to take on the Republicans. To understand the astounding victory that Cleveland achieved in winning the race for governor, it is necessary to go back in time to the election of 1882 for governor of New York. In the governor's chair is Alonzo Cornell, the man who had commuted the sentence of Flanagan upon the appeal of Grover Cleveland. Cornell is not one of the rags-to-riches politicians. His father, Ezra Cornell, after whom the university is named, founded the Western Union Telegraph Company. By the time he was 36, Alonzo was vice president and a director of the company. Financially secure, he had political ambitions, and realizing that political power lay with Roscoe Conkling because of his close connections with President Grant, Cornell became part of the Conkling machine and as a reward was named surveyor of customs at the New York port. Shortly after, because of his own wealth and contacts with other wealthy New Yorkers, he was named chairman of the Republican state central committee. Easily elected to the Assembly in 1873, he became Speaker, and just before Grant left office, was named naval officer at the New York Custom House. When Hayes and the New York reformers attempted to seize control of the Custom House from the Conkling machine, Cornell refused to resign but was finally forced out in 1878. As a strong supporter and ally of the Conkling machine, in 1880 he was elected governor of the state. As a former successful businessman, he did much to modernize the state's finances and as a result vetoed much of the corrupt legislation that had previously passed the Assembly. In other words, he took his role as governor seriously.

While Cornell was reforming New York, President Arthur was seeking replacements for his cabinet. As Secretary of State, Arthur appointed Frederick Frelinghuysen, an old-line Republican with the proper family pedigree dating back to revolutionary times. For the Treasury, he turned to Charles Folger, a Conkling loyalist. Folger had spent most of his career on the bench, moving up gradually to the Court of Appeals in New York. His only financial background was his appointment by Ulysses Grant in 1869 to be the US assistant treasurer in New York City. In 1871, he returned to the bench after being elected associate judge of the New York State Court of Appeals, and upon the death of the incumbent, was named Chief Justice. Reelected to the Court of Appeals for a 14-year term, as a good Stalwart loyalist he heeded Arthur's call and took over the Treasury Department. The camera now pans back to Albany where the Assembly is in session to reelect Conkling and Platt. Conkling's bravado was based on a simple premise. Alonzo Cornell owed his governorship to the Conkling machine and now it was time for him to pay his marker. Since the governor made all the political

appointments in the state, Conkling assumed he would encounter no difficulty in rounding up the necessary votes. While his premise was sound, his judgment of Cornell was not. As is sometimes the case with independently wealthy men, once the political machine has elevated them to office, they take their job seriously. They forget who their benefactor was and focus on their reputation and legacy. As a businessman, he had instituted reforms in the finances of the state; the appointments he had made were in line with the thinking of the reformers in the state. His public approval rating was high. If he descended from the high perch he had built for himself and twisted arms to reinsure the appointments to the Senate of Conkling and Platt, the reputation he had built would become tarnished. Instead of using the leverage he possessed as governor, he remained neutral, and Conkling and Platt were humiliated. While Cornell was certain he would be reelected to the governorship, he overlooked the fact that first he had to be nominated. As was the case with Blaine, Conkling would have his revenge. Charles Folger was unhappy at his new post as Secretary of the Treasury. All of his efforts to replace enemies of the Conkling machine, especially William Robertson, the head of the Customs House in New York, were being frustrated by President Arthur. Arthur, now that he had stumbled into the presidency, had acquired the aforementioned religion that the office of the presidency was sacred and above political machinations.

Conkling may have been a rash egotist, which is why he had been reduced to private law practice, representing such paragons of virtue as Jay Gould, but he was no pussycat. He understood Arthur, who was more to be pitied than scorned. He was a weak man, terrified of the legacy that his presidency would bring on himself and his children. But Cornell was another matter. He would be made to pay for his heresy. It was easy to convince Charles Folger that he would make a great governor of New York. Cornell soon discovered what happened to those who double crossed Conkling. All the leadership of the Stalwart Party in New York was mobilized to make certain that Cornell should be defeated for the nomination. Cornell, now realizing that he was on Conkling's hit list, made a foolish and desperate move. He turned to Blaine's Half Breed supporters to bolster his candidacy. However, if they had a majority and were able to control the convention, he would not be their candidate. Rumors abounded in the press speculating as to whether Arthur would lend his prestige and use the power of his office to aid in the candidacy of Folger. There were reports in the newspapers that 40 postmasters were about to be replaced with supporters of Folger; that the temporary chairman of the convention had been chosen with false proxies. The presence of President Arthur at the convention could have easily swung the vote to Folger, but he stayed away. The fact was that as weak as Conkling's machine appeared to be, it still owned a majority of the delegates. Cornell was defeated.

It mattered not whether Arthur was culpable. As far as the press was concerned, it was the long hand of Washington that had brought about Cornell's defeat. But Cornell and the members of the Republican reform movement in the state knew better. Instead of supporting Folger, they used their influence and prestige to endorse Cleveland. These defections were behind Cleveland's plurality of 192,000 votes in the New York governor's race. But they didn't explain why, two years later, while running for the presidency, he would barely squeak by with a plurality of 1,200 votes. Far more important than the support of reform Republicans was the defection of John Kelly, the head of Tammany, who controlled the Democratic votes in New York City. Given the overwhelming number of Irish voters in New York City, they should have turned out in droves to support Cleveland. After all New York City, not upstate New York, formed the voting base for the Democratic Party, and an Irishman named Kelly, not an Anglo-Saxon such as Tweed, now ran the political machine. When Cleveland ran for governor in 1882, Kelly was informed by Daniel Manning, the head of the Democratic Party in the state, that if Tammany delivered the huge Democratic majority in the city (necessary to overcome the upstate Republican strength), the machine would receive its just due of political favoritism as part of the quid pro quo. Manning's role, as the key Democratic politician in the state, was to get out the vote, win the election, and face the consequences later.

Whether or not Cleveland was aware of the promises that had been made in his behalf is immaterial. Cleveland was a novice in politics. He had served but a year and a half as Mayor of Buffalo; had been elected as a reform candidate, and the campaign that was waged for the governorship had been predicated on breaking the back of the Conkling machine and bringing reform to state politics. In his Mayoral campaign, he had won by a majority of 3,000 out of 26,000 votes. Now he had amassed the single largest plurality in any state election ever held. In his mind, he had received from the public a mandate to govern as he saw fit. If he had succeeded by opposing corruption in Buffalo, he would apply the same methods of governance once he sat in the governor's chair in Albany. To say that he was naive is to be generous. Any political machine, whether Republican or Democratic, exists and prospers depending upon the patronage it can offer to its supporters. Kelly's machine, which had turned out the overwhelming majority of Cleveland's plurality, quite naturally expected a fitting largesse for his efforts. To Cleveland, on the other hand, public office was a public trust. The idea of aiding and abetting a corrupt political machine was anathema to him. He believed that he had been elected by the people, not the bosses. When Kelly discovered, to his amazement, that the political plums would not be forthcoming from the newly-elected governor, that Cleveland did not understand the value and purpose of a political machine, and that Manning's promises were nothing but hot air, he retaliated with the only weapon in his arsenal. When Cleveland ran for the presi-



dency, the downstate majority would not be there. Kelly would prove his point more succinctly when Cleveland ran for reelection in 1888 and lost New York to Benjamin Harrison, the Republican candidate. The greatest fear of the Founding Fathers had been realized. Under a democracy, the unwashed masses, controlled by a demagogue, would determine the political direction of the nation. Tammany Hall was only the most blatant example. Political machines had sprung up in other large cities. The basic concern of the average voter was who would pander to his needs. Even more frightening was that one city, in one state, could decide who would enter the White House.

Grover Cleveland, when he assumed the presidency on March 4, 1885, was underexposed and overweight. The new president had spent most of his adult life in Buffalo, eating and drinking with his cronies — feasting on potatoes, sauerkraut, sausage and interminable rounds of beer. He tipped the scale at well over 300 pounds. His business and social life was sedentary. His only hobbies were fishing and duck hunting, neither of which required a great deal of physical exertion on his part. Other than consuming gargantuan quantities of food and drink while schmoozing with his friends, he had no interests other than his profession. Why he was a Democrat rather than a Republican could only be ascribed to the fact that it was the Democratic Party that had first asked him to run for office. Other than the reforms he had instituted as governor, his political philosophy if he had one was a blank. But then again, he hadn't been selected as the party's standard bearer for his views. He had fulfilled his function. He had carried New York. The term underexposed is used in the literal sense. Before coming to Buffalo as a young man of 16, he had been living in a series of small communities as his father moved from parish to parish. He had spent his entire adult life in Buffalo except for his two years in Albany as governor. He had never been to New York City or Washington and had never been exposed to national politics. A bachelor when elected, whose only known relationship involved Maria Halpin who gave birth to a bastard son, he must have made frequent use of the many bordellos in Buffalo. He had never been around women other than the wife and daughter of his late law partner, Oscar Folsom (who must have enjoyed the affections of Maria Halpin as well, since she provided the bastard son with his given and his surname as a middle name, rather than those of Grover). In other words, except for his legal work, both in and out of court, and the time spent with his male friends, Cleveland had lived more than half of his adult life isolated from the norms of a bourgeois existence. Now, in the White House, having just turned 49, he was going to marry the daughter of his former partner, Frances Folsom, age 22, recently graduated from college and returning from a tour of Europe with her mother and a male escort. Cleveland was the first president to be married in the White House, and his young, attractive wife was in the full flowering of her youth. Why she married this obese bachelor, old enough to be her father, is dif-



ficult to say. He had known her as a young girl, and after her father's death he had been appointed her legal guardian. But the family had moved away from Buffalo and had only recently returned when she left for college. If she was looking for a father figure, he certainly fit the bill. If she was moved in her decision by becoming the first lady of the land at such a tender age, few would blame her. What they had in common, if anything other than the two daughters she bore him, is inexplicable. Certainly, her husband could not expose her to the world of good taste since the first thing he did upon taking over the White House was to get rid of the French chef that Arthur had brought in and replace him with a cook from Buffalo who prepared the kinds of food he had enjoyed while eating and drinking with his friends. If anything, it would fall upon her shoulders to introduce a little civilization into his life. Cleveland's wife's given name was Francis, but from an early age he had called her Frank. He was the only one allowed to address her by that name. Rumors circulated that he was abusive towards his wife and had gone so far as to strike her physically, but whether or not this is true, it had to be difficult for a man who had been a bachelor all his life and who was set in his ways to accommodate himself to a young woman who wanted to spread her wings a little before she settled into becoming a typical matron.

On assuming the presidency, Cleveland had no national experience. He had never served in either branch of Congress, nor was he familiar with the intrigues and infighting that took place in Washington. Worse yet, he had never dealt with the national press. His elevation to the governorship of New York had been hailed as a victory for the reform movement. On the magnitude of his election plurality in New York, he had pulled in a Democratic controlled Assembly and Senate. Now he was on the national scene with a hostile Republican Senate, which had yet to recover from the fact that their party no longer controlled the White House, and a Democratic party drooling at the mouth at the thought of all the political offices that now would fall in their hands. There were approximately 126,000 offices in the federal government, and only ten percent were covered by the Pendleton Act, which required that office holders had to pass an examination. But the first thing on Cleveland's agenda was the choice of cabinet officers. He was either naive or purposely blind to the fact that deals had been made in order to secure his nomination. Senator Thomas Bayard of Delaware, who had been his only major competition, dropped out of the race on the condition that he would be appointed Secretary of the Treasury. But Daniel Manning had a better claim on the office. Without his intercession, Cleveland never would have become governor of New York. Then there were the Southern states, which had provided the bulk of his electoral majority. They could not be ignored, and so the Secretary of the Interior and the Attorney General fell in their laps. But the cabinet was not the problem with Cleveland's first administration; the problem was Cleveland's inability to grasp the significance of the presidency. He was the feature act, and

the spotlight was on him and every move he made. He had no understanding of how a hostile press was capable of undermining his actions. At the first meeting of his newly appointed cabinet members, he announced his philosophy of governing. Many voices might be heard, but the final decision rested entirely in his hands. Nor would there be a kitchen cabinet. Grover Cleveland was omniscient and omnipotent. Little wonder that he stumbled and tripped throughout his administration. He had no idea of the enormity of his job as president. Was he going to review the competency of tens of thousands of postmasters and decide which were competent to stay on despite their political affiliation and which should be removed and replaced with Democrats? The notion was absurd, and he committed one blunder after another. Furthermore, he had a thin skin. When attacked by the press for actions he had taken that proved to be wrong, instead of ignoring their carping, he defended himself, which only served to exacerbate a petty situation and magnify his own incompetence. He no longer was a big fish in a small pond, as he had been in New York; he was now a big fish swimming in an ocean, and there were sharks everywhere, many of them within his own party. Part of his problems stemmed from the fact that he had been a bachelor for 48 years before coming to the presidency. As a bachelor, he had to answer to no one but himself. As a lawyer, he would present his legal case, and he would either win or lose based on the merits of his arguments, or in certain instances on the whims of the jury. No personalities were involved, other than an interpretation of the law. And, he was incapable of delivering anything extemporaneously. If he had to speak in court, he would carefully write down his arguments and then commit them to memory.

With no comprehension of the subtleties of diplomacy and without taking into account the historical relationship between the countries, Cleveland was naïve and ineffectual when it came to the realm of foreign affairs. When he appointed John Kelly as Minister to Italy, he was unaware that his designated appointee had denounced the Italian government at a public meeting for having appropriated the Papal lands; he added fuel to the fire by denouncing Victor Emmanuel, Italy's King. This was immediately seized upon by the Republican press and became a *cause célèbre* throughout Europe. Unwilling to admit that his State Department had made an error, he tried to palm Kelly off as Minister to Austria, which rejected him as well, not wishing to exacerbate relations between Italy and Austria. Determined not to lose face, he now had the State Department publicly state that the reason for Austria's rejection of Kelly was because his wife was Jewish. Nor was he any more successful on domestic legislation. After three years in office, his major accomplishment was repealing the Tenure of Office Act, a piece of unconstitutional legislation that was passed during Andrew Johnson's tenure in office, designed to prevent him from firing Edwin Stanton, his Secretary of War. Cleveland did oversee the creation of the Interstate Commerce Com-

mission, which passed Congress in 1877 and was supposed to curb the abuses of railroads and eliminate freight rate discriminations, but the legislation had no teeth in it for enforcement. His efforts to reform the existing patronage or spoils system foundered in a maze of bureaucratic infighting. He poked his nose into settling the problem of the American Indians by attempting to alter their culture and civilize them, without taking into account that it is impossible to erase thousands of years of culture via legislation. Nor did he take into account the rapaciousness of the white settlers in the West who continued to steal federal lands that had been set aside for the tribes.

If Cleveland was on shaky ground when it came to the Amerindians, he was on firm footing when it came to veterans' pensions. With more than 400,000 dues-paying members, the veterans of the Grand Army of the Republic had the most powerful lobby in Congress. And like any good lobbyist, in order to justify the salaries paid to the professional staff, it had to dredge up new schemes to prove their value to the members. The most preposterous idea surfaced during Cleveland's presidency. Since the President had avoided military service by paying a substitute \$300, the GAR's lobby assumed he was too vulnerable to veto the legislation. What was proposed was a retroactive pension to any veteran who had served 90 days in the army and had acquired a disability since leaving the service. Despite the outrageous character of this proposal, but because so many members of Congress had served in the army and others feared the wrath of the GAR, the bill passed both Houses of Congress. Despite his absence from the armed forces, Cleveland was not about to be rolled over. Before exercising his veto, he launched a publicity campaign in the press. He showed that outside of servicing the national debt, the single largest expenditure was veterans' pensions. But the clincher was to inform the public through the press that almost a billion dollars had been disbursed already. In the 1880s, a billion dollars was an astronomical amount of money. There was a public outcry, and his veto was sustained.

If Cleveland was successful in coping with the veterans' lobby, he faced major obstacles when it came to his own party. To win the Democratic nomination, a candidate required not only the votes of the Democratic South but the Midwest and far West as well. That was theory. Without the electoral votes of New York, no Democratic candidate could be elected. The Southern Democratic establishment knew this, and while it was a bitter pill to swallow, it was an undeniable fact. The real cause of friction, however, was not the dependence on New York for political power but rather, economic policy. The New York Democratic establishment, supported by financial interests, was a proponent of sound money, namely gold. The Southern states, dependent upon agriculture, sought cheap currency, preferably greenbacks, but since that was out of the question, they would settle for silver. The Bland-Allison Act passed by Congress was supposed to solve the problem of cheap money by issuing from \$2 million to \$4 million of silver every

month. Since Republicans had occupied the White House until Cleveland's election, only \$200 million had been issued. Of that amount, only \$50 million was in circulation, the rest having been redeemed for gold at the official rate of 16 to 1. For the owners of silver mines and speculators, it was a bonanza; for the government, it meant a depletion of the amount of gold held in the treasury, which was mandated to retain \$100 million in gold to redeem the still outstanding greenbacks as well as the government bonds that had been sold to overseas investors to prosecute the war. The sole concern of the Southern establishment, having lost all its gold in waging the war, was its economic survival, so cheap currency was foremost on its agenda.

It was the same when it came to the issue of tariffs, the determining factor which led to the secession of the seven states of the Deep South. Where the Northern industrial states owed their phenomenal post-war growth to the protection afforded by high tariffs, to the Southern economy that was based almost entirely on agricultural commodities, high tariffs meant lower prices for their products and higher prices for the equipment they bought. While the latter was true, the former was erroneous. The price of agricultural commodities was determined by supply and demand. If there was a drought in the Ukraine, the price of American wheat would soar, and the same held true for cotton if India, for one reason or another, did not meet its projections. Moreover, the Southern establishment refused to understand or accept the penalties imposed by the victors on the losing side in a war. It had mistakenly assumed that its majority of electoral votes, which Cleveland needed, guaranteed it a major voice in determining economic policies. To the Southerners' consternation, they learned that Northern Democrats were adherents of the same policies as their Republican counterparts. Cleveland did attempt to obtain some reductions in the excessive tariffs, but the legislation was defeated by a combination of Republicans and Northern Democrats from the industrial states.

In 1871, a treaty was signed between Britain and the US which guaranteed to the New England fishermen, inshore right, purchasing of bait, and transshipment of cargoes. But the treaty was not one-sided. It also allowed for Canadian fishermen to sell their catch in the United States. A decade later, the competition from the Canadian fishermen was cutting into New England's market share. Since more than 15,000 New Englanders gained their livelihood from the fishing industry, their representatives prevailed upon Congress to abrogate the treaty as of 1885 and return to that passed in 1818. The New Englanders wanted the best of both worlds. They wanted to maintain their on-shore operations while at the same time prohibiting Canadians from selling into the American market. The result was that Canadian warships began seizing American boats and seamen when they attempted to use the on-shore facilities. The problem was not that serious and could have been resolved amicably between the two nations. One

of the reasons for the abrogation of the treaty was that the New Englanders felt they were being overcharged for the use of the on-shore facilities. Realizing that the situation could become serious, and that in fact under the 1818 treaty, the Canadians were acting within its terms, Secretary of State Bayard, using Great Britain as an intermediary, managed to gain a six-month suspension until a new treaty could be negotiated. Since Canada at that time still was a province of Great Britain, Bayard felt that Lord Salisbury, the British Prime Minister, should play a major role in the negotiations. A joint commission was established in Washington in February 1888, and an agreement was realized between the contesting parties. With the dispute between the two nations finally resolved, Cleveland, on his own, to prevent the seizure of any American nationals in the future by the Canadian authorities, proposed across-the-board legislation in retaliation. There was no need for such legislation since the problem had been resolved amicably. Nor did it call for any retroactive punishment of Canada for seizing American seamen. His rationale was that he was providing the tool for future American presidents to use, should such a situation arise again. Since an agreement had been reached, what purpose did the proposed legislation serve? The Democratic House responded with gusto. Legislation called for the closing of all American ports to Canadian vessels, suspension of the transportation of Canadian merchandise in bond across American territory, and closing American territory to the movement of Canadian railroads; these provisions resonated with the American public. In its language, it almost appeared to be one step shy of declaring war. The legislation was passed in a somewhat watered down version by both the House and the Senate, and Cleveland signed it into law. This piece of legislation had no relevance to the work of the joint commission that had met in Washington the previous year and which had resolved the disagreements between the two nations. This bill spoke of future contingencies and what power should be granted to the president to react in the event a situation should occur. The treaty, which referred to the current situation, now had to be ratified by the Senate. The chances for obtaining a necessary two-thirds majority in an election year were nil. The Senate Foreign Relations Committee gave it a negative report. The Senate voted it down 30 to 27. In reality, it was not a disaster. Great Britain and the US had come to an agreement with or without the treaty.

With the presidential election only eight months away, Cleveland faced a serious problem if he was to be reelected. His probity as governor had alienated Tammany Hall and almost cost him his first election. As president, there was nothing he could do to make amends. On the other hand, if he could seduce New York City's large Irish population, the base upon whom Tammany's power rested, he could endplay Boss Kelly. Even though the contretemps with Great Britain had been resolved, he tried to stir up the coals by asking Congress to approve a presidential proclamation that would have allowed him to suspend the transit

of all merchandise from Canada to the United States. Passed by the Democratic House, it was rejected by the Senate. In Pomona, California, George Osgoodby, an attorney and a rabid Republican, addressed a letter to Benjamin Harrison, the Republican presidential candidate, requesting his views on Chinese immigration to this country. When Harrison replied that he favored continuing their exclusion, the view held by Osgoodby and most Californians, Harrison satisfied whatever qualms Osgoodby had. Osgoodby was an exceptional man. He recognized that Cleveland's executive order was nothing more than a ploy for New York's Irish vote. So he sent a letter to Sir Lionel Sackville-West, the British Minister to Washington, masquerading as Charles Murchison, a common British name, claiming he was a former British subject, now a naturalized American. Pretending to be concerned about the recent friction between Britain and the US over the issue of Canada, he described himself as a Democrat who had supported Cleveland. He requested the Minister's advice: "Was this only an election trick? Once Cleveland had secured another four years in the White House, would retaliation yield to conciliation and would renewed Anglo-American friendship and free trade again form the backbone of his presidential policy?" At the end of the letter, he placed the bait in the trap. "As you know whether Mr. Cleveland's policy is temporary, I apply to you...for information which shall in turn be treated as entirely secret."

West's reply was dated September 13, 1888. His reply was damning. He went so far as to state that in his opinion, British interests would best be served by Cleveland's reelection. Moreover, it was written on official British stationery with his signature. The letter was sent to Harrison's campaign manager who would decide when to release it to the press. Throughout September and into October, Cleveland's threat of retaliation against Canada had dominated the Irish and Catholic press. On October 21, the letter appeared with a large headline in the *Los Angeles Times*. Within a day it was the lead story in every paper in the country. The letter had accomplished its purpose and done so within a few days. Sackville-West was given his walking papers. In Madison Square Garden, before a crowd of wild, cheering Irishmen, most of them waving a reprint of the letter, Senator Blaine denounced Cleveland as the quintessential Anglophile. The most remarkable element of this story is the power that a single ethnic group — Irish immigrants — wielded in a presidential election. Even more ironic was their position in American society. But for the Negro, they would have been at the bottom of the totem pole. Protestant America had a long history of being anti-Catholic; exacerbating the anti-Irish sentiment was the substantial number of these immigrants in the population. Lost in this blind prejudice was the fact that the Irish had built the railroads, worked the coal mines, and until the surge of immigration from eastern and southern Europe in the late nineteenth century, had been the backbone of the labor movement and Tammany Hall.



## CHAPTER 19. THE US ACQUIRES A NAVY

Because of the scandal associated with the letter, and the forced resignation of Sackville-West, too much credibility has been attached to its impact on the defeat of Grover Cleveland in his run for a second term. It was the heavy hand of John Kelly, Tammany's Sachem, which ensured Cleveland's defeat and the victory of Benjamin Harrison, the Republican candidate. Harrison's lineage credentials were impeccable. His great grandfather was a signatory to the Declaration of Independence; his grandfather was a hero of the War of 1812, who also defeated the mass uprising of Indian tribes at the battle of Tippecanoe, and was elected the ninth president of the United States. His father was a wealthy man, owning a 2,000 acre estate in Ohio, and also served a term in Congress. Thus, Little Ben, as his troops would refer to him during the war, was to the manor born. Educated at a private academy, he was able to enter Miami College as a junior since he was fluent in Greek and Latin and schooled in the sciences. Torn between becoming a Presbyterian minister or a lawyer, he opted for the latter when he got married. After apprenticing to a law firm in Cincinnati, he left for Indianapolis to take advantage of his grandfather's friends and contacts. In 1854, he joined the recently organized Republican Party, which eventually took control of the state's politics. A war hero, he returned to Indianapolis, and his law practice prospered. In 1876 he ran for governor and was defeated, and in 1879 President Hayes appointed him to the Mississippi River Commission where he served for two years. With the death of Oliver Morton, the titular head of the state's Republican Party, by default Harrison assumed that role. Offered a cabinet post by James Garfield, he turned it down for a seat in the Senate where he served just one term. While there, he championed Civil Service reform, civil rights for Negroes, regulation of trusts and railroads, and high tariffs for American industries. He also became



the darling of the GAR when he led the fight for the Veterans' Pension Bill that Cleveland vetoed.

While the Republican presidential nomination was Blaine's for the asking, he was too ill and declined to accept it. The two states the Republicans had to hold to prevent a Cleveland second term were New York and Indiana; while Senator John Sherman thirsted for the nomination, he would bring nothing to the ticket since Ohio always voted Republican. New York, of course, was the key state for winning the election, and while the choice would have been Chauncey Depew, he was disqualified because of his connection to railroads as president of the New York Central and Harlem River lines. Despite his eloquence and name recognition, if a railroad man headed the ticket, the Republicans would lose the farm states and, even with New York's electoral votes, the election. With those men out of consideration, the choice fell between Harrison and Walter Gresham, both from Indiana. Gresham was vetoed by Blaine because the potential candidate favored some reduction in tariffs. Levi Morton, who had turned down the vice presidency offered by Garfield, now accepted the candidacy. At least New York was represented on the ticket.

Harrison was not a shoo-in. He carried the Electoral College 233 to 168, but he received 90,000 fewer popular votes. The election was decided by the results in New York and Indiana, where there were credible rumors of fraudulent balloting. Since Harrison had decided he would serve for one term only, he ignored the recommendations offered for political positions by the political bosses of New York, Pennsylvania and Illinois. Political bosses, while a necessity for the nomination and election, were less important than senators when it came to enacting legislation. While ignoring Thomas Platt, who since his resignation from the Senate had been resurrected to become the political boss of the New York Republicans, he did toss a bone to the reform movement in the state by naming 30-year-old Theodore Roosevelt to head up the Civil Service Commission. He would regret his choice of this activist, but was afraid to remove him once he realized that Teddy had a valuable ally in the national press. Roosevelt, who had spent his youth in the West, was well aware of the corruption rampant in the Bureau of Indian Affairs. While there was nothing he could do to prevent the funds supposedly allocated for the sustenance of Indians on the reservations, being siphoned off for the benefit of politicians, he did manage to have 625 teachers and administrators placed on the Civil Service rolls to service the Amerindians.

Political appointments were the life blood of both parties. Unlike today, when most congressmen and all senators have to raise millions of dollars to be elected, in the late nineteenth century before the reform of the Civil Service, political appointments were the monies that greased the wheels. There were approximately 126,000 federal jobs to be filled, and only ten percent were covered by the Civil Service legislation. Since a Republican had won the presidency, every Democrat-

ic office holder would be replaced. The largest number of appointments available involved the postmasters, of which there were about 60,000 spread throughout the states. Of that total, about 44,000 would be replaced with loyal Republicans. Every Republican congressman could count on at least 250 appointments for his district, but the choicest plums were reserved for senators. In fact, following the swearing in of the president and the new members of Congress, until December when the president delivered his State of the Union message and Congress officially went into session, the basic role of the average congressman was to prepare for the next election by focusing on his appointments. The same would apply to the one third of the senators who would be up for reelection. Instead of returning home, they would spend from March until June in Washington, hustling administration officials for public offices. This annoyance had been built into the system, and if the president and his cabinet members wanted to have legislation enacted, they had to cater to these demands.

While Congress was willing to budget funds for an army of 25,000 officers and men even after the last troops had been withdrawn from the rebel states, it saw no reason to invest funds in modernizing its military equipment. As for the navy, with two oceans to protect the country this service remained anchored to wooden sailing ships. Meanwhile, the naval academy created in 1845 was turning out graduates every four years. By 1880, there were four officers for every seaman, even with the most senior having left the service. Where most nations had turned to steam-driven, steel-hulled warships, America's Admirals remained wedded to the sail boat. If the Admirals were mired in the past, those junior officers serving under them were not. Since Presidents Grant, Hayes, Arthur and Cleveland had exhibited no interest in modernizing the navy, the junior officers approached influential senators and congressmen to state their case. The US navy ranked twelfth in the world, even behind Chile. Led by Captain Alfred Thayer Mahan, their lobbying finally paid off. In 1883, Congress voted funds for the construction of three steam-driven, steel-hulled cruisers. Mahan was a fanatic about the importance of sea power in determining the history of nations. It was Britain's control of the seas that accounted for its wealth and power. It was the British blockade of the continent that led to Napoleon's downfall. He was so persuasive that under the first Cleveland administration funds were appropriated for four more small cruisers and two medium sized battleships. But the problems impeding the development of a modern navy were not money. The largest naval yard in the country, which had been awarded the contracts issued under President Arthur, had gone bankrupt because it was unable to meet the navy's standards.

Benjamin Tracy, Harrison's Secretary of the Navy, understood how to generate public support for a modern navy. When the *Chicago*, the largest of the three cruisers, finally was sea worthy, he sent it and its two sister cruisers to visit the ports along the Atlantic coast. As he expected, the response of the public to its

new fleet was one of pride. Thousands were welcomed aboard the ships to marvel at the latest in technology. He also released the first annual report about the navy, indicating it still ranked twelfth among the world's navies. To rectify this situation and protect our vast coastlines, the US would require the construction of 20 battleships. He purposely aimed high in order to get some funds. That same month Senator Eugene Hale introduced legislation calling for the construction of eight battleships. To further convince congressional legislators, the Naval Policy Board issued a report that called for a navy second only to that of Great Britain. It was this policy paper that killed the plan of Tracy and his ally, Senator Hale. Instead of eight battleships, the number was reduced to three. While the US was testing the water, Germany under the Kaiser was about to challenge Britain for control of the seas by developing ship cannons with greater lethal power, which could penetrate steel-hulled ships. In response, Britain developed an alloy that combined nickel with steel. Ironically, it would not be the battleship but the submarine that became German's most lethal weapon during the First World War.

Learning of these developments, Tracy called on Andrew Carnegie to develop an antidote. Thanks to the genius of H. A. Harvey and the Carnegie Steel Company, the US navy now had steel plates on its ships that were almost invulnerable to the advanced naval cannons. Tracy's legacy was not the navy (the US still ranked sixth among other nations), but he had developed naval yards capable of turning out warships able to compete with the best of any other nation. By the end of the century, the first three cruisers developed under the Arthur presidency now were considered antiques. Of far greater significance was the willingness of Congress to accept a navy that was not only able to defend this country but capable of taking offensive action as well. Unknowingly, the US had left its isolation ward.

While the American public welcomed this new display of chauvinism, of far greater concern, especially to the business community, was the unbridled power of the Trusts. Both Republicans and Democrats were convinced they posed a threat to the nation's economy. The answer was the passage of the Sherman Anti-trust Law. Two factors, however, mitigated its effectiveness. Whether deliberate or accidental, the language employed in writing the bill was so vague that it was almost impossible to find a federal judge who would impose a verdict of guilty; Congress allocated no funds to be used for the investigation of Trusts. During the Harrison presidency only one case was prosecuted and won by the government. On the other hand, it was used against the railway union in the Pullman strike. The other non-controversial legislation Congress would enact was the Dependent and Disability Pension Act, which Cleveland had vetoed. It was pure unadulterated pork, but the GAR was too powerful a lobby to be denied.

The one piece of legislation that was a *sine qua non* for Congress was the passage of a new silver act. With the addition of two Western states with mining interests, joining the six already in the union, there was a bloc of 16 senators

who unless appeased would prevent any other legislation from passing. Add to these the senators from the Midwestern and Southern states desperate for cheap money, and Congress was faced with an irresistible force which could not be denied if any other legislation was to be on the agenda. The Sherman Silver Act passed by Congress was nothing more than a bonanza for the owners of the silver mines. Under its terms, the Treasury was obliged to purchase the entire silver production of this country or \$4.5 million every month. Treasury certificates would be issued to pay for the silver; these could be redeemed in either silver or gold, with the decision left in the hands of the Treasury. Furthermore, the silver was to be purchased in ounces so, as the world price of silver declined with respect to gold, it would require fewer gold dollars to pay for them. What made the legislation ridiculous and ineffective was the decision to redeem silver only in gold certificates, thereby preventing silver from inflating the economy. The result was that no silver entered the economy, while the owners of silver mines reaped a fortune since, in effect, the Treasury was subsidizing them. It was the biggest boondoggle in the history of this country. In exchange for satisfying the Silverites, the Republicans would pass the McKinley tariff act, a mish-mash of higher and lower tariffs designed to protect certain industries at the expense of the consumer. By placing a tariff on tin when no tin industry existed, it enabled America to develop its own industry, which raised the price of tin. The sole positive from the legislation was that not only did it provide exemptions for certain foods and agricultural products, but if reciprocal concessions were not made by the exporting country, it gave the president the power to re-impose duties on these countries without congressional approval.

A combination of nature, the emphasis on Prohibition, the strong showing of the aforementioned Populist Party, and the failure of the Interstate Commerce Commission to provide any relief for the farmers brought on the disaster the Republicans suffered in the 1890 off-year congressional elections. In the House, they lost 67 seats, giving the Democrats an overwhelming majority of 231 to 88; in the Senate, the Republicans lost four seats to the Populist Party, but these were replaced by the admission of Wyoming and Idaho which voted Republican. The corn and wheat crops were the worst in memory; the large German and Scandinavian population was tired of listening to lectures on the pernicious effects of alcohol; the influx of Irish to Chicago was producing a mini-Tammany Hall; and in a backlash there was a drive to make English the official language. Whatever programs Harrison or the Republicans might have had on their agenda were dead. Although Harrison had two more years in office, except for foreign affairs and his ability to impose quotas on agricultural products, he was a lame duck president. The climate presented a foreboding of the results of the forthcoming presidential election.

The animosity between Harrison and his Secretary of State Blaine had been building up throughout his four years in office. Since Harrison owed his nomination to Blaine's illness, Blaine had assumed Harrison would be acting as his surrogate and would lean on him for policy. Initially, he did, but as Blaine's health deteriorated, and as he spent less time in his office, the President felt himself to be on his own. The disagreements between the two men intensified, and a few days before the presidential nominating convention, Blaine handed in his resignation. Harrison was nominated on the first ballot, thanks to the support of the Southern Republicans, but there were other contenders. Blaine received 183 votes, and the man who emerged as Harrison's possible successor, William McKinley of Ohio, received 182 votes. Despite the losses in the off-year congressional election and the disappointment of the farm bloc when an excellent Russian harvest closed out the export market (which had been a bonanza in 1891), there was nothing on the horizon that indicated a Democratic sweep of the election. Cleveland, once again, was the Democratic Party nominee. In the popular vote, his margin was more than 400,000; in the Electoral College, it was 277 to 145. Cleveland not only won such Republican strongholds as Illinois, Wisconsin and California but lost Ohio by only 450 votes. He even carried Harrison's home state, Indiana. The sole reason for the landslide was the growing membership in the recently formed Populist Party, whose candidate, James C. Weaver, received more than a million votes as well as 22 electoral votes, carrying not only the smaller states of Idaho, North Dakota and Wyoming, but Kansas and Colorado as well. For the first time since the end of the war, the Democrats not only controlled the House and the presidency but the Senate as well, thanks to the support of the two Populist senators elected in 1890.

## CHAPTER 20. THE PANIC OF 1893

The United States interest in Hawaii began early in the first third of the nineteenth century when Congregationalist missionaries arrived on the islands to convert the people to the Christian faith. Since the native language was spoken, not written, these missionaries converted it into a written text and began the process of Christianizing the natives. Situated in the middle of the Pacific, with excellent natural harbors, Hawaii became a natural port for seamen on their way to the Orient and returning. Gradually the American colony began to build up; intermarriage with the local residents took place, as did exploitation of the islands' natural resources. Anxious to increase their ties with the mainland, once California had joined to the union, the sons and grandsons of these original ministers were anxious to tie the future of the islands to their mother country. In Washington, the Grant administration took a similar view. In 1875, a treaty of reciprocity was signed between the ruling family of Hawaii and the United States, and was approved by the Senate one year later. The treaty was limited to seven years, with both nations agreeing that it could not be terminated before then. In addition, it prohibited Hawaii from leasing any of its territories to another foreign power.

The Senate Foreign Relations Committee, which had led the movement for the initial treaty, when it expired in 1884, attempted to have it renewed for another seven years. However, under pressure from the sugar growers in the Southern states, who were opposed to any competition from the island, the Senate refused to ratify a new reciprocal treaty; this in effect allowed the previous treaty to continue. In 1886, the Senate took up the treaty again, but this time added an amendment that would establish a naval base at Pearl Harbor. With that amendment, the treaty was finally passed in the Senate — under the assumption that the Hawaiian government would reject it on the basis of the amendment which

would affect the sovereignty of the nation by giving away its major port without any compensation or allowance for the integrity of the island's property. That assumption failed to take into account the fact that a coup had taken place on the island, led by the American expatriates who were determined to have Hawaii annexed to the United States. Taking control of the legislature and the judiciary system, they forced on King David Kalakaua a new constitution. In effect, the legislature was made the supreme authority. Cabinet members could not be dismissed without their approval, and it could override the vetoes of the King. To insure that the islands remained under their control, voting rights were limited to men of property and to Americans who had resided on the islands for at least three years. As a result, Hawaii ratified the treaty in 1887. All appeared to be going well until the passage of the McKinley tariff bill which removed the duty from all imported sugar and made the reciprocity treaty with Hawaii meaningless. The Hawaiian Minister to the United States, Henry Carter, saw no reason for Hawaii to contemplate anything other than becoming a protectorate of the US or even being annexed. In line with this thinking, he proposed a new treaty under which Hawaii would become a protectorate of the United States. The terms he set forth to Blaine were as follows: there would be complete free trade; the US would guarantee Hawaiian independence; Hawaii would not sign treaties without the approval of the US; the US would have approval to land troops in Hawaii to deal with internal or external threats. This paper reflected the views of the ruling white establishment which had forced the new Constitution on the King. This position did not reflect the views of King Kalakaua or the natives and dissident whites who created a new political party, the National Reform Party, in preparation for the Parliamentary elections. With two sides competing for the vote in the forthcoming elections, a third party made up of the half castes attempted a coup that would remove the King from the throne and replace him with Princess Lydia Liliuokalani, his sister. Undisturbed by the normal process of law, Harrison intervened by landing 70 Marines from the ship *Adams* to restore order on the islands. He also ordered the naval vessel to remain stationed in the harbor on a permanent basis. In addition, he dispatched John Stevens to the islands as Minister; he had served in the diplomatic service for decades and was a long-time personal friend of Secretary of State Blaine.

The February 1890 elections on the islands resulted in a standoff between the two reform parties, but the passage of the McKinley tariff bill devastated the islands' economy. Almost all of Hawaii's revenue of more than \$13 million came from the sugar industry. If raw sugar was to be admitted to the US duty free, Hawaii would face stiff competition from both Brazil and Cuba. It became obvious to both reform political parties that the islands could not survive economically without either becoming a protectorate or being annexed to the United States. Complicating the situation even further, in January 1891 King Kalakaua died and



his sister Princess Liliuokalani ascended to the throne. To resolve the impending problems a new minister, John Smith, American born, was sent to the US to negotiate with Blaine. The new treaty had three provisions. There would be free trade between the two countries; the US would begin the development of Pearl Harbor in five years or Hawaii could terminate the lease to the naval base; the US would lay a cable line between the mainland and Hawaii. Perhaps he didn't want Blaine to gain credit for the treaty; perhaps he couldn't make up his own mind. Harrison continued to equivocate. By the time the islands' elections came about in February 1892, the Queen had formed a third party, the Liberal, which only served to confuse the political situation on the islands even further. With three parties now vying for control of the islands, Stevens, the Minister sent by Harrison, believed that the monarchy might be discarded and a peaceful revolution would replace it by a republic. Harrison refused to take any position even when a representative from the Annexation Club on the islands met with Blaine and Tracy, the Secretary of the Navy. Harrison continued to equivocate even in his final message to Congress. He urged its members to take action in creating a naval harbor and laying a cable, but since he now was a lame duck president, all he could offer was suggestions. When he was in a position to accomplish something, he did nothing. While the Harrison administration procrastinated, events on the islands were coming to a head. With the three competing parties unable to reach any accord, the cabinet resigned in the beginning of January 1893. The Queen, taking advantage of the situation, proclaimed a new Constitution. On the same day, the Annexation Club created a 13-member committee of public safety in an effort to block the efforts of the Queen. Two days later, obviously working in collusion with the committee, Captain George Wiltse of the Boston landed 165 officers and men under the pretext of protecting the legation and the consulate. One day later the committee proclaimed a new government headed by Judge Sanford Dole. Within one month of the takeover, a delegation was dispatched to the US calling for a treaty of annexation. With his administration only a month away from expiring, Harrison suddenly was galvanized by the action of the rebels. His new Secretary of State, John Foster, cleared the acquisition with France and Great Britain; Russia presented no opposition; and the proposed treaty was forwarded to the Senate, vigorously supported by Harrison now that Blaine was out of the way and he would receive full credit. It was too late. The necessary two-thirds vote for confirmation no longer was there. Nor was there any possibility of gaining Democratic support since they would control the new Senate once Cleveland took office.

Now it was up to incoming President Cleveland and the Democratic controlled Senate. On March 9, five days after taking office, Cleveland postponed any consideration of the treaty until he could make a full investigation. He dispatched former Congressman James Blount to look into it. Blount, upon arriving,



ordered the Marines back to their ship, had the new government's flag lowered and replaced it with the old Hawaiian flag. Blount reported back to Cleveland that there had been a conspiracy between Blaine and the revolutionaries and that a great injustice had been done. Cleveland's moral stance and that of his Secretary of State, Walter Gresham, who was even more adamant, had to come face to face with the reality of the situation. Even without the Marines, the Committee of Public Safety was in command of the islands. There was no way to dislodge them other than by declaring a state of war, which was out of the question. After a long speech to the nation and Congress on the injustice that had been inflicted on the Hawaiian people and that these acts ran counter to all the principles of the United States, Cleveland left the status quo in place. The House condemned the overthrow of the Queen in sharp language but was not prepared to sanction the use of force to reverse the fact. The Senate shrugged its shoulders and decided the best approach was to let matters stand as they were. Cleveland, his conscience salved, let the matter drop. In 1898, Hawaii was annexed to the United States, following the end of the Spanish-American War.

The Panic of 1893, which doomed Cleveland's second presidency, was a result of a number of factors. He had the opportunity to rectify only one — the repeal of the Sherman Silver Act which was draining the nation's gold reserves. Fortunately, he was able to attack it before the full effects of the depression had been felt. Using his only potent weapon, the political plums awarded to congressmen and senators, he twisted enough arms to have it repealed. While this salvaged the US gold standard for the moment, it did nothing to address the fundamental causes for the depression. What made the panic of 1893 seem more severe than that of 1873 was the growth that had taken place in the economy over the two decades. Not only had the population expanded through its birth rate and immigration, but so had business to cater to it. There were more railroads with more tracks laid; more independent businesses had emerged to take care of the growing population; more banks had opened to service these businesses; more farms existed than before, expanding the export market for our agricultural commodities (leading to greater indebtedness among the Midwestern farmers as they sought to expand production by purchasing steam-driven machinery). All these developments led to a consensus that growth was endemic to the American economy. There were few if any politicians in either party who understood that the US now was part of a world economy, and what happened in Britain, France or Germany could have economic repercussions here. The US was not alone in expanding its industrial and agricultural production. While Britain no longer enjoyed the advantages of having led the world into the Industrial Revolution, Germany, France and even Italy were emerging as industrial powers. The craze for colonies in Africa and the plundering of China by the great powers were symptoms of the need for new markets in which to dump their excess production. In

other words, the basic cause for the depression that the Panic of 1893 ushered in was an excess of supply over demand in Europe. What began in France moved to Germany and then crossed the Channel into Britain. European investors who had fostered the growth of the railroads now began to cash in their bonds. The failure of the English bank, Baring Brothers, a result of bad investments in Argentina, only accelerated the flight of European capital from the United States. The contraction in European economies slowed down our exports to the point where corn was selling at ten cents a bushel, no more than it cost a farmer to produce. The price of cotton, thanks to competition from India and Egypt, had descended to eight cents a pound. American agriculture might be the most productive in the world, but the US economy could not absorb all it produced. Only when the European economy began to recover, starting in 1896, did the depression in this country begin to ease for the farm belt. As for the industrial and wholesale and retail sectors, they began to recover when demand exceeded supply again.

The figures tell the story. During 1893, about 15,000 companies went bankrupt; 500 banks were sent into receivership; and 30 percent of the rail lines were insolvent. Given those statistics, there is nothing surprising about the nation's unemployment rate running between 10 and 15 percent. While these numbers seem to dwarf those of the 1873 depression, percentage wise they were about the same. What made it worse was that the increase in numbers prevented the charitable organizations from extending the necessary relief. For members of Congress, the solution was obvious. The frontier had disappeared, and with it, the potential for further growth and expansion. It was time to cut off immigration by limiting it only to English-speaking people. In part, this anti-immigration policy was fostered by the flood of immigrants now coming from eastern and southern Europe. Most of these newcomers settled in large cities where friends and relatives had preceded them. American labor saw them as a major threat, much like the Irish during the 1840s. To his credit, Cleveland vetoed the bill. But, only because of the intervention by business, which still exerted some influence over senatorial candidates, the veto failed to be overridden. Given the state of the economy, it came as no surprise that the Republicans regained control of the House and Senate in the off-year congressional elections of 1894 with large majorities. Faced with such opposition, there was little Cleveland could do in his last two years in office.

The adage that politics makes for strange bedfellows was never more apparent than in the presidential election of 1896. The merging of three political parties, the Silverites and the Populists under the Democratic banner, was nothing more than an act of desperation. To merge three disparate groups into a unified one was relatively easy. The one goal they held in common was cheap money, and since silver was the only solution, the Silverites would come on board no matter what else was on the platform. There was only one drawback. Could the Democrats

win without the electoral votes of New York? The second unanswered question was: who would be the candidate who could best represent all three parties and win the election? The man chosen to run under the Democratic banner, William Jennings Bryan, was half evangelist preacher and half successful snake oil salesman. He was so in love with the sound of his voice that the words he spouted were meaningless. He touted himself as a proud Jeffersonian who believed that the government which governed best was the government which governed least while supporting every government program. He was devious, a liar and an opportunist, and all of these characteristics were sustained by an ego large enough to convince others that he was the best and only man who could save the Democratic Party and in turn the country. When caught in a lie, his mind was nimble enough to switch the subject. Once he had received the endorsement of the Populist Party, on condition he accept its candidate for the vice presidency, he denied having made such a deal, implying he never would have stooped to a quid pro quo. He alone would decide on his running mate. When the Populist Party went ahead and nominated its own candidate for vice president, he switched gears and welcomed the concept of two vice presidential candidates. He had begun his political career as an opponent of high tariffs, but upon realizing that the major issue that united the four parties was silver, he became its principal exponent. After serving two terms as a congressman, he attempted to become a senator, and when that failed, he decided the presidency was even better.

There are a great many myths surrounding William Jennings Bryan. The most blatant is that he attained the nomination for the presidency based on his address to the Democratic national convention in Chicago. In the conclusion to his speech, the last one on the agenda, he brought the house down with his famous biblical metaphor: "You shall not press down upon the brow of labor this crown of thorns. You shall not crucify mankind upon a cross of gold." It was its seeming spontaneity that had turned the delegates at the convention into a hysterical mob ready to follow Bryan wherever he would lead them. Bryan had planned it well. He had finagled his way into being the last speaker to address the delegates. Bryan left nothing to chance. The now famous lines had been tested out before. In a speech delivered to Congress on December 22, 1894, he stated: "I shall not help crucify mankind on a cross of gold. I shall not press down upon the bleeding brow of labor this crown of thorns." The reaction to this finale in his address to the House, and the thunderous reception by the galleries, convinced him that he had found the right turn of words to move a mass of people. It was not this turn of words that enabled Bryan to attain the nomination, albeit it certainly helped. He had been planning to run for the presidency ever since the repeal of the Sherman Silver Act by President Cleveland, which splintered the party into Northern and Southern wings. His sole goal was to prevent the nomination on the first ballot of the party's favorite son, Richard Bland, co-author of the Bland-Allison Act. His

role was to be that of the dark horse, to come up from behind before the party elders crowned the obvious choice. Meanwhile, he was dedicating considerable time to cultivating members from the Southern delegations. It was they who found in his words the emotionalism which led the Southern states to secede 35 years before. The old-line politicians continued to maintain their support for Bland, but with each succeeding ballot it became obvious that the majority of delegates were moving toward Bryan. It was at this moment, before the fifth ballot was taken, that the chairman of the convention was asked if a two-thirds majority of all the delegates was required for the nomination. The entire Northeastern section of the Democratic Party had withdrawn from the convention when they had no input into the platform, and when the convention, in fact, if not in deed, had censured former President Cleveland. Without their votes, neither candidate could attain a two-thirds majority necessary for the nomination. It was then that the chairman invoked a new definition for a two-thirds majority. It only applied to those present at the convention.

It was a repeat of the Democratic convention of 1860 when the secessionists walked out over the issue of the platform and held their own convention, and the chairman decided two-thirds meant four-fifths since the secessionists had departed. The Northern delegates held their own convention in Indianapolis; nominated two septuagenarian generals, one from the Union army and one from the Confederacy; managed to have them placed on the ballots as the Straight Democrats, and wound up with 135,000 votes.

Bryan threw himself into the campaign with an intensity never before witnessed in a presidential election. Long before Harry Truman's famous whistle stop campaign, Bryan would travel more than 18,000 miles by railroad, delivering as many as 16 speeches a day to enormous crowds that often measured more than 40,000 people. He traveled everywhere north of the Mason Dixon line, including a rally at Madison Garden in New York, where he had an unfavorable reception; to New England, where he believed the masses of the workers and farmers would climb aboard his bandwagon. He was indefatigable in his efforts to convince the public that unleashing silver was the panacea that would cure the depression that haunted the nation.

While Bryan was crisscrossing the northern tier of the nation, bringing his message to tens of thousands, William McKinley, the Republican nominee, delivered pat speeches from the porch of his house in Canton, Ohio, to groups of people whose passage had been paid for by the Republican national committee. The contrast would lead many to believe that the young man from Nebraska was about to run away with the election. Ironically enough, even though the early results from Maine and Vermont indicated a sweeping Republican majority, when the rest of the states went to the polls, Mark Hanna, the wealthy Ohio business man and campaign manager for McKinley, was panicked by the size of the

crowds and the reception that the public was according Bryan. To stem what he thought to be an irresistible tide for Bryan's candidacy, he purportedly tapped the fat wallets of American business leaders in order to flood the country with anti-Bryan pamphlets. He wasted their money. People vote their pocketbooks, and the country had yet to emerge from the depression.

When the final tabulations were authenticated, McKinley had triumphed over his rival with a plurality of more than 600,000 votes. Almost 80 percent of the Northern public had voted; in the South the percentage was far less since the franchise for Negroes was limited by the political power of the white establishment. In the Electoral College, McKinley received 271 votes to 176 votes for Bryan. The people in the North and West had voted against the depression.

In the post-election analysis undertaken by the Democrats, where the returns state by state were put under scrutiny, there was the usual lament of: "if only." Naturally, there were accusations of ballot box stuffing by the Republicans, along with the number of votes that had been siphoned off by the desertion of the Gold Democrats, all 135,000 out of almost 14 million votes that had been cast. But if the Democratic politicians had taken the blinders off of their eyes, they would have recognized the obvious. While more than 6.5 million had voted for Bryan, in terms of the Electoral College, his campaign had been a disaster. He captured a total of 124 votes from below the Mason Dixon line, where he had never bothered to set foot since they would have voted the Democratic ticket if the proverbial donkey had been the candidate. But he failed to carry Maryland, West Virginia and Kentucky. He lost all the industrial states in the North, including New Jersey and Connecticut, which had always been in the Democratic column, as well as the labor vote in the large industrial cities of the South and North. In reality, Bryan had been able to amass only 176 electoral votes because he headed the ticket of the Populist and the National Silver party. Despite the numbers, Bryan showed himself to be the first charismatic candidate to ever run for the presidency. The crowds that came out to hear him speak were real. He was the first modern politician to set foot on the American stage. The reference to him as being a real life version of the fictional Elmer Gantry was reflected by his appeal in the rural areas of those states where religion was a major factor in the lives of their residents. He was preaching a new kind of religion that would bring economic salvation, silver. It was as simplistic as the exhortations at a revival meeting. Unlike Elmer Gantry, he believed in his message, or at least, he believed that he spoke the truth when he proclaimed silver to be the coming of the Messiah. His strong point was the sincerity of his sincerity. The only politician who emulated Bryan's tour de force was Harry Truman, but with the difference that he won the election.

The man who was elected to go to the White House, William McKinley, knew and practiced the game as well as any professional. Like his opponent, William Jennings Bryan, McKinley came from a middle class background. Where Bryan's

father had been a successful farmer and a Judge, McKinley's had been a furnace manufacturer, who by the time McKinley had come of age had fallen on hard times. Where Bryan had been a spoiled brat while growing up and had been able to attend college, McKinley had been forced to drop out after six months. Seventeen years Bryan's senior, he and a cousin had enlisted when hostilities broke out. When all the three-month enlistments had been filled, he signed on for three years and served throughout the war. Beginning his military career as an enlisted man, he was fortunate to catch the attention of the Regiment commander, Rutherford Hayes, the three times governor and president in 1876. Although McKinley's military career was limited to the Quartermaster Corps, through his early contact with Hayes he was promoted first to Lieutenant and by the end of the war, he was commissioned a Major. Military titles were very important in post-war Northern politics, and for years he preferred to be addressed as Major, as though his wartime efforts had been a major factor in the eventual victory. Like Bryan, he was exposed to a strict religious training as a young man, although he mellowed somewhat in later life under the influence of his wife, becoming addicted to cigars and going so far as to indulge on social occasions with a glass of wine. After six months of law school, supported by his older sister, he apprenticed to an older lawyer who gradually turned over his lucrative law practice to him. Unlike Bryan, he was socially self conscious around women but made up for it by joining as many male organizations as possible. He also maintained his close relationship with Hayes and campaigned for him in his races for governor. Oddly enough, this shy bachelor became the prey for the very attractive and liberated daughter of the wealthy banker in town. His wife-to-be had traveled extensively in Europe, and while he remained basically a provincial, she brought a level of sophistication unknown to Canton, Ohio, a flourishing city of 30,000, with a strong industrial base. Married and with a flourishing law practice, his personal life was forever marred by the death of their only child and the physical breakdown of his wife, who was thought to be suffering from epilepsy. From that moment on, his life was divided between caring for his invalid wife and his immersion in politics. Politics was to become the oxygen that sustained his life. Unable to have children because of his wife's condition, being at her beck and call because of her physical and mental condition, he found relief along with a sense of power in holding office.

He entered politics as a District Attorney and was instrumental in gaining the indictment of bootleggers selling alcohol to college students. While this gained him some public attention and name recognition, the door to political advancement came from his former commander, Rutherford Hayes. In 1876, McKinley was first elected to Congress, where he served for seven consecutive terms. It was in his last two years in the House, prior to the Democrats returning as an overwhelming majority in that body, that McKinley had his first moment in the spotlight. Now chairman of the powerful Ways and Means Committee, he could steer

legislation through the Republican-controlled House. Foremost on his agenda was protecting the local industry which had sent him to Congress for six consecutive terms. He was no more of an expert on tariffs than he was on monetary policy. He was a provincial whose world was circumscribed by Canton, Ohio and Washington, D.C. His concept of the American economy was as limited as had been that of his predecessors in the White House. To put it bluntly, he was nothing more than a political hack until Mark Hanna took him under his wings.

Mark Hanna was a millionaire on the lookout for new fields to conquer. After attending Western Reserve College for six months, he left to enter his father's wholesale food business. Four years later, in 1862, he became a full partner, and as was the case with so many other small businesses, thanks to the war, it profited enormously. Like Rockefeller, who left wholesale food to concentrate on refining petroleum, Hanna also recognized that the prosperity of his father's business was a direct result of the war. Instead of oil, he decided to invest the profits in the growing industrial demand for coal and iron. Starting as a broker, he soon expanded the scope of his operations to include shipping. The city of Cleveland, located on the Great Lakes, afforded the opportunity to combine rail and sea shipping at the same time. As his wealth increased, he extended his operations into shipbuilding along with the acquisition of coal and iron mines. In fact, he created the first major conglomerate in the nation, extending his financial interests to include a bank and a newspaper, the *Cleveland Herald*. Not content with merely acquiring wealth, as a good citizen he built the Cleveland Opera House. The acquisition of a newspaper would open the door to politics. Unlike most post-war leaders in politics he could not point to his service in the military, considered a *sine qua non* for political office given the number of veterans who had served their country. His formal introduction to politics came when he made the acquaintance of Matthew Quay, the political boss of the Republican Party in Pennsylvania. Hanna learned from this astute politician that politics was very similar to business: a politician couldn't sit still and rest on his laurels.

The Democratic sweep of Congress in the 1892 election eliminated McKinley from the House. While McKinley blamed his defeat on his district being Gerrymandered, this excuse didn't change the fact that he was out of office. How Hanna and McKinley met is irrelevant other than the meeting proved to be fortuitous for the future of both men. Backed by Hanna's money and his newspaper, McKinley won the Republican nomination for governor. With the advent of the depression of 1893, he readily defeated his Democratic opponent and was re-elected two years later. As a two-term governor, he now was in a position to run for the Republican presidential nomination in the 1896 election. In the off-term congressional elections of 1894 when the Republicans recaptured the House and Senate, Hanna had McKinley tour 16 states in support of Republican candidates. He delivered the same speech on the importance of tariffs 371 times, since tariffs



were the only subject he knew. Hanna's one time meeting with Matthew Quay would soon pay off. Speeches were meaningless; delegates were what it took to be nominated. In March 1895, Hanna rented a huge house in Georgia and invited McKinley to spend three weeks visiting him. Hanna's approach to politics was that of a businessman, to sell a potential client by entertaining him. Southern Republicans couldn't deliver the vote when it came to the nomination, but their votes in a general election counted the same as those of Black Republicans. For three weeks, he met and talked with the Southern Republican establishment. Until this point, nobody divined Hanna's role as McKinley's campaign manager. It was Tom Platt, New York's political boss, whom Hanna was attempting to line up for McKinley, who first leaked it to the newspapers. The press also learned of his effort to curry favor with Matthew Quay, Pennsylvania's boss who had first enlightened him about politics. The idea of a millionaire descending into the gutter of politics made for good copy. Hearst's Democratic *New York Journal* showed a cartoon with Hanna as the puppeteer and McKinley as the puppet. Since Hanna's approach to politics was that of a businessman, he paid no attention. A businessman expects the competition to denigrate his product.

There were only three front runners for the nomination: Thomas Reed, Speaker of the House from Maine, New England's candidate; and former President Harrison who had been defeated by Cleveland and McKinley. When Harrison bowed out, that left Reed and McKinley; since most of New England automatically voted Republican, Reed was no great asset. Hanna's only fear was a deadlocked convention and the emergence of a dark horse since McKinley categorically refused to make any deals with Platt or Quay. But he did engage the services of Charles Daws to neutralize the power of Senator Shelby Cullom, who controlled Illinois. McKinley was a far more astute politician than Hanna. He knew he had no competition, and on the first ballot he was nominated.

Mark Hanna had no time for eleemosynary interests. He had not put his effort and money behind McKinley without expecting a payoff. What he wanted was a seat in the Senate, and since he had never served in the military but had paid a substitute to serve for him, there was no possibility that members of Ohio's legislature would appoint him. To get to the Senate he would have to sneak in through the back door and that meant the appointment by Ohio's governor to fulfill another senator's term. The man he hoped to replace was 74-year-old John Sherman, the brother of William Tecumseh Sherman, the war's second most famous General. Once approached to be the Republican candidate for the presidency, he said: "If nominated, I will not accept; if drafted, I will not run; and if elected, I will not serve." John Sherman, on the other hand, had served in Congress longer than any other living man. Elected to Congress in 1855, he had served in the Senate since 1861 (except for the four years he was Hayes's Secretary of the Treasury). Although his name is attached to the Sherman Antitrust Law and the Sherman



Silver Act, he had no input into either piece of legislation; his name was attached as an honor for his long service in the Senate. With two years left to serve in the Senate, why not cap his long and illustrious career by appointing him Secretary of State. This was the scenario devised by Hanna, to be implemented by President McKinley. It was not an easy marker to pick since Governor Asa Bushnell owed his office to Senator Joseph Foraker who loathed Mark Hanna. It is a truism that politics is the art of accommodation, and enemies can be converted to friends through accommodation. With a fistful of political appointments yet to be made, even an enemy can be assuaged; and the president had many choice tidbits on his platter. Hanna was appointed to fill out Sherman's term.

## CHAPTER 21. THE SPANISH-AMERICAN WAR

The first item on McKinley's agenda was to restore the tariffs the Democrats had reduced. He also was naïve enough to believe that if these reductions were not the sole cause for the depression, they had added to the nation's problems. His problem was the Senate where the Republicans held only a small majority. Moreover, this majority included senators from some of the mining states where thanks to Cleveland's repeal of the Sherman Silver Act, the mines were shut down and the workforce unemployed. This time, however, the Dingley tariff bill would be signed into law before attacking the question of silver. Under the new tariff bill, the president had the authority to reduce tariffs by 20 percent under the reciprocity clause in the bill. But what convinced the senators from the silver states to support the legislation was the promise of a commission to work out a compromise with Britain and France that would place silver on a parity with gold at 15 ½ to the ounce of gold. Under the Dingley tariffs, heavy duties had been placed on French silks, wines, gloves and works of art. The tariffs imposed on these products were inane. The US had no silk or wine industry, and the gloves exported from France were of an elegance unknown to American glove manufacturers. As for works of art, they were one of a kind. In retaliation, France increased the duties on pork and cottonseed oil. As a result of this stupidity, American farmers suffered. To make a silly story short, France passed the buck to Britain, which in turn passed it to the Raj of India, who quashed it. The senators from the silver states had been gulled. There was no need for a second currency; huge deposits of gold had been uncovered in Alaska, South Africa and Australia. The gold standard had been set in stone by the Bank of England. The issue of silver was dead.

With silver no longer a political issue and with the economy finally recovering from the depression, the congressional Democrats seized on the issue of Cuba in the forthcoming mid-term congressional elections. Cuba, a colony of Spain, was the kind of emotional issue that might resonate with the public. It was certainly the case with the penny press in New York City, where for the past three years Hearst's *Journal* and Pulitzer's *World* were engaged in a circulation war whose basic theme was the atrocities being committed by the Spanish against the freedom-loving Cubans. Other papers throughout the country soon picked up the drumbeat, once they realized that sensationalism sells papers. Moreover, this concern for the freedom-loving Cuban people had begun in 1895 when there was a small uprising against Spanish rule and Cleveland still was president. At first he wanted no part of it, having rejected even the annexation of Hawaii, but he was pushed by the war hawks in his party, so he and his Secretary of State Richard Olney committed the fatal error of attempting to mediate between the adversaries. Since neither side was willing to compromise, Cleveland walked away. By 1897, hundreds of thousands of Cuban rebels were rumored to be held in isolated inhumane camps, providing the congressional Democrats with an issue for the forthcoming 1898 mid-term elections, and forcing the congressional Republicans to address the Cuban issue as well. Thus far, McKinley had evinced no interest, but when an American Catholic bishop convinced the President to use his prestige to have the Vatican intercede, McKinley unwittingly had involved the US in the dispute. Then the Spanish government blundered by calling on the European powers to prevent US intervention in what Spain saw as an internal affair. McKinley was over his head, and with Sherman as his Secretary of State, he had no one to counsel him. It was neither Congress nor the war hawks that would push this country into war but an explosion that occurred in February 1898, sinking the battleship *Maine*, which had been stationed in Havana's harbor to protect US interests because of the continuing turmoil on the island. Despite what could have been considered a provocation, the President called for an independent commission to investigate the cause of the explosion. The initial finding suggested that the ship had hit a naval mine (deployed by Spain to deter the US from taking Cuba). Rather than viewing the explosion as a cause for war, McKinley asked Spain for reparations, including for the death of the more than 260 sailors who had been aboard. Spain immediately agreed.

Still, the damage from the explosion would far exceed the original loss of lives. Aside from the steady drumbeat of war coming from the press, William Jennings Bryan added his two cents by implying that the fault lay with the actions of the current administration. While pure hogwash, it moved the House Democrats to offer a resolution calling for the recognition of the Cuban republic. Not to be outdone, the Republicans joined in, and shortly thereafter Congress passed a resolution that authorized and directed the president to intervene in order to

end the conflict on the island; called for a stable and independent government for the Cuban people and for placing the armed forces of the nation behind the resolution. The Senate now added its own resolution. While accepting the gist of the House's resolution, the Senate Foreign Affairs Committee added two amendments. The first called for the recognition of the insurgents as the lawful government on the island. The second amendment called on the US to publicly disavow any intention of controlling Cuba once the hostilities ended. The resolution was adopted, and on April 20, was signed by McKinley. In response, Spain broke off diplomatic relations, and two days later a naval blockade of Cuba was imposed by the US without a declaration of war. It was this illegal act that left Spain with no alternative but to declare war. Five days after adopting the resolution, Congress declared war on Spain.

Ostensibly, the US had initiated a war to liberate Cuba; once Spain had declared war as a result of the illegal blockade, that declaration left Spain and all of its possessions open to attack. What was supposedly a humanitarian cause, the liberation of an oppressed people, was turned into a preemptive war of naked aggression for Spain's last few colonial possessions. The US did have its recently modernized navy, but it was unprepared to fight a land war, especially under sub-tropical conditions. Apart from the capture of San Juan hill by Colonel Teddy Roosevelt and his volunteers, which did not hasten ending the conflict, the war to liberate Cuba by the US army was a total disaster. Everything that could possibly go wrong went wrong — from the uniforms, to the food, to the absence of medical equipment, to the strategy employed by commanding General William Shafter. His army was decimated not by the enemy's bullets but by infectious diseases such as malaria, yellow fever and dysentery. The US Navy ultimately liberated Cuba when it destroyed Spain's Atlantic fleet attempting to escape from Santiago's harbor. General Nelson Miles was to fare better when he invaded Puerto Rico. After capturing the southern city of Ponce, his advance ended when Spain called for a truce and through its French emissary, Paul Cambon, and agreed to surrender. In the Pacific, not only had Admiral George Dewey destroyed the Spanish fleet, but he had seized the capital of Manila. Upon learning of this victory, McKinley dispatched 10,000 troops to the Philippines.

When Spain sued for peace, it assumed its only loss would be the island of Cuba. Instead it learned that in addition to Cuba the US intended to annex Puerto Rico and the island of Guam in the Pacific Ocean. As for the Philippines, that had yet to be resolved. But it wouldn't be unresolved for long. Once the American troops had landed, the Philippines would be included in the package. Spain might protest, but without a navy it was powerless. At the signing of the treaty, the US paid Spain a nominal sum of money. Now that the US had acquired Guam and the Philippines, the annexation of Hawaii became a natural adjunct to the newly acquired possessions, not through the two-thirds majority of the Sen-

ate but by a joint resolution of Congress. Perhaps the most intriguing statement made by the President was at his first meeting with Jules Cambon, the French foreign minister, who was representing the interests of the Spanish government. When Cambon protested at the harshness of the terms for an armistice, the gist of McKinley's reply was: they should have thought about it sooner. Placed in context, its meaning was clear. Don't initiate hostilities with the United States. Little wonder that the powers of Western Europe sat up and took notice of this colossus on the other side of the Atlantic. It was not that they would have acted any differently. After all, Germany had stripped France of almost two of its provinces: all of Alsace and half of Lorraine. It was just that there was a new player on the international field, and it was throwing its weight around as if it were one of the great powers in the world. McKinley now was a world figure. It would be up to him whether as part of the peace terms, the US would demand the entire Philippine archipelago.

The US emerged from the Spanish-American war as both a liberator and a conqueror. It had freed the Cuban people from the tyranny of a corrupt Spanish rule, only to have that island become an economic fief of this country. Since the US had finally decided to annex Hawaii, it took no great leap forward to acquire Puerto Rico and Guam from Spain. The big hang up for McKinley and his foreign policy makers was the Philippines. It was not so much a question of its distance from the West Coast, after all Hawaii was 3,000 miles away and Guam even further. Rather, it was the composition and characteristics of the natives that were disturbing. Having been under Spanish rule for hundreds of years, most of its population were practicing Catholics and were uneducated; however, there was an advanced group of natives, who through cohabitation and marriage over that long period of time, had emerged as the local elite. Now free of their Spanish overlords, they were intent upon establishing an independent nation. The major question facing McKinley was whether to take a healthy slice out of the archipelago, namely the island of Luzon, and its capital, Manila, and the adjoining port — or to swallow all of the islands in one gulp. Emilio Aguinaldo and his insurgent forces never entered the picture. If the President decided that one big bite would be sufficient for America's future needs, then the remaining islands would have remained under the jurisdiction of the Spanish government. He saw nothing wrong with imperialism. For him it was just a question of how much responsibility the American government was ready to assume. His reasoning was very pragmatic; if we don't take them, who will? Certainly the Germans, late in the race for colonies, would have no scruples about stepping in. If he needed any moral backing, there were hundreds of ministers ready to dispatch their missionaries to the islands and convert the Filipinos to the Protestant faith. For sure, big business was in favor of acquisition of all the islands, seeing them as another outlet for US industrial products. Finally, there was the question of the growing

trade with China, of which American merchants only had a small piece. Establishing a beach head in that region might enable the US to play a larger role in the dismemberment of that country.

All of the foregoing constituted the positive side of the argument. On the negative side, there was an insurgency fighting for independence, but the US military could easily contain them. McKinley had no doubt that these acquisitions were going to be his great legacy. One of the major objections to the acquisition of the Philippines was that of race. While the same criteria just as easily could have been applied to Hawaii or Puerto Rico, for some odd reason it never assumed the same importance to McKinley. There was no problem with the natives' features and coloration *per se*; they were simply and automatically categorized as inferiors. Most of the enlisted men in the American army were foreign-born, and the concept of race was not part of their heritage. But this was not true of the officer class, a large percentage of whom were West Pointers from the Southern states. To them, a colored person was anyone who wasn't white, and it was their opposition that led General E. S. Otis to reject the use of Filipinos to fight the insurgency.

The midterm congressional elections of 1898, when the party in power generally suffers losses in Congress proved to be a mixed blessing for McKinley. While the Republicans lost 19 seats in the House, they still retained a majority of 26, and in the Senate, they added seven seats. The economy was finally beginning to recover, thanks to Europe recovering from its own economic disaster. Exports were up, in particular in the farm belt, and employment in the manufacturing sector began a steady increase. The overloaded pipelines of industrial and consumer goods had finally emptied, thanks to the disappearance of so many competitive firms, and those who weathered the economic distress had generally survived by merging into larger entities which had sufficient capital. This housecleaning of businesses revived the agitation against the various trusts that had come to dominate much of American business. McKinley's appointment of his original Attorney General, Joseph McKenna, to the US Supreme Court early in 1897 resulted in his replacement by John Griggs, a lawyer-politician from New Jersey.

While McKenna had leaned towards some interference in monopolistic practices, Griggs hesitated about employing the Sherman Antitrust legislation in breaking up trusts. A major reason for Griggs's seeming indifference to enforcing the law was that he hailed from New Jersey, the state that legally permitted Holding companies to provide sanctuary for corporations intent on avoiding the perils of Anti-trust legislation. Little wonder then that with such Trusts as Standard Oil and the Sugar Trust having incorporated in his state, it made him reluctant to enforce the law. McKinley's attitude towards enforcing the legislation could best be described as indifferent. His main effort was a speech consisting largely of platitudes. With the economy once again on even keel, he saw no reason to

rock the boat. In fact, once his tariff bill had been restored, McKinley's interest in any domestic legislation was minimal. When it came to the Civil Service Commission and its attempt to reform the requirements for jobs in the Civil Service, which his predecessor Grover Cleveland had initiated, his attitude was that the former president had gone too far in making broad reforms and that patronage was a necessity for the successful conduct of American politics. McKinley was not so much a reactionary; he simply wasn't a progressive. Now that the country had emerged from its economic difficulties, he saw no reason to make major changes. The fact was that in the last two years of his first administration, the President had little need to concentrate on domestic affairs. The economy had rebounded, the Democratic Party (including its presidential candidate, William Jennings Bryan), had supported the war, the silver question and bi-metallic currency were on the back burner as the world moved relentlessly towards a gold standard, and the President could devote his full energies to the many problems concerning the country's new possessions and to reformation of the military services in the light of their new responsibilities. In foreign affairs, the dispute with Canada over the fishing rights off Newfoundland and the protection of seals in the Pacific had yet to be resolved. In addition, still under question was the border of Alaska, with Canada claiming part of this territory. The old Clayton-Bulwer Treaty of 1850 was still subject to interpretation and continually revised declarations of intent; this was the agreement between Great Britain and the United States prohibiting either nation from acquiring territories in Central America. In light of the ever more pressing need for an isthmian canal, now that the country had annexed Hawaii and had possessions in the Pacific, this issue had top priority. Finally, there was the question of the Secretary of War, Russell Alger, who had come under sharp criticism for his conduct of the war in Cuba. On the other hand, despite all of these problems to resolve, McKinley felt secure now that he had convinced John Hay, Lincoln's former secretary, to take over as Secretary of State. McKinley first had appointed him as Minister to Great Britain replacing Judge William Day, who had headed up the American peace commission to Paris. Day, a good friend of McKinley who had been appointed assistant Secretary of State to the ailing John Sherman and had then been promoted to Secretary on Sherman's resignation, was glad to leave his post, and the President was relieved that he now had a professional Secretary of State in place. In fact, without Hay in that post, McKinley would have been overwhelmed by the turn of events taking place in Cuba and the Philippines, not to mention the negotiations with Canada and Great Britain.

The problem facing the administration in Cuba was quite different from that of the Philippines. Senator Teller's amendment, which had passed the Senate by a vote of 61 to 27, categorically stated that the US had no interest in the acquisition of Cuba and that following the end of the hostilities the island would be

turned over to its inhabitants. While the President had never signed onto the Teller amendment, he was well aware that as much as he would like to annex the island, it would create a furor in the Congress and amongst the public, and would give the Democrats a potent weapon to use in the forthcoming presidential election. In early 1899, McKinley appointed as governor general of the island General John Brooke, a 61-year-old veteran of the service, whose headquarters would be in Havana. For the southern end of the island, the President appointed General Leonard Wood, a medical officer, who would be headquartered in Santiago. Once the Spanish soldiers had finally departed, which took some time, the basic problem was to disarm the insurgent army under Calixto Garcia. To accomplish that mission as quickly as possible, and to reduce the possibility of any warfare between the Americans and the Cubans, McKinley turned over to Brooke \$3 million from the original \$50 million that had been appropriated by Congress for national defense.

While General Brooke was an able administrator, and once the insurgent army was disarmed, he set about to return the island to self sufficiency, he had a blind spot with regard to Cuban traditions and culture. This was a Catholic island, and as such did not suffer from the inhibitions Protestantism placed on its adherents. Despite his good works — feeding the population, providing medical care and improving sanitation — he was incapable of understanding how or why the Cubans loved gambling; thought nothing of drinking on the Sabbath; and warmed to the sound of the ringing of church bells. Worse yet, there was the inability of the American soldiers stationed there to get along with the Cuban people. Because slavery had been abolished only in 1886, the large Negro population on the island was more arrogant than Americans were accustomed to with their own Negro population. There were fights and worse between the military and the civilian population, and General Brooke did not fully understand that while most Cubans appreciated what the Americans were doing and had done, they wanted them out of their country. Everything positive that the Americans had done, from building roads to restoring the tobacco and sugar fields that had been destroyed over the years of warfare, did not compensate for their lack of freedom. In Santiago, General Wood was in command; he was far more cognizant of the little things that annoyed the native population. Wood also resented taking orders from General Brooke, whom he thought to be an incompetent. With the appointment of Elihu Root as Secretary of War, and with the connivance of Governor Theodore Roosevelt, who served as the intermediary between Wood and Root, Brooke was relieved of his command, and control of Cuba was turned over to General Wood.

Cuba would turn out to be the least of America's problems once General Wood was in total control. However, it was another three years before American troops left the island and a republican form of government was installed. After



taking a census of the island's population and dividing the country into voting districts, the reins of governance were gradually turned over to the new leadership; once a Constitution had been adopted and voted upon, the troops left the island, except for Guantanamo, which would remain an American naval base in perpetuity.

Although Americans had more than \$50 million invested in Cuba while still under Spanish rule, further investments during the transition period to independence were forbidden in order to make certain that the new government would be free of any outside influence. Since the US had been the major trading partner with Cuba prior to the overthrow of the Spanish regime, this self-imposed embargo on American investment only served to slow down the island's economic development. Since this was America's first attempt at external nation-building, some of the purists believed that truly democratic institutions could be built if there was no outside economic influence. This was based on the false assumption that an economic oligarchy had yet to dominate the island's economy.

As previously noted, the performance of the US army had not led to the surrender of Spain; rather, it was that of the navy. Teddy Roosevelt and his regiment of all-volunteer Rough Riders, who played a key role in the capture of San Juan Hill, were responsible for the only military victory achieved by the army in the Cuban campaign. Lauded in the New York press for his heroism, he attained a position of leadership in the Republican reform movement in New York State. In the pending close contest for the governorship of New York, Senator Thomas Platt, the ostensible boss of the Republican Party in the state, was forced to hold his nose because of Roosevelt's popularity and pushed for his nomination and election. Roosevelt and Root were political friends in the sense that both viewed politics as a service to one's country. In addition, both were members of the Union League Club in New York, where Root was president. How or why President McKinley came to the decision that this extraordinarily successful lawyer would be the ideal Secretary of War remains somewhat of a mystery. He had met him only once before when he asked Root to become Minister to Spain, and Root had turned him down. Certainly, of all his Cabinet choices, Root not only was the most outstanding, but continued a career in government service that no other individual in modern times could match, including his being honored with the Nobel peace prize in 1912.

Prior to the selection of Root, the Secretary of War had been a politician as well as someone who had served in the military during the war. Root, on the other hand, had never indulged in politics and had never served in the military; his claim to fame was as a corporate lawyer for railroads, big business and wealthy individuals. His father was a professor of mathematics at Hamilton College, from which Root had graduated first in his class. After getting a law degree from New York University, he began his practice in New York. His climb to the upper ech-

elons of the legal practice in the city had been rapid. If Root turned out to be the dream candidate for Secretary of War, his predecessor, Russell Alger, was an albatross hanging around McKinley's neck. Actually, the problem wasn't Alger himself, although he was ill equipped to respond to the challenges he faced. When McKinley made the decision to engage the entire Spanish colonial empire in war, he gave little thought as to how the current American army, with its complement of 25,000 officers and men, could be expanded overnight into a modern army ready to take on overseas wars on two fronts thousands of miles apart. It was a question not only of integrating volunteers into a small well-trained force but of providing all of the ancillary elements necessary to keep an army in the field. For 30 years, the duties of the army had been limited to keeping the peace in the West, and in rare cases, it was used to intercede in labor disputes that had gotten out of hand. In other words, the position of Secretary of War was more of an honorary post than one of a hands-on executive. The President and Congress had engaged the US in a war and a subsequent occupation of foreign colonies without taking into account that the American military was unprepared to undertake fighting in tropical climatic conditions. As noted, there was a shortage of ocean transportation, uniforms for the weather conditions, medical personnel to handle the tropical diseases the troops would encounter, and the necessary foodstuffs that wouldn't rot under hot and humid weather conditions. What happened to the American forces fighting outside of Santiago was scandalous. Someone had to be the scapegoat, and in this instance it was Russell Alger, the Secretary of War. He, in turn, would blame the Commissary General, who in turn would attack General Nelson Miles, who had first brought the charges. Miles, who decided to make his public reputation by imputing that the canned meat served to the troops in the tropics had been tampered with and was responsible for the dysentery of the soldiers in the field, soon found a receptive audience in the press.

A commission of generals, most from the North and one from the South, was formed to look into the allegations, and after a thorough investigation, could find no proof of food tampering. Yes, chemicals were used as preservatives in the refrigerated meat sent to the troops, but there was no indication that the meat had been rotten or that the canned food had not measured up to government standards. General Miles's insistence that the commission and the Secretary of War were pushing his allegations under the rug received major support from the press. It was the old adage of journalism: never let the facts get in the way of a good story. The press continued to give Miles publicity, and Miles continued to make accusations, while at the same time refusing to back them up with hard facts. He had wanted to replace General Shafter in Santiago, and unfortunately, not only did he fail to win fame and glory there, but Spain had surrendered before his army was able to conquer Puerto Rico, robbing him of the opportunity to add anything to his military reputation. In the end, he was just one of many querulous Generals

to whom the war never brought what he sought, a stepping stone to something bigger and better in his life. His failure, however, did not stop the drums from beating for the removal of Alger as Secretary of War. There was his failure to establish a rest and recreational facility for the diseased troops returning from Cuba at Montauk Point, at the end of Long Island. One snafu followed another and yet McKinley refused to ask for his resignation. It was only when he became involved with political enemies of the President that he was given his walking papers and Root took over.

Of far more importance to McKinley was the situation in the Philippines and the necessity to increase the number of men in the standing army. The two of course went hand in hand. Cuba was a temporary problem, since once the island was granted its independence, the troops would be withdrawn. There was no insurgency movement on Puerto Rico, so a small military garrison would suffice. But the Philippines, where the decision had been made to swallow the whole enchilada and turn it into a possession, would require a large armed presence for the present and probably for the future. After Dewey had seized Manila, and the first contingents of 10,000 American troops had been landed, it became apparent to commanding General Elwell Otis that putting down the insurgency led by Emilio Aguinaldo would require more than the initial shipment of troops. While the Americans held the city of Manila, the rebel forces occupied all the surrounding areas of the capital. In addition, there were the other islands where there was no American presence and which had yet to be brought under control. Actually, all the problems that ensued with the insurgents in the Philippines were a direct result of the ambiguities in American policy and the statements emanating from the White House.

While McKinley supposedly deliberated over how much of the Philippine islands the US should swallow, Aguinaldo and his insurgents made the false assumption that what applied to Cuba would be executed as well in their own country. It was not that they lacked gratitude to the US for having overthrown the Spanish regime; they were more than willing to provide the US with a permanent naval base on the islands, along with whatever coaling stations the navy required. They never expected that the US would replace Spain as a colonial power. To say that they were naive would be an understatement. McKinley and the imperialists had decided that since possession was nine tenths of the law, and America held barely one tenth of the Philippines, the military would seize by force, if necessary, the other nine tenths of the islands. It was under these circumstances that the four-year struggle for the conquest of the Philippines began. Aguinaldo and his insurgents were dislodged little by little from the positions that they held until a sufficient number of American troops could be assembled on all of the islands to destroy any opposition and take full control. To the commanding General Otis, overseeing the military operation from his desk in Manila, and to

his two field commanding Generals, Henry Lawton and Arthur MacArthur, this was just another case of subduing the native population, much as the American army had accomplished in the Far West with the Amerindians. General Lawton, who had captured Geronimo, the leader of the Apaches, assumed that the rebellion would be crushed once he had captured Aguinaldo. Unfortunately Lawton would be killed, so he would never get to learn that with or without Aguinaldo, the rebel forces would continue to fight on. As was the case with most of his military contemporaries, Otis had contempt for the native population. Part of it was a result of the natural superiority complex of whites with regard to people of color; the other was his innate feeling that the Filipino people should feel gratitude towards the Americans for having liberated them from the Spanish yoke. It never dawned upon him that these ignorant peasants would prefer their own leaders to the *mission civilisatrice* that the Americans would bring to the islanders. While in the early stages of the American army's presence, Aguinaldo would defer to Otis's demands for removal of their forces from positions they already occupied, as the American forces continued to expand their presence, along with their arrogance, it finally became obvious that the goal of the US army was to destroy the insurgent forces and seize control of the entire archipelago. Thus began the long, drawn out war of American conquest, which began in 1899 and did not come to a final conclusion until four years later in 1903.

In the early stages of the conflict, the reports from General Otis to Washington spoke of nothing but optimism in the ongoing pacification of the islands and the control of the insurgents. A major factor in the McKinley administration taking his reports on face value was the censorship Otis applied to the press. But as the first members of the volunteer army returned to the states, and press reports began to filter into the news columns highlighting the real problem facing American forces, Otis had become damaged property. With the presidential elections looming in the fall of 1900, if the real facts of the war were to become public, the Democrats would be able to exploit the failure of the American armed forces and use it to win the election. It was time for Otis to leave, receive a hero's welcome, and appoint a new commander, General Arthur MacArthur. One of the major factors in the decision to recall General Otis was his unwillingness to recognize the number of troops that would be required to pacify the islands. In order to indicate to Washington that under his command he had everything under control, he continued to downplay the need for reinforcements. Before his death, General Lawton stated that it would take 100,000 troops to pacify all the islands. Otis, who remained closeted in Manila on the island of Luzon, failed to take into account that there were eleven other major islands in the archipelago, including Mindanao, which was almost as large as Luzon. Even more important in the decision to relieve Otis was the appointment of Elihu Root as Secretary of War. Root may have been a lawyer with no previous military experience, but in

a sense the unfamiliarity gave him a tremendous advantage. He approached the American army's position in the Philippines as he would a legal case. Instead of counting on tradition, he would apply logic. Thus, when Otis balked at the addition of more troops to fight the insurgency, Root overruled him. When Captain Matthew Batson suggested that the Macabebes, an indigenous Filipino group who hated the Tagalogs and had fought on the side of Spain during the previous insurgency, be enlisted on the American side, Otis overruled him. Batson then went to his commanding officer, Lawton, who used his contacts in Washington. Once again Root overruled Otis, who contended the Macabebes were not to be trusted. Ultimately, these Filipino scouts would prove to be a major asset in pacifying the islands.

Apparently, Otis failed to realize that in playing down the number of troops required to put down the insurgents, he was opposing the policies of the administration. Long before the actual struggle between the Americans and the insurgents broke out in open warfare, the question of the size of a standing army had been raised in Congress. The original proposal put forth by a Republican congressman was for a standing army of 100,000. To many members of Congress, from both sides of the aisle, the concept of a large, standing army was anathema to them. It had long been a tradition, dating back to the early days of the Republic, that such a force, under the command of the president, held the potential for the overthrow for the government. It was this line of reasoning by Congress that allowed the navy to expend large sums of money on cruisers and battleships capable of launching an offensive war, and to create a Naval War College without feeling insecure that such a force could be used to set up a dictatorship. Foolish as it might seem, this old bugaboo was enough to defeat the bill. Despite the intense opposition, Congress did recognize that with troops stationed in Cuba and garrisons in Puerto Rico and Guam, along with the decision to acquire the Philippines, the old regular army of 25,000 was inadequate to meet the nation's military needs. A compromise was finally worked out. The size of the regular army would be increased to 65,000, and Congress appropriated funds for an additional 35,000 volunteers. While this appeared to resolve the nation's immediate needs, under Root a new army would be created that would have none of the trappings of the old.

While Congress was wrestling with the size and composition of an army necessary for its new acquisitions, a far more serious problem was under discussion between John Hay, the Secretary of State, and Sir Julian Pauncefote, the British Minister to this country, namely the Clayton-Bulwer treaty of 1850. Following the discovery of gold in California in 1849, and the rush of speculators from all over the world, the question of a canal linking the Atlantic with the Pacific ocean was a subject of discussion by the US and Great Britain. As early as 1849, John Clayton, appointed Secretary of State by President Zachary Taylor, met with

a British representative, Sir Henry Bulwer, to discuss the potential for a canal through Nicaragua. Because of the Monroe Doctrine and the fear that Great Britain might establish British dominance on an inter-ocean waterway by negotiating such a project with the government of Nicaragua, an agreement was reached between the two countries. While neither country at that time was capable of acting on such a massive project, to ensure that one country would not act without the agreement of the other, a treaty was signed that stipulated that neither country would seek exclusive control of such a canal or the territory along the sides of it, and that no fortifications would be erected in the canal area. Finally, both sides agreed not to establish colonies in Central America.

While the treaty was ratified by the Senate, public opinion in the US was unfavorable, considering it to be a violation of the Monroe Doctrine. Since neither country was willing or able to undertake such a project at that time, the treaty was soon forgotten in the mists of time. In 1875, Ferdinand de Lesseps, six years after his successful construction of the Suez Canal, began negotiations with the government of Columbia to create an inter-oceanic canal, starting at Colon in the Atlantic, and exiting into the Pacific ocean. Neither the US nor Great Britain was involved in the project since at that time only De Lesseps, who had constructed the Suez Canal, possessed the engineering skills and the machinery required to construct such a project. Starting in 1881, and for eight years, at an estimated cost of \$287 million, the *Compagnie Universelle du Canal Interoceanique* struggled to complete the project. To create the locks necessary for the passage of ships, the famous Gustav Eiffel (of Eiffel Tower fame) would provide the required steel. Despite the problems caused by fatal diseases, torrential rains and the incessant heat, it was corruption that finally brought the project to an end. Ministers in the French government, De Lesseps and his son, along with Eiffel, were all indicted and convicted of raiding the finances of the company. True to French law, none of them served any time. As for the tens of thousands of French investors who lost everything, there was no compensation. On October 20, 1894, the *Compagnie Nouvelle du Canal de Panama* was incorporated and work was resumed where De Lesseps had left off, with excavation at Culebra and other points of the canal plan and its locks. It was with this past and present history in mind that Secretary of State John Hay and British Minister Sir Julian Pauncefote began work on drawing up a new treaty that would replace the antedated Clayton-Bulwer. With the annexation of Hawaii and Guam and the possession of the Philippines, it was obvious that the construction of a canal linking the Atlantic with the Pacific was mandatory for the US navy to move freely between the Atlantic and the Pacific. This time, almost every party was convinced that the new route would take place through Nicaragua, which made revision of the old treaty necessary. Secretary of State Hay was too much of an Anglophile and too little of a politician. His years as Minister to Great Britain had taken its toll. Working with Pauncefote, the two

of them had put together what both considered a gentleman's agreement. The Clayton-Bulwer treaty would be superseded by a new arrangement whereby the key element was that the canal would remain open to all shipping even in time of war; that the US would agree not to construct any military installations on the proposed site; that the US would invite all other nations to sign onto the universality of the proposed project and to its neutrality. Leave it to the chutzpa of the British. After Hay had given away all territorial claims to the proposed canal, Britain still wanted the contested piece of Alaska assigned to Canada.

While Hay was still confident that the British would come around and finally put their signature to the treaty, a New York lawyer, William Cromwell, representing the new French company working on the construction of the old De Lesseps canal, contacted McKinley. Up to that time, it was assumed, axiomatically, that when construction on the US canal would commence, it would be through Nicaragua. The details had been worked out with the Nicaraguan government, and it was only a question of Congress appropriating the funds for the project to go forward. But upon hearing Cromwell's proposition from the new corporation, and taking into account what had already been accomplished, McKinley, for the moment, had second thoughts about Nicaragua. He asked Mark Hanna, who had been active in shipbuilding and construction, to look into the matter. A new commission was established to investigate the two sites. The question of Nicaragua or Panama could wait for the moment. First the treaty with Great Britain would have to pass the Senate. Hay had no idea of the complexity of American politics or the workings of Congress. Nor did he take into account that 1900 was a presidential election year, with both parties jockeying for political positions with which to sway the electorate. His assumption was that the treaty would be placed in front of the Senate Foreign Relations Committee, upon which his good friend, Henry Cabot Lodge, sat and that once it was approved by the committee, it would be forwarded to the Senate for the necessary two-thirds votes. His reverie was broken by the introduction of a bill in the House by Congressman William Hepburn, calling for the immediate construction of a fortified canal in Nicaragua. This bill, which had nothing to do with the Clayton-Bulwer treaty, seemed ready to pass the House and probably the Senate.

Enter into the equation, John T. Morgan, the Democratic senator from Alabama, who for 20 years had been lobbying for a canal that would give the Southern states access to the Pacific markets. Although in the minority party, because of his knowledge on the subject, the Senate had appointed him chairman of the Committee on Inter-oceanic Canals. At this moment in time he was very upset about the newly appointed presidential commission to look into the possibility of a canal through Panama. While he had his own bill to offer on Nicaragua, he readily endorsed that of Congressman Hepburn, since it would achieve the same objective. Hay, realizing that the longer Britain procrastinated over signing the



bill that would finally put to rest the question of the Alaskan border with Canada, the more remote his opportunity to address the more important issue of the isthmian canal with the Senate. To speed things up he put pressure on our own embassy to force a British signature. With that finally in his pocket, Hay envisaged no further problems. For the moment Hay was correct in his judgment. The Foreign Relations Committee in the Senate had found no objection and submitted it to the full Senate for approval. Yet underlying the recommendation of the committee was a certain degree of uncertainty. It was and it wasn't a repeat of the Clayton-Bulwer terms. The strains of anti-British feeling still persisted in this country, heightened by the British–Boer War. Teddy Roosevelt, the governor of New York, was among the many Republicans who denounced the terms of the treaty. To these imperialists, the canal was for the use of US ships primarily, and in case of war, the US alone should decide who could and who couldn't have access to the waterway. What had seemed to Hay a done deal now was in jeopardy. The coup de grace came when the chairman of the Foreign Affairs Committee, Cushman Davis, proposed an amendment stipulating that the treaty should not apply to measures that the US might find necessary to take for national defense or the maintenance of public order. Hay's treaty was dead. There was nothing he could do to revitalize it except play the role of the spoiled brat who stamped his foot. He tendered his resignation to McKinley in the hope that his resignation would force the President to pressure the Senate. The President refused it, and asked him to stay on. Meanwhile the Senate, smelling blood, added two new amendments to the treaty. The President balked. In turn, the Senate informed him that without them, the treaty would go down to defeat. The administration and the Senate were obviously at an impasse. There was the additional threat that Congress would pass a bill revoking the Clayton-Bulwer treaty without the Foraker amendment, which had proposed the same legislation within the Hay treaty.

The proposed treaty was dropped until a year later when Hay appeared in front of the committee and asked what conditions the Senate insisted upon for ratification of a treaty to supersede Clayton-Bulwer. It abrogated the old treaty; it dropped the British guarantee of the neutrality of the canal, along with the invitation to other powers to join in; by omitting the prohibition of fortifications and the reference to neutralization in wartime, it managed to eliminate whatever could be considered offensive in the Davis amendment. In essence, the second Hay treaty clarified the position of the US with regard to the proposed canal. Under the treaty, all the responsibility for the operation of the canal was restricted to the United States. It could fortify it; block passage to any country it so deemed unfriendly; and left Great Britain cooling its heels as far as any input in the direction of the proposed canal. For the first time in American history, the British were forced to recognize not only that we no longer were their wayward



child but that when it came to this hemisphere, the US intended to be the sole military power. But if the US considered itself to be supreme in the Americas, in the greater world of the European powers it had yet to attain the status of one of the world's leaders. While in the dispute over the partition of the island of Samoa between itself, Germany and Great Britain, the US received the eastern end of the island; this could not be perceived as a diplomatic victory; nor did America's adhesion to the newly created World Court, designed to settle conflicts between nations, make it part of the European community. The treaty itself, which in the beginning was contested by Germany, was finally adopted, but it was obvious that in the final analysis it was more form than substance. The growing international tensions between Germany and England and Germany and France never would be resolved by an international court. Still, after his defeat over Clayton-Bulwer, it restored some of Hay's confidence when both treaties were approved by the Senate.

The United States, while now a colonial power, was not quite ready to admit that its acquisition of the Philippines was in the same league as other colonial powers. Having been thrust into a relationship with foreign powers owing to the Chinese emergency, like a virgin, this country was determined to maintain its purity. As far as the majority of Americans were concerned, we were the good colonialists, unlike other nations. The presidential election of 1900 was over before the people went to vote. In the same way that McKinley had been swept into office as a result of a lingering depression, with the country now back to work and business confidence restored, Bryan and the Democrats had nothing to offer, except for lashing out at imperialism. Even the one potential minor cause for anxiety, a strike among the anthracite coal workers against the mining companies, was resolved when Mark Hanna prevailed on J.P. Morgan to intercede with the coal operators. While the union still failed to gain recognition by management, the coal operators grudgingly acceded to the ten percent wage increase demanded by the miners. Hanna, called upon to be chairman of the Republican national committee, reluctantly accepted the role. Money was raised, but not in the same quantities as before. The gold issue had been resolved. What hadn't been resolved, at least in Hanna's mind, was McKinley's choice for vice president. Garret Hobart, who had run with McKinley in 1896, had died, and the field was wide open unless the President announced his own choice. Under McKinley, the role of the vice president had changed. Instead of being a potted palm called upon to break a tie vote in the Senate or waiting for the President to die, the President had made use of Hobart in formulating his policies. Since that had been his practice in his first administration, it was obvious he would continue it during his second administration. By now, Hanna was feeling his oats. Not only did he consider himself to be personally responsible for the nomination and election of the President, he also had maintained his power in Ohio by being reelected to

the Senate on his own right. A number of absurd motives have been charged to Mark Hanna's opposition to the nomination of Teddy Roosevelt for vice president, and an equal number have been laid at Roosevelt's doorstep for playing coy at the possible nomination. In the case of Hanna, it was assumed axiomatically that he was the power behind the throne. This was the way the opposition press depicted him, and if a lie is repeated often enough, it assumes a certain degree of credibility. This misunderstanding was based on the fact that Hanna represented the interests of big business, the banks, Wall Street — all those economic forces in the nation moving the country to adopt the gold standard. As we know from today, the press has a tendency to be simplistic in defining the motives behind the actions of politicians.

What distinguished the McKinley presidency from those of his predecessors was his involvement in foreign affairs. His critics called it imperialism; his supporters termed it manifest destiny; but no matter what point of view was taken, it was a dramatic change in the role of the presidency. Once Congress had given him the go ahead, and it was Congress more than McKinley that pushed the country into war, the responsibility fell entirely on his shoulders. For the first time since Lincoln, the country had a president who was captain of the ship of state. McKinley, like Lincoln was ill prepared for this role, but once it was thrust upon him he had no alternative but to make whatever decisions he believed were best for the interests of the nation. In every action he would take as Commander-in-Chief — from the initial blockade of Cuba, to the acquisition of the Philippines; from ordering the armed forces to join with other countries in putting down the Boxer rebellion, to the decision not to partake with other countries in the carving up of a prostrate China — McKinley was his own man. Mark Hanna played no role in any of these crucial decisions. The President's advisors were Hay, his Secretary of State, and later on Elihu Root, his Secretary of War. The principal senator he turned to was Henry Cabot Lodge. It is only when one examines the President in this light that it becomes clear why Mark Hanna was unable to persuade the President to let Hanna play an active role in the choice of the vice presidency. To put it bluntly, Mark Hanna was an old friend, but McKinley now was his own man. Circumstances had forced him to be and act as the leader of his nation, and he had risen to the occasion. The foregoing has everything to do with Mark Hanna's opposition to Theodore Roosevelt as McKinley's vice president. Mark Hanna wanted to be president. In his mind, only one man stood in his way once the second term of McKinley was completed, and that was Roosevelt. Roosevelt was everything Mark Hanna wasn't. He was young, vibrant, a superb speaker and a war hero, in contrast to Hanna who had bought his way out of the draft. Furthermore, Roosevelt had been elected to the governorship of the largest state in the Union, the state with the most electoral votes. Against this record, Hanna could offer the following accomplishments. He was An extremely successful business man who had become a millionaire; he had

bought his way into the Ohio legislature so as to be appointed senator; he was a close friend of the President and had been instrumental in his rise to power; and he served as chairman of the Republican national committee, a powerful position in terms of raising money for other political candidates.

If Roosevelt should get to be vice president, given his natural drive and energy, he would use the office to feather his own nest for the 1904 presidential nominations. In the Midwestern and far Western states, Roosevelt had enormous appeal because of his opposition to the influence of the large eastern corporations and insurance companies. If, on the other hand, Secretary of the Navy John Long or Secretary of the Interior Cornelius Bliss was to be McKinley's running mate, neither would represent a threat to Hanna's own ambitions for 1904. While Hanna's motivations are clear, the reason for Roosevelt's coyness was not so apparent. Although he knew that he was the darling of the Western states and that Senator Platt, the political boss of New York, wanted him pushed upstairs because he was too reform minded in his policies as governor, Roosevelt seemed to be going out of his way to convince everyone in the party that he was uninterested in the office. Even when Hanna, frustrated by McKinley's refusal to endorse his choice for a running mate, challenged Roosevelt to make an official stand on whether or not he was interested in the vice presidency, Roosevelt's reply was direct and categorical: I hope to be reelected to a second term as governor of New York. In making that statement, he didn't rule out the acceptance of the vice presidency if tendered to him. As the convention approached, with Roosevelt still pretending to be disinterested, Platt decided to turn the New York nominating votes over to the lieutenant governor. Roosevelt still remained placid and unmoved by Platt's attempt to force his hand. The Republican convention was held in Philadelphia that year, the home state of political boss Matthew Quay. Quay held a strong resentment towards Mark Hanna, who had used his influence to defeat him in the legislature in his try for US senator. Since Hanna was opposed to Roosevelt, Quay was for him. This had nothing to do with politics, *per se*; this was a personal matter, and Quay knew how to make use of it. Roosevelt, as governor, appeared at the convention as a delegate at large. Since it was summer, all the delegates at the convention were wearing straw hats. For some odd reason, Roosevelt appeared wearing a soft felt hat, similar to the one he had sported when charging up San Juan Hill. The coy Colonel who led the Rough Riders seemed to be omnipresent while at the same time denying any interest in the vice presidency. Hanna's political strength at the convention resided in the Southern Republican delegates, whom he had cultivated so assiduously for McKinley four years before. By taking care of their patronage needs following McKinley's election in 1896, he held a firm grasp on the votes of these delegates. Hanna believed that with the solid South firmly opposing Roosevelt, along with the Ohio and New York delegations, he had the votes to block Roosevelt's nomination. Hanna was overconfident. He forgot that elephants have long memories. When Quay was called

upon to address the convention, he had packed the galleries with his adherents. He focused his speech on one topic, that which had been brought up at the 1896 convention and tabled by the intercession of President McKinley. Under Senator Sereno Payne's suggestion at the 1896 convention, the number of delegates from the Southern states would be severely curtailed since they contributed nothing in terms of electoral votes to the party. Now Quay was calling on the convention to reconsider it. The noise from the galleries was deafening, and the protests from the Southerners equally loud and long. After the hall had finally quieted down, Quay agreed to postpone until the next day any consideration of his proposal. The intent of his proposal was not lost on the Southern delegates. If they expected to maintain whatever political patronage came their way, they would have to play ball with the wishes of the majority of the delegates. Hanna and Platt were defeated. Roosevelt was nominated unanimously by the convention except for his own vote, which he refused to cast.

Roosevelt's coy ploy had worked. He had proved to be a better political strategist than Hanna or Platt. He understood from the very beginning that if Hanna had the President's ear and was able to put the weight of the administration behind the convention's choice, he was a dead duck. He was well aware that because of his political views on reform in government, his opposition to Trusts and other illegal economic combinations, Hanna perceived him as a revolutionary intent on disturbing the current economic order. Not knowing whether Hanna would prevail in determining McKinley's choice for vice president, he was far better taking himself out of the running. By his denial of interest, whatever support he had in the West and in New England only would be augmented. As it turned out, the only possible position he could take in the vice presidential sweepstakes turned out to be the right one. Roosevelt's plans were for the 1904 presidential nomination. The bullet that killed McKinley put Roosevelt in office a little sooner than he had planned.

Roosevelt understood what his role in the campaign was about. While the President was in Canton or in Washington, tending to the affairs of the country, it would be his job to plump not only for the national ticket but for the election of congressmen and senators. Those whom he campaigned for successfully would remember what they owed to him when the 1904 nominating convention came around. Roosevelt was indefatigable in his campaigning. More importantly, whether it was due to his efforts or not, the Republicans increased their majority in the House by 13 votes, with Republicans now holding 200 seats to the Democrats' 151 seats. The Senate, over which the voters had no control, retained a Republican majority of seven. Having served the interests of his party, the only question that dogged him was how much input he would have with the President. He didn't have to wait long. Six months after both men had been inaugurated, an anarchist assassinated McKinley, and Roosevelt would make all the decisions.



## EPILOGUE

With the death of McKinley, this 300 year narrative of the US ends with a touch of irony. The first English settlers who arrived in Jamestown, Virginia in 1607 made the dangerous voyage in the hope of discovering gold and silver. Had they studied their geography, they would have known that Mexico and Peru were located on the West Coast not the East. Three hundred years later, when mines in the Western states could produce inordinate amounts of silver, the US along with the other industrialized nations had abandoned this precious metal for a single gold standard. In a sense, the demise of silver as a currency reflected the history of the first 300 years of the United States. What was once a nation devoted almost exclusively to agriculture now had evolved into an industrial colossus where agriculture no longer played the role it once did; what was once a rural society with small towns had grown into a nation of large cities. Finally, what had once been the world's leading republican form of government gradually was edging towards the direction of a democracy, a form of government abjured by the Founding Fathers. Moreover, it was inevitable. The nation's economy had grown too large and complicated not to have some government regulation; the expansion of the population through natural means and immigration followed in the footsteps of their predecessors, moving westward towards still unsettled lands. As a result, new states were being added to the Union, each with its own economic needs. The miners and ranchers of the recently admitted Western states might be able to trace their family lineage to those who first settled New England, but that was all they had in common. In addition, as towns became cities, retail stores emerged to cater to an urban population. When William McKinley enlisted in the Union army in 1861, his hometown of Canton, Ohio had a population of 4,000, which serviced the needs of the surrounding farm popula-

tion; when elected to serve his second term in 1900, Canton was an industrial city producing farm machinery, and its population now numbered 30,000.

The expansion of towns into cities produced a growing middle class whose views differed markedly from those of its antecedents. No longer isolated on farms, this economic stratum became an integral part of a community. There were social clubs for men and women; libraries and community centers which engaged guest speakers. Issues of the day were debated and discussed; where the suffrage movement had been confined to large cities, now it was being debated in small cities like Canton, Ohio. Thanks to the Industrial Revolution and a spate of inventions that were revolutionizing the daily lives of people living in cities, such as electricity, the incandescent bulb and the arc light, night had been turned into day. With the invention of the internal combustion engine, a new form of manmade power had been added to steam and electricity. These rapid and often convulsive changes in the US economy opened the door to political change. The Constitutional Amendments of women's suffrage, a graduated income tax, direct election of senators and Prohibition would not occur until the second decade of the twentieth century, but their roots had been planted in the late nineteenth.

The genius of the men who founded this country is illustrated by the written Constitution they developed. While set in stone, it could always be amended by the same percentage of states that had been required to ratify it; and, while this country is no longer the republic envisioned by the Founding Fathers, neither can it be construed to be a pure democracy since the checks and balances still remain in place. The federal government, which has encroached on the rights and obligations formerly delegated to the states with seeming impunity, is still restrained by the Constitution. FDR's attempt to pack the Supreme Court without a Constitutional amendment was defeated by members of his own party, even though its majority controlled Congress. Even the Supreme Court can be overruled through a Constitutional amendment. It is because Lincoln understood the significance of the Constitution that he was a great president. He recognized that it was the only glue that bound these independent states together. Unlike with a marital vow, there was no legal excuse for divorce. Had he allowed seven states to secede, others could have followed. His idol was Washington, the man who did more to ensure a union of these states than any other; his other idol was Senator Henry Clay, who fought to maintain what Washington had initiated. Slavery would have died with or without the war; its demise was inevitable since it no longer was economical. The defense of the Constitution, however, could not wait. It is this document that remains the great legacy of the first 300 years of US history.

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