

Crises of the 1870 & 1880s and the Populist Response

Saturday 1 October 2011

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The program for this workshop is to compare three periods of economic crisis: one which occurs in the 1930s, one which occurs in the 1970s, and the one which we are living through today. My goal today and hopefully at other points in the workshop, is to remind us of another crisis, one which occurred in the 1870s and 1880s. This other crisis is also another kind of crisis; its a sort of "ghost crisis" that haunts the later crises with its present absence and absented presence.¹

The economic crisis of 1873-1879 was an international event that occurred throughout Europe and the United States. It was known as "the Great Depression" until it was superseded by the crisis of the 1930s, after which it became known merely as "the Long Depression." Indeed, it was long—the effects are said to have lasted for more than 20 years.

The "Long Depression" was the result of changes in monetary policy and over-investment during a period of intense expansion and industrialization. It was precipitated by the German Empire's decision, in 1871, to cease minting silver coins and go onto a "gold standard." This immediately affected America, because much of the silver for the German thaler was supplied by U.S. silver mines and because this country made the same move in parallel. The Coinage Act of 1873 moved the nation toward the gold standard, away from a bi-metallic currency. This devastated the burgeoning silver industry, but also reduced the domestic money supply, resulting in a contraction of credit and a rise of interest rates, both of which were damaging to farmers, whose operations required them to sustain

¹In other words, the trauma of the 1870s profoundly affected American culture. Key components of our fundamental stance toward public life were developed there—but many of these elements are repressed, and so tend to form our perception of events in ways that we do not immediately notice. My goal is to bring some of this political unconsciousness ectoplasm into the room.

continual amounts of debt. In 1865 the total amount of money in circulation in the U.S. was \$30.35 per capita; in 1880 it was \$19.36.

Within this climate, the crisis was triggered by the collapse of a speculative bubble in railroad stock. In the U.S., the postbellum boom in railroads resulted in the industry becoming, by the 1870s, the nation's largest employer outside of agriculture.² In Europe, the newly founded Deutsche Bank led the over-investment in railroads, steam ships and docks. On 9 May 1873, the bursting of this bubble caused the Vienna stock market to collapse, and this was followed by the failure of dozens of European banks and the Strousberg railroad empire. In the U.S., the bankruptcy, on 18 September 1873, of the Jay Cooke Company, which had led the postwar boom in railroad financing, caused a panic that resulted in the New York Stock Exchange closing for ten days and the failure of more than 80 of the nation's railroad companies and some 18,000 subsidiary businesses. Unemployment reached %14 by 1876, and U.S. and European economies entered a period of stagnation that lasted until about 1896. In the early 1890s, unemployment was 15-17% nationwide, and nearly 30% among miners.

Alongside the miners, agricultural workers were hit hardest because of their dependence upon loans³ and because the recession lowered food prices, which eased the burden on urban laborers but made conditions worse for producers. Simultaneously, the contraction of the railroad industry put more rails in the hands of fewer firms, resulting in monopoly control of freight in many regions.

The reaction to this crisis by farmers and laborers grew throughout the 1880s and by the early 1890s it resulted in the organization of the largest third-party political movement in the nation's history. What would become known as "The People's Party"

² And of course a major present within agriculture, since trains were increasingly used to move crops from farms to markets.

³ Which owed much to the on-going industrialization of farm equipment--recall that Cyrus McCormick's horse-drawn harvester, which replaced the scythe, was manufactured in Chicago beginning in 1847, and it wasn't until 1860 that the machine began to sell in significant numbers.

emerged from Grange halls and Knights of Labor meetings, but far surpassed these organizations (which tended not to seek overtly political goals). The populist insurgency began with the development of a massive grass-roots organization known as the "Farmers' Alliance," which began in and around Waco, Texas in the late 1870s. The Alliance began as a self-help organization, empowering farmers to assist each other in recovering stray animals, chasing rustlers, resisting evictions and fighting ranchers' efforts to enclose the open range.⁴

By 1882, numerous "suballiances" (local units consisting of five to twenty farm families) formed state-wide alliances, and by 1888 these combined to form two massive, multi-state organizations—the Southern Alliance, which organized in Texas, Georgia, Alabama, Tennessee, Missouri, the Carolinas and Louisiana, and the Northern Alliance, which had its roots in Illinois and Kansas and organized Wisconsin, Ohio, Indiana, Colorado, Wyoming and the Dakotas. The Alliances developed complex networks and greatly expanded their services; they created enormous warehouses which allowed members to store crops rather than sell them at harvest time (when the prices were lowest), created their own credit unions, purchased farm equipment in bulk, developed standards for rating equipment and grains, and began to lobby for government regulation of the industry and subsidies for what they called "the producing class."

By 1890, "the farmers surged into politics" (Sanders, 127). Alliance-endorsed candidates controlled the legislatures of seven southern states, took forty-four seats in the U.S. House of Representatives, and elected a senator from Kansas.⁵ In 1891 the Alliances established a third-party, The People's Party, and its power grew over the next half-decade, which saw the election of five

⁴ When in a Hollywood Western the kid comes running up the neighbors and says, "Bad Bob's gang has stolen our cattle" and everyone jumps on a horse and gallops to the rescue, that scene of cowboy life is a reference to the Alliance movement.

⁵ William Peffer was a populist Senator from 1891 to 1897, and was followed by William Harris, a populist, from 1897 to 1903.

more Senators, dozens of Congressional Representatives, hundreds of state senators, and several Governors. In the Presidential election of 1892 they ran William B. Weaver, and in 1896 they ran William Jennings Bryan (who was also nominated by the Democratic Party). As one historian has shown, Bryan very narrowly lost the 1896 election—an additional 22,000 votes in the right combination of states would have given him the electoral college majority (see Sanders 147).

After Bryan's defeat the People's Party rapidly disintegrated. Between 1901 and 1906, a few of the southern alliances revived a much smaller, explicitly white-supremacist party, but the ideologies of the People's Party were actually carried forward by means of a bizarre migration across traditional party lines. Although the populist ticket has been fused to the democratic party, in subsequent elections, populist arguments were primarily espoused by a new generation of Republicans—the kids who would grow up to form the Socialist, Anarchist and Progressive movements of the 1910s and 1920s. As Elizabeth Sanders has shown, although we often think of Progressivism as an urban movement, because of its legacy of Settlement houses like Hull House, the actual support for Progressive-Era reforms came primarily from congressional representatives of rural district in the Midwest and Southern states.

The Alliance movement structured a great deal of the commonsense by which we recognize political entities today. If we think of the Tea Party as a populist movement its because the farmers' response to the Long Depression causes us to label any non-urban, non-student-based challenge to the two-party hegemony as fitting the mold of the People's Party. However, the sense of populism as being synonymous with libertarian Christian nationalism is greatly mistaken. The original agrarian movement could hardly be more different than contemporary corporate-funded forms of neoliberalism.

For one thing, the People's Party was radically inclusive. In his famous Preamble to the 1892 Omaha Platform of the People's Party,

Ignatius Donnelly argues that "this Republic can only endure as a free government while built upon the love of the people for each other . . . it cannot be pinned together by bayonets; . . . the Civil War is over, and . . . every passion and resentment which grew out of it must die with it, and that we must be in fact, as we are in name, one united brotherhood..." In keeping with this belief, the Peoples Party was the first attempt in American history to build a political organization by erasing the partitions between racial and gendered publics. As a recent historian of the People's Party, Charles Postel, observes,

The Farmers' Alliance offered women extensive rights within the organization, rights that stood in stark contrast to those offered by other institutions in American life. . . Women enjoyed the same membership rights that men did in terms of speaking, voting and holding office. Whereas the Grange has offices specifically designated for women, the Alliance opened all positions to women without distinction. (Postel, 70)

As a consequence, it was the first political party with a large number of female orators and leaders, including Bettie Gay, Luna Kellie, Annie Diggs and Mary Elizabeth Lease, and the first party to endorse Women's Suffrage.⁶

Some of the Farmers Alliances also made serious attempts to organize across racial lines, although these attempts mostly failed. In some states, Black farmers were invited to Alliance meetings, but more often they were encouraged to organize their own Alliance chapters. In 1890, the Colored Farmers National Alliance and Cooperative Union reported a membership of 1.2 million.

And despite having originated among agrarian laborers, the Alliance organized urban workers as well, and strongly supported their struggles to unionize. Although they sought to reform, not

⁶ These were the women who set the stage for the next generation of orators, women like Elizabeth Gurley Flynn, Emma Goldman and Carrie Nation.

revolutionize, capitalism, the People's Party was widely regarded as dangerously full of anarchists and socialists for good reason. In the West, they helped to establish the organizational networks among miners and loggers that would be developed by the I.W.W., and in fact the Wobblie's leader, "Big Bill Haywood" entered political life as a supporter of the People's Party. The populists backed the Pullman strike and Eugene Debs campaigned for Byron. In a poem that explains to his fellow populists why "I Voted the Socialist Ticket," Vachel Lindsay argues that socialism is the only virtuous ticket for Christians:

Come let us vote against our human nature,
Crying to God in all the polling paces
To heal our everlasting sinfulness
And make us sages with transfigured faces.

Secondly, unlike post-war neopopulism, which tends to emphasize libertarian ideologies, the first populists strongly favored state controls of the marketplace. Donnelly wrote, "We believe that the powers of government--in other words, of the people--should be expanded (as in the case of the postal service) as rapidly and as far as the good sense of an intelligent people and the teachings of experience shall justify, to the end that oppression, injustice, and poverty shall eventually cease in the land." The Omaha Platform "affirmed the power of the national government to create and and distribute money through a subtreasury plan. . . a system of postal savings banks . . . nationalization of the railroads, telephone and telegraph; government reclamation of unused land owned by corporations. . . and a graduated income tax" (Sanders, 131).

With these points in mind, we can begin to recognize the degree to which the partisans of the People's Party developed a language of critique that "responds" to the present. As Elizabeth Sanders writes,

"The 1896 election has been described as 'the first modern class-struggle political contest' of industrial America"; as such, it established key concepts and structures of feeling that organize political discourse throughout the century. Consider the following passages from Ignatius Donnelly's Preamble to the Omaha Platform adopted the People's Party convention in 1892:

The conditions which surround us best justify our co-operation; we meet in the midst of a nation brought to the verge of moral, political and material ruin. Corruption dominates the ballot box, the legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; . . . The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrate, our homes covered with mortgages, labor impoverished and the land concentrating in the hands of capitalists. . . . The fruits of the toil of millions are boldly stolen to build up colossal fortunes, unprecedented in the history of the world, while their possessors despise the republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes--tramps and millionaires.

[. . .]

We have witnessed for more than a quarter of a century the struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influences dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them. Neither do they now promise us any substantial reform. They have agreed together to ignore, in the coming campaign, every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff [substitute deficit], so that capitalists, corporations national banks, rings, trusts, watered stock, the demonetization of silver, and the oppression of usurers, may all be lost sight of. They propose to sacrifice our homes, lives, and children on the altar of mammon; to destroy the multitude in order to secure corruption funds from the millionaires.

When I say that populism haunts us, I am referring to the way these words seem so fundamental to national and international conceptions of the contemporary crisis expressed by "official" commentators on both the left and right, and also by insurgent protestors in places like Wisconsin and the current March on Wall Street.

We should also consider the way in which our tactics are enveloped by a populist commonsense. Within the world of "peripheral" or "grass-roots" politics, the populist strategy was driven by an agenda that centered around popular education. For better and worse, they regarded education as "the great equalizer in commerce, technology and social standing" (Postel, 49). The Farmers Alliance called itself "a great national university," and organized by funding traveling lecturers, who rode the rails from town to town, holding one- and two-day classes designed to educate farmers about the causes of the crisis and the possibilities of organizing a solution. Over ten years they established a lecture network that stretched across thirty states. They also established *thousands* of weekly and monthly newspapers and journals. In the words of Mary Elizabeth Lease, the populist's goal was to make knowledge once regarded as "too rare and precious for the common herd" "cheaper than coal and more common than pork and beans" (Postel, 47). They matched political education with the teaching of practical skills, establishing Farmers' Clubs (which taught children how to raise basic crops and livestock and became the foundation of the 4H society during the Progressive Era) and the Colored Alliances in particular built and improved public schools and taught basic literacy. As a national organization, they lobbied for the foundation and expansion of farming programs in the land-grant colleges, and helped to establish "A&M," or "Agriculture and Manufacturing" colleges and technical schools across the country.

At our last meeting, Brian began his presentation with a beautiful reading of a dialogue between two murals: Diego Rivera's *Man at the Crossroads* and José Clemente Orozco's *Catharsis*. Both were commissioned in 1934, and at that moment of crisis, both presented visions of the future. As Brian observed, Rivera's "communist" vision and Orozco's "humanist" reply are quite different. Both artist's share an awareness of "the first major crisis of corporate capitalism" and the rise of fascism, but as Brian stated, "the two

artists were looking into dramatically different futures of the industrial system. Rivera's confident analytical and ideological masterpiece was directly contradicted by Orozco's premonition of mechanized horror."

Each vision resonates with a particular style. (These images are embedded within Brian's first presentation of the seminar.) Rivera's confident Communism finds expression in a tableaux that tells its story by dramatically mirroring historical and ideological forces. Despite the complexity of details, it's a boldly realized dialectic that dominates. Armies, cultures and public intellectuals face each other in stark opposition across the technological centerpiece. The perspective keeps us at a distance, while dignifying the viewer's eye: it offers us a vision of the totality and allows us to enjoy a commanding view. The careful geometries convey optimism and a sense of mastery. By contrast, Orozco's "strange and bloody painting," while still depending upon an oppositional balance between left and right, immerses its viewers into its scene of horror: we catch only a glimpse of the carnage, which threatens to envelope us. Rivera's optimistic sense of rationality, which ultimately springs from a utopian confidence in the possibility of "the new masses," is replaced by a pessimistic vision that emphasizes the individual body's vulnerability—a world of alienation, ambiguity, the twisted surreality of a nightmare.

I remind us of these images in order to contrast them to a third mural; my hope is that by comparing them to this other painting, I will be able to convey something about the culture of American populism. Thomas Hart Benton's *A Social History of Missouri*, which fills the interior of one room of the Missouri State Capital building, was completed in 1936. The mural wraps all the way around the room, but I want to focus on the east wall, which is titled "Politics, Farming and Law."



When you think about it, this may seem like a strange juxtaposition of subject matters: there is an obvious connection between politics and the law, since politicians write laws and it is the law which gives them the power to do so. But what's farming got to do with it? The answer, of course, is populism.

We can get the "flavor" of populism by considering some of the differences between a populist's perspective and those offered by the other muralists. To begin with, Benton's mural is a history; it's a

vision of the past leading to the present, not of the present leading into the future. It is about foundations rather than predictions and representation rather than vaticism. Secondly, it's subject matter is quite different: Benton does not focus on technology, mass-society, or violence. On the contrary, he offers a relatively benign, one might almost wish to say naïve, celebration of labor and democracy. Like Whitman, he imagines a nation of relatively interchangeable yet individually unique bodies busily but harmoniously working alongside one another. Strikingly, the perspective which organizes this view is half-way between Rivera's and Orozco's. Like Rivera, Benton confidently offers us "the big picture" in a relatively optimistic light; but like Orozco, he creates an undulating, chaotic scene which brushes against and looms over the viewer, not so much threatening but inviting to sweep us up into its sometimes well-defined, sometimes ambiguous space.



A detail shows how important this ambiguous space actually is to the overall design. When we look closely, we see that, fractal like,

the weaving of different kinds of space repeats in smaller patterns. The whole picture is about marginal space—notice the men learning on the edge of the stage, the boys rough-housing in the aisle, and of course most prominently the woman wiping a baby's bottom on the furthest bench—furthest from the platform and closest to us. Notice how carefully the man who is attending to the lecture—a very distinguished gentleman who obviously 'belongs to' the rational public sphere—is made to stand in between the diaper changer and the bread makers, so that these spheres of activity become forcefully juxtaposed.

This marginal zone gives us the fundamental energy of populist activity, which always involves an overflow or erosion of the boundaries between those who are presumed to hold knowledge and those who are presumed to be innocent. Ultimately, populism is the dissolving of the boundary between “philosophers” and “fools.” Mucking up the boundaries that divide a regime of “the rational” established and policed by educated professionals and a regime of “the people” is what the populist spirit does best. Ultimately populism can be thought of as kitsch politics: it threatens us with the possibility of a radical equalizing of the relationship between the known and the unknown.