“A great democracy will be neither great nor a democracy if it is not progressive.”

Former President Theodore Roosevelt, circa 1910

A GRARIAN DISTRESS AND THE RISE OF POPULISM

In spite of their remarkable progress, late-19th century American farmers experienced recurring periods of hardship. Mechanical improvements greatly increased yield per hectare. The amount of land under cultivation grew rapidly throughout the second half of the century, as the railroads and the gradual displacement of the Plains Indians opened up new areas for western settlement. A similar expansion of agricultural lands in countries such as Canada, Argentina, and Australia compounded these problems in the international market, where much of U.S. agricultural production was now sold. Everywhere, heavy supply pushed the price of agricultural commodities downward.

Midwestern farmers were increasingly restive over what they considered excessive railroad freight rates to move their goods to market. They believed that the protective tariff, a subsidy to big business, drove up the price of their increasingly expensive equipment. Squeezed by low market prices and high costs, they resented ever-heavier debt loads and the banks that held their mortgages. Even the weather was hostile. During the late 1880s droughts devastated the western Great Plains and bankrupted thousands of settlers.

In the South, the end of slavery brought major changes. Much agricultural land was now worked by sharecroppers, tenants who gave up half of their crop to a landowner for rent, seed, and essential supplies. An estimated 80 percent of the South’s African-American farmers and 40 percent of its white ones lived under this debilitating system. Most were locked in a cycle of debt, from which the only hope of escape was increased planting. This led to the over-production of cotton and tobacco, and thus to declining prices and the further exhaustion of the soil.

The first organized effort to address general agricultural problems was by the Patrons of Husbandry, a farmer’s group popularly known as the Grange movement. Launched in 1867 by employees of the U.S. Department of Agriculture, the Granges focused initially on social activities to counter the isolation most farm families encountered. Women’s participation was actively encouraged. Spurred by the Panic of 1873, the Grange soon grew to 20,000 chapters and one-and-a-half million members.

The Granges set up their own marketing systems, stores, processing plants, factories, and cooperatives, but most ultimately failed. The movement also enjoyed some political success. During the 1870s, a few states passed “Granger laws,” limiting railroad and warehouse fees.

By 1880 the Grange was in decline and being replaced by the Farmers’ Alliances, which were similar in many respects but more overtly political. By 1890 the alliances, initially autonomous state organizations, had about 1.5 million members from New York to California. A parallel African-American group, the Colored Farmers National Alliance, claimed over a million members. Federating into two large Northern and Southern blocs, the alliances promoted elaborate economic programs to “unite the farmers of America for their protection against class legislation and the encroachments of concentrated capital.”

By 1890 the level of agrarian distress, fueled by years of hardship and hostility toward the McKinley tariff, was at an all-time high. Working with sympathetic Democrats in the South or small third parties in the West, the Farmers’ Alliances made a push for political power. A third political party, the People’s (or Populist) Party, emerged. Never before in American politics had there been anything like the Populist fervor that swept the prairies and cotton lands. The elections of 1890 brought the new party into power in a dozen Southern and Western states, and sent a score of Populist senators and representatives to Congress.

The first Populist convention was in 1892. Delegates from farm, labor, and reform organizations met in Omaha, Nebraska, determined to turn over a U.S. political system they viewed as hopelessly corrupted by the industrial and financial trusts. Their platform stated:

We are met, 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 [courts]. ... From the same
The financial panic of 1893 heightened the tension of this debate. Bank failures abounded in the South and Midwest; unemployment soared and crop prices fell badly. The crisis and President Grover Cleveland’s defense of the gold standard sharply divided the Democratic Party. Democrats who were silver supporters went over to the Populists as the presidential elections of 1896 neared.

The Democratic convention that year was swayed by one of the most famous speeches in U.S. political history. Pleading with the convention not to “crucify mankind on a cross of gold,” William Jennings Bryan, the young Nebraskan champion of silver, won the Democrats’ presidential nomination. The Populists also endorsed Bryan.

In the epic contest that followed, Bryan carried almost all the Southern and Western states. But he lost the more populous, industrial North and East — and the election — to Republican candidate William McKinley.

The following year the country’s finances began to improve, in part owing to the discovery of gold in Alaska and the Yukon. This provided a basis for a conservative expansion of the money supply. In 1898 the Spanish-American War drew the nation’s attention further from Populist issues. Populism and the silver issue were dead. Many of the movement’s other reform ideas, however, lived on.

CHAPTER 9: DISCONTENT AND REFORM

The Populists showed impressive strength in the West and South, and their candidate for president polled more than a million votes. But the currency question soon overshadowed all other issues. Agrarian spokesmen, convinced that their troubles stemmed from a shortage of money in circulation, argued that increasing the volume of money would indirectly raise prices for farm products and drive up industrial wages, thus allowing debts to be paid with inflated currency. Conservative groups and the financial classes, on the other hand, responded that the 16:1 price ratio was nearly twice the market price for silver. A policy of unlimited purchase would denude the U.S. Treasury of all its gold holdings, sharply devalue the dollar, and destroy the purchasing power of the working and middle classes. Only the gold standard, they said, offered stability.

The pragmatic portion of their platform called for the nationalization of the railroads; a low tariff; loans secured by non-perishable crops stored in government-owned warehouses; and, most explosively, currency inflation through Treasury purchase and the unlimited coining of silver at the “traditional” ratio of 16 ounces of silver to one ounce of gold.

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THE STRUGGLES OF LABOR

The life of a 19th-century American industrial worker was hard. Even in good times wages were low, hours long, and working conditions hazardous. Little of the wealth that the growth of the nation had generated went to its workers. Moreover, women and children made up a high percentage of the work force in some industries and often received but a fraction of the wages a man could earn. Periodic economic crises swept the nation, further eroding industrial wages and producing high levels of unemployment.

At the same time, technological improvements, which added so much to the nation’s productivity, continually reduced the demand for skilled labor. Yet the unskilled labor pool was constantly growing, as unprecedented numbers of immigrants — 18 million between 1880 and 1910 — entered the country, eager for work.

Before 1874, when Massachusetts passed the nation’s first legislation limiting the number of hours women and child factory workers could perform to 10 hours a day, virtually no labor legislation existed in the country. It was not until the 1930s that the federal government would become actively involved. Until then, the field was left to the state and local authorities, few of whom were as responsive to the workers as they were to wealthy industrialists.

The laissez-faire capitalism that dominated the second half of the 19th century and fostered huge concentrations of wealth and power was backed by a judiciary that time and again ruled against those who challenged the system. In this, they were merely following the prevailing philosophy of the times. Drawing on a simplified understanding of Darwinian science, many social thinkers believed that both the growth of large business at the expense of small enterprise and the wealth of a few alongside the poverty of many was “survival of the fittest,” and an unavoidable by-product of progress.

American workers, especially the skilled among them, appear to have lived at least as well as their counterparts in industrial Europe. Still, the social costs were high. As late as the year 1900, the United States had the highest job-related fatality rate of any industrialized nation in the world. Most industrial workers still worked a 10-hour day (12 hours in the steel industry), yet earned less than the minimum deemed necessary for a decent life. The number of children in the work force doubled between 1870 and 1900.

The first major effort to organize workers’ groups on a nationwide basis appeared with the Noble Order of the Knights of Labor in 1869. Originally a secret, ritualistic society organized by Philadelphia garment workers and advocating a cooperative program, it was open to all workers, including African Americans, women, and farmers. The Knights grew slowly until its railway workers’ unit won a strike
against the great railroad baron, Jay Gould, in 1885. Within a year they added 500,000 workers to their rolls, but, not attuned to pragmatic trade unionism and unable to repeat this success, the Knights soon fell into a decline.

Their place in the labor movement was gradually taken by the American Federation of Labor (AFL). Rather than open membership to all, the AFL, under former cigar union official Samuel Gompers, was a group of unions focused on skilled workers. Its objectives were “pure and simple” and apolitical: increasing wages, reducing hours, and improving working conditions. It did much to turn the labor movement away from the socialist views of most European labor movements.

Nonetheless, both before the founding of the AFL and after, American labor history was violent. In the Great Rail Strike of 1877, rail workers across the nation went out in response to a 10-percent pay cut. Attempts to break the strike led to rioting and wide-scale destruction in several cities: Baltimore, Maryland; Chicago, Illinois; Pittsburgh, Pennsylvania; Buffalo, New York; and San Francisco, California. Federal troops had to be sent to several locations before the strike was ended.

Nine years later, in Chicago’s Haymarket Square incident, some one threw a bomb at police about to break up an anarchist rally in support of an ongoing strike at the McCormick Harvester Company in Chicago. In the ensuing melee, seven policemen and at least four workers were reported killed. Some 60 police officers were injured.

In 1892, at Carnegie’s steel works in Homestead, Pennsylvania, a group of 300 Pinkerton detectives the company had hired to break a bitter strike by the Amalgamated Association of Iron, Steel, and Tin Workers fought a fierce and losing gun battle with strikers. The National Guard was called in to protect non-union workers and the strike was broken. Unions were not let back into the plant until 1937.

In 1894, wage cuts at the Pullman Company just outside Chicago led to a strike, which, with the support of the American Railway Union, soon tied up much of the country’s rail system. As the situation deteriorated, U.S. Attorney General Richard Olney, himself a former railroad lawyer, deputized over 3,000 men in an attempt to keep the rails open. This was followed by a federal court injunction against union interference with the trains. When rioting ensued, President Cleveland sent in federal troops, and the strike was eventually broken.

The most militant of the strike-favoring unions was the Industrial Workers of the World (IWW). Formed from an amalgam of unions fighting for better conditions in the West’s mining industry, the IWW, or “Wobblies” as they were commonly known, gained particular prominence from the Colorado mine clashes of 1903 and the singularly brutal fashion in which they were put down. Influenced by militant anarchism and openly calling for class warfare, the Wobblies gained many adherents after they won a difficult strike battle in the textile mills of Lawrence, Massachusetts, in 1912. Their call for work stoppages in the midst of World War I, however, led to a government crackdown in 1917 that virtually destroyed them.

THE REFORM IMPULSE

The presidential election of 1900 gave the American people a chance to pass judgment on the Republican administration of President McKinley, especially its foreign policy. Meeting at Philadelphia, the Republicans expressed jubilation over the successful outcome of the war with Spain, the restoration of prosperity, and the effort to obtain new markets through the Open Door policy. McKinley easily defeated his opponent, once again William Jennings Bryan. But the president did not live to enjoy his victory. In September 1901, while attending an exposition in Buffalo, New York, he was shot down by an assassin, the third president to be assassinated since the Civil War.

Theodore Roosevelt, McKinley’s vice president, assumed the presidency. Roosevelt’s accession coincided with a new epoch in American political life and international relations. The continent was peopled; the frontier was disappearing. A small, formerly struggling republic had become a world power. The country’s political foundations had endured the vicissitudes of foreign and civil war, the tides of prosperity and depression. Immense strides had been made in agriculture and industry. Free public education had been largely realized and a free press maintained. The ideal of religious freedom had been sustained. The influence of big business was now more firmly entrenched than ever, however, and local and municipal government often was in the hands of corrupt politicians.

In response to the excesses of 19th-century capitalism and political corruption, a reform movement arose called “progressivism,” which gave American politics and thought its special character from approximately 1890 until the American entry into World War I in 1917. The Progressives had diverse objectives. In general, however, they saw themselves as engaged in a democratic crusade against the abuses of urban political bosses and the corrupt “rocker barons” of big business. Their goals were greater democracy and social justice, honest government, more effective regulation of business, and a revived commitment to public service. They believed that expanding the scope of government would ensure the progress of U.S. society and the welfare of its citizens.

The years 1902 to 1908 marked the era of greatest reform activity, as writers and journalists strongly protested practices and principles inherited from the 18th-century rural republic that were proving
inadequate for a 20th-century urban state. Years before, in 1873, the celebrated author Mark Twain had exposed American society to critical scrutiny in *The Gilded Age*. Now, trenchant articles dealing with trusts, high finance, impure foods, and abusive railroad practices began to appear in the daily newspapers and in such popular magazines as *McClure’s* and *Collier’s*. Their authors, such as the journalist Ida M. Tarbell, who crusaded against the Standard Oil Trust, became known as “muckrakers.”

In his sensational novel, *The Jungle*, Upton Sinclair exposed unsanitary conditions in the great Chicago meat-packing houses and condemned the grip of the beef trust on the nation’s meat supply. Theodore Dreiser, in his novels *The Financier* and *The Titan* made it easy for laymen to understand the machinations of big business. Frank Norris’s *The Octopus* assailed amoral railroad management; his *The Pit* depicted secret manipulations on the Chicago grain market. Lincoln Steffens’s *The Shame of the Cities* bared local political corruption. This “literature of exposure” roused people to action.

The hammering impact of uncompromising writers and an increasingly aroused public spurred political leaders to take practical measures. Many states enacted laws to improve the conditions under which people lived and worked. At the urging of such prominent social critics as Jane Addams, child labor laws were strengthened and new ones adopted, raising age limits, shortening work hours, restricting night work, and requiring school attendance.

**ROOSEVELT’S REFORMS**

By the early 20th century, most of the larger cities and more than half the states had established an eight-hour day on public works. Equally important were the workman’s compensation laws, which made employers legally responsible for injuries sustained by employees at work. New revenue laws were also enacted, which, by taxing inheritances, incomes, and the property or earnings of corporations, sought to place the burden of government on those best able to pay.

It was clear to many people — notably President Theodore Roosevelt and Progressive leaders in the Congress (foremost among them Wisconsin Senator Robert LaFollette) — that most of the problems reformers were concerned about could be solved only if dealt with on a national scale. Roosevelt declared his determination to give all the American people a “Square Deal.”

During his first term, he initiated a policy of increased government supervision through the enforcement of antitrust laws. With his backing, Congress passed the Elkins Act (1903), which greatly restricted the railroad practice of giving rebates to favored shippers. The act made published rates the lawful standard, and shippers equally liable with railroads for rebates. Meanwhile, Congress had created a new Cabinet Department of Commerce and Labor, which included a Bureau of Corporations empowered to investigate the affairs of large business aggregations.

Roosevelt won acclaim as a “trust-buster,” but his actual attitude toward big business was complex. Economic concentration, he believed, was inevitable. Some trusts were “good,” some “bad.” The task of government was to make reasonable distinctions. When, for example, the Bureau of Corporations discovered in 1907 that the American Sugar Refining Company had evaded import duties, subsequent legal actions recovered more than $4 million and convicted several company officials. The Standard Oil Company was indicted for receiving secret rebates from the Chicago and Alton Railroad, convicted, and fined a staggering $29 million.

Roosevelt’s striking personality and his trust-busting activities captured the imagination of the ordinary individual; approval of his progressive measures cut across party lines. In addition, the abounding prosperity of the country at this time led people to feel satisfied with the party in office. He won an easy victory in the 1904 presidential election.

Emboldened by a sweeping electoral triumph, Roosevelt called for stronger railroad regulation. In June 1906 Congress passed the Hepburn Act. It gave the Interstate Commerce Commission real authority in regulating rates, extended the commission’s jurisdiction, and forced the railroads to surrender their interlocking interests in steamship lines and coal companies. Other congressional measures carried the principle of federal control still further. The Pure Food and Drug Act of 1906 prohibited the use of any “deleterious drug, chemical, or preservative” in prepared medicines and foods. The Meat Inspection Act of the same year mandated federal inspection of all meat-packing establishments engaged in interstate commerce.

Conservation of the nation’s natural resources, managed development of the public domain, and the reclamation of wide stretches of neglected land were among the other major achievements of the Roosevelt era. Roosevelt and his aides were more than conservationists, but given the helterskelter exploitation of public resources that had preceded them, conservation loomed large on their agenda. Whereas his predecessors had set aside 18,800,000 hectares of timberland for preservation and parks, Roosevelt increased the area to 59,200,000 hectares. They also began systematic efforts to prevent forest fires and to re-timber denuded tracts.

**TAFT AND WILSON**

Roosevelt’s popularity was at its peak as the campaign of 1908 neared, but he was unwilling to break the...
Republican candidate — and also against Roosevelt who ran as the candidate of a new Progressive Party. Wilson, in a spirited campaign, defeated both rivals.

During his first term, Wilson secured one of the most notable legislative programs in American history. The first task was tariff revision. “The tariff duties must be altered,” Wilson said. “We must abolish everything that bears any semblance of privilege.” The Underwood Tariff, signed on October 3, 1913, provided substantial rate reductions on imported raw materials and foodstuffs, cotton and woolen goods, iron and steel; it removed the duties from more than a hundred other items. Although the act retained many protective features, it was a genuine attempt to lower the cost of living. To compensate for lost revenues, it established a modest income tax.

The second item on the Democratic program was a long overdue, thorough reorganization of the ramshackle banking and currency system. “Control,” said Wilson, “must be public, not private, must be vested in the government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.”

The Federal Reserve Act of December 23, 1913, was Wilson's most enduring legislative accomplishment. Conservatives had favored establishment of one powerful central bank. The new act, in line with the Democratic Party's Jeffersonian sentiments, divided the country into 12 districts, with a Federal Reserve Bank in each, all supervised by a national Federal Reserve Board with limited authority to set interest rates. The act assured greater flexibility in the money supply and made provision for issuing federal-reserve notes to meet business demands. Greater centralization of the system would come in the 1930s.

The next important task was trust regulation and investigation of corporate abuses. Congress authorized a Federal Trade Commission to issue orders prohibiting “unfair methods of competition” by business concerns in interstate trade. The Clayton Antitrust Act forbade many corporate practices that had thus far escaped specific condemnation: interlocking directorates, price discrimination among purchasers, use of the injunction in labor disputes, and ownership by one corporation of stock in similar enterprises.

Farmers and other workers were not forgotten. The Smith-Lever Act of 1914 established an “extension system” of county agents to assist farming throughout the country. Subsequent acts made credit available to farmers at low rates of interest. The Seamen's Act of 1915 improved living and working conditions on board ships. The Federal Workingman's Compensation Act in 1916 authorized allowances to civil service employees for disabilities incurred at work and established a model for private enterprise. The Adamson Act of the same year established an eight-hour day for railroad labor.

This record of achievement won Wilson a firm place in American history as one of the nation's foremost progressive reformers. However, his domestic reputation would soon be overshadowed by his record as a wartime president who led his country to victory but could not hold the support of his people for the peace that followed.
A NATION OF NATIONS

No country’s history has been more closely bound to immigration than that of the United States. During the first 15 years of the 20th century alone, over 13 million people came to the United States, many passing through Ellis Island, the federal immigration center that opened in New York harbor in 1892. (Though no longer in service, Ellis Island reopened in 1992 as a monument to the millions who crossed the nation’s threshold there.)

The first official census in 1790 had numbered Americans at 3,929,214. Approximately half of the population of the original 13 states was of English origin; the rest were Scots-Irish, German, Dutch, French, Swedish, Welsh, and Finnish. These white Europeans were mostly Protestants. A fifth of the population was enslaved Africans.

From early on, Americans viewed immigrants as a necessary resource for an expanding country. As a result, few official restrictions were placed upon immigration into the United States until the 1920s. As more and more immigrants arrived, however, some Americans became fearful that their culture was threatened.

The Founding Fathers, especially Thomas Jefferson, had been ambivalent over whether or not the United States ought to welcome arrivals from every corner of the globe. Jefferson wondered whether democracy could ever rest safely in the hands of men from countries that revered monarchs or replaced royalty with mob rule. However, few supported closing the gates to newcomers in a country desperate for labor.

Immigration lagged in the late 18th and early 19th centuries as wars disrupted trans-Atlantic travel and European governments restricted movement to retain young men of military age. Still, as European populations increased, more people on the same land constricted the size of farming lots to a point where families could barely survive. Moreover, cottage industries were falling victim to an Industrial Revolution that was mechanizing production. Thousands of artisans unwilling or unable to find jobs in factories were out of work in Europe.

In the mid-1840s millions more made their way to the United States as a result of a potato blight in Ireland and continual revolution in the German homelands. Meanwhile, a trickle of Chinese immigrants, most from impoverished Southeastern China, began to make their way to the American West Coast.

Almost 19 million people arrived in the United States between 1890 and 1921, the year Congress first passed severe restrictions. Most of these immigrants came, too: east from Japan, south from Canada, and north from Mexico.

By the early 1920s, an alliance was forged between wage-conscious organized labor and those who called for restricted immigration on racial or religious grounds, such as the Ku Klux Klan and the Immigration Restriction League. The Johnson-Reed Immigration Act of 1924 permanently curtailed the influx of newcomers with quotas calculated on nation of origin.

The Great Depression of the 1930s dramatically slowed immigration still further. With public opinion generally opposed to immigration, even for persecuted European minorities, relatively few refugees found sanctuary in the United States after Adolf Hitler’s ascent to power in 1933.

Throughout the postwar decades, the United States continued to cling to nationally based quotas. Supporters of the McCarran-Walter Act of 1952 argued that quota relaxation might inundate the United States with Marxist subversives from Eastern Europe.

In 1965 Congress replaced national quotas with hemispheric ones. Relatives of U.S. citizens received preference, as did immigrants with job skills in short supply in the United States. In 1978 the hemispheric quotas were replaced by a worldwide ceiling of 290,000, a limit reduced to 270,000 after passage of the Refugee Act of 1980.

Since the mid-1970s, the United States has experienced a fresh wave of immigration, with arrivals from Asia, Africa, and Latin America transforming communities throughout the country. Current estimates suggest a total annual arrival of approximately 600,000 legal newcomers to the United States.

Because immigrant and refugee quotas remain well under demand, however, illegal immigration is still a major problem. Mexicans and other Latin Americans daily cross the Southwestern U.S. borders to find work, higher wages, and improved education and health care for their families. Likewise, there is a substantial illegal migration from countries like China and other Asian nations. Estimates vary, but some suggest that as many as 600,000 illegals per year arrive in the United States.

Large surges of immigration have historically created social strains along with economic and cultural dividends. Deeply ingrained in most Americans, however, is the conviction that the Statue of Liberty does, indeed, stand as a symbol for the United States as she lifts her lamp before the “golden door,” welcoming those “yearning to breathe free.” This belief, and the sure knowledge that their forebears were once immigrants, has kept the United States a nation of nations.