

## Comparison of Governmental Actions from 1883 through the 1890s

\* In the Public Issue column = Issue since the time of the Liberal Republicans

For background on the commission and on getting crops to market, see the 2<sup>nd</sup> page.

Date	President	Election Issue	Public Issue	Resolution—and Ripples
1883	Arthur	Assassination of Garfield + 1882 Democratic victories	* Civil service	<b>Pendleton Act</b> – Provides competitive exams, no forced political contributions Had been supported by the Civil Service Reform Association, one of the many associations popping up at this time.
1887	Cleveland	Grangers + court cases	Railroad practices	<b>Interstate Commerce Commission</b> – Ended rebates, pooling Uses the commission form (a <a href="#">method from the farmers' movement in response to a power they could not fight directly but that could keep them from surviving</a> ), a method that will spread rapidly.
1887	Cleveland	-	Western expansion, Indians	<b>Dawes Severalty Act</b> – Forces the Indians to own land individually with the theory among reformers that this will make the Indians act white. Result: loss of 62% of Indians' land to the whites
1890	Harrison	Pre-election year	* Gold/silver	Sherman Silver Purchase Act – Required purchase 4.5M oz. of gold/month and issuing of paper money Objective: Forced inflation, desired by western miners and by farmers
1890	Harrison	Pre-election year	* Protective tariff	McKinley Tariff – raised tariff level to 49.5% Objective: Desired by manufacturing interests
1890	Harrison	Pre-election year	Trusts	<b>Sherman Anti-Trust Act</b> – Trial in federal circuit courts, but see 1895 Objective: Desired by West and South
1893-11	Cleveland	Disastrous economy, <a href="#">Panic of 1893</a>	* Gold/silver	Sherman Silver Purchase Act – REPEAL in special session. Objective: Cleveland accepted the <b>faith that the gold standard</b> people held. He was wrong: it did not solve the problem.
1894	-	Pre-election year	* Protective tariff	Wilson-Gorman Tariff Act – Democratic promise to lower tariff. Was signed over Cleveland's veto.  Personal income tax – Used to compensate for lost tariff funds; later declared unconstitutional.
1895	-	Continued economic problems	-	US Bond sale – handled by J.P. Morgan Clarification: A <b>private</b> banker had to be brought in to reassure the public about US solvency – And he made money of course.
	-	-	-	Knight case – <b>Sherman Anti-Trust</b> can't apply to manufacturing, a severe blow. (But the Supreme Court does use it against labor in the Pullman Strike.)

## **Panic of 1893 – Called the Great Depression until the one beginning in 1929 started**

### **Quantities and the Panic of 1893:**

17-19% unemployed

600 banks fail

119 railroads bankrupt

15,000 business closed

100s of millions – losses in stock market

### **Causes of the Panic of 1893**

- McKinley Tariff (too high to buy—thus lower revenues for the government)
- British bank failures (Britishers need their cash—thus sell their American investments and take gold, not paper dollars)
- Government pensions (too many given out by Harrison)
- Gold below \$100 million, then \$80 million (perceived as too little—thus too much fear)

Cleveland, however, focuses on only **one** cause: The Sherman Silver Purchase Act of 1890. He is wrong. Repeal of the act does not stop the depression.

## **What Is a Commission?**

These traits may help you understand the commission form of government:

- Begins at the state level with the attempt to stop the power of the railroads through the Granger laws. For example, the railroads were monopolies in the western regions and treated farmers accordingly.
- Is a response to the complexity of the new industrial institutions and monopolies of the Gilded Age and those monopolies' use of experts and therefore the commissions also rely on having their own experts and scientists. (Watch for this in the post 1901 era, particularly with the scientists in the Department of Agriculture)
- Is a response to such business practices as rebates and pooling.  
Caution: the word *rebate* did **not** mean what it does today. The closest meaning is kickback—a large corporation paid the official rate for railroad shipping but received part of that back.
- Is a creator of regulations (something thought of traditionally as a legislative function) but it is under the executive branch.
- Starts with the Interstate Commerce Commission but takes off in the Progressive Era (post 1901) with multiple organizations created to regulate big business, including the FDA and the power of the Department of Agriculture to regulate meat packing.

## **Background on Getting Crops to Market and a new form of government**

Ask yourself how do farmers get heavy crops to market at a price where they can make a profit:

- How did farmers get their crops to market in the colonial era? The rivers to the sea. What did farmers deeper inland do? They distilled grain into whiskey so they could ship it overland. Roads, even the later development of turnpikes, could not carry these crops.
- How did they get crops to market in the 1820s to 1860? In the Northwest and Northeast, canals. In the Southwest and Southeast, primarily rivers to the sea. With all regions, bit by bit with railroads.
- Envision the Great Plains. Do you see any rivers to the sea or canals there? A crop you can't get to market is just something that will rot.

They are in the hands of railroad and middleman and so they work at the state level with a new form of government and that new form of government because national.

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