

The 19th Century Populists

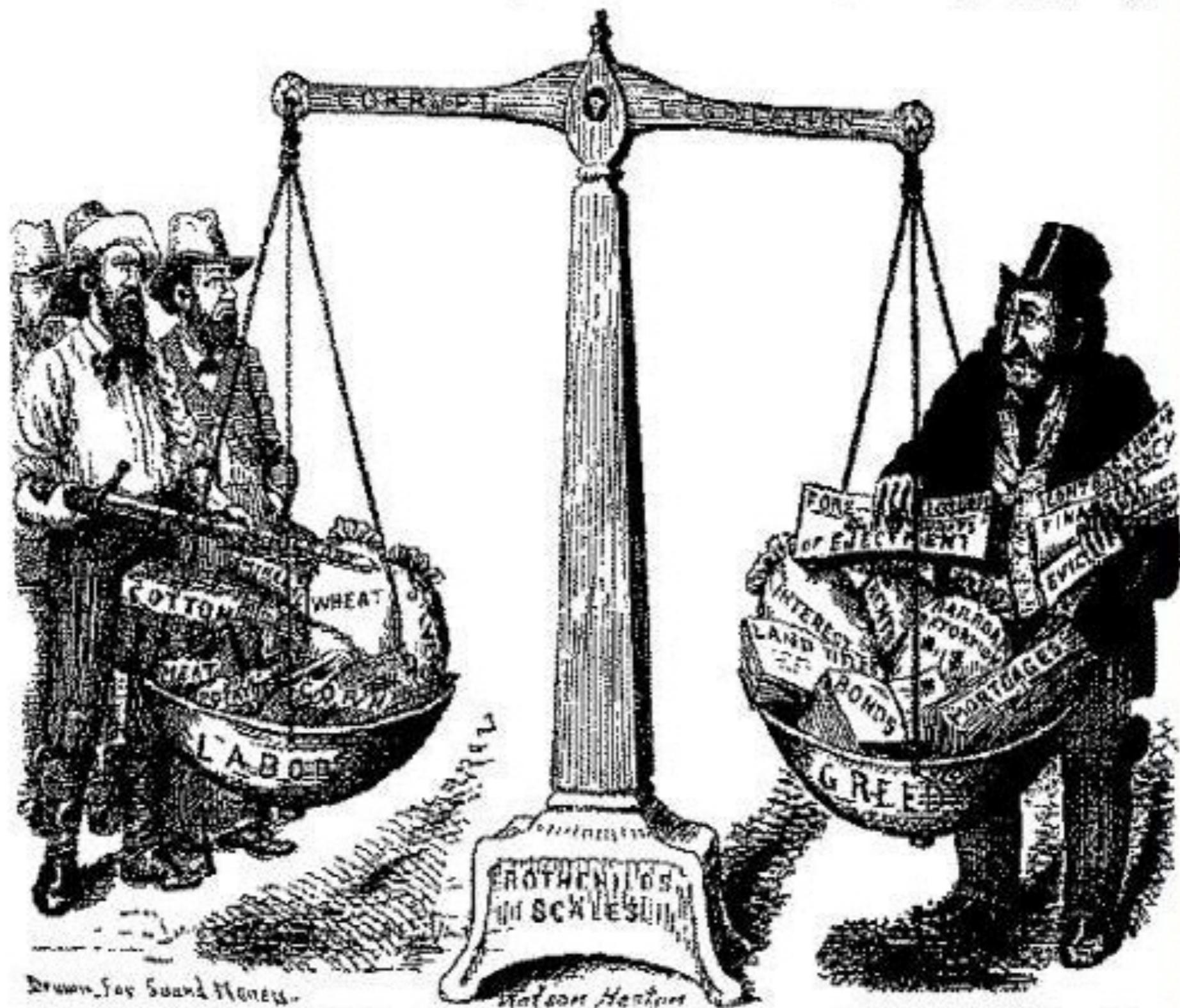


& *THE MONEY QUESTION*

WHO WERE THE POPULISTS

- After 1892, most “populists” were members of the People’s Party aka the Populist Party.
- Included farmers, cotton pickers, railroad workers, miners, lawyers, small bankers and businessmen, economists, magazine editors, politicians, authors, union leaders and more.
- The largest single group within the Populist Party came through the Farmers’ Alliances

The PEOPLE vs PLUTOCRACY - Better not pile on too much, or we'll try the weight of this thing



Drawn for Sound Money.

LABOR VS. GREED. A WARNING TO PLUTOGRACY.

Copyright 1906 by R. W. ERBEN.

THE POPULISTS: FROM WHENCE THEY CAME

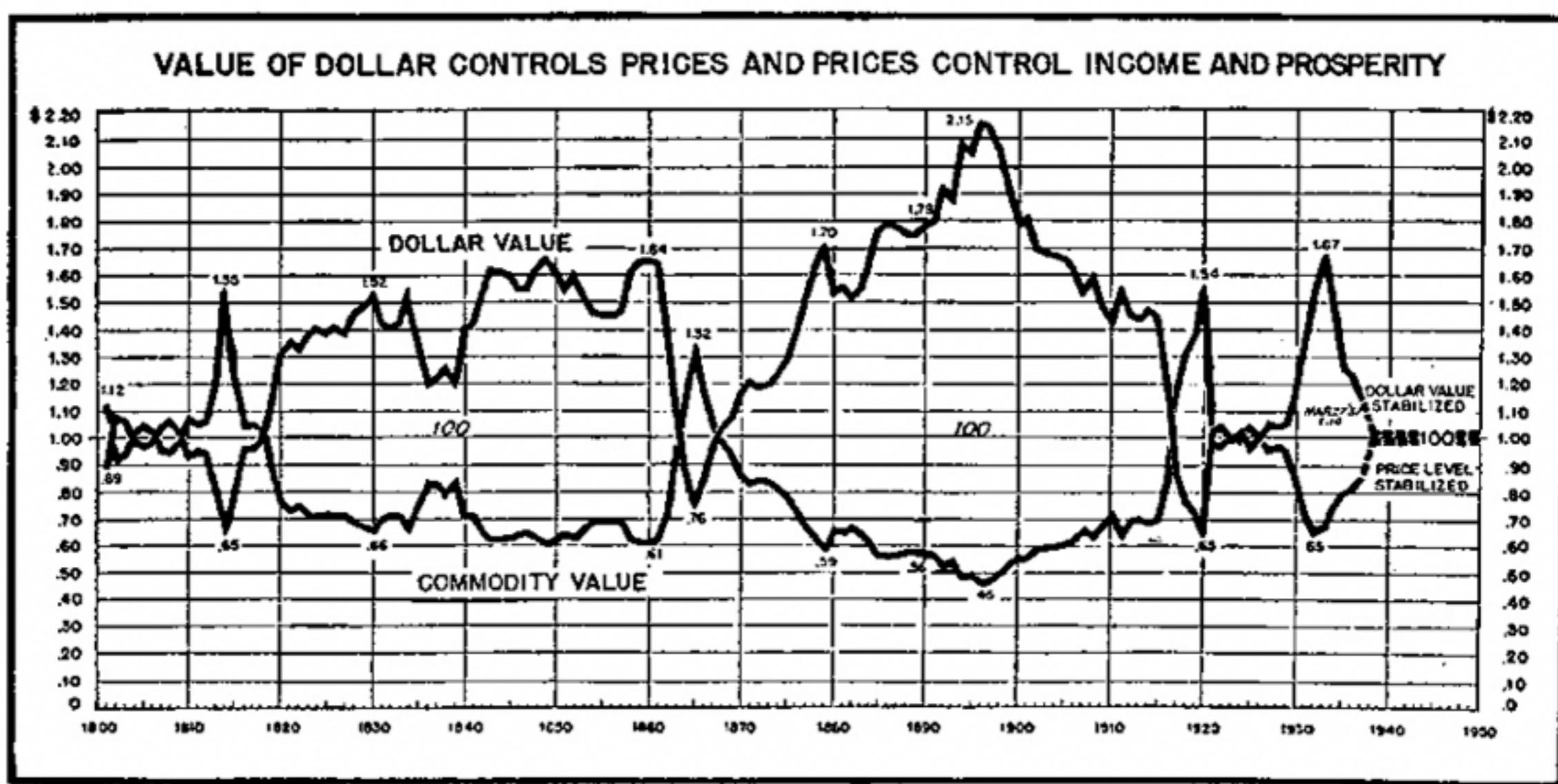
- The populist lineage traces back to the 1860s and the National Grange of the Patrons of Husbandry along with the National Labor Union
- From these sprang the Granger Movement, the National Greenback Party, the Union Labor Party, the Anti-Monopoly Party, the Knights of Labor, the Farmers' Alliances and dozens if not hundreds of similarly aligned groups.
- The Populist or People's Party had its origins in South Dakota and Kansas in 1890, and became a national party in 1892

- Populist groups formed in response to the series of drastic reductions in the lawful money supply that began immediately after the Civil War which was supported by both Democrat and Republican leadership
- The question on the minds of the populists thus became (and remains today):
- *Should the nation's money supply be controlled by private interests or the sovereign government?*

75TH CONGRESS, CIRCA 1938

(“100 CENT” DOLLAR IN SHORT SUPPLY)

EXHIBIT

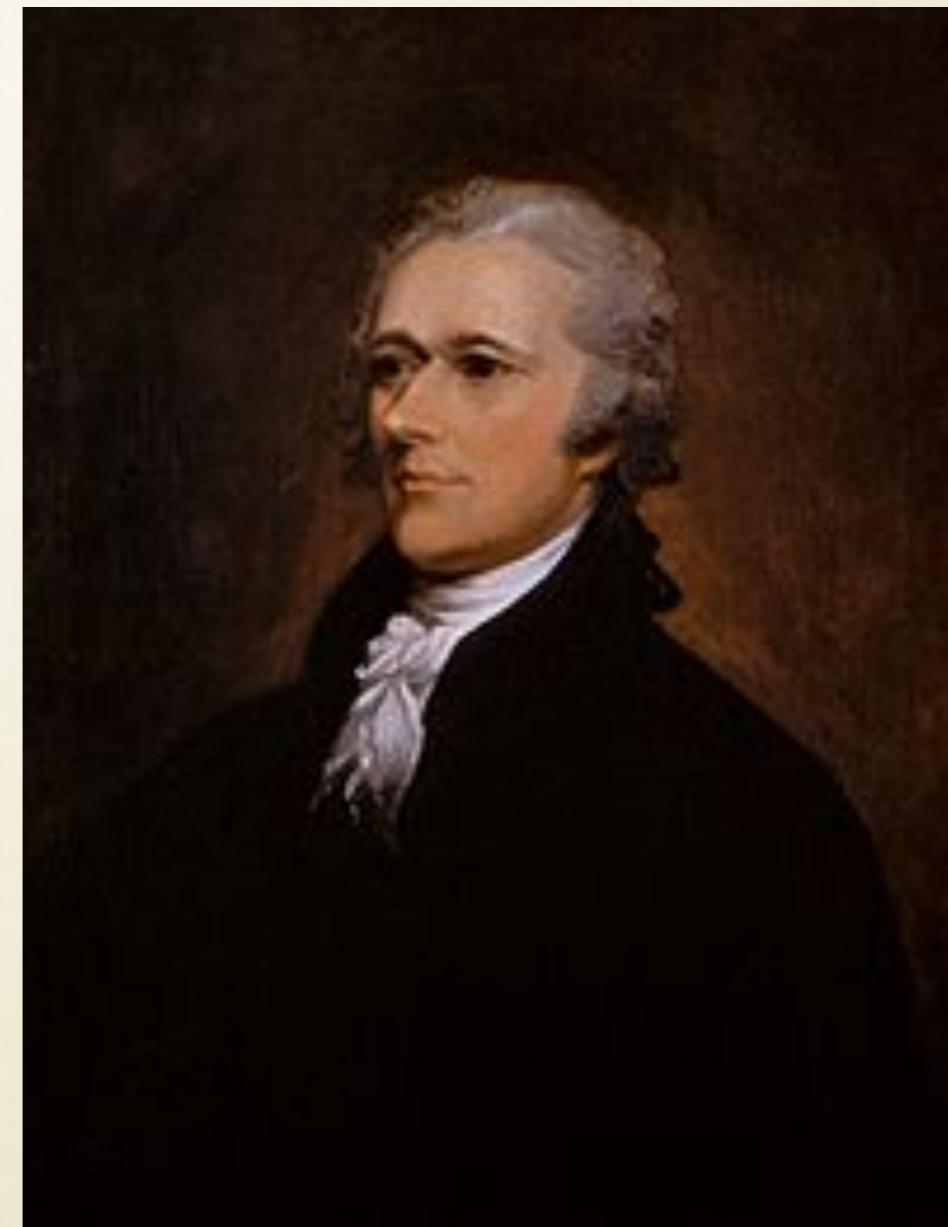


- The Populists drew their information from ancient authorities such as Bodin and Pliny as well as contemporary authorities and government data
- They understood what the Founding Generation said about money
- They likely knew that the reason the British ban on “public money” was not included in the list of complaints against the King in the Declaration of Independence was because the British Parliament had in mid-1773 reversed its ban on public money.

- Both the founders and the Populists understood that “public money” does not have to be gold or silver, a concept discussed by John Locke, the Mix’t Moneys Case of 1604 and elsewhere.

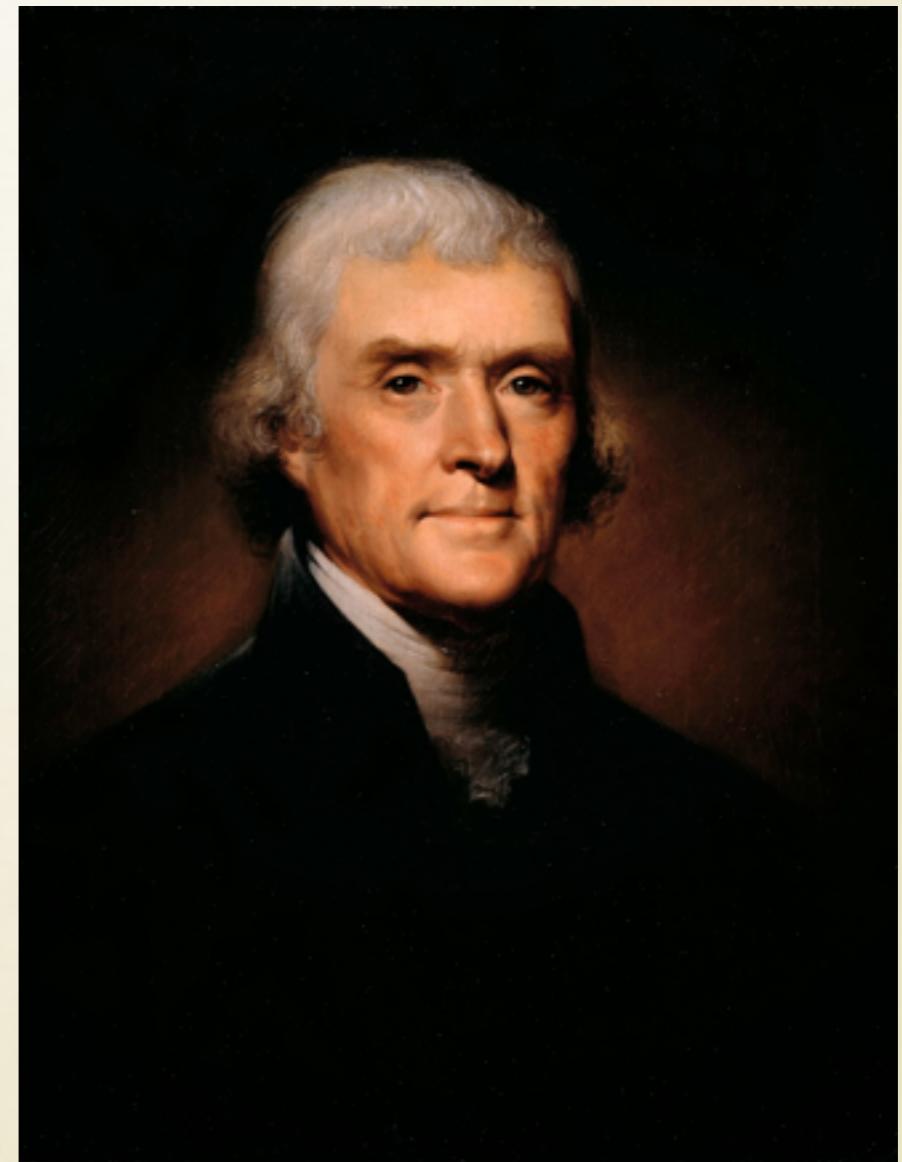
“It is immaterial what serves the purpose of money, whether paper or gold and silver; that the effect of both upon industry is the same; and that the intrinsic wealth of a nation is to be measured, not by the abundance of the precious metals contained in it, but by the quantity of the productions of its labor and industry.”

Alexander Hamilton



Thomas Jefferson,
1789

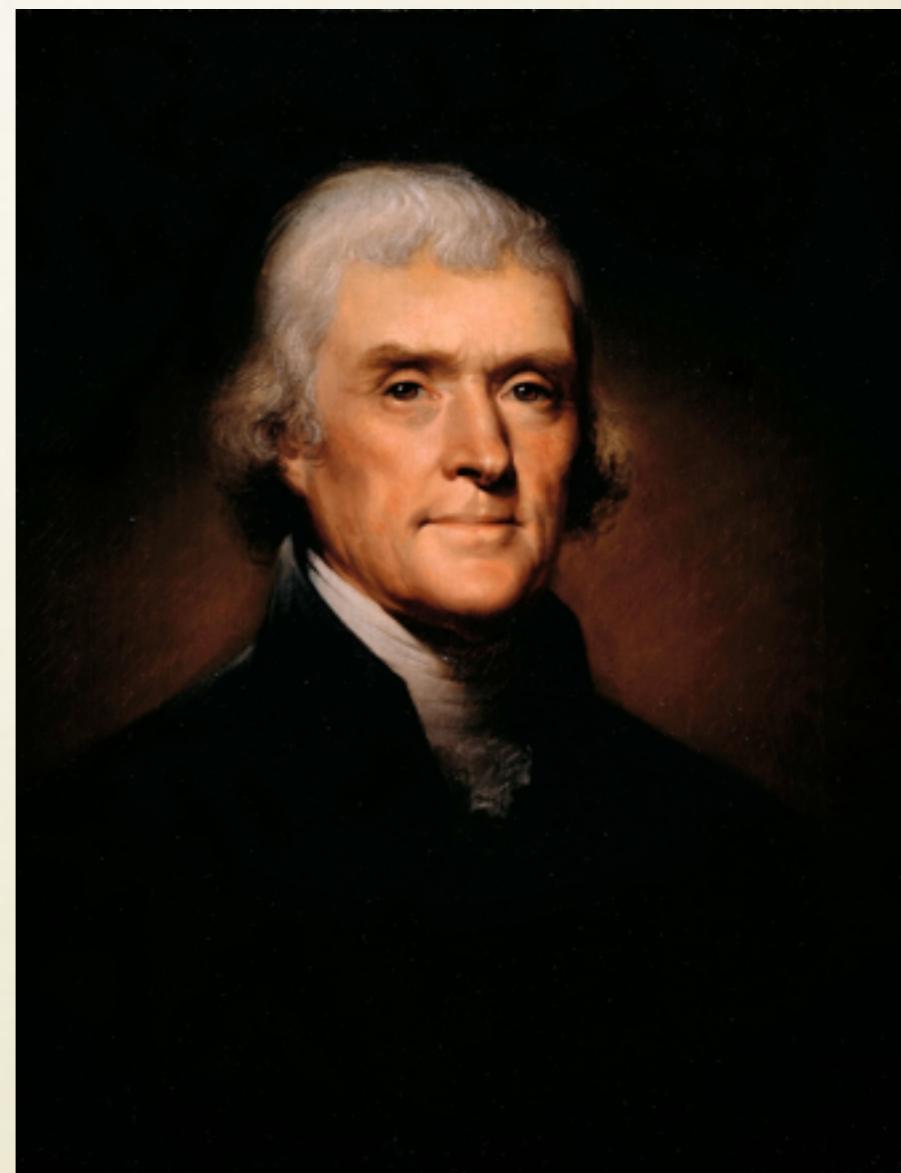
*“Wherever state
legislatures laid taxes
to bring in money
enough for that
purpose and paid
their bills punctually.
. . Paper money is in
as high estimation as
gold or silver.”*



“Those who talk of the bankruptcy of the United States are of two descriptions. 1.

Strangers who do not understand the nature and history of our paper money. 2. Holders of that paper money who do not wish that the world should understand it.”

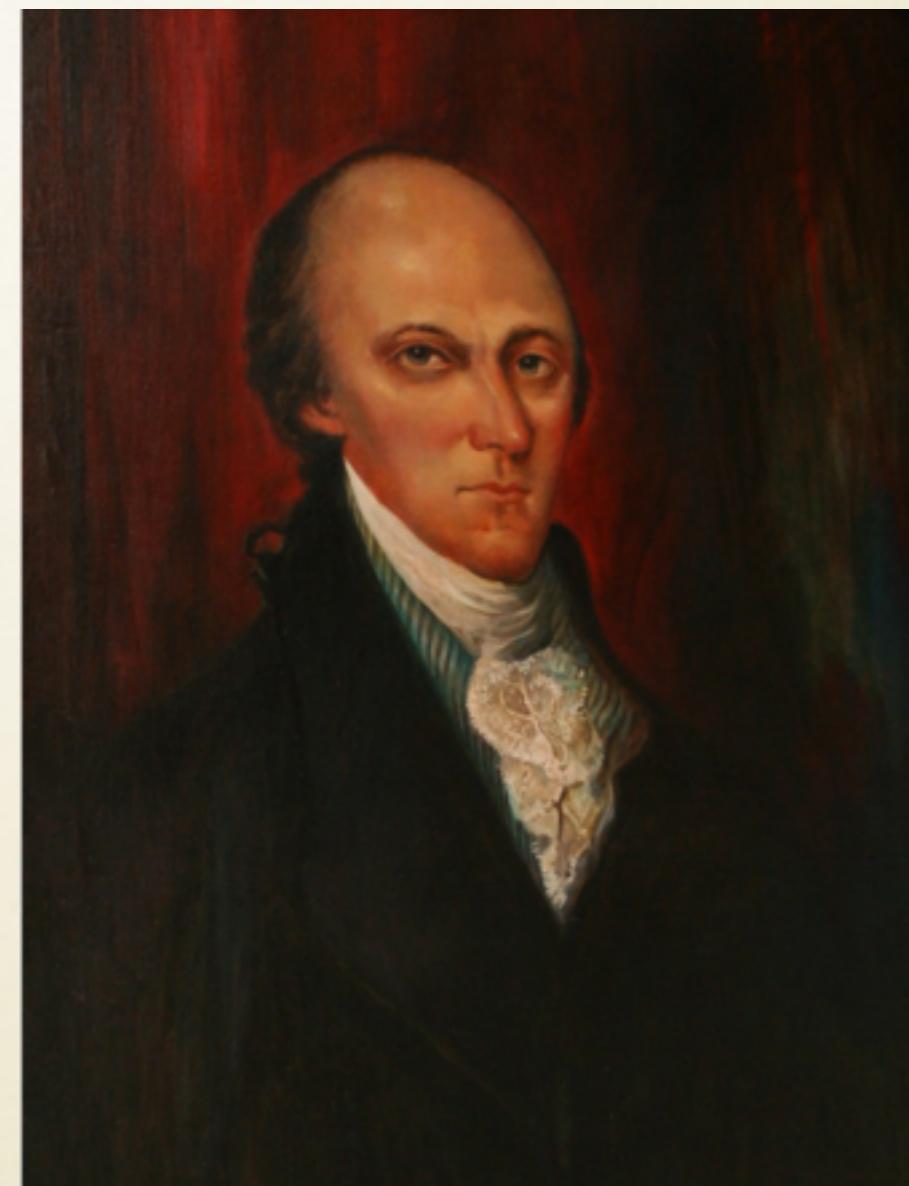
Thomas Jefferson, 1789



- Both the Founders and the Populists had major objections to “bank paper” or “bank money”.

“Considered as an aristocratic engine, I have no great predilection for banks. They may be considered, in some measure, as operating like a tax in favor of the rich, against the poor, tending to the accumulation (of money) in a few hands; and under this view may be regarded as opposed to Republicanism.”

Senator Wm. Maclay,
Pennsylvania, 1789



*“Banking [as
originator of the
national currency] in
its best view is only
a fraud whereby
labour suffers the
imposition of paying
interest on the
circulating
medium.”*

John Taylor of
Caroline, 1794



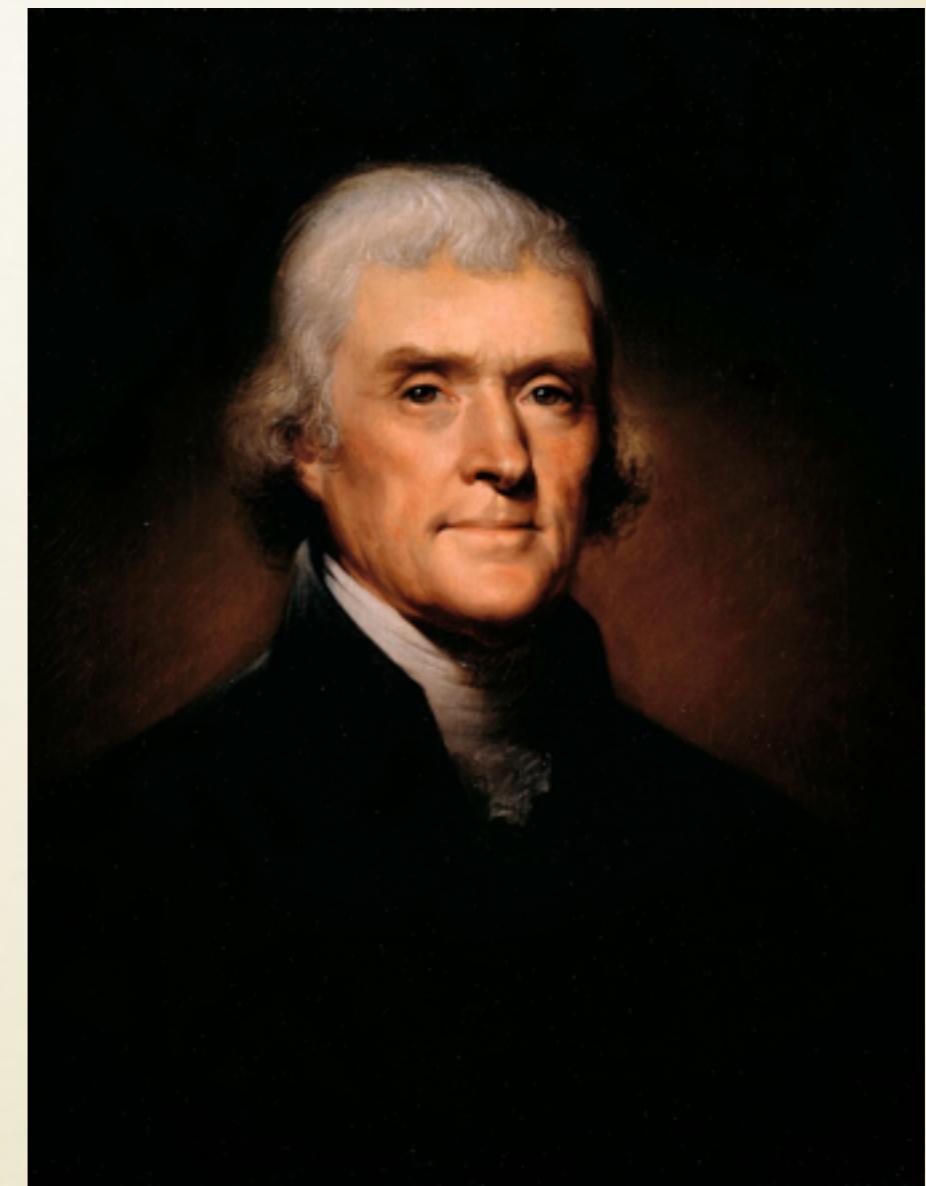
“If no new banks should be created after 1808, nor the acquisitions of the old increased, the five millions annually collected by the existing banks, at compound interest, carry from the public to the corporations, in twenty years, above one hundred and eighty-four millions of dollars. Here is already a vast current of money and power running one way.”

John Taylor of Caroline



“When I speak comparatively of the paper emission of the old Congress and the present banks, let it not be imagined that I cover them under the same mantle. The object of the former was a holy one; for if ever there was a holy war, it was that which saved our liberties and gave us independence. The object of the latter, is to enrich swindlers at the expense of the honest and industrious part of the nation.”

Thomas Jefferson letter
to John Eppes, 1813



James Madison

- Finally the Populists understood what James Madison meant when he wrote in his 1779 Report on Money that “*a combination of enemies are employing every artifice to disparage the Continental Currency.*”



Timeline of the Farmers' Alliances, North and South

THE NORTHERN ALLIANCE

- The National Farmer's Alliance, later also known as the Northern Alliance and the Northwest Alliance, began in 1880 by Milton George, in Chicago, Illinois. It spread quickly to points west
- The Northern Alliance was open to anyone born on a farm, including blacks, women and laborers.
- Northern Alliances were openly political and non-secret.

THE NORTHERN ALLIANCE

- By 1882 there were 2000 alliances with a total membership of 100,000 farmers
- By January of 1886, Henry Loucks was elected President of the Dakota Territorial Alliance.
- When North and South Dakota became states in 1889 Loucks was elected President of the South Dakota Alliance.
- During this period Loucks was also elected President of the National Farmers' Alliance, aka Northern Alliance

THE SOUTHERN ALLIANCE

- Origins trace to the Knights of Reliance, started in Lampasas, Texas around 1875 as a way to combat the activities of land sharks and cattle kings who disregarded the rights of the small farmer
- In 1878, name changed to the Grand State Alliance. Collapsed when some members attempted to lead the organization into the Greenback Party
- In 1883, remnants of the group incorporated as the Texas Farmers' State Alliance, keeping it as a non-political, secret organization composed of white men

THE SOUTHERN ALLIANCE

- In August 1886, the Cleburne Demands were drawn up. In December, Texas Alliance President Andrew Dunlap resigned in concert with the minority. The main objection was the Greenback plank, and secondarily the threat to Southern Democrats' White Supremacy ideology.
- Charles Macune assumes Dunlap's role and draws up plans for a Southern Alliance separate and independent from the National Farmers' Alliance aka Northern Alliance.
- In 1887 Macune completes a merger with the Louisiana Farmers' Alliance. The group is now known as the National Farmers' Alliance and Cooperative Union, which henceforth would be introduced as a “strictly white man's non-political business organization”.
- In 1888 Macune arranges a merger with the Agricultural Wheel. The group is now known as the Farmers and Laborers' Union.

TWO COLORED FARMERS' ALLIANCES

- The Colored Farmer's Alliance and Cooperative Union was officially founded in December 1886 (prior to Macune's establishment of the National Farmers' Alliance and Cooperative Union) probably as a result of suggestion by Milton George.
- Colonel R. M. Humphrey, a southern white man and a Baptist missionary, was chosen "general superintendent."
- At about the same time the National Colored Alliance appeared in Texas, led by Andrew J. Carothers.
- The two groups merged in 1890, with an estimated membership of 1.5 million
- These two alliances were primarily made up of landless people who picked cotton for white farmers or were sharecroppers, a system of debt peonage.

ST. LOUIS CONVENTION, DECEMBER 1889

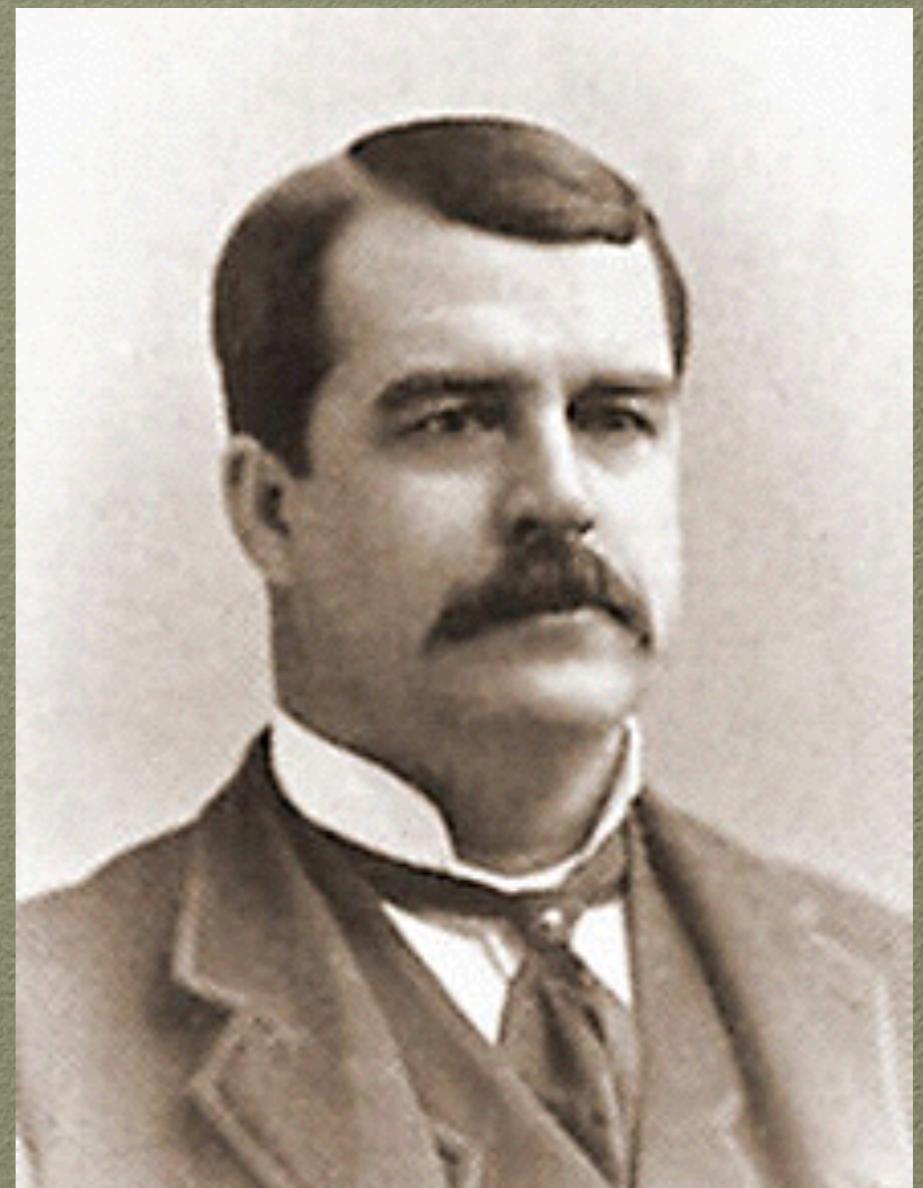
- The Northern and Southern Alliances attempt to consolidate.
- Differences ran along sectional lines, with secrecy, black membership, political advocacy and greenback-inspired reform heading the list
- On the last day, a committee of Alliance leaders is appointed to draw up the subtreasury plan, then introduced by Macune. Loucks, Polk and other Alliance leaders approved, but Northern farmers and the Knights of Labor agreed to it only with reluctance.
- Agreement to consolidate was forged on all fronts - except the Southern demand for secrecy

ANOTHER NAME CHANGE FOR THE SOUTHERN ALLIANCE

- Some Northern Alliance members left St. Louis in protest over the secrecy issue, but South Dakota, under Loucks, Kansas and North Dakota elected to give up their membership in the Northern Alliance and join the newly formed organization - this time christened as the *National Farmers' Alliance and Industrial Union*
- It was under the leadership of Leonidas L. Polk and Henry Loucks, not Charles Macune, that the Southern Farmers' Alliance aka the National Farmers' Alliance and Industrial Union became the most important “non-political” and inclusive organization involved in the founding of the People’s Party

Charles Macune was President of the National Farmers' Alliance and Cooperative Union** from December 1886 to December 1889.

***renamed the Farmers' and Laborers' Union in 1888 and then, after merging with the Northern Alliance in December 1889, the new group became the National Farmers Alliance and Industrial Union with Polk as President.*



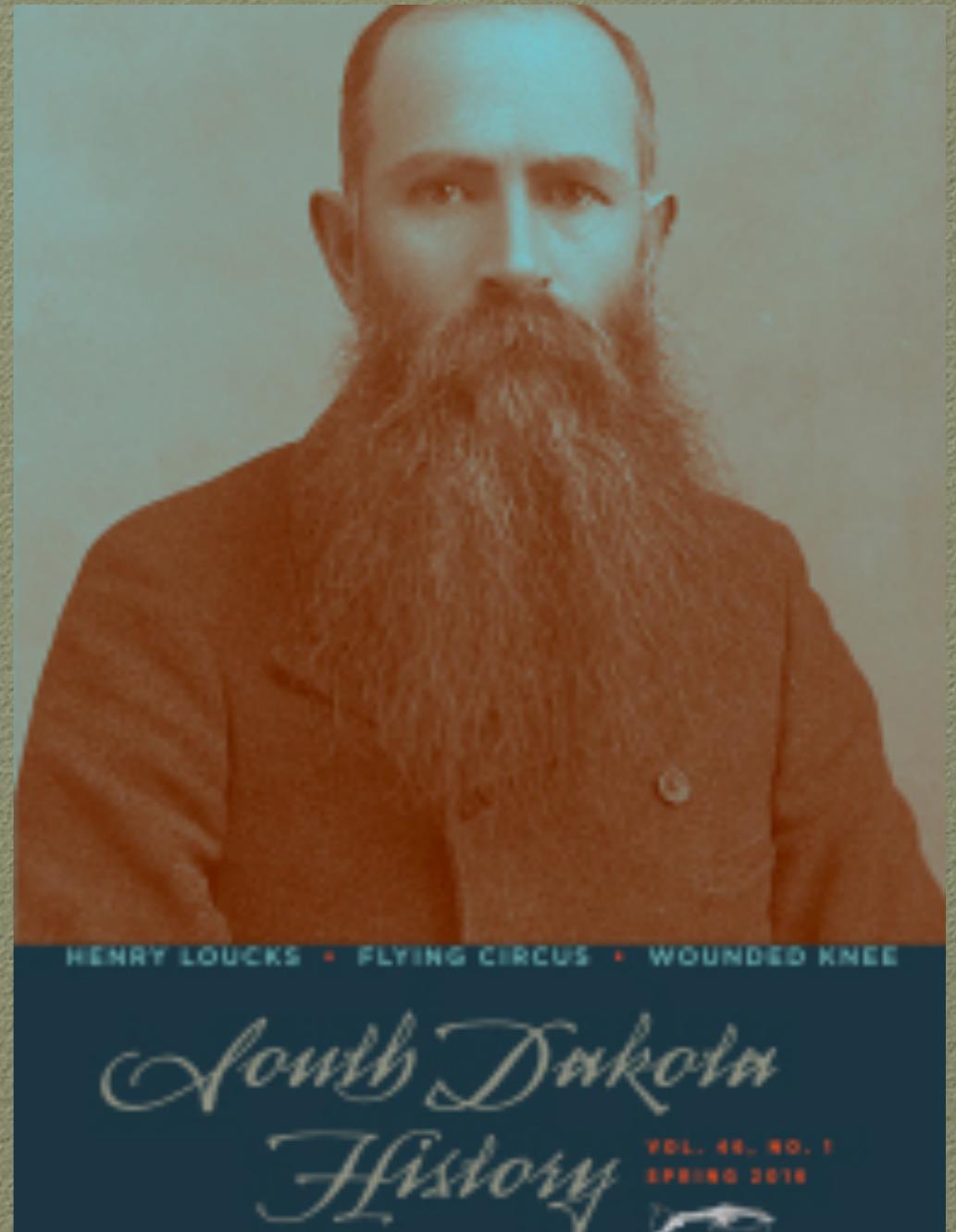
In December 1889,
Leonidas L. Polk of North
Carolina was elected
President of the Newly
named *National Farmers'*
Alliance and Industrial
Union.

He was re-elected in 1890
and again in 1891.



When Leonidas L. Polk died June 11, 1892, then Vice-President of the National Farmers' Alliance and Industrial Union, Henry Loucks, assumed the presidency.

Loucks is re-elected in December 1892 and asked to write a textbook for the Alliance on money, which he calls *The New Monetary System as Advocated by The National Farmers' Alliance and Industrial Union.*



“Neither gold, silver, nickel, copper or paper is money until the fiat of government is stamped upon it. When that is done it assumes a legal value regardless of its commodity value.”

-Henry Loucks, Chapter 4 of *The New Monetary System*

LOUCKS CONTINUES...

- *The Farmers' Alliance together with twenty-one other farm and labor organizations, demand that the government shall make and issue the money the people need, a full legal tender for all debts, public and private, and in sufficient volume to do the business of the country on a cash basis...that is, exchange the products of labor on a cash basis. All charges for the use of money to exchange the products of labor is a tax on, and paid by, labor. A limited supply enables the usurer, who owns the money, to extract such rates for its use as to rob labor of its just reward.*

OMAHA, 1892

- At the Omaha Convention held July 4, 1892, the People's Party, launched in February 1892, unveiled its Platform and its a list of candidates
- Just days before, the Democratic Party rejected the Populist appeal to accept Populist demands in its platform, then nominated gold-bugger Grover Cleveland.
- James Weaver, formerly a Union General and Greenbacker, is selected as the Populist Presidential Candidate.
- Ignatius L. Donnelly, a lawyer and farmer from Minnesota delivers the Populist Preamble

**IGNATIUS L. DONNELLY,
LAWYER, POLITICIAN,
AUTHOR, FARMER AND
POTENTIAL PRESIDENTIAL
CANDIDATE FROM
MINNESOTA
WROTE AND DELIVERED THE
PREAMBLE TO THE 1892
OMAHA PLATFORM**



PREAMBLE, OMAHA PLATFORM

(EXCERPTS)

“The national power to create money is appropriated to enrich bondholders; a vast public debt payable in legal tender currency has been funded into gold-bearing bonds, thereby adding millions to the burdens of the people.

Silver ... has been demonetized to add to the purchasing power of gold ... and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprise, and enslave industry. A vast conspiracy against mankind has been organized on two continents, and it is rapidly taking possession of the world. If not met and overthrown at once it forebodes terrible social convulsions, the destruction of civilization, or the establishment of an absolute despotism.”

ALEXANDER DEL MAR
&
“THE VAST
CONSPIRACY”



- “*The first move of the lenders after the war closed was to open a newspaper war upon the paper money they had themselves lent to the government. The Greenbacks, it was contended, were ‘dishonest rags’; indeed not really dollars at all . . .*
- “*From 1865 to 1870 the fundholding syndicate was incessant in its operations. . .*
- “*The [Crime of 73] when passed was not read in both Houses at length and it is notorious that this transcendent change in the monetary system of the country, affecting the most vital and widespread interests, was carried through without there knowledge or observation of the people . . .*
- “*These acts were the issue of European intrigue and precedent.*
- *All of these acts were “hatched abroad and brought to our country by the treacherous people who governed the utterances of the New York World.”*

-A History of Monetary Crimes, Alexander Del Mar



The Little Statesman

by Francis Schulte, 1895:

- The first issue of Greenbacks did not have the exception clause attached, and never fell below par and often were above par compared to gold.
- Successive greenback issues attached the ‘exception clause’ which required duties on imports and interest on the public debt to be paid in gold.
- The greenbacks did not depreciate in comparison with commodities. Rather the “exception clause” created a special demand for gold, allowing gold to appreciate compared to the greenback owing to the special demand created for it by law.
- *“That these greenbacks were purposely depreciated stands upon the evidence of Hon. John Sherman, who in a report as chairman of the Senate Finance Committee, made in the 12th of November, 1867, said: ‘But it was found that with such a restriction upon the [greenbacks] the bonds could not be negotiated, and it became necessary to depreciate the notes in order to make a market for bonds.’”*

Also from *The Little Statesman*

- “We are charged with wanting to flood the country with fiat money. If the same amount of money per capita we had after the war, and which Thomas Jefferson concedes as proper in his letter to Mr. Epps, is ‘flooding the country’ we plead guilty.
- “We plead guilty to the charge of ‘fiat.’ We will agree to eat any kind of dollar which are brought to us that is not fiat. The ‘fiat fools’ are those who don’t know that money that is not fiat is not money at all. A silver dollar is worth 100 cents, and will buy as much as a gold dollar because it is fiat. Take the fiat of law from it and it is only worth only 48 cents.
- “Occasionally we are told that the government can’t issue paper money unless it has gold and silver back of it. This is the parrot-like repetitive of what the bankers say. That is what they said during the last war. But the government did issue over seventeen hundred million of it. If the government has the power to issue it to pay men to shoot other men down, why has it not the power to issue it to pay men who are idle and suffering for the necessities of life, to construct public works?”

“That the financial policy of the country had been formed for the benefit of English capital was denied by its sponsors, but that it was patterned after the English system was openly boasted. Our statesmen who thought we needed such a system evidently overlooked the fact that this system in Great Britain had separated the population into two classes - one of extreme wealth and one of extreme poverty . . . After 1873 there was no circulating medium of exchange left to the industrial classes. They have been borrowing the medium of the banks since 1873, and now they couldn’t even pay the interest. . .”

-Elizabeth Barr, *The Populist Uprising* 1918

- Elizabeth Barr, quoting D. C. Haskell, a U.S. Congressman from Kansas: “*We ask that Wall Street, the Rothschilds and the Barings shall no longer have control of our financial legislation; and when I charge that our legislation has been in the interest of the capitalist and the dealer in money, I charge that which I can prove from the record, and I challenge successful contradiction.*”

THE SILVERITES

- It was the leadership of the Republican Party, the party of Lincoln and the Greenbacks, who immediately after the Civil War began to carry out a policy of contracting the money supply by withdrawing Greenbacks and putting the country on a gold basis via the “crime of 73.” In response “silverite” factions emerged within the Republican and Democratic parties.
- In the 1894 election cycle the Democratic Party collapsed in the West. The Republican Party collapsed in the South. Most of the new Populist votes were from the South.
- After 1894, southern and western Democrats and Republicans campaigned to turn their parties to “free silver” in hopes of siphoning votes from the Populists
- In the 1896 election the “Gold Democrat” Party emerged in part to fend off the silverites, but most Gold Democrats ended up voting for McKinley

PEOPLE'S PARTY PLATFORM

PREAMBLE, 1896

- “...The European money changers have been more potent in shaping legislation than the voice of the American people. Executive power and patronage have been used to corrupt our Legislatures and defeat the will of the people, and plutocracy thereby has been enthroned upon the ruins of Democracy. To restore the Government intended by the fathers and for the welfare and prosperity of this and future generations, we demand the establishment of an economic and financial system which shall make us masters of our own affairs and independent of European control . . .”

NATIONAL SILVER PARTY

1896 DECLARATION OF PRINCIPLES

- The paramount issue **at this time** in the United States is the money question. It is between the gold standard, gold bonds and bank currency on one side, and the bimetallic standard, no bonds and Government currency on the other side.
- We hold that the power to hold and regulate a paper currency is inseparable from the power to coin money, and hence that **all currency intended to circulate as money should be issued and its volume controlled by the general Government only, and should be legal tender.**

WILLIAM JENNINGS
BRYAN

CROSS OF GOLD SPEECH

JULY 8, 1896



EXCERPT, CROSS OF GOLD SPEECH

- *We say in our platform that we believe that the right to coin and issue money is a function of government. We believe that it is a part of sovereignty, and can no more safely be delegated to private individuals than we could afford private individuals to make penal statutes or levy taxes. Mr. Jefferson, who was once regarded as good Democratic authority, seems to have differed in opinion from the gentleman who has addressed us on the part of the minority. Those who are opposed to the proposition tell us that the issue of paper money is a function of the bank, and that government ought to go out of the banking business. I stand with Jefferson rather than them, and tell them as he did that the issue of money is a function of government, and that the banks should go out of the governing business.*

“The most controversial demands of alliance farmers related to monetary reform. Believing that significant relief from declining crop prices required the expansion of the currency supply, alliance farmers demanded that the government immediately use silver in addition to gold as legal tender in order to ease the contracted currency supply. They argued however, that significant relief required a more radical revamping of the existing monetary system that entailed by “free silver” - the establishment of a fiat currency system wherein the government would issue “greenbacks” based on a predetermined per capita circulation volume, rather than on an inflexible metallic standard.”

-Texas State Historical Association, online

“The legacy of Populism does not survive as merely a possibility, nor was it realized in Progressive reforms; instead, the legacy of Populism is reflected in the constrained democracy of the American state, which restricts popular sovereignty from the economic sphere.”

-Sydney Rothstein, University of Pennsylvania 2014