

The Farmers' Dilemma—To Produce or Not to Produce

Part A.

Read the documents below as a resource in answering the questions at the end.

Document A

Average Market Prices of Three Crops, 1870–1897

Years	Wheat (per bushel)	Corn (per bushel)	Cotton (per pound)
1870–1873	106.7	43.1	15.1
1874–1877	94.4	40.9	11.1
1878–1881	100.6	43.1	9.5
1882–1885	80.2	39.8	9.1
1886–1889	74.8	35.9	8.3
1890–1893	70.9	41.7	7.8
1894–1897	63.3	29.7	5.8

From *The Populist Revolt* by John D. Hicks, orig. 1931, renewed 1959.
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Document B

We were told two years ago to go to work and raise a big crop, that was all we needed. We went to work and plowed and planted; the rains fell, the sun shone, nature smiled, and we raised the big crop that they told us to; and what came of it? Eight cent corn, ten cent oats, two cent beef and no price at all for butter and eggs—that's what came of it. Then the politicians said that we suffered from over-production.

John D. Hicks, *The Populist Revolt*

Document C

It is not unfair to say that normally the railroads—sometimes a single road—dominated the political situation in every western state. In Kansas the Sante Fe was all-powerful; in Nebraska the Burlington and the Union Pacific shared the control of the state; everywhere the political power of one or more of the roads was a recognized fact. Railway influence was exerted in practically every important nominating convention to insure that no one hostile to the railways should be named for office. Railway lobbyists were on hand whenever a legislature met to see that measures unfavorable to the roads were quietly eliminated. Railway taxation, a particularly tender question, was always watched with the greatest solicitude and, from the standpoint of the prevention of high taxes, usually with the greatest of success. How much bribery and corruption and intrigue the railroads used to secure the ends they desired will never be known. For a long time, however, by fair means or foul, their wishes in most localities were closely akin to law. Beyond a doubt whole legislatures were sometimes bought and sold.

John D. Hicks, *The Populist Revolt*

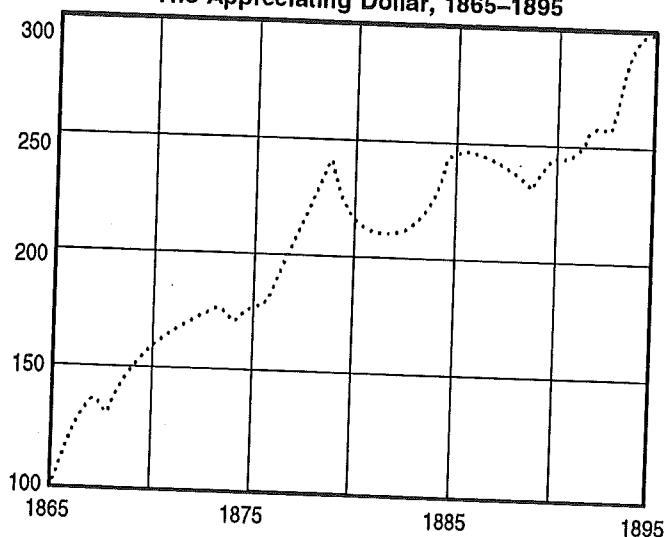
Document D

If the farmer had little part in fixing the price at which his produce sold, he had no part at all in fixing the price of the commodities for which his earnings were spent. Neither did competition among manufacturers and dealers do much in the way of price-fixing, for the age of "big business," of trusts, combines, pools, and monopolies, had come. These trusts, as the farmers saw it, joined with the railroads, and if necessary with the politicians, "to hold the people's hands and pick their pockets." They "bought raw material at their own price, sold the finished product at any figure they wished to ask, and rewarded labor as they saw fit." Through their machinations "the farmer and the workingman generally" were "overtaxed right and left."

John D. Hicks, *The Populist Revolt*

Document E

The Appreciating Dollar, 1865-1895



John D. Hicks, *The Populist Revolt*

Document F

Western farmers blamed many of their troubles upon the railroads, by means of which all western crops must be sent to market. There was no choice but to use these roads, and as the frontier advanced farther and farther into the West, the length of the haul to market increased correspondingly. Sometimes western wheat or corn was carried a thousand, perhaps even two thousand, miles before it could reach a suitable place for export or consumption. For these long hauls the railroads naturally exacted high rates, admittedly charging "all the traffic would bear." The farmers of Kansas and Nebraska and Iowa complained that it cost a bushel of corn to send another bushel of corn to market, and it was commonly believed that the net profit of the carrier was greater than the net profit of the grower. The farmers of Minnesota and Dakota were accustomed to pay half the value of their wheat to get it as far towards its final destination as Chicago. Small wonder that the farmer held the railroads at least partly responsible for his distress! He believed that if he could only get his fair share of the price for which his produce eventually sold he would be prosperous enough.

John D. Hicks, *The Populist Revolt*

Document G

As one hard season succeeded another the empty-handed farmer found his back debts and unpaid interest becoming an intolerable burden. In the West after the crisis of 1887 interest rates, already high, rose still higher. Farmers who needed money to renew their loans, to meet partial payments on their land, or to tide them over to another season were told, truly enough, that money was very scarce. The flow of eastern capital to the West had virtually ceased. The various mortgage companies that had been doing such a thriving business a few months before had now either gone bankrupt or had made drastic retrenchments. Rates of seven or eight percent on real estate were now regarded as extremely low; and on chattels ten or twelve percent was considered very liberal, from eighteen to twenty-four percent was not uncommon, and forty percent or above was not unknown. Naturally the number of real estate mortgages placed dropped off precipitately.

John D. Hicks, *The Populist Revolt*

Document H

The railroads controlled the elevators and warehouses, fixed the prices of storage, and arbitrarily graded the farmer's grain to suit themselves. Even when a railroad was honestly administered, the situation was no great help to the farmer, for usually the road had to make up for past financial abuses or for rate wars in other parts of the system, and this reimbursement had to come from freight revenues. Though freight rates were declining during the generation after the Civil War, they still were a third higher in the South and a half higher in the West than they were in the East.

Since the farmer had to absorb the middleman's percentage and the freight rates to the collecting point (Chicago for most important products), there were times when so little was left that it scarcely paid to ship. At a time when corn was selling at a dollar in New York, the farmers in Kansas were finding it cheaper to burn their corn for fuel than to sell it and buy coal.

Leland D. Baldwin, *The Stream of American History*, Vol. II
(New York: American Book Company, 1952), 199.

Document I

The Standard Oil Company of Ohio . . . had the advantages of different carrying lines, as well as of water transportation in the summer. Taking advantage of those facilities, it made the best bargains possible for its freights. Other companies sought to do the same. The Standard gave advantages to the railroads for the purpose of reducing the cost of transportation of freights. It offered freights in large quantity. . . . It furnished loading facilities. . . . It provided regular traffic, so that a railroad could conduct its transportation to the best advantage. . . . It exempted railroads from liability for fire and carried its own insurance. It provided at its own expense terminal facilities which permitted economies in handling. For these services it obtained contracts for special allowances on freights. But notwithstanding these special allowances, this traffic from the Standard Oil Company was far more profitable to the railroad companies than the smaller and irregular traffic, which might have paid a higher rate.

John D. Rockefeller, *Random Reminiscences of Men and Events*, pp. 108-109 in *Viewpoints: USA*, edited by Bernard Feder (New York: American Book Company, 1967), 202.