

## A Reappraisal of the Causes of Farm Protest in the United States, 1870-1900



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## *A Reappraisal of the Causes of Farm Protest in the United States, 1870-1900*

**B**ETWEEN 1870 and 1900 American farmers organized in the Grange, the Alliances, and the Peoples (Populist) Party and protested against a variety of economic ills. Economic historians have generally explained the farm organizations and the protests in the same way that the farmers themselves explained them—in terms of low agricultural prices and high costs of inputs resulting in part from the monopolistic organization of the suppliers of those inputs.<sup>1</sup> However, there now exists considerable evidence indicating that the economic conditions of the time were not as the farmers depicted them,<sup>2</sup> thus raising two questions: (1) if the farmers' statements about their economic state cannot be accepted as historical fact, then why were the farmers so angry? and (2) why did they choose to protest the issues which they did?

My purpose in this article is to suggest an explanation of this protest which is consistent with what the farmers said they were protesting *and* with the evidence that farm economic conditions were not deteriorating. It is not my purpose to introduce new data, but rather to reinterpret data from the standard secondary sources. Furthermore, I am concerned only with the farm protests of the Midwest—the area for which we have the best studies of farm conditions during this period.<sup>3</sup>

<sup>1</sup> The two most frequently cited and most detailed accounts of the farmers' organization of this period are John D. Hicks, *The Populist Revolt* (Lincoln: University of Nebraska Press, 1961; first published by The University of Minnesota Press in 1931), and Solon Justus Buck, *The Granger Movement* (Cambridge: Harvard University Press, 1913). Both of these works explain the protests in the farmers' terms, although Buck does note in the first paragraph of his book that "... it would be untrue to say that the condition of the American farmers was retrograding in the decade following the Civil War." (p. 3). He does not, however, pursue this argument in the rest of the book. Fred A. Shannon, in his authoritative book on agriculture during this period, *The Farmer's Last Frontier: Agriculture, 1860-1897* (New York: Harper and Row, 1968) explains the protests in the farmers' terms, as do most textbooks.

<sup>2</sup> Most of this evidence is presented in Allan G. Bogue, *Money at Interest* (New York: Russell & Russell, 1955) *passim*, and Douglass North, *Growth and Welfare in the American Past* (Englewood Cliffs: Prentice-Hall, Inc., 1966), ch. ii.

<sup>3</sup> Although it is frequently emphasized that Southern farmers faced a different set of problems in the post-Civil War period from the set faced by their counterparts in the Middle West, the protests of the two groups are usually explained in the

## THE PROBLEM OF EXPLAINING THE FARM PROTESTS

Midwestern farmers said they were being unfairly treated by railroads, moneylenders, manufacturers and retailers of farm equipment, banks, and other "middlemen" who by virtue of monopolistic position and undue influence on government policy were able to deprive the farmer of what should have been his share of rising American income.<sup>4</sup> Economic historians have generally taken the farmers' complaints, along with the long-run changes in the position of American agriculture, as sufficient explanation of the farm protests. The usual reasoning is that rapid increases in acreage under cultivation, increasing per acre productivity, and low income elasticity of demand for agricultural products meant that many farmers could not operate their farms at a profit and it was the railroads, middlemen, and moneylenders who had the unpleasant task of making this fact clear to the farmers.<sup>5</sup>

But, were farm economic conditions deteriorating? Douglass North rejects the farmers' complaints about prices and freight and interest rates as sufficient explanation of the protest.<sup>6</sup> He does so because: (1) agricultural terms of trade were rising, though erratically, throughout the period; (2) between 1865 and 1900 railroad rates were falling rapidly (though less rapidly in the area west of Chicago than in the eastern part of the country); and (3) the burden of indebtedness and high interest rates has been exaggerated.<sup>7</sup>

It could certainly be argued that the farmers' statements about the conditions they faced cannot be so easily dismissed as they are by North. The data on railroad freight rates used by North are those provided by Shannon, but Shannon argues that the apparent fall in freight rates may be misleading since farmers probably often paid more than the railroad's stated annual average rate.<sup>8</sup> He also argues

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same terms, perhaps because in an effort to forge a broader alliance the leaders of farm groups emphasized the common plight of all American farmers (and occasionally of workers, too). Ignoring basic differences in problems faced and solutions desired may be good politics, but it is not necessarily good history.

<sup>4</sup> Cf. Buck, *The Granger Movement*; Hicks, *The Populist Revolt*; and Norman Pollack, *The Populist Mind* (New York: The Bobbs-Merrill Company, Inc., 1967).

<sup>5</sup> This, with variations, is the standard explanation found in textbooks; e.g., Ross M. Robertson, *History of the American Economy* (2nd ed.; New York: Harcourt, Brace & World, Inc., 1964), pp. 260-64.

<sup>6</sup> North, *Growth and Welfare in the American Past*, pp. 137-48.

<sup>7</sup> *Ibid.*, pp. 137-42.

<sup>8</sup> Shannon, *The Farmer's Last Frontier*, p. 300.

that the data on prices received by farmers may be misleading because farmers often received less than the prices stated as paid.<sup>9</sup>

Finally, it might be objected that North does not show that farm incomes were *not* falling, and so fails to deal with a central point in the argument that farmers were protesting worsening economic conditions. What he does suggest is that even though, with statistics now available, we cannot be sure of what happened to farm income, land values and farm mortgage foreclosure rates do not suggest a "pattern of long-run continuous farm distress."<sup>10</sup> The question of what happened to farm incomes remains unanswered.<sup>11</sup>

Whatever the case, it is puzzling that farmers began to complain about railroad rates, interest rates, and problems of obtaining credit in a period when freight rates and interest rates were falling rapidly and when, according to Bogue, credit was easily available.<sup>12</sup> Why had farmers not protested earlier when transporting goods and borrowing money cost far more, and when it was far more difficult to transport goods any distance or to borrow money at all? It is also puzzling that earlier fluctuations in prices did not provoke farmer protest.

It is frequently argued that the protests of 1870-1900 were simply one manifestation of a general long-term protest by farmers against their peculiarly hard lot.<sup>13</sup> The fact remains, however, that farmers

<sup>9</sup> *Ibid.*, p. 292.

<sup>10</sup> North, *Growth and Welfare in the American Past*, p. 146.

<sup>11</sup> Using Frederick Strauss and Louis H. Bean's estimates of gross farm income as given in *Gross Farm Income and Indices of Farm Production and Prices in the United States, 1869-1937* (Washington: G.P.O., 1940), p. 23, and the increase in the number of farms as reported by the Censuses for 1870, 1880, and 1890, *Historical Statistics of the United States, 1789-1945* (Washington: G.P.O., 1949), Series E 1-5, it is easy to determine that gross per farm income declined during the period. This fact, combined with Theodore W. Schultz's estimates in *Agriculture in an Unstable Economy* (New York: McGraw-Hill Book Company, Inc., 1945), p. 68, of low income elasticity of demand for agricultural products have seemed to be strong evidence that farmers must have suffered declining incomes. However, total output of the major Midwestern crops grew steadily, exports of those crops increased rapidly, and the Midwest provided an increasing share of the total U.S. production of wheat, corn, and meat. Thus, it is not clear that *Midwestern* farm incomes were failing during this period. It remains possible that gross per farm income declined in the U.S. as a whole but did not decline in the Midwest. Of course it is possible that with improving terms of trade for agriculture, real incomes of Midwestern farmers were rising even if their money income was falling.

<sup>12</sup> Bogue, *Money at Interest*, pp. 1-6, 262-76.

<sup>13</sup> See, for example, Shannon, *The Farmer's Last Frontier*, pp. 3-4; Carl C. Taylor, *The Farmers' Movement, 1620-1920* (New York: American Book Company, 1953), pp. 1-12; and Lance E. Davis, Jonathan R. T. Hughes, and Duncan M. McDougall, *American Economic History: The Development of a National Economy* (3rd ed.; Homewood: Richard D. Irwin, Inc., 1969), pp. 367-68.

between 1870 and 1900 protested as they had not before. Before the Civil War farm protest was sporadic and most farm organizations were devoted to improving agricultural practices.<sup>14</sup>

Furthermore, when American farmers in other periods protested, it is easier to identify the economic causes than it is for the period of 1870-1900. In the case of the Whiskey Rebellion—which was a protest against economic conditions—there is little doubt about why the farmers were angry. A tax was imposed on their “cash crop” and they protested that tax. Similarly, in recent times, there can be little doubt that the farm bloc programs of the 1920’s and 1930’s were a direct consequence of deteriorating agricultural conditions and the measures proposed by the farmers were in fact designed to alleviate those conditions. By contrast, in the case of the protests between 1870 and 1900, it is difficult to find a direct connection between the actual conditions on the farms and the farmers’ specific complaints.

Actually, in the absence of the protests we would lack evidence that economic conditions were deteriorating during this period. Even without the Whiskey Rebellion we would know that a tax had been levied on whiskey and that whiskey was the major “cash crop” of the then “Western” farmers. In more recent times and without knowing that farmers exerted pressure for agricultural relief, we could determine that farmers had a rough time in the 1920’s and 30’s. But if farmers had not protested between 1870 and 1900, the story of agriculture during that time would probably be written quite differently. It would probably be noted that a lack of rainfall in the newly settled Plains States, combined with wide fluctuations in prices of agricultural products, caused some hardship, but otherwise the Midwest would probably be described as an area in which farmers were able to enjoy a less rapid fall in prices received than in prices paid, rapidly falling costs of transportation and credit, and new marketing opportunities abroad as well as in this country. But the farmers did not see their situation this way and it remains to explain why they did not and why they had the grievances that they did.

North proposes that the protest can be explained in terms of the opening of fertile lands throughout the world: the development of an international market for agricultural products caused fluctuations in prices which the American farmer could not understand.<sup>15</sup> Agricultural prices did fluctuate during this period, and they did fluctuate

<sup>14</sup> Taylor, *The Farmers’ Movement*, p. 71.

<sup>15</sup> North, *Growth and Welfare in the American Past*, p. 142.

in response to changes in the supply from newly opened agricultural lands, but this was not a new phenomenon. Prior to 1870, agricultural prices fluctuated and new land was brought into cultivation in the United States. Why did not these earlier fluctuations in prices and changes in supply cause protest?

While the farmers may have found the international market and its effects on them difficult to understand, this does not explain why the farmers were so angry with the specific groups with which they were angry. I am not arguing that North is wrong in suggesting that the farmer did not understand the relationship between the prices he received and the weather in Australia, but I am arguing that this lack of understanding does not explain why he took his frustrations out on railroads, bankers, and middlemen.

North also argues (as do many others) that the farmer was responding to his changing place in American society:

As though these woes [of participation in an international market] were not enough for the nineteenth century farmer, this was the era when he was becoming a minority in America. Throughout all of our earlier history, his had been the dominant voice in politics and in an essentially rural society. Now, he was being dispossessed by the growing industrial might of America and its rapid urbanization. The farmer keenly felt his deteriorating status. His reading matter was full of warnings and complaints against the evils and moral decay of the city and its malign influence over the countryside. His disenchantment was an inevitable component of the vast and complex economic-sociological phenomenon that was taking place.<sup>16</sup>

The problem is to explain how this dispossession was made real to the individual farmer. What was he afraid of? How did he know his status was deteriorating? The problem is also to explain why the farmer led in placing the blame specifically on monopolists. The farmer was not protesting some abstract change in his position—he was specifically angry with railroad companies, banks, mortgage companies, and middlemen who were “exploiting” him. Articles about the evils of cities do not drive people to the picket lines—or to the Grange meeting.<sup>17</sup>

<sup>16</sup> *Ibid.*, p. 145.

<sup>17</sup> We all know that many of the American voters who are excited by the campaign slogan “Law and Order” are not concerned with the preservation of domestic tranquility by protecting or extending formal or substantive due process. A statement that these voters are reacting to “a complex economic-sociological phenomenon” would strike most of us as correct—but not a sufficient explanation of how residents of Cicero came to associate “Law and Order” with keeping Cicero white, nor even an explanation of why they are concerned at all. North’s comments do not tell us

## THE PROTEST AS A REACTION TO COMMERCIALIZATION

My hypothesis is that we can explain much of the protest—we can explain what the farmer was mad about and why he was mad at “monopolists,” “middlemen,” and “moneylenders”—as a response to commercialization. The argument is that the farmers were objecting to the *increasing importance of prices*; that they were protesting a system in which they had to *pay* for transport and money rather than the specific *prices* of transport and money.

So as not to be misunderstood, let me emphasize here that I am not suggesting that American farmers before 1870 were not “economic men” responding to economic stimuli. Certainly the farmers of this early period moved West, cleared land, improved their farms, sought markets, and in a variety of other ways tried to increase their incomes. But response to economic stimuli and efforts to increase incomes are not sufficient to produce a commercial system.<sup>18</sup> By a commercial system I mean one in which there is dependence upon purchased inputs and a consequent necessity for sale of output. My hypothesis—put slightly differently—is that the protest was a reaction to new, technologically superior inputs which replaced traditional inputs and which could be acquired *only* with money, and a reaction to the new need for cash to buy consumer goods which could not be supplied on-the-farm in the Plains area.

In the economic history literature very little is made of the possibility that the farm protests were a response to commercialization.<sup>19</sup> The reason, I suspect, is that commercialized agriculture was and is assumed to have been the standard form of agricultural organization from early in American history. This is assumed because of the rapid transition to production for the market which followed the opening

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why the farmers were up in arms nor why “Destroy Monopoly Power” was the “Law and Order” cry of the late nineteenth century.

<sup>18</sup> A willingness to adopt new techniques and a desire for economic improvement are not characteristics found only in commercial systems, as the histories of Africa, Asia, and the American Indians illustrate. The rapid spread of cassava in Africa after its introduction from South America, maize in India, and the horse among the Plains Indians of the U.S. all took place in non-commercial societies.

<sup>19</sup> In Samuel P. Hays, *The Response to Industrialization* (Chicago: The University of Chicago Press, 1957), p. 27 and in Taylor, *The Farmers' Movement*, p. 492, commercialization is cited as a cause of the agrarian unrest. Although some economic historians such as Edward C. Kirkland in *A History of American Economic Life* (4th ed.; New York: Appleton-Century-Crofts, 1969), ch. xv, do mention adjustment to commercialized agriculture as a problem for late nineteenth century farmers in the U.S., they do not use this adjustment as a major part of their explanation of the protests.

of transportation facilities. As rapidly as canals, rivers, and railroads became available to farmers, agricultural products flowed into the cities and farmers began purchasing manufactured goods from the cities on a large scale.<sup>20</sup>

The rapidity with which American farmers shifted from self-sufficient farming to production for the market has been an important theme in the treatment of American economic history, perhaps because it has seemed important to emphasize that the United States did not have the problem of "peasant" farmers who resisted change.<sup>21</sup> But to argue that production for the market increased rapidly as transportation facilities improved *is not the same* as to argue that all, or even most, American farmers before 1860 had been involved in commercialized agriculture.

Large numbers of farmers kept moving westward in advance of well developed means of transporting agricultural products to market. Gates holds that one of the problems of those farmers moving into the Middle West was the lack of markets:

If the farmer's need for credit was acute, his need for markets was equally serious. Self-sufficiency, if attainable, was not the goal of intelligent farmers; instead they planned to produce something they could trade—better still, something they could sell. Though necessity forced them to produce much that they consumed, even though that required an inefficient expenditure of labor, they continually struggled to wrest from their land a marketable surplus. Commercial farming developed rapidly in the Middle West.<sup>22</sup>

Though commercial farming may have developed rapidly, and though farmers may have been eager for opportunities to produce for the market, Gates is not describing farmers involved in a commercial system. Farmers who need markets and struggle to produce a "marketable surplus" are not commercial farmers. Commercial farming may have developed rapidly in the Middle West; according to

<sup>20</sup> That this was the case is shown in Thomas S. Berry, *Western Prices Before 1861* (Cambridge: Harvard University Press, 1943), and Douglass C. North, *The Economic Growth of the United States, 1790-1860* (Englewood Cliffs: Prentice-Hall, Inc., 1961).

<sup>21</sup> One of the major themes of Norman Pollack in *The Populist Response to Industrial America* (Cambridge: Harvard University Press, 1962) is that neither Grangerism nor Populism were "Luddite" responses to technology. There can be little doubt that he is correct and that historians have been correct in their insistence that the U.S. did not have a "peasant sector" which was resistant to new technology and new and profitable opportunities for disposal of produce. But absence of a "peasant problem" is not proof of commercialization.

<sup>22</sup> Paul W. Gates, *The Farmer's Age: Agriculture, 1815-1860* (New York: Harper & Row, 1968), p. 413.



Gates' description commercial farming was not common when farmers first moved into the area. Again, Bogue's description of "commercial" farming in Illinois and Iowa in the 1850's in fact indicates at most a casual reliance on markets. He says,

There was a limit beyond which the farmer could not draw grain to market profitably. Some have placed this at forty miles. But we must remember that the farmer decided among alternatives, rather than on the basis solely of labor cost. If the pioneer farmer had nothing more remunerative to do, he might haul grain considerably farther than forty miles, provided, of course, that spring or fall pasturage was available for his workstock along the way. Yet, there was a definite limit to the amount of time that could be spent on long trips to market or shipping point. At least one historian has argued that commercial agriculture could not develop in many districts of Illinois before the railroad age because they lay isolated from shipping points on river or canal. Actually, there was no district of Illinois so isolated in 1850 that farmers there could not market their grain in the form of pigs or cattle. And farmers in new communities with few transportation outlets might find a considerable market for some years in supplying newcomers who proposed to settle there. Pioneer farmers deep in central Iowa discovered buyers long before the railroad came, among the members of the Mormon migration, the gold seekers, and later settlers bound for the plains or the far West.<sup>23</sup>

It seems highly unlikely that commercial farmers would or could depend on those passing through for markets. Nor does the following description, given by Gates, of the farmers who moved into the Middle West indicate that they would have provided much of a market for agricultural products: "Few farmers had anything more to invest in their lands than their labor. Little actual money was brought into new communities by immigrants, who had generally exhausted their resources on moving themselves and their families to the new El Dorado."<sup>24</sup>

These descriptions of farming in the Middle West prior to 1870 are not descriptions of farmers who depended on markets for disposal of their produce; rather, they are descriptions of farmers who were quick to take advantage of opportunities to market goods as they arose, as they did after 1870. Similar descriptions of pre-1870 farming operations can be found in many sources and all indicate a willingness to take advantage of opportunities to sell produce, but they do not provide a picture of farmers who devoted most of their time and land to growing crops which they planned to sell.

<sup>23</sup> Allan G. Bogue, *From Prairie to Corn Belt, Farming in Illinois and Iowa Prairies in the Nineteenth Century* (Chicago: The University of Chicago Press, 1963), p. 123.

<sup>24</sup> Gates, *The Farmer's Age*, p. 403.

If large numbers of American farmers did not produce primarily for the market prior to the Civil War, neither did they pay for most of their inputs. The farmer in this early period, even if he had quite limited amounts of capital, could move on West, obtain land, and improve it with his own and his sons' labor. Gates speaks of the farmer's problems with credit prior to 1860, but as he describes the problem it is not clear that farmers *had* to have credit, or any large amount of capital, to survive, or even to prosper:

Little actual money was brought into the new communities by immigrants . . . Capital goods, however, were brought: household effects, a plow, an ax, a shovel, a hoe, perhaps a few chickens, a hog, a cow, and horses or oxen. Most farmers were not able at the beginning to pay for their land, much less to stock or equip it, and they made their start either as squatters or by buying land on credit. In the goods economy the pioneer's capital was chiefly his labor. If, however, he could obtain credit for supplies, he could utilize his own labor to better advantage, create a productive farm more rapidly, and hasten the process of capital formation.<sup>25</sup>

The farmer *could*, according to Bogue, "if he had nothing more remunerative to do," and "if spring and fall pasturage for his workstock was available along the way," haul his produce to market. He did not *have* to do so and he did not *have* to pay for transport. He *could*, according to Gates, improve his farm more rapidly if he *could* obtain credit, but he did not have to do so. That many did borrow money and that many did take advantage of opportunities to sell goods does not mean that it was necessary to do so in order to be a good farmer and a respected and self-respecting citizen.

From the description of farming operations during this period it seems likely that a very large number of American farmers were in the position of the person who buys an Irish sweepstake ticket. If he wins it will make a big difference in his life, but if he does not win not much is lost. Any payoff to the lottery ticket is a good thing. The farmer who was lucky enough to be able to sell a "marketable surplus" was happy to do so. But, in the absence of major commercial obligations and given the possibility of continuing or even expanding his operations, he did not have to sell much and the prices he received for what he did sell, even if lower than he would have liked, were not important enough to his operations to warrant putting much energy into protest. Given a high degree of self-sufficiency, prices paid and received and cost of transport and credit are not vital.

<sup>25</sup> *Idem.*

As people and railroads moved into the Middle West after the Civil War, all of this changed. The irony of a Homestead Act in a country where land suitable and available for homesteading had virtually disappeared has been noted. There is also irony in the fact that the problems about which the farmers in the post-Civil War period were agitated were a result of the solution of the earlier problems of lack of credit and markets. The railroads provided marketing opportunities, and, as Bogue describes it, money for land mortgages poured in from the East.<sup>26</sup>

It is not surprising that the farmer borrowed and that he shifted rapidly to production for the market. Had he not done so he would have been ignoring opportunities for which all writers on earlier periods in American history agree that American farmers were eager. But even if he was not eager, he probably had very little choice. As the plains were settled, farmers found it increasingly difficult to be self-sufficient because of the limited range of crops which could be grown, and increasingly difficult to get along without credit because of the need to purchase land to add to that which could be claimed under the Homestead Law.<sup>27</sup>

In addition, the farmer who was not able to participate successfully as a commercial farmer could not claim to be a success when many around him were succeeding as commercial farmers. Even if he were able to eke out the sort of living for himself and his family which had previously been enjoyed by the majority, he could no longer count himself a success. There was a new test by which the farmer had to judge himself—the test of business success. And, as Schumpeter put it, “Business success and business failure are ideally precise. Neither can be talked away.”<sup>28</sup>

Whether trapped in or enjoying an opportunity to take advantage of commercial operations, the farmer faced a new situation and new problems. He had to pay for credit, he had to pay for land, and he had to pay for what Bogue calls “his other needs.” To do so he had to sell enough at a high enough price. If he could not do so—even though he might be as good a farmer as he had been earlier—he was in trouble. Once the farmer assumed obligations which required him to buy inputs and to sell a major part of his produce he was caught up in a commercial system.

<sup>26</sup> Bogue, *Money at Interest*, Cf. pp. 262-76.

<sup>27</sup> *Ibid.*, pp. 274-75.

<sup>28</sup> Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (3rd ed.; New York: Harper & Row Publishers, 1950), p. 74.

From the farmers' vantage point the crimes of those who were "exploiting" them were not limited simply to charging too much and paying too little. They also forced him to live in a "coldly economic" world. Bogue suggests that a major reason for the dislike of the moneylender was the necessity of providing him with information on the farm to be mortgaged and with records or information on the farm's operation. He says that, "One of the less advertised functions of the mortgage companies was to assist in teaching business methods to reluctant farmers. The efforts to enforce prompt payment and other business procedures appeared to be no more than petty tyranny to many borrowers."<sup>29</sup>

It is not unreasonable to suppose that the farmers also found the railroad agent, the equipment salesman, and the grain elevator operator tyrannical because they did not respond, as the country store owner had earlier, to tales of a bad year, family illness, or other such problems. If the commercial system was a new thing for the farmer, he would be likely to perceive the immediate demands of the local agent of the land mortgage company only as evidence of tyranny and evil intent.

Whereas markets and opportunities to borrow money had earlier seemed to the farmer to be solutions to his problems, now these same opportunities brought other problems. The farmer could quite plausibly conclude that "someone" must be exploiting him; that someone must be charging him too much and paying him too little. "Obviously" those who bought his produce, and those whom he had to pay for money, transport, and equipment, must have gained an "unfair" advantage.

Furthermore, in these circumstances, it is not surprising that the farmer attributed the unfairness to the acquisition of "monopoly power." Not only was the farmer frequently in the position of having only one supplier of an input or one buyer of his crops with whom to deal, but, perhaps more importantly, "In the Anglo-American world monopoly has been cursed and associated with functionless exploitation ever since . . . the sixteenth and seventeenth centuries . . . [and] nothing is so retentive as a nation's memory."<sup>30</sup> It is easy enough to see why the farmers were angry with "monopolies," bankers, and middlemen, so long as we do not require that the historical record verify the reasons given by the farmers for their anger.

<sup>29</sup> Bogue, *Money at Interest*, p. 275.

<sup>30</sup> Schumpeter, *Capitalism, Socialism and Democracy*, p. 100.

## CONCLUSION

The hypothesis that the agrarian protest movement in the Middle West from 1870 to 1900 was a reaction to the commercialization of agriculture allows a reconciliation of the protesters' claims about what they were protesting and North's interpretation of the economic conditions which the farmers actually faced. Even though interest rates were falling, they were "too high" for the farmer who expected only benefits from the opportunity to borrow money. Even though the prices he received were falling less rapidly than the prices he paid, the farmer protested about his "deteriorating" economic position because he was locked into a system where his success or failure now depended on prices—a system where, even if he was a "good farmer" in pre-1860 terms, he might fail because he was a "bad businessman" in late nineteenth-century terms.

Viewing the farm protest as a reaction to commercialization of agriculture also allows greater precision in explaining the protest as a "reaction to the changing place of the farmer in American Society." As agriculture was commercialized the farmer was drawn into the rapidly developing commercial-industrial economy and was no longer exempt from the pressures and consequences of changes in that economy.

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