

The Grant Administration's Decisive Role in the Collapse of Reconstruction

Ritvik Mathew '23
Westwood High School
Massachusetts, USA

Abstract

Reconstruction sought to address the two most prominent issues after the Civil War: a disunified America and the millions of African Americans who needed social footing after emancipation. While the Union was restored, it is widely accepted that Reconstruction failed to secure civil rights for African Americans in the postbellum South. Indeed, this very failure spawned later efforts to promote the equality of Afro-Americans, such as the civil rights movement of the 1960s. While the causes of Reconstruction's shortcomings are many, the most momentous reason for its failure took place during the Grant administration (1869-1877). This paper begins with the Radical Republican's ascendancy in Congress following the Civil War, and Ulysses S. Grant's relationship with the Republican Party, and evaluates the Grant administration's disastrous role in the continuation of Reconstruction policy and its devastating implications for African American civil rights in the late 19th century and beyond. Overall, this study argues that despite extensive efforts to promote civil rights, the collapse of Reconstruction can be largely attributed to Grant and his administration; heavily publicized scandals and poor responses to economic turmoil fractured the Republican Party and invited the resurgence of a Democratic agenda hostile to African American rights.

Ulysses S. Grant and Radical Republican Control in Congress

After Lincoln's assassination in April of 1865, Vice President Andrew Johnson assumed the presidency. Johnson had been a Democrat until he joined the National Union ticket with Lincoln, chosen solely to promote a message of national unity in Lincoln's re-election campaign. He continued with the rapid reunification of the fractured United States after the bloody Civil War by Lincoln's plans. Grant was committed to working with Johnson, in part because of his immense respect for Lincoln, hoping the government would run in its "old channel."¹ In his role as commander of the army, he worked to implement Johnson's Reconstruction policy in the South.

While Lincoln wanted a quick reunification, Johnson's endeavors for speedy restoration of the union dismayed the 'radical' faction of the Republican Party. Johnson had already allowed the reinstatement of former Confederates to office in the South, essentially paving the way for second-class citizenship for African Americans.² The Radicals were particularly fearful of unabating Southern contempt for the Union and African American rights, which they believed to be a byproduct of hasty reunification. Indeed, Radical Republican Schuyler Colfax, the Speaker of the House, addressed Johnson's imprudent policy in a keynote speech that underscored the need to move slowly in carrying out the restoration process in contrast to Johnson's relatively speedy plans for Reconstruction. Congress would decide against seating senators from the former Confederate states, he predicted, until legislation protecting the rights of emancipated blacks had been enacted.³ The speech was lauded by both moderate and radical Republicans,⁴ demonstrating their collective repudiation of Johnson's policy which was intrinsically unconcerned with the status of freedmen in the South. While initially optimistic about Johnson, Grant's relationship with the president would quickly deteriorate. As commander of the army, Grant worked to enforce the Civil Rights Act of 1866 which was passed that April with a

¹ D. L. Wilson, 'Ulysses S. Grant and Reconstruction,' *OAH Magazine of History*, vol. 4, no. 1, 1989, p. 47-48, <https://www.jstor.org/stable/25162637>, (accessed 7 Jul. 2022).

² J. L. Bell, 'Andrew Johnson, National Politics, and Presidential Reconstruction in South Carolina,' *The South Carolina Historical Magazine*, vol. 82, no. 4, 1981, p. 354-358, <https://www.jstor.org/stable/27567711>, (accessed 7 Jul. 2022).

³ D. G. Nieman, 'Andrew Johnson, the Freedmen's Bureau, and the Problem of Equal Rights, 1865-1866,' *The Journal of Southern History*, vol. 44, no. 3, 1978, p. 415, <https://www.jstor.org/stable/2208049>, (accessed 10 Jul. 2022).

⁴ *Ibid.*, 415-416.

two-thirds majority over Johnson's veto.⁵ Johnson was bitter about Grant's 'support' for the Radicals' plan for Reconstruction,⁶ and soon the conflict between Johnson, Grant, and the Radicals would come to a head as the decisive midterm Congressional elections of 1866 approached.

Needing Grant's immense national appeal to help promote his Reconstruction policies ahead of the 1866 elections, Johnson took him on a disastrous speaking campaign across the nation known as the 'Swing Around the Circle.' Johnson's stubborn personality and his ineptitude as a leader increasingly pushed Republican moderates towards a more radical position, including Grant.⁷ Moreover, his lack of prowess as a politician only generated more popular support for Radicals. During Johnson's campaign tours, he was constantly heckled by mobs and he responded by striking back at critics fiercely and without grace, tainting his image as a national leader,⁸ and giving further credibility to Radicals. Privately, Grant referred to Johnson's speeches as a "national disgrace," and left the tour before it had run its course.⁹ Johnson was also unable to adequately broadcast his speeches. Nearly four million citizens voted in the congressional elections of 1866.¹⁰ Even if the highest reasonable estimates of the audiences for his speeches were taken, and it was assumed that all of them voted in the elections, they would not comprise even ten percent of the total number of voters.¹¹ Johnson's ineptitude propelled the Radical Republicans to a triumph at the polls, giving them a significant majority in Congress. Even before the victorious elections in the fall of 1866, the party was moving to develop measures to initiate a more extensive Reconstruction plan in direct contrast to Johnson's

⁵ 'The Enforcement Provisions of the Civil Rights Act of 1866: A Legislative History in Light of *Runyon v. McCrary*,' *The Yale Law Journal*, vol. 98, no. 3, 1989, pp. 577-578, <https://www.jstor.org/stable/796630>, (accessed 8 Jul. 2022).

⁶ D. L. Wilson, 'Ulysses S. Grant and Reconstruction,' *OAH Magazine of History*, vol. 4, no. 1, 1989, p. 47-48, <https://www.jstor.org/stable/25162637>, (accessed 8 Jul. 2022).

⁷ E. Foner, 'If Lincoln Hadn't Died,' *American Heritage*, vol. 58, no. 6, 2009, pp. 1-2, <https://www.americanheritage.com/if-lincoln-hadnt-died>, (accessed 20 Feb. 2022).

⁸ M. L. Strong, 'POST-WAR CONGRESSIONAL ELECTIONS,' *Current History*, vol. 10, no. 57, 1946, pp. 439-441, <https://www.jstor.org/stable/45306903>, (accessed 20 Feb. 2022).

⁹ H.W. Brands, 'The Man Who Saved the Union: Ulysses Grant in War and Peace,' p. 463, https://books.google.com/books/about/The_Man_Who_Saved_the_Union.html?id=fGn2t-tuQBMC, (accessed 7 Jul. 2022).

¹⁰ M. L. Strong, 'POST-WAR CONGRESSIONAL ELECTIONS,' *Current History*, vol. 10, no. 57, 1946, pp. 439-441, <https://www.jstor.org/stable/45306903>, (accessed 20 Feb. 2022).

¹¹ G. Phifer, 'Andrew Johnson Loses His Battle,' *Tennessee Historical Quarterly*, vol. 11, no. 4, 1952, p. 294, <https://www.jstor.org/stable/42621739>, (accessed 20 Feb. 2022).

leniency for Southern Whites and his lack of consideration for the fortunes of freedmen. The elections guaranteed that they could control legislation and override another presidential veto.

Grant's departure from Johnson's policies continued when Congress passed the First Reconstruction Act in March of 1867, overriding Johnson's anticipated veto. This bill and two passed later, provided for military Reconstruction of the South. Protecting Grant, Congress also passed the Command of the Army Act, preventing his removal. The legislation also stipulated that Johnson could not give orders directly to the army: commands went through Grant.

Tensions continued when Grant reluctantly agreed to become secretary of war in *ad interim* in August of 1867 after Johnson suspended then Secretary Edwin M. Stanton, taking the job to protect the interests of the army and to prevent a conservative appointee from impeding Reconstruction.¹² The Senate's restoration of Stanton to office in 1868 created a permanent (and very public) rift between Johnson and Grant.¹³ Grant became convinced that Johnson's removal as president was necessary for the country's interests. The escalating conflict between the two left Grant disillusioned with Johnson's Reconstruction policies, moving him increasingly towards association with the radical faction of the Republican Party.¹⁴ His opposition to Johnson and his shifting viewpoints significantly boosted his popularity among the Radicals, and his nomination for the presidency was all but certain given his national prestige.

Scandals and Radical Republican Opposition to Grant

Grant would go on to win the presidential election of 1868. Prominent Radical Republicans in Congress, such as Charles Sumner and Lyman Trumbull, were overwhelmingly in support of Grant at the beginning of his presidency. Such support was derived from the belief

¹² UVA Miller Center, 'February 11, 1868: Messages Regarding Correspondence with General U.S. Grant,' <https://millercenter.org/the-presidency/presidential-speeches/february-11-1868-messages-regarding-correspondence-general-us>, (accessed 28 Jul. 2022); D. L. Wilson, 'Ulysses S. Grant and Reconstruction,' *OAH Magazine of History*, vol. 4, no. 1, 1989, p. 49, <https://www.jstor.org/stable/25162637>, (accessed 8 Jul. 2022).

¹³ D. L. Wilson, 'Ulysses S. Grant and Reconstruction,' *OAH Magazine of History*, vol. 4, no. 1, 1989, p. 49-50, <https://www.jstor.org/stable/25162637>, (accessed 8 Jul. 2022).

¹⁴ P. Feuerherd, 'Why Ulysses S. Grant Was More Important Than You Think,' 2020, <https://daily.jstor.org/why-ulysses-s-grant-was-more-important-than-you-think/>, (accessed 7 Jul. 2022).

that Grant and his administration were keen on promoting the welfare of the freedmen. This reputation was, in large part, based on Grant's record before his presidency. Under Johnson's administration, Grant issued numerous orders to military officers, a prominent example being to protect African Americans from unjust prosecutions "for which white persons are not prosecuted or punished in the same manner."¹⁵ His rigorous and well-known¹⁶ defense of African American welfare appealed to the Radicals. By 1869, however, many Radicals were sharply critical of Grant's failure as president to provide adequate protection for the freedmen in the South. Violence against blacks was a frequent occurrence since the end of the Civil War; with the emergence of the Ku Klux Klan around 1868,¹⁷ white conservatives had a platform to mobilize against southern state governments' support for pro-black federal policy.¹⁸ Intimidation, rape, and brutal public killings aimed to wrench political, social, and economic gains away from southern African Americans. While Ku Klux Klan violence amplified, Grant's summer vacation at Long Branch¹⁹ troubled abolitionists and Radical Republicans alike. To these groups, Grant's negligence was paving the way for the re-subjugation of Blacks in the South. *The National Anti-Slavery Standard*, a newspaper attuned to abolitionist and Radical sentiment,²⁰ wrote: "The President smokes. . . [and]. . . dances at Long Branch [while] the Ku-Klux flourish."²¹ David L. Child, the journalist who managed the newspaper, also wrote to Charles Sumner expressing personal dismay at

¹⁵ John Y. Simon 'The Papers of Ulysses S. Grant, Volume 16: 1866,' vol. 16, no. 8, <https://scholarsjunction.msstate.edu/usg-volumes/>, (accessed 29 Jul. 2022).

¹⁶ P. Feuerherd, 'Why Ulysses S. Grant Was More Important Than You Think,' 2020, <https://daily.jstor.org/why-ulysses-s-grant-was-more-important-than-you-think/>, (accessed 7 Jul. 2022).

¹⁷ H. Shapiro, 'The Ku Klux Klan During Reconstruction: The South Carolina Episode,' *The Journal of Negro History*, vol. 49, no. 1, 1964, pp. 35-38, <https://www.jstor.org/stable/2716475>, (accessed 29 Jul. 2022).

¹⁸ M. J. Pfeifer, 'The Origins of Postbellum Lynching: Collective Violence in Reconstruction Louisiana,' *Louisiana History: The Journal of the Louisiana Historical Association*, vol. 50, no. 2, 2009, pp. 192-194, 196, <https://www.jstor.org/stable/25478643>, (accessed 12 Mar. 2022).

¹⁹ J. M. McPherson, 'Grant or Greeley? The Abolitionist Dilemma in the Election of 1872,' *The American Historical Review*, vol. 71, no. 1, 1965, p. 44, <https://www.jstor.org/stable/1863035>, (accessed 11 Jul. 2022).

²⁰ C. H. Wesley, 'The Participation of Negroes in Anti-Slavery Political Parties,' *The Journal of Negro History*, vol. 29, no. 1, 1944, pp. 42-43, 63, <https://www.jstor.org/stable/2714753>, (accessed 11 Jul. 2022); New York Heritage, 'National Anti-Slavery Standard,' 1840-1870, <https://nyheritage.org/collections/national-anti-slavery-standard>, (accessed 11 Jul. 2022).

²¹ J. M. McPherson, 'Grant or Greeley? The Abolitionist Dilemma in the Election of 1872,' *The American Historical Review*, vol. 71, no. 1, 1965, pp. 44-45, <https://www.jstor.org/stable/1863035>, (accessed 11 Jul. 2022).

Grant's lack of action.²² Such an intimate letter between the two reinforces the notion that Child and *The Standard* were intertwined with prominent Radical opinion, conveying the prevailing sense that Grant wasn't doing enough in the South.

Grant also began to face scrutiny as a result of his connections to corrupt figures. In 1869, Wall Street financiers Jay Gould and Jim Fisk attempted to corner the US gold market. As part of their intricate plan, they bribed the Assistant Secretary of the Treasury, Daniel Butterfield.²³ Butterfield was critical in the success of the conspiracy; the federal government essentially could set the price of gold, so Butterfield provided Gould and Fisk with information on government actions in the market.²⁴ Moreover, Gould and Fisk used Grant's brother-in-law to get closer to the president, hoping to influence national economic policy to benefit their scheme. Before their plot failed, it triggered a stock market crash. While Grant himself was not directly involved in the scheme, the scandal was the first to taint his administration. As an 1869 Congressional investigation into the Gold Panic began, the public became aware of personnel in Grant's government, such as Butterfield, who was involved in gold speculation.²⁵ Radicals in Congress quickly became concerned with Grant's credibility, fearing that corruption within the administration would tarnish the reputation of Republicans in the eyes of the public.²⁶

In response to complaints within the party and his feelings of personal obligation to help the freedmen in the South, Grant increased his efforts to coordinate with the party during the two congressional sessions in the coming years (1869-1871), with the primary intentions of

²² David L. Child letter to Charles Sumner, Oct. 19, 1869, Houghton Library, Harvard University.

²³ T. Klitgaard & J. Narron, 'Crisis Chronicles: The Long Depression and the Panic of 1873,' 2016, <https://libertystreeteconomics.newyorkfed.org/2016/02/crisis-chronicles-the-long-depression-and-the-panic-of-1873/> (accessed 10 Jul. 2022).

²⁴ R. C. Kennedy, 'On This Day: October 16, 1869 - The New York Times Web Archive,' 2001, <https://archive.nytimes.com/www.nytimes.com/learning/general/onthisday/harp/1016.html>, (accessed 29 Jul. 2022)

²⁵ J. P. Jones, 'Trumbull's Private Opinion of the Grant Scandals,' *Journal of the Illinois State Historical Society*, vol. 54, no. 1, 1961, p. 52, <https://www.jstor.org/stable/40189703>, (accessed 13 Jul. 2022).

²⁶ S. A. West, 'Remembering Reconstruction in Its Twilight: Ulysses S. Grant and James G. Blaine on the Origins of Black Suffrage,' *Journal of the Civil War Era*, vol. 10, no. 4, 2020, pp. 500-501, <https://www.jstor.org/stable/26977403>, (accessed 12 Jul. 2022); J. M. McPherson, 'Grant or Greeley? The Abolitionist Dilemma in the Election of 1872,' *The American Historical Review*, vol. 71, no. 1, 1965, p. 47, <https://www.jstor.org/stable/1863035>, (accessed 13 Jul. 2022).

passing legislation to ensure African American voting rights and to quell the Ku Klux Klan.²⁷ He felt it paramount that the 15th Amendment, which prevented states from denying a citizen's right to vote based on race, be enforced rigorously in the South, a view that was shared by many Radicals in Congress.²⁸ To this effect, Grant and Congress passed the three Enforcement Acts in 1870-1871. Significantly, Congress codified federal protection for Black voting rights and the most famous of the three Enforcement Acts, known as the Ku Klux Klan Act, outlawed the terror tactics the Klan had employed in their attempts to overthrow the Reconstruction governments and intimidate African Americans. This extensive protection machinery proved to be effective in the early years of its enforcement; hundreds of offenders were arrested and thousands of cases related to the Klan were tried, with the government winning a majority of their enforcement cases in the early 1870s.²⁹ The rigorous action taken against anti-Black terrorism effectively destroyed the Klan in the early years of the 1870s. Grant's robust measures and advocacy prompted a considerable portion of Radicals once again to feel favorable about him. Yet at the same time, perhaps an even more critical number of Republicans became increasingly weary of the Grant administration's continued involvement in scandals, despite progress with civil rights.

In 1872, Congress carried out two investigations into the New York Custom House, discovering that two Grant collector appointees, Tom Murphy, and Moses H. Grinnell, allowed merchants to store goods not claimed at the docks in a private warehouse to charge them higher fees. Additionally, two of Grant's secretaries shared in these profits.³⁰ While Grant also worked to coordinate an investigation led by Secretary George S. Boutwell, the sheer number of his appointments that participated in the scandal tarnished the reputation of his administration.³¹ As before, while he wasn't involved in this scheme, his penchant for appointing corrupt officials, in addition to several other smaller scandals within the administration, worked to diminish his support among Radicals. When prominent Radicals such as Charles

²⁷ Cong Globe, 41st Cong, 2nd Sess 359; Cong Globe, 41st Cong, 3rd Sess 214

²⁸ Ibid., 2nd Sess 359-361.

²⁹ E. Swinney, 'Enforcing the Fifteenth Amendment, 1870-1877,' *The Journal of Southern History*, vol. 28, no. 2, 1962, pp. 205-206, <https://www.jstor.org/stable/2205188>, (accessed 10 Jul. 2022).

³⁰ G. W. Julian, 'The Death-Struggle of the Republican Party,' *The North American Review*, vol. 126, no. 261, 1878, p. 270, <https://www.jstor.org/stable/pdf/25110185.pdf>, (accessed 12 Jul. 2022).

³¹ Ibid., 271; J. M. McPherson, 'Grant or Greeley? The Abolitionist Dilemma in the Election of 1872,' *The American Historical Review*, vol. 71, no. 1, 1965, pp. 47, 49, <https://www.jstor.org/stable/1863035>, (accessed 11 Jul. 2022).

Sumner and Lyman Trumbull, two figures who were both responsible for the creation of landmark Reconstruction legislation, split divisively with the rest of the party, they were accompanied by a significant number of other Radicals, who had quickly become disillusioned with Grant's connections to corruption, and sought reform or a break from the party.

Radical Republican opposition to Grant had even begun as early as 1870 when Radicals attempted an internal reform of the party. Failing in this effort, many of them dissociated with the Republican Party under Grant and formed the breakaway Liberal Republican Party in 1872. From the liberal viewpoint, the Grant administration's support of 'carpetbag' rule in the South had resulted in the 'corruption' of Southern governments.³² Technically, a 'carpetbagger' was simply a northerner who moved to the South after the Civil War and participated in Republican Party politics, a definition that was given a decidedly pejorative hue by Southerners in the following years. Obstinate Southerners began to perpetuate the notion of 'carpetbag' rule in the late 1860s after viable Republican governments had been established.³³ The idea they sought to portray hinged on the image of thieving, corrupt Republican officials who were unfairly controlling the South; while corrupt officials were certainly present, the extent to which they dominated the South was greatly exaggerated.³⁴ White southern conservatives and northern Democrats used this idea as a common language to express their disdain for the Republican governments that sought to uphold the protection of freedmen. Northerners couldn't help but take notice of the clamor, initially dismissing it even as the Democratic chorus denouncing carpetbag corruption – real or imagined – continued unabated.³⁵ Eventually, some northern Republicans came to accept the carpetbagger stereotype.³⁶ The reason for the acceptance of such stereotypes, and the resulting formation of the Liberal Republican Party, was facilitated by the Grant administration's reputation for corruption. Given Grant's past appointments of corrupt officials³⁷ and his ties to political and economic spoilsmen, Liberal Republicans and

³² T. Tunnell, 'Creating "The Propaganda of History": Southern Editors and the Origins of "Carpetbagger and Scalawag,"' *The Journal of Southern History*, vol. 72, no. 4, 2006, pp. 791-793, <https://www.jstor.org/stable/27649233>, (accessed 12 Jul. 2022).

³³ *Ibid.*, 792, 800.

³⁴ K. S. Prince, 'Legitimacy and Interventionism: Northern Republicans, the "Terrible Carpetbagger," and the Retreat from Reconstruction,' *Journal of the Civil War Era*, vol. 2, no. 4, 2012, p. 539, <https://www.jstor.org/stable/26070276>, (accessed 29 Jul. 2022).

³⁵ *Ibid.*, 540-541.

³⁶ *Ibid.*, 544.

³⁷ *Ibid.*, 545-546.

others in the North found it conceivable that he had amassed a circle of devoted appointees in the South, keeping them in power in return for their support of his policies.³⁸ The tarnished reputation of the Grant administration, a result of prior involvement in corrupt activities, was instrumental in the perpetuation of the ‘carpetbag’ stereotype and the subsequent Liberal Republican split. Inevitably, the Liberal Republican faction attempted to ally with Southern conservatives, promising to address corruption and work towards home rule in return for the promise of accepting the Reconstruction amendments and guaranteeing basic rights for freedmen.³⁹ While the Liberal Republicans failed massively to derail Grant’s bid for reelection in 1872, their relationship with the Democratic party would prove to be decisive in the following years.

Response to the Panic of 1873

Another financial crisis struck the nation shortly after Grant’s reelection. The recession, known as the Panic of 1873, followed the failure of the Jay and Cooke Company, a major component of the country’s banking establishment. News of the failure stunned Americans and the financial clout and high publicity of the firm created panic.⁴⁰ This precipitated a major crash, and banks failed en masse as credit was withdrawn from the market.⁴¹ Coincidentally, Grant was a guest at Cooke’s mansion the night before the crash. Once back in the capital, he was informed about the events as financiers began pressuring him to increase the money supply with ‘greenbacks,’ government-printed paper currency.⁴² Grant himself had previously advocated an opposing ‘hard money’ policy – national currency fixed to the value of gold, rather than paper currency whose value was determined by supply and demand. He ultimately decided against the printing of more greenbacks, contracting

³⁸ Ibid., 546-547.

³⁹ J. M. McPherson, ‘Grant or Greeley? The Abolitionist Dilemma in the Election of 1872,’ *The American Historical Review*, vol. 71, no. 1, 1965, p. 47, <https://www.jstor.org/stable/1863035>, (accessed 25 Jul. 2022).

⁴⁰ R. A. Margo, ‘The Labor Force in the Nineteenth Century,’ 1992, NBER Working Paper No. h0040, <https://ssrn.com/abstract=995451>, (accessed 22 Jul. 2022).

⁴¹ D.E. VandeCreek, ‘The Panic of 1873 and Its Aftermath: 1873-1876,’ Northern Illinois University, 2016, <https://digital.lib.niu.edu/illinois/gildedage/chronological3>, (accessed 24 Jul. 2022).

⁴² R. C. Kennedy, ‘On This Day: October 11, 1873 - The New York Times Web Archive,’ 2001, <https://archive.nytimes.com/www.nytimes.com/learning/general/onthisday/harp/1011.html>, (accessed 22 Jul. 2022).

the money supply to avoid inflation.⁴³ While it certainly can be argued that this decision was beneficial in the long term, its immediate effects were disastrous. The monetary contraction prevented businesses from spending much-needed capital to sustain themselves, and trade and international commerce stagnated as a result. The subsequent drop in prices dragged down industrial wages and farm income. Thousands were laid off in the coal and iron industries of Illinois, Ohio, and Pennsylvania; approximately a quarter of the labor force in New York City was unemployed in the winter after the panic.⁴⁴ The United States faced the prospect of a ‘Long Depression,’ which would prevail until the final years of the century. Republican lawyer George T. Strong wrote in his diary that a lack of action from the Republican Party would precipitate a Democratic resurgence in the 1874 elections: a “hard, blue winter,”⁴⁵ as he put it.

At the heart of the issue was the ‘money question,’ a debate that had aired in Congress immediately after the conclusion of the Civil War, but had intensified during the Panic. Much of the country believed that the Panic could be remedied if the ‘money question’ were resolved, or if the Grant administration took action through compromise, economic aid, etc.⁴⁶ The debate crystallized into two clear positions: the ‘hard-money’ and ‘soft-money’ factions. Looking at the Grant administration’s economic policy and its influence on Reconstruction, there are a few important factors to note. On one hand, advocates of ‘hard money’ desired a fixed currency value tied to the price of gold, which would prevent inflation. On the other hand, more democratic voices defended ‘soft money,’ or paper dollars, as the money of the people, not the bankers.⁴⁷ The second important detail to note is that the issue pitted those in the Northeast against those in the Midwest, the former advocating an increase in the circulation of greenbacks, and the latter a

⁴³ R. F. Bruner, ‘The Panic of 1873 and the “Long Depression,”’ Darden Case No. UVA-F-1824, 2018, pp. 1-3, <http://dx.doi.org/10.2139/ssrn.3233302>, (accessed 24 Jul. 2022).

⁴⁴ N. Barreyre, ‘The Politics of Economic Crisis: The Panic of 1873, the End of Reconstruction, and the Realignment of American Politics,’ *The Journal of the Gilded Age and Progressive Era*, vol. 10, no. 4, 2011, pp. 408-409, <https://www.jstor.org/stable/23045120>, (accessed 22 Jul. 2022).

⁴⁵ *Ibid.*, 416; A. Nevins & M. Thomas, ‘The Diary of George Templeton Strong,’ 1952, vol. 4, p. 498.

⁴⁶ N. Barreyre, ‘The Politics of Economic Crisis: The Panic of 1873, the End of Reconstruction, and the Realignment of American Politics,’ *The Journal of the Gilded Age and Progressive Era*, vol. 10, no. 4, 2011, p. 413, <https://www.jstor.org/stable/23045120>, (accessed 22 Jul. 2022).

⁴⁷ *Ibid.*, 411.

return to payments made only with gold currency.⁴⁸ The reason for this difference in opinion is reflected in their respective economies. Although manufacturers were hit hard in the north, gold was still used for two prominent classes of payments: duties on imports and foreign payments.⁴⁹ These two activities, critical to northern manufacturing interests,⁵⁰ solidified the hard-money position of most northeasterners. The economy of the Midwest, contrastingly, heavily relied on agriculture and farming. The money market was too tight in this region since farmers drained their cash to pay railroad rates to transport their crops.⁵¹ Thus, Midwesterners advocated for the issuing of more greenbacks, believing that temporary loans kept farmers afloat.⁵² Thus, Northeastern Republicans clamored for specie payments, while Midwestern Republicans urged more greenbacks. The Republican Party was fractured but compromises on the ‘money question’ were indeed possible, evidenced by the Public Credit Act a few years before the Panic, which arose out of negotiations between the two factions within the Republican Party.⁵³ It was up to Grant and his administration to stabilize the party through a compromise, or explore other avenues to limit the damage caused by the Panic.

At this point, the significance of the Liberal Republican split two years prior became all too apparent. Given that the ‘money question’ had dominated party politics, Grant needed to use Reconstruction as a means

⁴⁸ C. V. Harris, ‘Right Fork or Left Fork? The Section-Party Alignments of Southern Democrats in Congress, 1873-1897,’ *The Journal of Southern History*, vol. 42, no. 4, 1976, p. 478, <https://www.jstor.org/stable/2208003>, (accessed 24 Jul. 2022).

⁴⁹ G. D. Hancock, ‘The National Gold Banks,’ *The Quarterly Journal of Economics*, vol. 22, no. 4, 1908, p. 602, <https://www.jstor.org/stable/pdf/1884918.pdf>, (accessed 29 Jul. 2022).

⁵⁰ *Ibid.*, 603.

⁵¹ H.C. Wallace, ‘The Farmers and the Railroads,’ *Proceedings of the Academy of Political Science in the City of New York*, vol. 10, no. 1, 1922, p. 65, <https://www.jstor.org/stable/1172105>, (accessed 29 Jul. 2022); N. Barreyre, ‘The Politics of Economic Crisis: The Panic of 1873, the End of Reconstruction, and the Realignment of American Politics,’ *The Journal of the Gilded Age and Progressive Era*, vol. 10, no. 4, 2011, p. 413, <https://www.jstor.org/stable/23045120>, (accessed 22 Jul. 2022).

⁵² G. D. Hancock, ‘The National Gold Banks,’ *The Quarterly Journal of Economics*, vol. 22, no. 4, 1908, pp. 603-604, <https://www.jstor.org/stable/pdf/1884918.pdf>, (accessed 29 Jul. 2022).

⁵³ B. G. Carruthers & S. Babb, ‘The Color of Money and the Nature of Value: Greenbacks and Gold in Postbellum America,’ *American Journal of Sociology*, vol. 101, no. 6, 1996, p. 1565, <https://www.jstor.org/stable/2782112>, (accessed 27 Jul. 2022); N. Barreyre, ‘The Politics of Economic Crisis: The Panic of 1873, the End of Reconstruction, and the Realignment of American Politics,’ *The Journal of the Gilded Age and Progressive Era*, vol. 10, no. 4, 2011, p. 414, <https://www.jstor.org/stable/23045120>, (accessed 22 Jul. 2022).

to unite a badly divided party. Yet the considerable number of Radical Republican abolitionists who had jumped ship meant that he lacked the necessary support. Tensions came to a head when the Inflation Bill of 1874 passed through Congress, aiming to inject millions of dollars into the economy through national banknotes.⁵⁴ Midwestern Republicans supported the measure, while Northeasterners opposed it. Ultimately, Grant decided to veto the bill, enraging the party's Midwestern soft-money faction. In a letter between Midwestern Republicans John Deweese and John Logan, both inquired about Grant's decision: "Does he wish to break up the Republican Party by his infernal veto?"⁵⁵

The issue was not simply that Grant vetoed the bill; after all, it appeared that the factions within the party had hardened to such a degree that a satisfactory compromise would be nearly impossible to achieve. The money question would rage on until the turn of the century. The main issue lay in the lack of action following the veto. He offered no hint of compromise for those in the Midwest. Simply put, Grant was not politically savvy in the aftermath of the veto. Aware of the deep divides within the party,⁵⁶ he did not seek to appease his Republican colleagues in the Midwest in any meaningful capacity. The region had been hit particularly hard by the Panic, more so than the North, with numerous railroad businesses collapsing under the weight of the recession, requiring at least some degree of economic aid.⁵⁷ Some compromise, some action, was desperately needed across the nation. Grant belatedly oversaw the passing of a law that released 26 million dollars of greenbacks, which were stored in the vaults of banks as reserves against bank circulation (issued with Grant's approval).⁵⁸ The law also authorized the redistribution of wealth from some New England banks to the rest of the country, according to the ratio of wealth and population in each state.⁵⁹ This minuscule attempt at a compromise left all parties unsatisfied. Grant and his administration had failed to properly recognize the fractured state of the Republican Party and failed to provide financial solutions, particularly in the Midwest, to

⁵⁴ A. Comstock, 'INFLATION: Greenbackism and Free Silver,' *Current History*, vol. 24, no. 141, 1953, p. 276, <https://www.jstor.org/stable/45308415>, (accessed 24 Jul. 2022).

⁵⁵ John Deweese to John Logan, 'John Alexander Logan Family Papers,' 1874, Library of Congress, <https://www.loc.gov/item/mm79030445/>, (accessed 23 Jul. 2022).

⁵⁶ A. L. Slap, 'Liberal Republicans Try Again, 1872–1876,' 2007, ch. 10, <https://doi.org/10.5422/fso/9780823227099.003.0010>, (accessed 24 Jul. 2022).

⁵⁷ S. Mixon, 'The Crisis of 1873: Perspectives from Multiple Asset Classes,' *The Journal of Economic History*, vol. 68, no. 3, 2008, pp. 725-726, <https://www.jstor.org/stable/40056436>, (accessed 24 Jul. 2022).

⁵⁸ Cong Record, 43rd Cong, 1st Sess 489.

⁵⁹ *Ibid.*, 489-490.

help stabilize the tumultuous atmosphere in Congress. Moreover, the administration had failed to coordinate any sort of remedy either for the economic crisis or the situation that had precipitated it. While Grant had managed to prevent a complete collapse of the Republican Party, American citizens were distraught with the political and economic state of the nation. Grant's missteps would spell doom for the congressional elections of 1874.

The drop in Republican fortunes was spectacular. In the House alone, they fell from a 70 percent majority to a 37 percent minority, keeping a majority of seats in only 12 of the 37 states and losing key midwestern territories such as Ohio, Illinois (significantly Grant's home state), and Indiana.⁶⁰ The gubernatorial elections were equally disastrous, with states such as Massachusetts, formerly a Republican stronghold, succumbing to the Democratic vote. Republican candidates and newspapers across the nation scrambled to justify Grant's actions in the wake of accusations that he had 'sold out' to the rich northeasterners, accusations that gave credence to the administration's involvement in numerous scandals. The new Democratic majority in the House would make it certain that no new Reconstruction legislation would pass through in the next session of Congress. Given these factors, a growing number of Republicans in the North became convinced that Reconstruction was hopeless. Moreover, the Panic of 1873 eroded national support for Congressional Reconstruction. Northerners were preoccupied with their financial issues and turned away from thinking about the fate of the freedmen. With that, the government began to pursue a more moderate Reconstruction policy, to the detriment of the African Americans trapped in a hostile South.

A marked decrease in the enforcement of Reconstruction legislation followed the elections. The Enforcement Acts of 1870-1871 sought justice against those who used violence to terrorize African Americans in the South. The government won 74 percent of its enforcement cases in 1870; just 4 years later, the conviction rate rarely passed the 10 percent mark and often fell well below it.⁶¹ Reconstruction policies were rolled back, leaving racial violence in the South relatively unchecked. Between 1874 and 1876 alone, thousands of African Americans were murdered in the South, with their killers free to walk in

⁶⁰ N. Barreyre, 'The Politics of Economic Crisis: The Panic of 1873, the End of Reconstruction, and the Realignment of American Politics,' *The Journal of the Gilded Age and Progressive Era*, vol. 10, no. 4, 2011, p. 416, <https://www.jstor.org/stable/23045120>, (accessed 23 Jul. 2022).

⁶¹ E. Swinney, 'Enforcing the Fifteenth Amendment, 1870-1877,' *The Journal of Southern History*, vol. 28, no. 2, 1962, pp. 205-206, <https://www.jstor.org/stable/2205188>. Accessed 23 Jul. 2022.

almost all cases.⁶² The troops stationed in the South, so vital to the successful implementation of legislation, were reduced. In the face of amplified intimidation tactics, with a smaller number of troops for protection, many blacks were unwilling to testify in courts; doing so could result in property damage, harassment, or death. After gaining control of the House, Democrats were able to set up a congressional committee to investigate the funds allocated to the Department of Justice, the sector of the government responsible for the maintenance of Southern courts that protected African American rights. As a result, they cut the judicial appropriations for 1876-1877 by half a million dollars. While funds were an issue since the inception of the Acts, the Grant administration's blunders essentially made them dead laws. Protections for African Americans were largely eroded after the Republican electoral defeats of 1874.

Conclusion

The Grant administration and the Republicans in Congress were able to pass the Civil Rights Act in 1875 after a hard-won compromise. It was the last legislation of Reconstruction. Because the Supreme Court delayed ruling on its constitutionality, lower courts slowed down their decision-making, which encouraged a disregard for the law by the public and state officials. The primary effect was an exacerbation of African American reluctance to go to court.⁶³ The Grant administration's efforts to promote African American civil rights deserve to be praised; its far-reaching and idealistic legislation was ahead of its time. But the extensive failures of the administration – the numerous scandals, the inability to take decisive action after the Panic of 1873 – fractured the Republican Party, and drove voters to initiate a Democratic resurgence. Reconstruction would formally end in the Compromise of 1877 when Republicans agreed to withdraw the remaining troops in the South in return for the presidency. However, the Grant administration's shortcomings caused Reconstruction to collapse long before this compromise, and African Americans were relegated to second-class citizenship as Jim Crow laws guaranteed a tragic fate for blacks in the South, stripping their political standing and economic independence.

⁶² EJI Reports, 'Documenting Reconstruction Violence,' ch. 3, 2020, <https://eji.org/report/reconstruction-in-america/documenting-reconstruction-violence/>, (accessed 23 Jul. 2022).

⁶³ V. W. Weaver, 'The Failure of Civil Rights 1875-1883 and its Repercussions,' *The Journal of Negro History*, vol. 54, no. 4, 1969, pp. 368-369, <https://www.jstor.org/stable/2716730>, (accessed 24 Jul. 2022).

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