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'TO ONE SUBJECT ONLY': GROVER CLEVELAND'S 1887 STATE OF THE UNION

ONE VOLUME

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ABSTRACT OF THE DISSERTATION

'TO ONE SUBJECT ONLY': AN ANALYSIS OF GROVER CLEVELAND'S 1887 STATE OF THE UNION

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Grover Cleveland's third State of the Union took the unique step of only discussing one subject, tariff reform. This was in marked contrast to its predecessors, which had always covered a multitude of issues. This study analyzes the impact of the third State of the Union on the political and policymaking power of the presidency during the Gilded Age and on the ideological character of the Democratic Party following its post-Civil War doldrums.

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<u>Introduction</u>: The Poet and the President

President Grover Cleveland had bad news for the young poet. As he summoned Richard Watson Gilder into the White House Library, his thoughts went to how outspoken his new friend had been on the subject of international copyright law. Since Cleveland was scheduled to submit his annual State of the Union in a few days, he intuited that Gilder was going to ask him to mention that topic when he did so. This request would have hardly been unusual – presidents always covered a wide range of issues in those messages, and indeed the practice of Americans pirating foreign artwork had been previously brought to Cleveland's attention during a conversation with Mark Twain. Nevertheless, plans were already in motion that precluded the possibility of alluding to that matter on this occasion. "I want to tell you why I cannot mention international copyright in my message," Cleveland stated with characteristic bluntness as soon as Gilder settled down. "The fact is, I am going to devote the message to one subject only." I

Gilder recognized right away that such a move would be extremely controversial. The tradition of touching on numerous public questions in State of the Unions traced all the way back to George Washington, who had delivered the first of these so called "annual messages" in 1790. Indeed, with the exception of Thomas Jefferson's decision to submit his State of the Union in writing instead of orating it (a practice thereafter followed until 1913), all of Washington's examples for this Constitutional ritual had been

¹ Richard Watson Gilder, <u>Grover Cleveland: A Record of Friendship</u> (New York, NY: The Century Co, 1910) 7, 15-16.

pointedly mimicked by his successors. Yet now, in December 1887, after nearly a century of tradition and less than a year before he would be up for reelection, Cleveland had declared that he was going to break one of those precedents. By making the 1887 State of the Union the first to focus on "one subject only," he was for better or worse guaranteeing that it would attract intense attention. ²

This was exactly what he hoped to do, since the subject he had selected, tariff reform, was one he considered especially important. Ever since the Republicans passed a series of tariff increases between 1861 and 1875, the government had been regularly accumulating massive surpluses. By 1886, total federal revenue had swollen to \$336,000,000, of which nearly \$94,000,000 had been left unspent. Bourbon Democrats like Cleveland believed that exorbitant tariffs destabilized the business community, robbed taxpayers of their rightful earnings, encouraged unscrupulous politicians to fund wasteful projects, and unfairly raised prices on subsistence goods. These views were further reinforced in the president's mind as he perceived the economic hardships afflicting Americans in the Midwest and South while touring those regions earlier that

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² Michael Kolakowski and Thomas H. Neale, "The President's State of the Union Message: Frequently Asked Questions," Congressional Research Service Report for Congress, 7 March, 2006, 2-3,

http://www.senate.gov/artandhistory/history/resources/pdf/stateoftheunion.pdf Accessed 19 December, 2011; A. J. Wann, "The Development of Woodrow Wilson's Theory of the Presidency: Continuity and Change," in https://www.senate.gov/artandhistory/history/resources/pdf/stateoftheunion.pdf Accessed 19 December, 2011; A. J. Wann, "The Development of Woodrow Wilson's Theory of the Presidency: Continuity and Change," in https://www.senate.gov/artandhistory/history/resources/pdf/stateoftheunion.pdf The Philosophy and Policies of https://www.senate.gov/artandhistory/history/resources/pdf/stateoftheunion.pdf The Philosophy and Policies of https://www.senate.gov/artandhistory/history/resources/pdf/stateoftheunion.pdf The Philosophy and Policies of <a href="https://www.senate.gov/artandhistory/history/history/resources/pdf/stateoftheunion.pdf The Philosophy and Policies of <a href="https://www.senate.gov/artandhistory/hi

summer. More than ever, he became convinced that meaningful tariff reform was necessary.³

As he relayed that last detail to Gilder, Cleveland admitted that he had initially considered calling for a special session of Congress, although he decided against that option out of fear it would trigger a panic. Because there had been turbulence in the financial community earlier that year, his trepidation was undeniably credible. Even so, he confessed, "I hated to relinquish the idea of doing something that would be likely to do good in the direction of tariff reduction." While tariff reformers like Senator Carl Schurz of Missouri, author George W. Curtis, and newspaper editor Edwin L. Godkin continued to plead with him to take action, the president considered his options:

At last it occurred to me that there was nothing in the Constitution which required that the annual message should, as is usual, go over the entire public business. The Constitution only says, that the President 'shall, from time to time, give to the Congress information of the state of the Union.' There was no reason why the message should not be confined to a single subject.

Cleveland may have been correct about there not being any legal barriers to stop him, but his political allies had other concerns. "I think you have now the opportunity to make a very great success," wrote former Governor George Hoadly of Ohio about the upcoming election, but that success "would be converted into defeat" if the president risked

3 Edward Stanwood, <u>American Tariff Controversies in the Nineteenth Century: Volume II</u>. (New York, NY: Houghton Mifflin Company, 1903) 109-191; Allan Nevins, <u>Grover Cleveland: A Study in Courage</u> (New York, NY: Dodd, Mead & Company, 1932) 368-370; John White, "President Grover Cleveland's Goodwill Tour of 1887," <u>White House History</u>

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http://www.whitehousehistory.org/whha_publications/publications_documents/whitehousehistory_28-white.pdf Accessed 19 December 2011; Gilder 8.

alienating supporters of higher rates by pushing for reductions. Little did Hoadly know that even as he admonished Cleveland to ignore the tariff reformers and abide by the adage "in medio tutissimus ibis," the reformers themselves were beginning to have reservations about Cleveland's proposal, although "after thinking about it, they would say: 'But why not? Why, certainly, it's a good idea; it is just the thing to do."

Historians have tended to agree with Hoadly. Rexford Tugwell referred to the tariff message as the president's "most important state paper, and also the most disastrous" and claimed it managed to "split the party and give the Republicans the chance they had not thought they would have." Horace Merrill commented that, although the prevailing view at the time was that the Democratic ticket would win so long as no crisis developed, the president "seemed to have created that crisis." Even Allan Nevins, Cleveland's admiring biographer, felt that his annual message was politically counterproductive, since "it was clear that if the Democrats walked carefully and avoided offending important sectional or economic interests, their victory was assured." These and other academics have primarily characterized the 1887 State of the Union as a political gaffe, with its main legacy being Cleveland's defeat in the 1888 presidential election at the hands of the Republican candidate, Senator Benjamin Harrison of Indiana.⁵

⁴ Gilder 8-13; Allan Nevins, <u>Letters of Grover Cleveland: 1850-1908</u> (New York, NY: Houghton Mifflin Company, 1933) 166.

⁵ John P. McIver, "Table Eb149-153 - Electoral and popular votes cast for President, by candidate: 1789–2000," <u>Historical Statistics of the United States: Millennial Edition</u>, Accessed 19 December 2011,

http://hsus.cambridge.org/HSUSWeb/table/jumpto.do?id=Eb149-153; Rexford Tugwell, Grover Cleveland: A Biography (New York: The Macmillan Company, 1968) 164; Horace Merrill, Bourbon Leader: Grover Cleveland and the Democratic Party

This thesis intends to complicate that prevailing narrative. Whatever its effect on Cleveland's reelection bid, the submission of his third State of the Union on December 6, 1887 was a watershed moment in American political history. For two decades after the Civil War, national politics had been defined by the dominance of the Republican Party and the shift of policymaking influence from the executive branch to the legislature. Although Cleveland had fought in less ambitious ways to reverse these trends during his first thirty-three months in office, the argument of this thesis is that the 1887 State of the Union was vital to the reestablishment of the presidency as a major agent in initiating state policy and shaping national political discussion. In addition, it will show that the tone of economic populism used throughout the annual message provided the Democratic Party with a new identity after almost a quarter-century of ideological purposelessness.

All of this will be demonstrated through an intellectual and political history. First there will be an exploration of Cleveland's philosophy as a Bourbon Democrat and the manner in which it influenced his annual message's ideological content. Next there will be a review of how that document attempted to reassert the power of the presidency on the heels of Cleveland's earlier efforts in that vein. Then there will be an analysis of the unique brand of populism that appeared throughout the text and attempted to provide a unifying link among Americans of all vocations based on their common status as consumers. Finally, there will be an explanation of the role played by the 1887 State of the Union in the subsequent presidential election and a brief overview of how it transformed both the presidency and the Democratic Party.

(Boston: Little, Brown and Company, 1957) 123; Nevins, <u>Grover Cleveland: A Study in Courage</u> 367, 414.

Shortly after his loss to Harrison, Cleveland mused that although he suspected most historians would view his administration's work "as unimportant, or as failure," he could console himself with the prediction that "something, however, might perhaps be said about the tariff message." As of today that prediction is only partly correct, since recent scholarship has failed to fully appreciate the scope of his annual message's legacy. This thesis aims to change that.⁶

⁶ Gilder 22.

Chapter One: Bourbonism and the 1887 State of the Union

To understand the positions articulated in the 1887 State of the Union, it is essential to first explore the ideological framework within which Cleveland was operating. That, in turn, requires an understanding of the Bourbons.

Dubbed as such to draw unflattering comparisons with the monarchical dynasty deposed during the French Revolution, the Bourbons were a faction of conservative Democrats who controlled that party for a generation after capturing its presidential nomination for New York Governor Horatio Seymour in 1868. Like their analogs in the Republican organization, the Mugwumps, the Bourbons were perceived as "reformers" due to the passionate crusades they waged against civic corruption. This image was belied, however, by their laissez-faire views on social and economic issues. As written in one of the manifestos they published after breaking from the Democratic Party in 1896, Bourbons held that "the cardinal article" of a Democrat's political faith was a belief in "the ability of every individual, unassisted, if unfettered by law, to achieve his own happiness." From this they concluded that "every grant of power to government ought... to be strictly and jealously construed as impairing to some extent the natural rights of men," that "the expenditure of money by the Government ought to be the least possible," and that "the collection and disbursement by public officials of money earned by other men" led to corruption "not only in the jobbery and thievery more or less attending irresponsible expenditure of money, but perhaps more seriously in its tendency to create in the minds of citizens a sense of dependence upon government." Their objective was for the state to be administered in a "simple, economical, honest, and efficient" fashion,

remain "impartial... in the unhesitating protection not only of the lives of citizens but of private rights and property," and eschew all notions that "government, through paternal legislation or supervision" could "conjure comfort into the homes of its citizens."

Because newspapers in the 1870s and 1880s were filled with stories about notorious ethics scandals (involving everyone from the chieftains at Tammany Hall to the most trusted advisers of President Ulysses S. Grant), the Bourbons recognized that their activism against civic corruption was likely to yield political dividends. Naturally, this caused them to stress opposition to malfeasance above all other issues in their presidential campaigns, a decision reflected in the selection of candidates like Governor Samuel Tilden, who not only hailed from the swing state of New York but had achieved national fame for fighting corruption even when it involved members of his own party. Although Tilden won the popular vote in the 1876 election, controversy over voting returns in South Carolina, Louisiana, and Florida denied him a majority in the Electoral College and meant more time would have to pass before a Bourbon occupied the White House. When that day finally arrived, the election year had been 1884, the reformminded New York Governor was Grover Cleveland, and the Democrats' victory returned their party to executive power for the first time in twenty-four years.⁸

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⁷ Edward Conrad Smith and Arnold John Zurcher, eds. <u>Dictionary of American Politics</u> (New York, Barnes & Noble, Inc. 1955) 43-44; Merrill 44-45; Richard Hofstadter, <u>The Age of Reform: From Bryan to FDR</u> (New York, NY: Vintage Books, 1955) 141-143; Democratic Party National Committee <u>Campaign Textbook of the National Democratic Party, 1896</u> (Chicago: National Democratic Committee, 1896) 1-2, 34.

⁸ Merrill 45-47; H. Wayne Morgan, <u>From Hayes to McKinley: National Party Politics</u>, <u>1877-1896</u> (Syracuse, NY: Syracuse University Press, 1969) 57-59; Paul Leland

As they basked in the glow of political restoration, Democrats knew that their decision to ignore economic issues like tariff policy and instead focus doggedly on the fight for clean government had been responsible for their victory. Cleveland's impeccable anti-corruption record as governor, when combined with the allegations of financial chicanery clouding the past of Republican nominee Senator James G. Blaine of Maine, made the wisdom of that strategy self-evident. Even had a focus on ethics not recommended itself for that campaign, however, there were other reasons for the Democrats to avoid the tariff issue. For decades that subject had led to some of the party's most intense internal divisions, with voters from the agrarian South and West wanting to keep prices down by lowering import rates while inhabitants of the industrialized North and Midwest (including powerful Democratic congressional leader Samuel J. Randall) supported higher levies to protect jobs in their region. The success of Democratic leaders in balancing both sides had been mixed at best, with the most notable flare-up occurring in the early 1830s after South Carolina threatened to nullify a protectionist tariff bill and, failing that, secede from the union entirely. Civil war had been avoided at the time, but the memory of the incident remained potent.⁹

In light of both this history and a pragmatic desire to prevent a party divide based on sectional and economic differences, Cleveland and other Bourbon political leaders spent the early years of his presidency downplaying the tariff question. Cleveland himself

Haworth, <u>The Hayes-Tilden Disputed Presidential Election of 1876</u> (New York, NY: The Burrows Brothers Company, 1906) 45-283.

⁹ Tugwell 87-98; Morgan 165-170; Arthur Schlesinger, <u>The Age of Jackson</u> (New York, NY: Konecky & Konecky, 1945) 94-96.

did not display any strong interest in the subject until early 1886. Although he occasionally added references in his policy papers to an eventual need for rate reduction, he phrased the rhetoric to advertise a general belief that "expenditure of money by the Government ought to be the least possible" without committing himself to any immediate policy initiatives. When Cleveland did devote his energy to an economic issue, he chose another subject near and dear to Bourbon hearts – stopping government waste by fighting the perceived fiscal indiscretions of the veteran pensions system.¹⁰

The rationale and language Cleveland used in his battle against pension legislation reflected the larger Bourbon mentality. After the Civil War, the Republican Party constructed an elaborate bureaucracy that provided welfare for veterans and veterans' dependents. Though initially modest in scope and designed only to offer benefits to those whose difficulties could be traced to some form of military service, the pension system eventually grew to cover all veterans and veterans' dependents who had medical reasons for being unable to support themselves, regardless of the origin of their ailments. The Republican Party used this both to bolster its reputation as the advocate of those who had sacrificed for the Union and to earn votes for politicians who regularly guaranteed generous dispensations of funds for their constituents.

Republicans then linked veterans' interests with the cause of protectionism by using surplus tariff revenue to fund the pension system, thus broadening the coalition for

¹⁰ Tugwell 155-159; Nevins, Grover Cleveland: A Study in Courage 280-282.

¹¹ Theda Skocpol, <u>Protecting Mothers and Soldiers: The Political Origins of Social Policy in the United States</u> (Cambridge, MA: The Belknap Press of Harvard University Press, 1992) 102-130.

high tariffs so that it could encompass anyone who had a personal connection to the Union Army. Likewise, the party shored up its base by using pension funds as a form of patronage. Because the legal codes determining benefit allocation were very complex, claimants who wanted to expedite their applications or have rejections overturned often appealed to their congressmen to sponsor "private pension bills" in the House or Senate, which made exceptions for individual cases. That practice exploded after 1879, when the Arrears Act allowed applicants to receive payments not only from the time their claims had been approved, but retroactively from the moment the asserted injury or death had taken place. These private pension bills, if passed by Congress, were always signed into law by the Republicans presidents who were presented with them.¹²

This was the situation that confronted Cleveland when he took office, and naturally Bourbons perceived the need to stop such fiscal waste as being of the utmost importance. Consequently, of the more than four hundred vetoes he issued during his first term (more than twice the total produced by his twenty-one predecessors), roughly half of them were directed toward private pension bills. He would often stay up late at night poring through the paperwork related to this legislation, reading the case files of ordinary citizens and making judgment calls as to the merits of their claims. Criticism that he was wasting his time on trivialities did not deter him. Applications he deemed weak were not

12 *Ibid*.

only vetoed, but accompanied by strongly worded messages detailing his reasons for rejecting them.¹³

The arguments in those veto messages revealed valuable insights into the Bourbon philosophy. On the one hand, Cleveland was politically compelled to express the highest respect for soldiers who had been legitimately injured or killed during the Civil War, not only to avoid appearing callous but to offset his party's association with the Confederacy and his own compromising wartime record (he had avoided service by hiring a substitute to serve in his place, a common practice at the time). Nevertheless, he did not hesitate to justify his vetoes by outlining the flaws he discovered in each case and, when he deemed it appropriate, segueing from arguments about specific individuals to discussions of the larger political principles he believed were at stake. This required him to articulate a belief system that included several themes which appeared in the 1887 State of the Union.¹⁴

When Cleveland became president, pension laws still only granted benefits to citizens whose claims could be connected to military service. As a result, many of his vetoes were issued on the grounds that a claimant wanted an unfair exception to be made in his or her case. In vetoing a pension for a widow whose husband, though shot in the arm during the war, had died twenty years later from "typhomalarial fever... caused by hard work or overexertion and exposure," he explained that granting her a pension would

13 United States Senate Library, <u>Presidential Vetoes: 1789-1988</u>. (Washington, DC: United States Government Printing Office, 1992) ix, 65-137; Nevins, <u>Grover Cleveland:</u> A Study in Courage 326-332.

¹⁴ Tugwell 32-34.

not only "clearly contravene the present policy of the Government," but would require him to either "allow a pension to the widow of every soldier wounded or disabled in the war, without regard to the cause of death" or else "unjustly discriminate in favor of the few thus receiving the bounty of the Government against many whose cases were equally meritorious." He cited similar reasons in his pension veto for a veteran who, despite having been rendered into an invalid after contracting malarial fever in the army, had neglected to file his claim before the deadline that would have allowed him to receive back payments vis-à-vis the Arrears Act (in his case amounting to roughly \$9,000). Cleveland argued that he could not grant this claim "in fairness to other claimants" because the veteran had "come so far short of furnishing a satisfactory excuse for his delay" that his request for an exception was nothing more than a "discrimination asked in his favor." Even when he expressed sympathy for a claimant, as he did with a woman whose husband had fallen off of a train due to a leg injury that she suspected (but could not prove) had been caused by his military service, Cleveland insisted that he could not show her special favor because "official duty can not (sic) always be well done when directed solely by sympathy and charity."¹⁵

Cleveland's veto messages also heavily emphasized the need to prevent misuse of taxpayer money. In the case of an impoverished veteran who was struggling to support his large family after being maimed during a parade accident, the president wrote that while "a disabled man and a wife and family in need are objects which appeal to the

¹⁵ Veto of "A bill granting a pension to Mary J. Hagerman, 1886, S. 2160, 49th Cong."; Veto of "For the relief of Thomas S. Hopkins, late of Company C, Sixteenth Maine Volunteers, 1886, S.183, 49th Cong."; Veto of "An act granting a pension to Harriet Welch, 1886, S. 1383, 49th Cong."

sympathy and charitable feelings of any decent man," the officials entrusted with "the expenditure of the people's money" could not use the pension fund to "furnish a means of relief in every case of distress or hardship." He reiterated this emphasis on fiscal discipline three days later in his rejection of a bill for a veteran who had become blind fifteen years after the war because of an optic nerve condition. Although Cleveland acknowledged that the man was suffering from "one of the saddest afflictions known to human life," he observed that the sole grounds for passing this bill was the hope "that aid should be furnished to this ex-soldier because he served in the Army and because he a long time thereafter became blind, disabled, and dependent." Rejecting that proposition, the president noted that the "hundreds of special acts" which attempted to bestow pensions based on "sympathy rather than judgment" risked establishing a precedent that would "result in unregulated, partial, and unjust gifts of public money." 16

During the first two years of Cleveland's presidency, veto messages like these could have been construed as simple refusals to be lax in adhering to legal requirements. That changed on February 11, 1887, when Cleveland was presented with the Dependent Pension Act, a bill that would have extended pension eligibility to all veterans and veterans' dependents who were unable to support themselves, regardless of whether their conditions had been caused by military service. In his veto message, Cleveland argued that the process of determining what would constitute an "incapacitating injury or ailment" or being "unable to earn a support" was so intrinsically subjective that any attempt to administer the law "would necessarily produce more unfairness and unjust

¹⁶ Veto of "An act granting a pension to William Boone, 1886, H. R. 473, 49th Cong."; Veto of "An act granting a pension to Francis Deming, 1886, H. R. 2971, 49th Cong."

discrimination and give more scope for partisan partiality." He also repeated his arguments about protecting the interests of the taxpayers, stating that the bill would call into serious question any "further efforts to reduce the Federal revenue and restore some part of it to our people." ¹⁷

This thinly veiled reference to the tariff issue was tied to a general message about Republican financial irresponsibility. It was especially easy to draw attention to that theme when he caught Congress in an act of brazen incompetence, such as after the Senate accidentally passed a pension bill on behalf of a woman whose claim had been approved seven months earlier. After expressing "a feeling of relief" that he would not be called upon to judge the merits of the case itself, Cleveland chided Congress for their "promiscuous and ill-advised grants of pensions" and warned that, given the erroneous claims he had seen during the opening months of his presidency, the American people were in danger of being taught "the demoralizing lesson" that the public treasury was open to "the most questionable expedients." To illustrate the nature of this "demoralizing lesson," Cleveland often ridiculed claimants whose cases he felt were particularly outrageous. Of the many veterans who claimed to have suffered horseback injuries from being thrown forward onto their saddles, he sarcastically noted that "those saddles were very dangerous contrivances." When a veteran who had broken his leg while picking dandelions claimed the injury stemmed from an unverified battle wound, Cleveland condescendingly concluded that the man's subsequent recovery made it irrelevant

¹⁷ Veto of "An act for the relief of dependent parents and honorably discharged soldiers and sailors who are now disabled and dependent upon their own labor for support, 1887, H. R. 10457, 50th Cong."

whether his fracture had been caused by "army service or the injury sustained while gathering dandelions." On another occasion he quoted at length the contemptuous medical report of a claimant whose doctors described him as "obese and a malingerer to such an extent that he is almost an imbecile—worthlessness, obesity, and imbecility and laziness." ¹⁸

Many of his cruelest rebukes were directed toward female applicants: a widow whose husband had died during the war after being asked to taste and smell a strange medicine was drolly informed that it was "quite evident that the deceased soldier did more than taste this medicine"; a woman who had made cartridges for the United States arsenal, been injured in a factory explosion, and lost two of her young sons in other job-related mishaps had her case turned down in large part because he viewed her as having "very bad character" in light of having "been under arrest nine times for drunkenness, larceny, creating disturbance, and misdemeanors of that sort"; and a wife whose ex-POW husband had drowned himself after being haunted by memories of "the hardships of prison life" was told that the veteran probably just committed suicide to escape the ordeal of being married to her, since she had a reputation as "a pretty rough woman," "a hard talker," and "a virago." Overall, Cleveland's characterization of so many pension applicants as stupid, dishonest, lazy, and/or deprayed underscored his assertion that

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¹⁸ Veto of "An act granting an increase of pension to Elizabeth S. De Krafft, 1886, S. 2223, 49th Cong."; Veto of "An act granting a pension to Alfred Denny, 1886, S. 1192, 49th Cong."; Veto of "An act granting a pension to John Hunter, 1886, H. R. 1990, 49th Cong."; Veto of "An act granting a pension to Abraham P. Griggs, 1887, H. R. 8834, 50th Cong."

reckless pension expenditures were both unfair to taxpayers and irresponsible as economic policy.¹⁹

Ultimately, nibbling away at the Republican system one potential pensioner at a time was hardly the most efficient means of advancing the Bourbon Democrats' agenda. To truly make progress with his ideals, Cleveland would have to do so through a major issue like tariff reform. Nonetheless, because his pension vetoes and 1887 State of the Union were driven by his Bourbon ideology, similar themes shaped both of them.

From the beginning of the message, it was clear that the president intended to frame part of his argument as a defense of taxpayer rights against wanton fiscal profligacy. As he explained in his third paragraph, "the theory of our institutions guarantees to every citizen the full enjoyment of all the fruits of his industry and enterprise, with only such deduction as may be his share toward the careful and economical maintenance of the government which protects him," and to tax beyond that amount constituted an "indefensible extortion and a culpable betrayal of American fairness and justice." Cleveland then elaborated on the precise nature of this "indefensible extortion" by providing surplus figures for the 1885, 1886, and 1887 fiscal years.²⁰

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¹⁹ Veto of "An act granting a pension to Mrs. Catherine McCarty, 1886, H. R. 5603, 49th Cong."; Veto of "An act granting a pension to Mary Ann Dougherty, 1888, S. 1547, 50th Cong."; Veto of "An act granting a pension to Mrs. Jane Potts, 1888, H. R. 5525, 50th Cong."

²⁰ Grover Cleveland, <u>The Writing and Speeches of Grover Cleveland</u>, ed. George F. Parker (New York, NY: Cassell Publishing Company, 1892) 72-74; Chart created with assistance from Lance Stern of Rubin-Goertz & Company.

Excess Revenue Fiscal Year Ended June 30				
1885	\$	17,859,735.84		
1886	\$	49,405,545.20		
1887	\$	55,567,849.54		
Excess Revenue as of December 1, 1887				
\$55,258,701.19				
Projected Excess Revenue Fiscal Year Ended June 30, 1888				
\$113,000,000.00				

Interwoven through this section of the document (from the beginning of the third paragraph to the end of the ninth) was the theme that the wrong "inflicted upon those who bear the burden of national taxation" was not only inherently unjust, but economically dangerous. It caused "a brood of evil consequences," turning the Treasury into "a hoarding-place for money needlessly withdrawn from trade and the people's use, thus crippling our national energies, suspending our country's development, preventing investment in productive enterprise, threatening financial disturbance, and inviting schemes of public plunder." While the reference to "schemes of public plunder" was no doubt meant to conjure up the issue of pension extravagance as well as more blatant forms of corruption, Cleveland glibly conflated those problems with the overall strength of America's economic life. Specifically, he referenced the economic difficulties that had occurred earlier that year when warning that "such a withdrawal from the use of the people's circulating medium" could easily result in the business community being again "subjected to the same distress which was quite lately produced from the same cause." Whereas the pension veto messages merely objected to "public plunder" as an ethical

problem, the 1887 State of the Union cast those fiscal policies as dangerous to America's overall economic health. Both ideas were integral parts of the Bourbon belief system.²¹

The theme of preventing discrimination that appeared in Cleveland's veto messages was also prominent in his 1887 State of the Union. Just as he had objected to pension extravagances through the Bourbon logic that they unfairly elevated the selfinterest of some citizens over those of others, so too did he depict the current tariff rates as being in violation of the non-discriminatory principles so vital to the Constitution. Even as he devoted the mid-section of his annual message to explaining why all workers should unite based on their common status as consumers (see Chapter Three), he made a point of admonishing those who put the interests of their own particular vocational group over the welfare of the rest of America. For instance, although protectionists encouraged farmers who owned sheep to support tariffs that gave them an advantage over foreign wool importers, Cleveland told those farmers to remember that they were only a "small proportion" of both the agricultural community and overall population, and as such should not force groups like non-wool producing farmers to spend more on wool-based products simply because it was necessary "for the benefit of those who have sheep to shear." Similarly, Cleveland included an off-hand reminder to manufacturing workers, who were told to support high tariffs "to save their employment and maintain their wages," that they were actually "in a minority among those who labor." Even as he cushioned this by insisting their minority status did not in its own right mean they "should forego an advantage, in the interest of low prices for the majority," he argued

²¹ *Ibid.*, 73-75.

that protectionism granted special privileges to certain groups at the expense of others, especially farmers and agriculturalists "who manufacture nothing, but who pay the increased price which the tariff imposes upon every agricultural implement, upon all he wears, and upon all he uses and owns..., 22

In criticizing America's manufacturing sectors, Cleveland walked a delicate line. Because the Southern and Western states were predominantly agrarian while the Northern and Great Lakes states had become increasingly industrialized, the high tariff rates redistributed wealth from the South to the North. This was what had prompted South Carolina's near-secession in the 1830s, although Southern states had possessed enough clout during the antebellum period that such extreme measures were usually not necessary for stopping or watering down protectionist legislation. After the Civil War, however, the South lost all of this political influence, due to the national dominance of the hostile Republican Party. Now that a Democrat was in the White House for the first time since that conflict, the South arguably had a president who would be mindful of their economic interests. Cleveland could ill afford that image, as being branded a sympathizer to the formerly rebellious states would hurt him in the industrial North and Midwest and only win applause in a region that was already staunchly anti-Republican. As such, although he had not been explicitly pro-Southern in any of his rhetoric, he still had to be careful about stirring up sectional animosities when he referred to "manufactures." ²³

²² *Ibid.*, 80-82.

²³ Richard Franklin Bensel, <u>The Political Economy of American Industrialization</u>, 1877-1900 (Cambridge, MA: Cambridge University Press, 2000) 1-18.

Aware of these dangers, Cleveland's thirty-fourth, thirty-fifth, and thirty-sixth paragraphs emphasized that "the presentation made of such considerations" could not be "with any degree of fairness regarded as evidence of unfriendliness toward our manufacturing interests or of any lack of appreciation of their value and importance." He recognized that "these interests constitute a leading and most substantial element of our national greatness and furnish the proud proof of our country's progress." The matter was simply one of avoiding discriminatory policies, so that although no demand was being made of manufacturers to "forego all the benefits of governmental regard," they still could not "fail to be admonished of their duty" to the greater good of the nation. In the event that a willingness to put national interests over their personal concerns was insufficient for them, Cleveland ominously added that another economic downturn would "afford no greater shelter or protection to our manufactures than to other important enterprises." He even obliquely referred to the dangers of reigniting sectional resentment by warning that the manufacturing regions should not be "unmindful of a time when an abused and irritated people, heedless of those who have resisted timely and reasonable relief" might demand "a radical and sweeping rectification of their wrongs." As such, there were practical as well as moral reasons for them to engage in "a patriotic disregard of such local and selfish claims as are unreasonable and reckless of the welfare of the entire country.",24

Although the Bourbon philosophy was not central to Cleveland's attempts to sell his policies throughout the nation, it guided the views that caused him to dedicate the

²⁴ Parker 84.

1887 State of the Union to this single topic in the first place. After being elected in 1884 on the basis of his strong anti-corruption record, Cleveland began applying to economic issues the same Bourbon ideals that had caused him to become an acclaimed civic reformer as Mayor of Buffalo and Governor of New York. These values motivated him to take strong stances against what he perceived as discriminatory policies, fiscal irresponsibility, and violations of taxpayer rights. When those themes appeared in the 1887 State of the Union, their relationship to a core set of Bourbon ideals was unmistakable.

Chapter Two: Executive Power and the 1887 State of the Union

As Professor Woodrow Wilson prepared to write the preface to a reprinting of his classic work of political science, *Congressional Government*, he asked his readers to refrain from being too harsh in their judgments:

I must ask those who read them now to remember that they were written during the years 1883 and 1884, and that, inasmuch as they describe a living system, like all other living things subject to constant subtle modifications, alike of form and of function, their description of the government of the United States is not as accurate now as I believe it to have been at the time I wrote it.

A treatise on the workings of America's federal state, *Congressional Government* lambasted what Wilson perceived as the decline in presidential authority that had begun after the Civil War and continued right up to the time of his initial writing. With this in mind, it is easy to understand why he felt the need for a disclaimer. After all, *Congressional Government* had been conceived and developed during the waning years of Chester Arthur's weak presidency, and when Wilson revisited his text in 1900, the White House was occupied by a far more assertive chief executive, William McKinley. More significant, though, was the fact that the office had metamorphosed into an entirely different institution because of McKinley's predecessor, Grover Cleveland. As Wilson wrote later in his academic career, the presidency "will be as big and as influential as the man who occupies it." With that in mind, the third State of the Union can only be

properly comprehended by reviewing the post-Civil War decline in executive power and the early efforts undertaken by President Cleveland to restore it. ²⁵

Prior to the outbreak of the Civil War, the office of the presidency could hardly have been described as subservient. Indeed, the political period that existed in antebellum America during its last three decades is called the Jacksonian Era precisely because its first president, Andrew Jackson (1829-1837), had been so successful in increasing the influence of his office during that time. Among other legacies, his administration shaped the presidency into a strong political and policymaking institution from the start of his first term in 1829 up through the midterm elections of 1866. The Republican congressional sweep in 1866 and subsequent disempowerment of President Andrew Johnson, however, caused a significant diminution of presidential prerogatives for the next twenty-one years.

When Jackson campaigned for president in 1824 and 1828, he presented himself as a proponent of limited government in the model of Thomas Jefferson. Upon taking office, however, he found himself inclined to use his position as a tool for assertively exercising both political and policymaking agency. When the authority of the federal government was challenged by a threat from South Carolina to secede from the Union in protest of a protectionist tariff bill (see Chapter One), he successfully promoted the idea that the executive had the right to use military force if necessary to suppress local insurrection. In an entirely different way, he strengthened his office by implementing a

²⁵ Woodrow Wilson, <u>Congressional Government</u> (New York, NY: Meridian Books, Inc., 1900) 19; Woodrow Wilson, <u>Constitutional Government in the United States</u> (New York, NY: Columbia University Press, 1908) 79.

system of job rotation (derisively known as "the spoils system" by its opponents), which increased the president's ability to determine the personnel who would staff the state and thereby help him build up an effective partisan apparatus. Most importantly, when Jackson became convinced that the Second Bank of the United States possessed too much influence over America's economic system and was manipulating currency policy to benefit the wealthy, he used his veto power to prohibit a renewal of its charter. In doing this, he not only guaranteed that the election of 1832 would revolve around an economic question which worked to the benefit of his partisan brand (see Chapter Three), but demonstrated that a president could win in a test of wills between himself and influential congressional leaders like Senators Henry Clay of Kentucky and Daniel Webster of Massachusetts, who were among the bank's strongest supporters. The power of the presidency to directly and aggressively shape domestic policy had been indisputably established. ²⁶

Several of Jackson's successors also found assertive ways to use their office as a policymaking instrument: Martin Van Buren (1837-1841) established an Independent Treasury; John Tyler (1841-1845) brought Texas into the Union and confirmed the legitimacy of vice presidents who ascended to the White House due to the death or removal of their predecessors; James Polk (1845-1849) reestablished the Independent Treasury system, negotiated a treaty with Great Britain that allowed America to acquire part of the Oregon Territory, and made controversial use of executive war powers by initiating an aggressive and controversial imperialist campaign against Mexico; Zachary Taylor (1849-1850) incurred Southern wrath, including from many of his fellow Whigs,

²⁶ Schlesinger 45-47, 94-97, 74-114.

by opposing the expansion of slavery into the newly-acquired western territories and supporting the immediate annexation of California and New Mexico as free states; and Millard Fillmore (1850-1853) expanded trade with East Asia and used the bully pulpit to shape and pass the Compromise of 1850, a series of legislative measures that postponed the Civil War by eleven years.²⁷

Although Franklin Pierce (1853-1857) and James Buchanan (1857-1861) were weaker leaders who had difficulty standing up to Southern congressional interests during the growing controversy over slavery, Abraham Lincoln (1861-1865) increased the power of the presidency to levels unimaginable even to Jackson. Not only did he wage America's first and only civil war, but he confronted controversy by freeing the slaves with the Emancipation Proclamation, suspending the writ of habeas corpus, instituting the first military draft, opening millions of acres of western land to settlers, subsidizing the construction of the Transcontinental Railroad, establishing a national currency, creating the first national income tax, and most significantly, using the language of the Constitution as a means for justifying central state aggression against secessionist rebels.²⁸

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²⁷ *Ibid.*, 227-241, 250-266; Edward P. Crapol, <u>John Tyler: The Accidental President</u> (Chapel Hill, NC: The University of North Carolina Press, 2006) 8-17, 176-222; Walter R. Borneman, <u>Polk: The Man Who Transformed the Presidency and America</u> (New York, NY: Random House, 2008) 224-229; K. Jack Bauer, <u>Zachary Taylor: Soldier, Planter, Statesman of the Old South</u> (Baton Rouge, LA: Louisiana State University Press, 1985) 256-272, 289-313; Robert J. Rayback, <u>Millard Fillmore</u> (Newtown, CT: American Political Biography Press, 1982) 238-253, 293-317.

28 Schlesinger 474-479; Jean H. Baker, <u>James Buchanan</u> (New York, NY: Henry Holt and Company, 2004) 145-152; Doris Kearns Goodwin, Team of Rivals: The Political

²⁸ Schlesinger 474-479; Jean H. Baker, <u>James Buchanan</u> (New York, NY: Henry Holt and Company, 2004) 145-152; Doris Kearns Goodwin, <u>Team of Rivals: The Political Genius of Abraham Lincoln</u> (New York, NY: Simon & Schuster, 2005) 351-357, 535-539, 461-462.

When Lincoln's assassination brought Andrew Johnson to power (1865-1869), it initially seemed like the post-Jackson trends would continue. The Radical Republicans who now controlled Congress wished to exact harsh penalties against the South, and as Johnson had once declared that the warring states "must be made to feel the weight and ravages of the war they have brought upon the country," they had no doubt that he agreed with him. It was much to their chagrin, then, that Johnson instead implemented a Reconstruction policy that forgave the rank-and-file rebels and only pushed for harsh punishment against the Confederate leadership. Even more troubling, Johnson allowed the once-rebellious states to rejoin the Union on the sole condition that they pledged an oath of loyalty and ratified the 13th Amendment (abolishing slavery), decided not to provide any measures to protect the freedmen even as infamous "Black Codes" were implemented throughout the South that relegated them into a permanent state of secondclass citizenship. To counter this, Radical Republicans ran an aggressive campaign against Johnson's policies in the 1866 midterm elections. It was a bitter battle, one that saw Johnson put his presidency on the line by touring the nation on behalf of sympathetic legislators. Despite his efforts, the Radical Republicans had a sweeping victory, giving them decisive control over Congress. ²⁹

Once in power, the Radical Republicans promptly reversed Johnson's measures.

They passed laws protecting the civil rights of former slaves, installed so-called "carpetbagger" governments run by non-Southerners, and ratified a Constitutional amendment granting African-Americans the right to vote, overriding the president's

²⁹ Lately Thomas, <u>The First President Johnson: The Three Lives of the Seventeenth</u> <u>President of the United States (New York, NY: William Morrow & Company, Inc., 1968)</u> 252, 313-618.

vetoes when necessary. While all of this certainly undermined Johnson's agenda, the first step in actually reducing the institutional power of the presidency was the passage of the Tenure of Office Act in 1867, which prohibited the president from removing any civil official, including Cabinet officers, without the consent of the Senate. Along with preventing Johnson from purging Lincoln's appointees, the Tenure of Office Act enervated the federal executive by requiring the civil service to receive legislative approval before implementing presidential directives. This was in defiance of the intent of the Founding Fathers, who Secretary of State William Seward later admitted had "settled... by construction, settled by precedent, settled by the practice of the Government, and settled by statute" the fact that a functioning system of checks-and-balances required the president's power of removal to be independent of congressional interference. In their desire to thwart Johnson's agenda, the legislators had placed a long-term clamp on the effectiveness of the office he held.³⁰

Any doubt that this was the case ended the following year, when the Radical Republicans took their second step toward long-term executive disempowerment by impeaching Johnson for firing Secretary of War Edwin Stanton. Although their effort to remove him from office ultimately failed by one vote, the sheer fact that they had been able to put him through an impeachment trial – something without precedent at that time in American history– sent an unmistakable message as to where the power now rested in Washington. Combined with the continued presence of the Tenure of Office Act and Congress's demonstrated ability to craft and implement policy in direct defiance of the

³⁰ James E. Sefton, <u>Andrew Johnson and the Uses of Constitutional Power</u> (Boston, MA: Little, Brown and Company, 1980) 149.

president's will, the impeachment indicated to Johnson's successors that political power post-1866 rested with the legislature.³¹

First among these successors was Ulysses S. Grant. Elected in 1868 with significant political advantages as a result of being the most prominent hero of the Civil War, he soon made it clear that he preferred deferring to Congress on matters of policy over taking bold initiatives himself. While it is debatable whether the Radical Republicans would have attempted to rein him in as they had Johnson if he had been too assertive in exercising executive agency, there were only a few minor instances in which the matter even came up during his administration. By his own choice, Grant allowed the locus of power to remain with Congress during his eight years in office, departing in 1877 plagued by a series of scandals from which his reputation never entirely recovered.³²

Similar difficulties plagued the men who followed Grant, each of whom was not only confronted with a Congress that had now grown accustomed to having disproportionate power, but also with a host of problems entirely unique to their own tenures. Rutherford B. Hayes (1877-1881) had been elected over his opponent, Samuel Tilden, after an intense dispute over the returns in three states allowed him to win in the Electoral College despite losing the popular vote. This mired Hayes in controversy over his legitimacy before he even took office, causing him to prudently decide against seeking reelection and thus allowing the seat to be won by another Republican. Four

³¹ Thomas 313-618.

³² Robert W. Cherny, <u>American Politics in the Gilded Age: 1868-1900</u> (Wheeling, IL: Harlan Davidson, Inc.) 50-60; Morgan 57-59.

months after being sworn in, that Republican was shot in the back by a madman named Charles Guiteau and despite a protracted battle for recovery, death came eighty days later to President James A. Garfield (1881).³³

Unfortunately for the new president, Chester A. Arthur (1881-1885), Guiteau had been motivated to kill Garfield precisely because he wanted Arthur in the White House, even memorably uttering "I am a Stalwart, and now Arthur is president" after being captured. The "Stalwarts" to whom he had referred were a notoriously corrupt faction of the Republican Party, known for dispensing lucrative patronage positions to its members regardless of their qualifications and becoming embroiled in innumerable scandals as a result. Because Arthur had been prominent as a particularly unsavory Stalwart with close ties to one of its strongest leaders, Senator Roscoe Conkling of New York, Guiteau had anticipated being richly rewarded for putting Arthur in power. Needless to say, this merged with Arthur's own shady past to cripple the new president's popularity with the public. The three-and-a-half years of his presidency left Congress's lock on power untouched, with Arthur departing office after failing to receive the Republican presidential nomination (making him the last incumbent president to be thus spurned by his own party). 34

Even before Cleveland submitted his 1887 State of the Union, he signaled that he would aggressively fight to reassert executive prerogative. Vetoing veteran pensions was one way in which he went about this, for there was no more poignant method of

³³ Morgan 7-57, 102-142.

³⁴ *Ibid.*, 143-185.

circumscribing what he considered to be congressional overreach, but much more significant was the campaign he waged against the Tenure of Office Act. The president alluded to his intentions as early as 1885, in which he wrote in that year's State of the Union that "contemplation of the grave and responsible functions assigned to the respective branches of the Government under the Constitution will disclose the partitions of power between our respective departments and their necessary independence." One month after that, he followed up on this declaration by presenting the Senate with a list of six hundred and forty-three individuals whom he wished to replace, all of them officeholders that he had suspended during the legislative vacation. When the Senate demanded reasons for the terminations, Cleveland (who foresaw this) flatly refused to provide any. Because he believed the executive branch had sole discretion over the hiring and firing of government officeholders within its departments, he felt he was under no obligation to justify his decisions. Instead of either directly fighting Cleveland's appointments or ceding to his will, the Senate attempted to outmaneuver the president by burying the issue in various committees and letting the posts remain unmanned. By then announcing that they would confirm all of Cleveland's appointments as soon as he provided his reasons for making them, they hoped to trap him into admitting that his decisions were motivated by partisan considerations. Given that Cleveland had been elected partially on the basis of a pledge not to hire or fire public servants for political reasons, such an exposure could embarrass him in front of the Mugwumps and other civil service reform advocates who had supported his campaign.³⁵

³⁵ Robert McElroy, <u>Grover Cleveland: The Man and the Statesman</u> (New York, NY: Harper & Brothers Publishers, 1903) 173; Morgan 172-175.

This tactic failed, as Cleveland simply waited as long as proved necessary to create a politically uncomfortable climate for his legislative antagonists. Subsequently, the Senate challenged the president by using a specific appointment request as a case study. To this end, they demanded that he provide all documentation relating to the nomination and subsequent firing of George M. Duskin, the Federal Attorney for the Southern District of Alabama. After weeks of fighting over the case, Cleveland finally submitted a message to the Senate that placed his assertion of executive prerogative in stark terms:

The requests and demands which by the score have for nearly three months been presented to the different departments of the Government, whatever may be their form, have but one complexion. They assume the right of the Senate to sit in judgment upon the exercise of my exclusive direction and Executive function, for which I am solely responsible to the people from whom I have so lately received the sacred trust of office.

Here Cleveland depicted executive authority not as a force that ran counter to democratic practices, but rather as necessary for the preservation of the people's interest. By characterizing the Senate's actions as an attempt to "sit in judgment" upon an authority for which he was "solely responsible to the people," he by implication cast the legislature instead of the executive as the entity endangering the democratic spirit of the Constitution. ³⁶

Despite the inflammatory nature of Cleveland's gauntlet, the conflict over Duskin subsided rather anticlimactically. After two weeks of vicious debate led to the censuring

³⁶ Grover Cleveland, <u>Presidential Problems</u> (New York, NY: The Century Co., 1904) 63-64.

of Attorney General Augustus Garland, Cleveland conveniently mentioned that Duskin's term had expired before the controversy had even begun, making the whole matter moot. Not only did the Senate gladly accept this opportunity to end an increasingly embarrassing brouhaha, but their desire to avoid a repetition of this ordeal prompted them to repeal the Tenure of Office Act only months later. Writing in his memoirs about signing the repeal into law, Cleveland referred to it as "an expurgation of the last pretense of statutory sanction to an encroachment upon constitutional Executive prerogatives."³⁷

While the repeal of the Tenure of Office Act helped Cleveland reassert executive prerogatives in terms of the constitutional separation of powers, it did not correct the postbellum shift of policymaking influence from the presidency to the legislature. The 1887 State of the Union began the process of changing this both by drawing the nation's attention to a policy problem vis-à-vis a function unique to the presidential office (i.e., the submission of an annual message) and by using its conspicuous forum to pose fundamental argumentative challenges to Congress's ability to properly wield its power.

The seeds of this challenge were planted in the annual message's opening two sentences, as Cleveland appealed to Congress in jarringly urgent language:

You are confronted at the threshold of your legislative duties with a condition of the national finances which imperatively demands immediate and careful consideration. The amount of money annually exacted, through the operation of present laws, from the industries and necessities of the people largely exceeds the sum necessary to meet the expenses of the Government.

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³⁷ McElroy 178-183; Cleveland 76.

What could have just been a means of impressing the necessity for swift action quickly evolved into a swipe at Congress's authority based on its past unwillingness to act. "This condition of our Treasury is not altogether new," he began in a section encompassing his fourth and fifth paragraphs, and had "more than once of late been submitted to the people's representatives in Congress, who can alone apply a remedy" (this referenced Cleveland's allusions to the tariff issue in previous State of the Unions). In spite of these efforts, "the situation still continues, with aggravated incidents, more than ever presaging financial convulsion and widespread disaster." Congress could not avoid its responsibilities, as it had previously done, simply because "its dangers are not now palpably imminent and apparent. They exist none the less certainly, and await the unforeseen and unexpected occasion when suddenly they will be precipitated upon us." Instead of just pressuring Congress to act, Cleveland emphasized that responsibility for the crisis, past and present, was due to its own errors, ones that he was now using his presidential powers to address.³⁸

This assertion of legislative culpability in conflict with executive responsibility was further articulated in the section of Cleveland's message beginning with its tenth paragraph and ending with its sixteenth. As he pointed out, there existed "no clear and undoubted executive power of relief" that could address an economic crisis if one was brought on at that time by the high tariff rates. The three percent bonds which the government had previously used to disburse excess revenues had all been retired, with no bonds outstanding for which they had any right to insist upon payment and no money

³⁸ Parker 72-73.

present that year which could be used to purchase new ones. The contribution to the sinking fund had already been made for that fiscal year, which ruled out purchasing new bonds through that venue. Although it was arguable that the Secretary of the Treasury could legally enter the market and purchase undue government bonds at a premium to be agreed upon, Cleveland dismissed this alternative on the grounds that "the only provision of law from which such a power could be derived" existed in an old appropriations bill that "was intended as temporary and limited in its application."

At this juncture Cleveland launched into a brief digression that further reconciled the Bourbon emphasis on limited government with his bold assertion of executive power. Here the presidency was depicted as protecting the people's interests not from an overreaching legislature, but from the possibility of other executive officials being granted with undue power. The act of "conferring a continuing discretion and authority" to the Secretary of the Treasury would be dangerous, he wrote, because no single individual should have the ability "to withhold from or release to the business of the people, in an unusual manner, money held in the treasury, and thus affect, at his will, the financial condition of the country." Such power, if given to the Secretary of the Treasury, "should be plainly vested" and curbed by "checks and limitations." All of this underscored the message that Cleveland was not trying to diminish congressional influence in order to concentrate disproportionate power in the executive branch, but

³⁹ *Ibid.*, 75.

because he genuinely believed that no branch of government should have an excess of authority.⁴⁰

After dismissing other policy options for various practical reasons, Cleveland returned to the question of principle, this time when confronting the idea that the surplus money could be distributed to banks across the country and thereby directly given back to the people. Here the laissez-faire theme so prominent in Bourbon ideology returned to the fore, as he argued that public deposits on private banks would create "an unnatural reliance in private business upon public funds" which should only be contemplated "as a temporary expedient to meet an urgent necessity." Finally, and perhaps most importantly, Cleveland cast aside the alternative he knew would be preferred by Republicans, that of spending the surplus revenue on increasingly generous veterans pensions. He predictably denounced such "unnecessary and extravagant appropriations" as leading to "the demoralization of all just conceptions of public duty" and "a habit of reckless improvidence not in the least consistent with the mission of our people or the high and beneficent purposes of our government."

In closing this section of his message, Cleveland again positioned the agency of the presidency as one mindful of the interests of the people –that it had been his "duty thus to bring to the knowledge of my countrymen" as well as their representatives information about the "gravity of our financial situation" – and contrasted that with the legislature which had failed "to provide against the dangers which it was quite evident the

⁴⁰ *Ibid.*, 75-76.

⁴¹ *Ibid.*, 76-77.

very nature of the difficulty must necessarily produce." As a result, there had been "a condition of financial distress and apprehension since your last adjournment which taxed to the utmost all the authority and expedients within executive control; and these appear now to be exhausted." His next sentence summed it up as powerfully as possible: "If disaster results from the continued inaction of Congress, the responsibility must rest where it belongs." ⁴²

Having contrasted Congress's failure to confront financial exigencies with the president's responsibility to do this through his role as the advocate of the people, Cleveland used the final four paragraphs of his message to explain how those two principles came together in the unorthodox manner in which he was presenting this State of the Union. After reviewing the passage of the Constitution requiring a president "from time to time give to the Congress information of the State of the Union," he explained that he was "so much impressed with the paramount importance of the subject to which this communication has thus far been devoted that I shall forego the addition of any other topic, and only urge upon your immediate consideration the 'state of the Union' as shown in the present condition of our Treasury and our general fiscal situation, upon which every element of our safety and prosperity depends." For further information on the government's business, Cleveland referred Congress to separate reports that would be submitted by the various department heads, as well as to his own previous messages. ⁴³

⁴² *Ibid.*, 77.

⁴³ *Ibid.*, 86-87.

The message Cleveland had sent to Congress was straightforward. He was using the power given to him as president (the annual submission of a State of the Union) in a bold and unusual manner because he had to fight on behalf of the people by pushing for tariff reduction. This breaking of two precedents – one twenty-one years old and involving ceding policymaking influence to the legislature, the other nearly a century old and involving the contents of State of the Union submissions – had been rendered necessary by Congress's own failure to use its extensive power to deal with a major crisis. By both opening and closing his unorthodox State of the Union with this theme of a struggle between a negligent Congress and a president who was "solely responsible to the people," Cleveland intended to relocate power back to the presidency.

Chapter Three: Consumerist Populism and the 1887 State of the Union

The past two chapters have demonstrated that the agenda of Cleveland-aspolicymaker in the 1887 State of the Union can be understood through his Bourbon Democratic ideals and his desire to reclaim executive power from the legislature. At the same time, the objectives of Cleveland-as-politician – both the president hoping to win an upcoming election and the partisan hoping to revitalize his party's flagging brand – are best comprehensible through a different framework. As he was no doubt acutely aware, the Democrats had not been the leading party in American politics for more than a quarter-century. If he hoped to change this, Cleveland would need to shift the nation's attention away from the political themes that had kept Republicans in power and toward ones that could work to the advantage of the Democrats. This would require him to figure out why certain issues had worked to his party's benefit in the past and how he could achieve comparable results with new topics in the present.

The Democratic opposition to corruption was not a realistic vehicle through which to achieve national dominance, as that issue started to fade from prominence once the most conspicuously compromised figures from both parties faded from the limelight. A meaningful and lasting shift in the nation's ideological focus would instead require two things. Because the Republican Party's post-1860 lock on national power was rooted in the continued potency of Civil War-related issues, Cleveland would need to diffuse the political legacy of that conflict. Similarly, because the Democratic ascendancy from 1829 to 1861 had occurred as a result of that party's identification with an ethos of economic populism, Cleveland would need to find a way of once again casting his party's brand in

that image. Both objectives came to a head in the approach he adopted in his 1887 State of the Union.

The Civil War had dealt a serious blow to the Democrats. Although the North and South had both contained strong Democratic and Whig elements before 1854, the collapse of the Whig Party that year and its ultimate replacement with the Republicans caused the South – which was repulsed by that organization's strong opposition to the expansion of slavery – to flee to the Democratic fold, an association that became toxic once war erupted and the Democrats could be depicted as the party of treason. By exploiting this allegation of disloyalty, the Republicans were able to maintain their hold on national power for more than two decades, a tactic referred to as "waving the bloody shirt." Cleveland may have broken the Republican lock on the White House in 1884, but the election against James G. Blaine had still been extremely close. The new president obviously needed to find a way of moving the nation's political climate beyond the residue of the Civil War if he wanted to make his political ascent of long-term benefit to the party. 44

While his inaugural address had proclaimed a hope for people to "cheerfully and honestly abandon all sectional prejudice and distrust," it soon became apparent that the political self-interest of the Republican Party and of veteran unions like the Grand Army of the Republic (G.A.R.) would not make this an easy task. His vetoes of pension legislation played right into their hands in depicting him as an enemy of the Union cause, as did such incidents as his order in June 1887 that captured Confederate battle-flags be

⁴⁴ Schlesinger 434-504; Morgan 186-235.

returned to the South, his abrupt cancellation of a proposed visit to a G.A.R. meeting three months later, and his nomination to the Supreme Court of Southern politician and ex-Confederate Lieutenant Colonel Lucius Q. C. Lamar. Further exacerbating this was the fact that Cleveland showed little vigor in taking command over major issues during his early months in power. One of the quickest ways to change this would be to base his political appeal around a potent economic question, a point newspaper publisher Henry Watterson succinctly summarized when he observed that "the South has had its bellyful of blood, has gotten a taste of money, and is too busy trying to make more to quarrel with anybody."

To see how he could best appeal to these economic interests, one must again turn to Andrew Jackson. Although he had been elected in 1828 with a decisive mandate, neither his campaign nor his political image had been associated with any concrete policy proposals or ideology. Jackson changed that in 1832 when he vetoed a charter renewing the Second National Bank of the United States. Along with helping to empower the presidency as a whole (see Chapter Two), his action attached the themes of economic populism to the Democratic brand. In addition, it provided an issue that was of direct interest to a wide range of voting blocs – from local banks and labor unions to western debtors and Jeffersonian advocates of limited government – thus helping Jackson build a larger coalition behind his cause. Finally, it employed language that was carefully calculated not merely to plead the case for an economic policy, but to characterize

⁴⁵ Nevins, <u>Grover Cleveland: A Study in Courage</u> 322-339; Wilson, "Mr. Cleveland as President" 289-300.

Jackson and his supporters as advocates of the common man fighting against powerful entrenched special interests – the definition of populism.⁴⁶

It is illuminating to look at a few examples of this language within Jackson's veto message against the bank, considering that his efforts to shape the 1832 presidential election around the themes of that document were remarkably similar to Cleveland's attempt to do the same thing in 1888 with his 1887 State of the Union. One oft-repeated notion was that the struggle against the bank at its core involved a crusade of the working classes against a sinister conspiracy led by the wealthy few. As Jackson declared, "it is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes" since "every man is equally entitled to protection by law."

Nevertheless, the laws should never be used to create "artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful," and when it did, "the humble members of society – the farmers, mechanics, and laborers... have a right to complain of the injustice of their Government."

Jackson also strove to convince the American people that they should cast aside their other differences and unite based on their common roles as members of the working class. To do this, he argued that many of the existing divisions within the country were actually the work of the same wealthy individuals and businesses who were manipulating

⁴⁶ Schlesinger 74-114.

^{47 &}quot;President Jackson's Veto Message Regarding the Bank of the United States, July 10, 1832," <u>Yale Law School: The Avalon Project – Documents in Law, History, and Diplomacy</u>.http://avalon.law.yale.edu/19th_century/ajveto01.asp Accessed 19 December 2011.

the nation's financial policies through the bank. "Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by act of Congress," he asserted. "By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, and man against man, in a fearful commotion which threatens to shake the foundations of our Union."

The crusade against the national bank was not the only economic issue that

Jackson used to appeal to voters on a populist level. During the course of the next three
decades, Jackson and his political successors also fought against the imprisonment of
debtors, the use of property ownership as a requirement for voting rights, and the
application of special legislation to assist large corporations at the expense of smaller
business groups. More crucially, while the economic populists who preceded Jackson
allowed Jeffersonian agrarianism to distance their sympathies from the plight of the
struggling urban masses, Jacksonians made a point of championing causes like unionism
and cheap public land (to help drain off the excess city population) that specifically
appealed to industrial laborers. To reconcile this with Jeffersonianism, they took the
central ideas of capitalist forefather Adam Smith and adopted them to their own purposes.
As historian Arthur Schlesinger pointed out, "Smith's classic argument against monopoly
appealed to Jacksonians, and his distinction between productive and unproductive labor

48 Ihid.

converged with the Jacksonian distinction between the producers and the non-producers."⁴⁹

Subsequent events demonstrated, however, that the substance of the positions taken often mattered far less than the style in which they were presented. The Democrats learned this rather painfully in 1840, when President Martin Van Buren – despite having passed an Independent Treasury system beloved by Jacksonians – was defeated by the Whig presidential candidate William Henry Harrison. In that election, the Whigs carefully avoided making any firm policy statements and instead focused on contrasting their candidate's own professed egalitarian virtues (a love of hard cider, growing up in a log cabin) with the elitist attributes ascribed to his opponent (imbibing expensive liquors, living an aristocratic life). The fact that the reverse of these assertions was true (Harrison was a plantation aristocrat who inhabited a lush estate while Van Buren had been born in a tavern and worked his way up from humble beginnings) made as little difference as the refusal of the Whigs to take definite stands on the issues. By employing the same populist tactics that had worked so well for the Jacksonians, the Whigs had won in a landslide.⁵⁰

Fortunately for the Jacksonians, they quickly learned from the experience of 1840 and managed to reclaim dominance of the American political landscape for the next decade-and-a-half. Even as the increasing controversy over slavery was causing the Whig Party to disintegrate, the Democrats were able to remain intact due to the depth and breadth of their economically populist appeal. After Lincoln's election and four years of

⁴⁹ Schlesinger 134-136, 336-349.

⁵⁰ *Ibid.*, 267-282.

war, however, they were kept out of national power for nearly a quarter-century, as attention shifted away from the themes of economic populism that had worked to their advantage and toward issues that stemmed directly from the great conflict. These included slavery, civil rights, the Reconstruction program in the South, the welfare of veterans, and civic corruption, of which only the last worked to the Democrats' advantage on the national level (see Chapter One).

With this background in mind, it is easy to comprehend what Cleveland's 1887

State of the Union was attempting to accomplish. By shifting the nation's attention to a major economic issue, it could move the realm of political discussion away from topics pertaining to the Civil War and frame it in the populist language that had been responsible for the Democratic ascendancy during the antebellum years. Just as Jackson had used his bank veto message to help him both win reelection in 1832 and transform the Democrats into a national party, so too would Cleveland need to strike populist chords to perform the same feat in 1888.

As mentioned before, the tariff question came with baggage. Although reducing tariff rates would make it much more difficult for the Republicans to pass the elaborate spending programs that helped them consolidate their base, it at the same time risked causing a rift among Democrats, as those in the industrialized sections of the country were just as invested in protecting their jobs as their Republican counterparts. That was why previous national Democratic leaders had been careful to avoid drawing sharp distinctions between themselves and the Republicans on tariff issues in their party platforms, as well as why those distinctions – when they were illustrated – were either

vague or mildly expressed. Added to this was the prevalent perception that politicians who supported lower tariffs were "free traders" in the pockets of British corporations. Although the Democratic Party's popularity among Irish-Americans would have made it difficult to affix a pro-British label to them, it was still important that they avoid being viewed as soft on that unpopular empire. Cleveland partially offset the possibility of that charge by taking a strong stance against the British during a controversy over the use of Canadian fishing waters in early 1888, but he still knew that he could not safely espouse a "free market" position for supporting tariff reduction. ⁵¹

At the same time, tariff reform in other respects recommended itself. For one thing, plenty of local Democratic chapters had issued strong declarations in favor of that policy, even though the national organization was much more hesitant to do so. More importantly, protectionist rates had raised prices on necessary goods required by Americans in every region of the nation, thus exacerbating hardships on all citizens, especially during times of general economic downturn. This meant that not only could tariff reform be used as an issue to unite both the Democratic Party and the nation behind a single economic cause, but that the best way to present this cause as a populist crusade was to do so using a consumerist framework. Instead of following the Republican approach of appealing to different voting blocs on the basis of the various economic sectors in which they worked as producers (manufacturing, agricultural, etc.), Cleveland would seek common ground between them based on their identities as consumers.

⁵¹ Bensel 125-132, 457-509; Morgan 165-170; Nevins, <u>Grover Cleveland: A Study in</u> Courage 404-413.

Simultaneously, he would try to cast his opponents as being part of a powerful and greedy economic elite.

When beginning the discussion of consumerism in his eighteenth paragraph, Cleveland identified the two forms of taxation through which "this needless surplus is taken from the people and put into the public treasury." One involved internal revenue taxes on tobacco and liquor, and given the strength of prohibitionist movements in the late-19th Century (as well as the association of the heavily Irish and Eastern European Democratic Party with alcohol consumption), he wisely refrained from attacking those, instead saying that "there appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people." In contrast, he described the tariffs on imports as a "vicious, inequitable, and illogical source of unnecessary taxation," since "these laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty, by precisely the sum paid for such duties." Although he acknowledged that the rationalization for this policy was that it helped American manufactures better compete with foreign companies in the domestic marketplace, he claimed that "millions of our people, who never use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor (sic) nearly or quite the same enhanced price which the duty adds to the imported articles." These observations were being made "not... by way of instruction" but so as to remind both Congress and the public that high tariffs "impose a burden upon those who

consume domestic products as well as those who consume imported articles, and thus create a tax upon all our people."52

Now Cleveland needed to identify the perpetrators behind this "tax upon all our people," and in doing so he would have to carefully to avoid alienating laborers in the North even as he attacked protectionists in the nefarious terms necessary for the effectiveness of populist rhetoric. This caused his twentieth paragraph to alternate, somewhat clumsily, between lauding the importance of America's industrial sector while hinting that its leaders had formed an avaricious and overly-powerful special interest group. He started by emphasizing that in any "readjustment of our tariff the interests of American labor engaged in manufacture should be carefully considered, as well as the preservation of our manufacturers." Yet although "relief from the hardships and dangers of our present tariff law should be devised with especial precaution against imperiling the existence of our manufacturing interests," this did not justify "a condition which... must always insure the realization of immense profits instead of moderately profitable returns." Indeed, the persistence of high tariff rates in spite of efforts to reduce it justified the suspicion held by many that among powerful manufacturing leaders there existed "an organized combination, all along the line, to maintain their advantage." ⁵³

The five paragraphs after this carefully prepared American industrial workers for Cleveland's impending suggestion that they should identify themselves not by the sector of the economy in which they labored but by their status as consumers. After referencing

⁵² Parker 77-78.

⁵³ *Ibid.*, 78-79.

"American skill and ingenuity, in American energy and enterprise," he alluded to the "scheme which permits a tax to be laid upon every consumer in the land for the benefit of our manufacturers" before acknowledging that it was still important for these "infant industries" to receive "the highest and greatest degree of favor and fostering care that can be wrung from Federal legislation." He understood that one of the arguments in favor of protectionism was that it would guarantee American laborers wages equivalent to those of their European counterparts, and Cleveland agreed that "our labor is honorable in the eyes of every American citizen" and as such "is entitled, without affectation or hypocrisy, to the utmost regard" and "their full share of all our advantages." Nevertheless, he urged them to realize that "they are consumers with the rest; that they too have their own wants and those of their families to supply from their earnings, and the price of the necessaries of life, as well as the amount of their wages, will regulate the measure of their welfare and comfort" "54

Next Cleveland tried to subtly undermine the mutuality of interest that existed between industrial laborers and their employers. Not only should tariff reduction be measured in a way that would not "necessitate or justify either the loss of employment by the workingman or the lessening of his wages," but the employers would still be earning enough of a profit after rates were lowered that there should be "no excuse for the sacrifice of the interests of his employees, either in their opportunity to work, or in the diminution of their compensation." Meanwhile, the laborer should remember that after

⁵⁴ *Ibid.*, 79-80.

"he receives at the desk of his employer his wages," the increase in his income would be offset by "the increase in price which the tariff permits." What made this logic noteworthy was that Republican politicians had been very effective in coupling the perceived welfare of manufacturing workers and their bosses. By characterizing the increase in workers' wages as being negated by price hikes after "many days of toil" – something that would have a much greater effect on low-paid workers than their richer employers – Cleveland was implicitly separating the self-interest of the two groups, a tactic that if effective would both shatter a key element of the high tariff coalition and greatly assist the president in painting manufacturing lobbyists and magnates as a nefarious elite. 55

Following his explanation on how the industrial working class was harmed by high tariff rates, Cleveland moved on to make the case for how "the farmer and the agriculturalist" were similarly impacted as consumers. First he observed that a farmer without sheep was "obliged, in his purchases of clothing and woolen goods, to pay a tribute to his fellow-farmer as well as to the manufacturer and merchant." Farmers who did have sheep, on the other hand, ultimately lost whatever excess profit they might have made because they too had to "wear clothing and use other articles manufactured from the wool they sell at tariff prices, and thus as consumers must return their share of this increased price to the tradesman." Because the tradesmen had to mark up their wares to account for the duties imposed on foreign wool and manufactures, a wool-producing

⁵⁵ *Ibid.*, 81

farmer in the end paid "an increase in price more than sufficient to sweep away all of the tariff profit he received upon the wool he produced and sold." ⁵⁶

To sum up his linking of manufacturers, wool-producing farmers, and non-wool farmers in accordance with their common interest as consumers, Cleveland first reiterated the various reasons why wool-producers did not benefit from the current tariff system.

After that, he powerfully described how the burdensome price increases caused by wool tariffs – and, implicitly, by all tariffs on subsistence goods –united every working class American on a fundamental level:

...it must be conceded that the increase of the cost of living caused by such tariff becomes a burden upon those with moderate means and the poor, the employed and unemployed, the sick and well, and the young and old, and that it constitutes a tax which with relentless grasp is fastened upon the clothing of every man, woman, and child in the land

No passage in the 1887 State of the Union surpassed this one in terms of sheer dramatic force. It was by far the most emotionally arresting section of the document, capturing in sixty-four words the entire moral foundation of Cleveland's consumerist position.⁵⁷

Cleveland went on to identify one more villain in the tariff crisis –business trusts.

When confronting the protectionist claim that "competition among our domestic producers sometimes has the effect of keeping the price of their products below the highest limit allowed" by the current tariffs, Cleveland wrote that "this competition is too

⁵⁷ *Ibid.*. 82-83.

⁵⁶ *Ibid.*, 81-82.

often strangled by combinations quite prevalent at this time, and frequently called trusts." Not only could the people "hardly hope for any consideration in the operation of these selfish schemes," but "the necessity of combination to maintain the price of any commodity to the tariff point furnishes proof that someone is willing to accept lower prices for such commodity and that such prices are remunerative; and lower prices produced by competition prove the same thing." This, he insisted, served as additional evidence that the current levies were unnecessary. ⁵⁸

He also pointed to advantages of tariff reform that its opponents had not fully considered. Of the 4,000 articles currently subject to duty, many of them did not "in any way compete with our own manufactures," meaning that "a considerable reduction can be made in the aggregate by adding them to the free list." Reform would also relieve manufacturers from the increased cost high tariffs imposed on the importation of the raw materials they needed from abroad, which would not only reduce their costs but enhance their competitiveness in foreign markets. Indeed, such an expansion in overseas trade might be beneficial to the American people as a whole, "saving them from the depression, interruption in business, and loss caused by a glutted domestic market and affording their employees more certain and steady labor."

As he drew this portion of his State of the Union to a close, Cleveland emphasized the need to disregard the "free trade" paradigm through which tariff reduction had been previously viewed and instead concentrate solely on its consumerist aspects. "Our

⁵⁸ *Ibid.*, 83.

⁵⁹ *Ibid.*, 85.

progress toward a wise conclusion," he insisted, "will not be improved by dwelling upon the theories of protection and free trade." The practice of "bandying epithets" caused Americans to overlook that "it is a condition which confronts us, not a theory." While addressing that condition would require "a slight reduction of the advantages which we award our home productions," the goal was not to help "free traders" – a theory he insisted was "mischievous, and far removed from any consideration for the public good" – but rather "to relieve the people from unjust and unnecessary taxation." This would benefit all Americans as consumers "by cheapening their means of subsistence and increasing the measure of their comforts." ⁶⁰

When reflecting on the quality of Grover Cleveland's writing, the poet and literary critic Thomas Bailey Aldrich commented "What admirable diction, compact, strong, and simple – simple as all great writing is." Others were harsher in their assessments, with the consensus among many being that "he wrote awkwardly, in a redundant, roundabout, and heavy manner." Either way, Cleveland was certainly a "patient, plodding writer," one who micromanaged the composition of all his presidential documents and addresses. The 1887 State of the Union had been no exception, and regardless of its literary merits, few doubted upon its release that it would single-handedly determine the primary issue on which the upcoming presidential election would be fought. The only question that remained was whether the American people would be convinced by Cleveland's argument. ⁶¹

⁶⁰ *Ibid.*, 86.

⁶¹ Gilder 41-43.

Chapter Four: The Presidential Election of 1888

Although the tariff question had been covered by the political press before the 1887 State of the Union, there was little evidence that public opinion had been ignited in any meaningful way by the topic since the Civil War. Protectionists within the Democratic fold and tariff reformers in the Republican camp regularly put their partisan loyalties above their tariff positions when they entered the voting booth. As tariff scholar Edward Stanwood would later write, Cleveland's annual message "changed all this.... it matters not whether one regards that end as a wise or as an unwise one, whether it was politically expedient or inexpedient... it strengthened the (Democratic) party, in its spirit if not in its numbers, by putting into it a definite purpose in place of a languid indifference." Even protectionist newspapers acknowledged that devoting the entire State of the Union to a single topic had adroitly guaranteed that the tariff question would define the upcoming campaign, with the *Boston Journal* admitting that "we do not approve the President's recommendations, but we may frankly say that we like the tone of his message."

The new strength of the Democratic organization quickly became evident in Congress. When the last tariff reform bill had appeared there in 1884, one hundred fifty-one Democratic congressmen cast their ballots in favor of it compared to forty-one who had opposed it. Two years later, the Democratic numbers in the House of Representatives had fallen, but the proportional breakdown on the tariff issue remained roughly the same, with twenty-six Democrats expressing opposition to reform measures compared to one-

⁶² Stanwood 226-229; Nevins, <u>Grover Cleveland: A Study in Courage</u> 381.

hundred-and-forty-three supporting them. By 1888, however, the impact of the previous year's State of the Union combined with Cleveland's exertion of party discipline to create a marked change. When the new tariff reform bill appeared, only four of the one-hundred-and-sixty-nine Democrats were bold enough to vote against it. 63

This did not mean that the message led to substantial legislation. While

Democrats in the House of Representatives managed to pass a bill that reduced tariff rates
(although still favoring southern sugar producers), their counterparts in the Republicanled Senate drafted a measure that favored protection before adjourning without a vote. In
the schismatic politics of the 1880s, greater progress on the issue would have perhaps
been inconceivable. Then again, neither side expected the 50th Congress to be the one that
passed tariff reform. Democrats were in charge of one house while Republicans led the
other, so it was clear that each chamber would be used to articulate the ideals upon which
its commanding party would enter the upcoming presidential campaign.⁶⁴

In that respect, the 1887 State of the Union had definitely done its job, as those ideals electrified the Democratic Party. The day after the annual message's submission to Congress, an unabridged copy was published in every important newspaper in America, a treatment not given to presidential messages since Lincoln's administration. Tariff reformers from Carl Schurz to James Russell Lowell sang its praises in the most enthusiastic tones, while *The Washington Post* was so impressed that its editorial staff

⁶³ F. W. Taussig, <u>The Tariff History of the United States</u> (New York, NY: G. P. Putnam's Sons, 1892) 252-255.

⁶⁴ Cherny 83-84.

wistfully wondered "how much better it would have been had the President gone in state to the Capitol and personally delivered his sentiments." *The New York Times* was even more dramatic, claiming that Cleveland's message had "aroused the people as they were aroused by Lincoln's first call for troops" and that, by "overshadowing everything else," it had rendered President Cleveland "the leader in an aggressive warfare to make an end of extortionate customs taxes." In such an atmosphere, it was hardly surprising that prominent Democratic protectionists like Congressman Samuel J. Randall found themselves repudiated by many of their own political clubs, while high tariff Democratic newspapers were effectively pressured by members of the Cleveland White House to follow the party line.⁶⁵

At the rank-and-file level, the annual message propelled Cleveland to renomination over a challenge from Governor David B. Hill of New York. This made Cleveland the first Democratic incumbent to secure renomination since Martin Van Buren in 1840. As a reporter wrote for the *Chicago Daily News*, "the party is practically a unit behind the first leader which it has had for a quarter of a century." In addition to having a fired up base, it also had the passionate support of organizations like the American Free Trade League, the Massachusetts Tariff Reform League, the Reform Club in New York City, and the American Tariff Reform League. As *The New York Times* observed, Cleveland had even retained the allegiance of many of the reform-minded former Republicans, or Mugwumps, who had defected from their party of origin to

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⁶⁵ Nevins, <u>Grover Cleveland: A Study in Courage</u> 379-383, 388; "Untitled Article," *Washington Post*, 8 December 1887, 4; "Mr. Cleveland's Renomination," *New York Times*, 7 June 1888, 1.

support Cleveland in 1884 (out of disgust for the corrupt Blaine) but did not necessarily have any reason to stay with Cleveland this year. The boldness of his tariff reform stance had been enough to impress them despite some complaints about his record on some of the civic issues that mattered to them. ⁶⁶

Even with these advantages, the Cleveland reelection effort suffered from serious blunders, many of them resulting from the president's lack of sophistication as a campaigner. He assumed that his tariff reform rhetoric spoke for itself and thus dismissed as un-presidential suggestions that he take to the stump or engage rapidly proliferating fan clubs celebrating his popular new wife. Making matters worse, he entrusted his campaign to protectionists like Senator William H. Barnum of Connecticut, Senator Arthur P. Gorman of Maryland, and Ohio industrialist Calvin Brice. Although Cleveland's rationale for choosing them seemed sound enough – his hope was that they could raise money within the business community as well as offset concerns that he was a radical free trader – each proved incompetent in his duties to Cleveland's candidacy (as well as half-hearted in the cases of Barnum and Brice). Finally, Cleveland selected as his running mate Senator Allen G. Thurman of Ohio, a respected elder statesman whose advanced age (seventy-five years old) raised questions about his potential fitness to inherit the presidency.⁶⁷

⁶⁶ Nevins, Grover Cleveland: A Study in Courage 393-394, 398-403, 420-422; New York Times, 7 June 1888, 1.

⁶⁷ Morgan 292-295, 300-302.

Of even greater difficulty for Cleveland was the Republican opposition that Cleveland had galvanized through the tariff issue. Two days after the State of the Union was submitted, James G. Blaine conducted a widely publicized interview in Paris in which he observed that the president had made tariff policy "the one issue by presenting it in his message" and foreshadowed how his party would respond to that issue by proclaiming that "the Democratic party in power is a standard menace to the industrial prosperity of the country." Wealthy manufacturing and other financial interests threw their clout behind the campaign of Republican candidate Benjamin Harrison, including powerful entities like the American Iron and Steel Association, the Protective Tariff League, and other important industrial groups invested in the maintenance of a high tariff. With their help, Harrison's managers were able to distribute millions of pro-tariff pamphlets to key urban and industrial regions of the country and send hundreds of speakers to tour the nation, resources far beyond the capacities of Cleveland and the Democratic Party. The Republicans even benefited from the stinging memory of their defeat from four years earlier, providing them with a motivation to reclaim their lost power.⁶⁸

Harrison's oratorical skill also provided a convenient vehicle for Republicans to leverage labor's concern about the implications of tariff reduction, since his front porch campaign allowed him to deliver dozens of speeches to thousands of people who came from throughout the nation. He knew how to appeal to the working class by sounding

⁶⁸ John Clark Ridpath and Selden Connor, <u>Life and Work of James G. Blaine</u> (Concord, NH: Wheeler Publishing Co, 1893) 201; Nevins, Grover Cleveland: A Study in Courage 418-420; Morgan 302-319.

moderate and comforting, such as when he called for the government to "be slow to abandon that system of protective duties which looks to the promotion of the highest scale of wages for the American workingmen," or by apocalyptically declaring that "the disastrous effects upon our workingmen and working-women of competition with cheap, underpaid labor are not obviated by keeping the cheap worker over the sea if the product of his cheap labor is allowed free competition in our market." As he aptly summed it up, protectionists believed that "if the products of foreign mills that pay low wages are admitted here without discriminating duties, you know there is only one way to meet such competition, and that is by reducing wages in our mills." ⁶⁹

Although Harrison shared the Republican zeal for protectionism, he grew privately disappointed with the party's obsessive focus on the issue. There were other issues about which he was also very passionate, particularly the attainment of full social equality for African-Americans. When black audiences rallied to his front porch, they witnessed the normally icy Harrison display a toothy grin as he proudly reminisced about the time he had kept the secret of a runaway slave he had encountered as a little boy. More unexpectedly, he on several occasions took the opportunity to propose using federal troops to protect black voting rights in the South (nearly seventy years before the government would actually do this), arguing that "our colored people do not ask special legislation in their interest, but only to be made secure in the common rights of American citizenship." Unfortunately, his attempts to draw special attention to civil rights were as

⁶⁹ Harry J. Sievers, <u>Benjamin Harrison: Hoosier Statesman</u>, From the Civil War to the <u>White House, 1865-1888</u> (New York: University Publishers Incorporated, 1959) 374-378; Benjamin Harrison and Charles Hedges, <u>Speeches of Benjamin Harrison</u>, <u>Twenty-Third President of the United States</u> (New York: United States Book Company, 1892) 70.

unsuccessful as his efforts to resurrect other issues that smacked of the Civil War era (like his vow to never "use an apothecary's scale to weigh the rewards of the men who saved the country"). Harrison knew all too well that, regardless of whether the Republicans won or lost, Cleveland's call for a debate on tariff reduction had defined the content of the campaign.⁷⁰

With the Democratic and Republican organizations thus mobilized, any unexpected development could shift the momentum in favor of one candidate or the other at the last moment. Such a development occurred on October 21, 1888, less than three weeks before Election Day, when the Los Angeles Times published what would later become known as "The Murchison Letter." An Irish-American named George Osgoodby, convinced that Cleveland's tariff reform position was due to a collusion with British industrial interests, had taken it upon himself to send a letter to Sir Lionel Sackville-West, the British minister in Washington, in which he claimed to be an English subject named Charles Murchison who had become an American citizen and wished to know who Sackville-West wanted to win the upcoming election. Much to Osgoodby's delight, Sackville-West broke diplomatic protocol and fell right into the trap, replying that British interests would be best served by Cleveland's victory and that "Murchison" should cast his ballot accordingly. Despite Cleveland's subsequent termination of Sackville-West (who later opined that "the whole affair was a trick to make use of me"), the outcry against the administration was fierce, with the Murchison Letter playing right into Republican claims about the Democrats being a "free trade" party. Many of the Irish-

⁷⁰ Homer E. Socolofsky and Allan B. Spetter, <u>The Presidency of Benjamin Harrison</u> (University Press of Kansas, 1987) 60; Harrison and Hedges 33, 89, 112.

American voters who had been so supportive of Cleveland in 1884 (especially after Blaine had attended a dinner in which a minister made a well-publicized anti-Catholic slur) angrily abandoned him.⁷¹

When Election Day arrived and Cleveland was discovered to have lost, many pointed to signs that the 1887 State of the Union had been responsible for the Democratic Party's failure. There was certainly some evidence to this effect. Veterans organizations like the Grand Army of the Republic, which were already upset with Cleveland over his pension vetoes, mobilized against him when they realized how their support system could be defunded if tariff rates were reduced. Factors of this nature swung critical states like New York, where pro-pension voters padded Cleveland's margin of defeat. The Murchison Letter's ability to play on free trade fears also played a strong role, albeit a less quantifiable one, as it had caused enough outrage among Irish voters to potentially turn the tide in both New York and other electorally valuable polities. Finally, the fears of laborers and wealthy industrial interests had caused an outpouring of donations to the Republican Party, providing them with an inestimable fundraising advantage that was matched only by the increase in partisan mobilization and morale. ⁷²

At the same time, Cleveland not only won the popular vote by roughly 100,000, but more than doubled his margin of victory from what it had been four years earlier. It is an interesting commentary on the deficiencies of hindsight that, although the Democratic victory in 1884 is generally characterized as a popular mandate for civic reform, the

⁷¹ Sievers 409-411; Morgan 226-235, 314-316.

⁷² Skocpol 124-127.

election of 1888 is just as often viewed as a rejection of tariff reduction despite receiving greater support from the American people. Even the extent of Cleveland's defeat in the Electoral College was somewhat exaggerated. He lost New York, a state with enough electoral votes to have won him the election, by a mere 13,002 votes, while in Indiana there was ample evidence suggesting fraud had played a major role in his failure there. Most important of all, however, was that the Democrats had fought the 1888 campaign on ideological ground selected by their own leader. This differed sharply from presidential campaigns since the end of the Civil War, in which the Democrats had responded by necessity to Republican politics and ideology. For the first time in more than twenty years, the presidential office had been used to shape national political debate, while the Democratic Party simultaneously managed to reclaim its old populist image in the process. As Stanwood later wrote, "since that time... the Democratic party has never been without a purpose. It has not long held to the same purpose, but it has stood for a well-defined policy."

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⁷³ John P. McIver, <u>Historical Statistics of the United States: Millennial Edition</u>; Nevins, <u>Grover Cleveland: A Study in Courage</u> 439; Merrill 133; S. J. Ackerman, "The Vote That Failed," <u>Smithsonian Magazine</u> (November 1998); Stanwood 229.

Conclusion: The Legacy of the 1887 State of the Union

When Gilder reflected back on the White House conversation he had shared with Grover Cleveland shortly before the 1887 State of the Union was submitted, he recalled telling the president that the document would "be more widely read than any put forth since the war." Although neither man discussed how it might impact the upcoming political campaign, Gilder conceded that for Cleveland "the message, as is generally believed, lost him the approaching election." At the same time, he proudly added, "it was the groundwork of his subsequent nomination and election to the presidency."

This was undoubtedly true. Upon reaching the White House, Benjamin Harrison found himself constantly needing to react against the legacy of his predecessor, a testament to the strength that had been associated with Cleveland's political brand since he first took office. Not only did Harrison and the Republican Congress extend veterans pensions, but they made a point of having the bill which was signed into law in 1890 be identical to the one that Cleveland had vetoed in 1887. Likewise, instead of simply passing a modest amount of social legislation comparable to what had been implemented by the two decades of Republican presidents who had come before Cleveland, they pushed into law an unprecedented number of ambitious spending programs – from hundreds of local pork projects to an extension of a land-grant program that helped subsidize state colleges – doing so with such zeal that it became obvious much of this was a reaction to Cleveland's stalwart opposition to "schemes of public plunder."

⁷⁴ Gilder 12-13.

ultimately failed to receive passage – the Lodge Force Bill, which would have provided the federal supervision of southern elections so integral to any meaningful civil rights program – the first two years of his presidency still managed to accumulate a daunting legislative record.⁷⁵

The most important piece of that record was a bill that, more than any of the others, directly reacted to the changes Cleveland had wrought in national politics. "The Republicans, in resisting the doctrine of that message (the 1887 State of the Union)," explained F. W. Taussig, another tariff scholar from that period, "were led by logical necessity to the opposite doctrine of higher duties, and felt compelled, for the sake of party consistency and political prestige, to pass a tariff measure of some sort." This resulted in the McKinley Tariff Act of 1890, which raised the average duty on imports by a staggering rate of nearly fifty percent. As Stanwood wrote, "history tells of hardly any other act of equal importance which became so unpopular in so short a time as was the McKinley tariff, or of any measure which a political party had received a *quasi* commission to enact that so quickly encompassed the undoing of that party." Anti-tariff clubs soon sprang up all around the nation as prices skyrocketed, with the language of consumerism popularized by Cleveland's tariff message suddenly spreading throughout the land. ⁷⁶

The other bills passed by Harrison and the new Republican Congress also proved extremely pricey, so that the epithet of "the Billion Dollar Congress" wound up being

⁷⁵ Morgan 320-364; Socolofsky and Spetter 60-65.

⁷⁶ Taussig 256; Stanwood 288-295.

applied to both of them by the time election of 1892 arrived. Because of his acknowledged status as the Democratic Party's main leader, Cleveland was again able to beat back a challenge from David B. Hill and Tammany Hall to win his party's nomination. From there, he ran a reelection campaign that once more focused foremost on the issue of tariff reform, although Cleveland's opposition to the Sherman Silver Purchase Act of 1890 – one that had taken America off of a strict gold standard and instead added silver to its currency – also factored heavily into his message. Despite the splintering of Democratic support to the pro-silver Populist Party, Cleveland still managed to defeat Harrison by more than 300,000 votes, or roughly 46% of the popular vote to Harrison's 43%, the largest margin of victory in twenty years.⁷⁷

Cleveland may have sensed that his reelection in 1892 would be the high point of his political career. Shortly after receiving news that he had won, he cautioned his friends that "if we are not to be tormented by the spirits which we ourselves have called up, we must hear, above victorious shouts, the call of our countrymen to public duty." These fears were soon validated, as the difficulties of governing in the 1890s proved incapable of sustaining the core convictions of Bourbonism. Labor voters became incensed over Cleveland's brutal repression of a railroad workers' strike against the Pullman Company; inhabitants of agrarian regions resented him for repealing the Sherman Silver Purchase Act; and both groups united in blaming him for the worsening economic depression. His political capital was so depleted that, despite pushing aggressively for his long-championed tariff reform bill, the measure that finally reached his desk in 1894 contained

⁷⁷ Morgan 395-439; John P. McIver, <u>Historical Statistics of the United States: Millennial</u> Edition.

more than six hundred protectionist amendments catering to a host of special interest groups. Cleveland described it as the product of "party perfidy and party dishonor" and, although recognizing that vetoing it would only prolong the tariff fight without any constructive result, only allowed it to become law without his signature.⁷⁸

While he was still able to use the presidency's post-1887 policymaking power to successfully exert his will on a few important issues (most notably putting America on the gold standard), Cleveland's overall political influence never recovered from his second term. By 1896, the Democratic Party was taken over by a faction of agrarian activists led by Congressman William Jennings Bryan of Nebraska. Their championing of bimetallism over a strict gold standard disgusted Cleveland to the point that he defected from his lifelong political home, instead opting to throw his weight behind a third-party comprised of other Bourbon Democrats who supported his views on currency policy.

Their candidate, former Governor John M. Palmer of Illinois, suffered a humiliating third in the general election, picking up less than one percent of the popular vote and failing to capture a single state. ⁷⁹

In the eleven years of his post-presidential life, Cleveland watched with dismay as the Republicans recast themselves as progressives and regained control over national politics, while Bryan and his agrarian populists continued to reign within the Democratic Party. The only brief interval that afforded Cleveland hope came during the 1904

⁷⁸ Tugwell 186; Nevins, <u>Grover Cleveland: A Study in Courage</u> 523-548, 563-588, 611-628.

⁷⁹ Nevins <u>Grover Cleveland: A Study in Courage</u> 532-548; Morgan 511; John P. McIver, <u>Historical Statistics of the United States: Millennial Edition</u>.

presidential election, when the Democrats nominated their final Bourbon candidate,
Judge Alton B. Parker of New York. It was the first time in a dozen years that Cleveland
felt genuine enthusiasm for his own party's nominee, and he wrote articles in *Collier's*,

McClure's Magazine, and Saturday Evening Post on behalf of the new champion. After
Parker's landslide defeat to President Theodore Roosevelt – the most one-sided popular
loss in American history up to that point – Cleveland's despondence mounted. He wrote
one friend that although he was "an intense and unalterable believer in the saving
common sense of the American people," his surprise at the outcome of the election meant
that "for a moment, the idea has entered my mind that a change in the character of our
countrymen has taken place," although he hastened to add that this had just been "for a
moment." When this disenchantment appeared a year later, it was expressed without
qualification, as he bitterly penned in an editorial to Ladies' Home Journal that
"conservatism seems to be at a discount." "80

These rueful observations proved shortsighted, for while the Bourbon Democrats may have reached the height of their power in 1892, their ideals live on. Conservative economists still cite Cleveland's language from when he vetoed a Texas farm relief bill (only five days after his veto of the Dependent Pension Act) on the grounds that "though the people support the government, the government should not support the people," lest the use of federal aid as charity encourage "the expectation of paternal care on the part of

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Nevins, <u>Grover Cleveland: A Study in Courage</u> 757; John P. McIver, <u>Historical Statistics of the United States: Millennial Edition</u>; Nevins, <u>Letters of Grover Cleveland: 1850-1908</u> 591; Grover Cleveland, "Woman's Mission and Woman's Clubs," <u>The Ladies' Home Journal.</u> May 1905, 3.

the government" and weaken "the sturdiness of our national character." Anti-imperialists likewise often refer to his rhetoric when opposing an attempt by American businessmen to conquer Hawaii for the United States, about which he wrote that "if national honesty is to be disregarded and a desire for territorial extension, or dissatisfaction with a form of government not our own, ought to regulate our conduct, I have entirely misapprehended the mission and character of our Government (sic) and the behavior which the conscience of our people demands of their public servants."

Even the lesser known words and deeds of his administration still have ideological currency. Advocates of the strict separation of church and state still use Cleveland's logic from when he left vacant the American consular seat in Vienna to protest the Austro-Hungarian Empire's refusal to recognize an American diplomat because he had a Jewish wife; to defend his actions, the president insisted that acquiescence to any "application of a religious test as a qualification for office" would constitute the "abandonment of a vital principle in our Government." Opponents of the growing influence of big businesses in America, meanwhile, can turn to the prophetic words of Cleveland's 1888 State of the Union, submitted only three months before the end of his first term:

Communism is a hateful thing, and a menace to peace and organized government. But the communism of combined wealth and capital, the outgrowth of overweening cupidity and selfishness, which insidiously undermines the justice

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⁸¹ Veto of ""An Act to enable the Commissioner of Agriculture to make a special distribution of seeds in drought-stricken counties of Texas, and making an appropriation therefor, 1887, H. R. 10203, 50th Cong."; Nevins, <u>Grover Cleveland: A Study in Courage</u> 560.

and integrity of free institutions is not less dangerous than the communism of oppressed poverty and toil... He mocks the people who proposes that the government shall protect the rich and that they in turn will care for the laboring poor.

In short, although Cleveland despaired after the 1904 election as to "how the rejuvenation of the Democratic Party which seems to be absolutely essential is to be brought about," his gloomy prognostication was only partially correct. The direct ideological legacy of the Bourbon Democrats survives today, but in the libertarian political movement. Thus prominent libertarian figures like Texas Congressman and frequent presidential candidate Ron Paul have openly acknowledged Cleveland as among their political role models.⁸²

Along with being ahistorical, Cleveland's complaint also failed to appreciate the legacy of his 1887 State of the Union. By strengthening the institutional power of the presidency, he not only enabled himself to use his office to proactively pursue the policies he deemed important, but empowered his successors to do likewise with their own ideological goals. This applied not only to Benjamin Harrison, but to Cleveland's more assertive progressive successors like Theodore Roosevelt and Woodrow Wilson. All of those leaders depended upon a political culture that recognized the president's role in shaping political debate and advancing new policy initiatives. The ability to use executive power in this proactive fashion subsided after the midterm elections of 1866, but it was revived in 1887 and has remained strong ever since. Cleveland's conception of the president's role in government, as he later wrote in his memoirs, was that he should

82 David G. Dalin and Alfred Kolatch, <u>The Presidents of the United States & The Jews</u> (New York, NY: Jonathan David Publishers, Inc., 2000) 104-109; Parker 94; <u>Letters of Grover Cleveland</u>: 1850-1908 591; Dave Cook, "Ron Paul's Faves: Grover Cleveland, 'freedom movement,' not the Fed," <u>The Christian Science Monitor</u> (November 30, 2011).

be an "independent agent of the people, representing a coordinate branch of their Government, charged with responsibilities which, under his oath, he ought not to avoid or divide with others, and invested with powers, not to be surrendered, but to be used, under the guidance of patriotic intention and an unclouded conscience." Because of the 1887 State of the Union, that conception was once again realized.⁸³

Similarly, Cleveland's successful effort to infuse the Democratic Party with the populist ethos it had lost after the Civil War not only resurrected his own political career in 1892, but helped fuel his successors. While he may not have shared their ideals, Cleveland's revitalization of the economic character of the Democratic brand laid the foundations for William Jennings Bryan's crusade for silver in 1896, Woodrow Wilson's championing of the New Freedom in 1912, Franklin Roosevelt's call for a New Deal in 1932, Lyndon Johnson's promise of a Great Society in 1964, and other Democratic campaigns that based themselves around populist economic appeals. The Democrats had spent a generation in national politics wandering through the wilderness in search of a substantial message. With his 1887 State of the Union, Cleveland reminded his party that it could have one by stepping out from under the shadow of the Civil War and returning to the political tone, if not the policy substance, of its Jacksonian roots.

As Cleveland's second term drew to a close, Professor Woodrow Wilson submitted a vigorous defense of the departing president to *The Atlantic Monthly*.

Perceiving that the 1887 State of the Union was a turning point in his administration,

Wilson wrote that "Mr. Cleveland grew to the measure of his place as its magnitude and

⁸³ Cleveland 76.

responsibilities cleared to his view." Warming to his subject, he described how "the breath of affairs was at last in his (Cleveland's) lungs, and he gave his party a leader, of a sudden, in the plain-spoken, earnest, mandatory tariff message of December, 1887. It was such a stroke as no mere politician would have hazarded..." These sentiments, though eloquently expressed, were more succinctly conveyed by Cleveland himself. When asked to defend his 1887 State of the Union, he simply asked: "What is the use of being elected or re-elected unless you stand for something?" 84

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⁸⁴ Woodrow Wilson, "Mr. Cleveland as President," <u>The Atlantic Monthly</u> March 1897, 289-300; McElroy 264.

Appendix: Text of the 1887 State of the Union (December 6, 1887)

To the Congress of the United States:

You are confronted at the threshold of your legislative duties with a condition of the national finances which imperatively demands immediate and careful consideration.

The amount of money annually exacted, through the operation of present laws, from the industries and necessities of the people largely exceeds the sum necessary to meet the expenses of the Government.

When we consider that the theory of our institutions guarantees to every citizen the full enjoyment of all the fruits of his industry and enterprise, with only such deduction as may be his share toward the careful and economical maintenance of the Government which protects him, it is plain that the exaction of more than this is indefensible extortion and a culpable betrayal of American fairness and justice. This wrong inflicted upon those who bear the burden of national taxation, like other wrongs, multiplies a brood of evil consequences. The public Treasury, which should only exist as a conduit conveying the people's tribute to its legitimate objects of expenditure, becomes a hoarding place for money needlessly withdrawn from trade and the people's use, thus crippling our national energies, suspending our country's development, preventing investment in productive enterprise, threatening financial disturbance, and inviting schemes of public plunder.

This condition of our Treasury is not altogether new, and it has more than once of late been submitted to the people's representatives in the Congress, who alone can apply a remedy. And yet the situation still continues, with aggravated incidents, more than ever presaging financial convulsion and widespread disaster.

It will not do to neglect this situation because its dangers are not now palpably imminent and apparent. They exist none the less certainly, and await the unforeseen and unexpected occasion when suddenly they will be precipitated upon us.

On the 30th day of June, 1885, the excess of revenues over public expenditures, after complying with the annual requirement of the sinking-fund act, was \$17,859,735.84; during the year ended June 30, 1886, such excess amounted to \$49,405,545.20, and during the year ended June 30, 1887, it reached the sum of \$55,567,849.54.

The annual contributions to the sinking fund during the three years above specified, amounting in the aggregate to \$138,058,320.94, and deducted from the surplus as stated, were made by calling in for that purpose outstanding 3 per cent bonds of the Government. During the six months prior to June 30, 1887, the surplus revenue had grown so large by repeated accumulations, and it was feared the withdrawal of this great sum of money needed by the people would so affect the business of the country, that the sum of \$79,864,100 of such surplus was applied to the payment of the principal and interest of

the 3 per cent bonds still outstanding, and which were then payable at the option of the Government. The precarious condition of financial affairs among the people still needing relief, immediately after the 30th day of June, 1887, the remainder of the 3 per cent bonds then outstanding, amounting with principal and interest to the sum of \$18,877,500, were called in and applied to the sinking-fund contribution for the current fiscal year. Notwithstanding these operations of the Treasury Department, representations of distress in business circles not only continued, but increased, and absolute peril seemed at hand. In these circumstances the contribution to the sinking fund for the current fiscal year was at once completed by the expenditure of \$27,684,283.55 in the purchase of Government bonds not yet due bearing 4 and 41/2 per cent interest, the premium paid thereon averaging about 24 per cent for the former and 8 per cent for the latter. In addition to this, the interest accruing during the current year upon the outstanding bonded indebtedness of the Government was to some extent anticipated, and banks selected as depositories of public money were permitted to somewhat increase their deposits.

While the expedients thus employed to release to the people the money lying idle in the Treasury served to avert immediate danger, our surplus revenues have continued to accumulate, the excess for the present year amounting on the 1st day of December to \$55,258,701.19, and estimated to reach the sum of \$113,000,000 on the 30th of June next, at which date it is expected that this sum, added to prior accumulations, will swell the surplus in the Treasury to \$140,000,000.

There seems to be no assurance that, with such a withdrawal from use of the people's circulating medium, our business community may not in the near future be subjected to the same distress which was quite lately produced from the same cause. And while the functions of our National Treasury should be few and simple, and while its best condition would be reached, I believe, by its entire disconnection with private business interests, yet when, by a perversion of its purposes, it idly holds money uselessly subtracted from the channels of trade, there seems to be reason for the claim that some legitimate means should be devised by the Government to restore in an emergency, without waste or extravagance, such money to its place among the people.

If such an emergency arises, there now exists no clear and undoubted executive power of relief. Heretofore the redemption of 3 per cent bonds, which were payable at the option of the Government, has afforded a means for the disbursement of the excess of our revenues; but these bonds have all been retired, and there are no bonds outstanding the payment of which we have a right to insist upon. The contribution to the sinking fund which furnishes the occasion for expenditure in the purchase of bonds has been already made for the current year, so that there is no outlet in that direction.

In the present state of legislation the only pretense of any existing executive power to restore at this time any part of our surplus revenues to the people by its expenditure consists in the supposition that the Secretary of the Treasury may enter the market and purchase the bonds of the Government not yet due, at a rate of premium to be agreed upon. The only provision of law from which such a power could be derived is found in an

appropriation bill passed a number of years ago, and it is subject to the suspicion that it was intended as temporary and limited in its application, instead of conferring a continuing discretion and authority. No condition ought to exist which would justify the grant of power to a single official, upon his judgment of its necessity, to withhold from or release to the business of the people, in an unusual manner, money held in the Treasury, and thus affect at his will the financial situation of the country; and if it is deemed wise to lodge in the Secretary of the Treasury the authority in the present juncture to purchase bonds, it should be plainly vested, and provided, as far as possible, with such checks and limitations as will define this official's right and discretion and at the same time relieve him from undue responsibility.

In considering the question of purchasing bonds as a means of restoring to circulation the surplus money accumulating in the Treasury, it should be borne in mind that premiums must of course be paid upon such purchase, that there may be a large part of these bonds held as investments which can not be purchased at any price, and that combinations among holders who are willing to sell may unreasonably enhance the cost of such bonds to the Government.

It has been suggested that the present bonded debt might be refunded at a less rate of interest and the difference between the old and new security paid in cash, thus finding use for the surplus in the Treasury. The success of this plan, it is apparent, must depend upon the volition of the holders of the present bonds; and it is not entirely certain that the inducement which must be offered them would result in more financial benefit to the Government than the purchase of bonds, while the latter proposition would reduce the principal of the debt by actual payment instead of extending it.

The proposition to deposit the money held by the Government in banks throughout the country for use by the people is, it seems to me, exceedingly objectionable in principle, as establishing too close a relationship between the operations of the Government Treasury and the business of the country and too extensive a commingling of their money, thus fostering an unnatural reliance in private business upon public funds. If this scheme should be adopted, it should only be done as a temporary expedient to meet an urgent necessity. Legislative and executive effort should generally be in the opposite direction, and should have a tendency to divorce, as much and as fast as can be safely done, the Treasury Department from private enterprise.

Of course it is not expected that unnecessary and extravagant appropriations will be made for the purpose of avoiding the accumulation of an excess of revenue. Such expenditure, besides the demoralization of all just conceptions of public duty which it entails, stimulates a habit of reckless improvidence not in the least consistent with the mission of our people or the high and beneficent purposes of our Government.

I have deemed it my duty to thus bring to the knowledge of my countrymen, as well as to the attention of their representatives charged with the responsibility of legislative relief, the gravity of our financial situation. The failure of the Congress heretofore to provide against the dangers which it was quite evident the very nature of the difficulty must necessarily produce caused a condition of financial distress and apprehension since your last adjournment which taxed to the utmost all the authority and expedients within executive control; and these appear now to be exhausted. If disaster results from the continued inaction of Congress, the responsibility must rest where it belongs.

Though the situation thus far considered is fraught with danger which should be fully realized, and though it presents features of wrong to the people as well as peril to the country, it is but a result growing out of a perfectly palpable and apparent cause, constantly reproducing the same alarming circumstances—a congested National Treasury and a depleted monetary condition in the business of the country. It need hardly be stated that while the present situation demands a remedy, we can only be saved from a like predicament in the future by the removal of its cause.

Our scheme of taxation, by means of which this needless surplus is taken from the people and put into the public Treasury, consists of a tariff or duty levied upon importations from abroad and internal-revenue taxes levied upon the consumption of tobacco and spirituous and malt liquors. It must be conceded that none of the things subjected to internal-revenue taxation are, strictly speaking, necessaries. There appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people.

But our present tariff laws, the vicious, inequitable, and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty by precisely the sum paid for such duties. Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the duties now levied upon foreign goods and products are called protection to these home manufactures, because they render it possible for those of our people who are manufacturers to make these taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty. So it happens that while comparatively a few use the imported articles, millions of our people, who never use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor nearly or quite the same enhanced price which the duty adds to the imported articles. Those who buy imports pay the duty charged thereon into the public Treasury, but the great majority of our citizens, who buy domestic articles of the same class, pay a sum at least approximately equal to this duty to the home manufacturer. This reference to the operation of our tariff laws is not made by way of instruction, but in order that we may be constantly reminded of the manner in which they impose a burden upon those who consume domestic products as well as those who consume imported articles, and thus create a tax upon all our people.

It is not proposed to entirely relieve the country of this taxation. It must be extensively continued as the source of the Government's income; and in a readjustment of our tariff

the interests of American labor engaged in manufacture should be carefully considered, as well as the preservation of our manufacturers. It may be called protection or by any other name, but relief from the hardships and dangers of our present tariff laws should be devised with especial precaution against imperiling the existence of our manufacturing interests. But this existence should not mean a condition which, without regard to the public welfare or a national exigency, must always insure the realization of immense profits instead of moderately profitable returns. As the volume and diversity of our national activities increase, new recruits are added to those who desire a continuation of the advantages which they conceive the present system of tariff taxation directly affords them. So stubbornly have all efforts to reform the present condition been resisted by those of our fellow-citizens thus engaged that they can hardly complain of the suspicion, entertained to a certain extent, that there exists an organized combination all along the line to maintain their advantage.

We are in the midst of centennial celebrations, and with becoming pride we rejoice in American skill and ingenuity, in American energy and enterprise, and in the wonderful natural advantages and resources developed by a century's national growth. Yet when an attempt is made to justify a scheme which permits a tax to be laid upon every consumer in the land for the benefit of our manufacturers, quite beyond a reasonable demand for governmental regard, it suits the purposes of advocacy to call our manufactures infant industries still needing the highest and greatest degree of favor and fostering care that can be wrung from Federal legislation.

It is also said that the increase in the price of domestic manufactures resulting from the present tariff is necessary in order that higher wages may be paid to our workingmen employed in manufactories than are paid for what is called the pauper labor of Europe. All will acknowledge the force of an argument which involves the welfare and liberal compensation of our laboring people. Our labor is honorable in the eyes of every American citizen; and as it lies at the foundation of our development and progress, it is entitled, without affectation or hypocrisy, to the utmost regard. The standard of our laborers' life should not be measured by that of any other country less favored, and they are entitled to their full share of all our advantages.

By the last census it is made to appear that of the 17,392,099 of our population engaged in all kinds of industries 7,670,493 are employed in agriculture, 4,074,238 in professional and personal service (2,934,876 of whom are domestic servants and laborers), while 1,810,256 are employed in trade and transportation and 3,837,112 are classed as employed in manufacturing and mining.

For present purposes, however, the last number given should be considerably reduced. Without attempting to enumerate all, it will be conceded that there should be deducted from those which it includes 375,143 carpenters and joiners, 285,401 milliners, dressmakers, and seamstresses, 172,726 blacksmiths, 133,756 tailors and tailoresses, 102,473 masons, 76,241 butchers, 41,309 bakers, 22,083 plasterers, and 4,891 engaged in manufacturing agricultural implements, amounting in the aggregate to 1,214,023, leaving

2,623,089 persons employed in such manufacturing industries as are claimed to be benefited by a high tariff.

To these the appeal is made to save their employment and maintain their wages by resisting a change. There should be no disposition to answer such suggestions by the allegation that they are in a minority among those who labor, and therefore should forego an advantage in the interest of low prices for the majority. Their compensation, as it may be affected by the operation of tariff laws, should at all times be scrupulously kept in view; and yet with slight reflection they will not overlook the fact that they are consumers with the rest; that they too have their own wants and those of their families to supply from their earnings, and that the price of the necessaries of life, as well as the amount of their wages, will regulate the measure of their welfare and comfort.

But the reduction of taxation demanded should be so measured as not to necessitate or justify either the loss of employment by the workingman or the lessening of his wages; and the profits still remaining to the manufacturer after a necessary readjustment should furnish no excuse for the sacrifice of the interests of his employees, either in their opportunity to work or in the diminution of their compensation. Nor can the worker in manufactures fail to understand that while a high tariff is claimed to be necessary to allow the payment of remunerative wages, it certainly results in a very large increase in the price of nearly all sorts of manufactures, which, in almost countless forms, he needs for the use of himself and his family. He receives at the desk of his employer his wages, and perhaps before he reaches his home is obliged, in a purchase for family use of an article which embraces his own labor, to return in the payment of the increase in price which the tariff permits the hard-earned compensation of many days of toil.

The farmer and the agriculturist, who manufacture nothing, but who pay the increased price which the tariff imposes upon every agricultural implement, upon all he wears, and upon all he uses and owns, except the increase of his flocks and herds and such things as his husbandry produces from the soil, is invited to aid in maintaining the present situation; and he is told that a high duty on imported wool is necessary for the benefit of those who have sheep to shear, in order that the price of their wool may be increased. They, of course, are not reminded that the farmer who has no sheep is by this scheme obliged, in his purchases of clothing and woolen goods, to pay a tribute to his fellow-farmer as well as to the manufacturer and merchant, nor is any mention made of the fact that the sheep owners themselves and their households must wear clothing and use other articles manufactured from the wool they sell at tariff prices, and thus as consumers must return their share of this increased price to the tradesman.

I think it may be fairly assumed that a large proportion of the sheep owned by the farmers throughout the country are found in small flocks, numbering from twenty-five to fifty. The duty on the grade of imported wool which these sheep yield is 10 cents each pound if of the value of 30 cents or less and 12 cents if of the value of more than 30 cents. If the liberal estimate of 6 pounds be allowed for each fleece, the duty thereon would be 60 or 72 cents; and this may be taken as the utmost enhancement of its price to the farmer by

reason of this duty. Eighteen dollars would thus represent the increased price of the wool from twenty-five sheep and \$36 that from the wool of fifty sheep; and at present values this addition would amount to about one-third of its price. If upon its sale the farmer receives this or a less tariff profit, the wool leaves his hands charged with precisely that sum, which in all its changes will adhere to it until it reaches the consumer. When manufactured into cloth and other goods and material for use, its cost is not only increased to the extent of the farmer's tariff profit, but a further sum has been added for the benefit of the manufacturer under the operation of other tariff laws. In the meantime the day arrives when the farmer finds it necessary to purchase woolen goods and material to clothe himself and family for the winter. When he faces the tradesman for that purpose, he discovers that he is obliged not only to return in the way of increased prices his tariff profit on the wool he sold, and which then perhaps lies before him in manufactured form, but that he must add a considerable sum thereto to meet a further increase in cost caused by a tariff duty on the manufacture. Thus in the end he is aroused to the fact that he has paid upon a moderate purchase, as a result of the tariff scheme, which when he sold his wool seemed so profitable, an increase in price more than sufficient to sweep away all the tariff profit he received upon the wool he produced and sold.

When the number of farmers engaged in wool raising is compared with all the farmers in the country and the small proportion they bear to our population is considered; when it is made apparent that in the case of a large part of those who own sheep the benefit of the present tariff on wool is illusory; and, above all, when it must be conceded that the increase of the cost of living caused by such tariff becomes a burden upon those with moderate means and the poor, the employed and unemployed, the sick and well, and the young and old, and that it constitutes a tax which with relentless grasp is fastened upon the clothing of every man, woman, and child in the land, reasons are suggested why the removal or reduction of this duty should be included in a revision of our tariff laws.

In speaking of the increased cost to the consumer of our home manufactures resulting from a duty laid upon imported articles of the same description, the fact is not ever looked that competition among our domestic producers sometimes has the effect of keeping the price of their products below the highest limit allowed by such duty. But it is notorious that this competition is too often strangled by combinations quite prevalent at this time, and frequently called trusts, which have for their object the regulation of the supply and price of commodities made and sold by members of the combination. The people can hardly hope for any consideration in the operation of these selfish schemes.

If, however, in the absence of such combination, a healthy and free competition reduces the price of any particular dutiable article of home production below the limit which it might otherwise reach under our tariff laws, and if with such reduced price its manufacture continues to thrive, it is entirely evident that one thing has been discovered which should be carefully scrutinized in an effort to reduce taxation.

The necessity of combination to maintain the price of any commodity to the tariff point furnishes proof that someone is willing to accept lower prices for such commodity and that such prices are remunerative; and lower prices produced by competition prove the same thing. Thus where either of these conditions exists a case would seem to be presented for an easy reduction of taxation.

The considerations which have been presented touching our tariff laws are intended only to enforce an earnest recommendation that the surplus revenues of the Government be prevented by the reduction of our customs duties, and at the same time to emphasize a suggestion that in accomplishing this purpose we may discharge a double duty to our people by granting to them a measure of relief from tariff taxation in quarters where it is most needed and from sources where it can be most fairly and justly accorded.

Nor can the presentation made of such considerations be with any degree of fairness regarded as evidence of unfriendliness toward our manufacturing interests or of any lack of appreciation of their value and importance.

These interests constitute a leading and most substantial element of our national greatness and furnish the proud proof of our country's progress. But if in the emergency that presses upon us our manufacturers are asked to surrender something for the public good and to avert disaster, their patriotism, as well as a grateful recognition of advantages already afforded, should lead them to willing cooperation. No demand is made that they shall forego all the benefits of governmental regard; but they can not fail to be admonished of their duty, as well as their enlightened self-interest and safety, when they are reminded of the fact that financial panic and collapse, to which the present condition tends, afford no greater shelter or protection to our manufactures than to other important enterprises. Opportunity for safe, careful, and deliberate reform is now offered; and none of us should be unmindful of a time when an abused and irritated people, heedless of those who have resisted timely and reasonable relief, may insist upon a radical and sweeping rectification of their wrongs.

The difficulty attending a wise and fair revision of our tariff laws is not underestimated. It will require on the part of the Congress great labor and care, and especially a broad and national contemplation of the subject and a patriotic disregard of such local and selfish claims as are unreasonable and reckless of the welfare of the entire country.

Under our present laws more than 4,000 articles are subject to duty. Many of these do not in any way compete with our own manufactures, and many are hardly worth attention as subjects of revenue. A considerable reduction can be made in the aggregate by adding them to the free list. The taxation of luxuries presents no features of hardship; but the necessaries of life used and consumed by all the people, the duty upon which adds to the cost of living in every home, should be greatly cheapened.

The radical reduction of the duties imposed upon raw material used in manufactures, or its free importation, is of course an important factor in any effort to reduce the price of

these necessaries. It would not only relieve them from the increased cost caused by the tariff on such material, but the manufactured product being thus cheapened that part of the tariff now laid upon such product, as a compensation to our manufacturers for the present price of raw material, could be accordingly modified. Such reduction or free importation would serve besides to largely reduce the revenue. It is not apparent how such a change can have any injurious effect upon our manufacturers. On the contrary, it would appear to give them a better chance in foreign markets with the manufacturers of other countries, who cheapen their wares by free material. Thus our people might have the opportunity of extending their sales beyond the limits of home consumption, saving them from the depression, interruption in business, and loss caused by a glutted domestic market and affording their employees more certain and steady labor, with its resulting quiet and contentment.

The question thus imperatively presented for solution should be approached in a spirit higher than partisanship and considered in the light of that regard for patriotic duty which should characterize the action of those intrusted with the weal of a confiding people. But the obligation to declared party policy and principle is not wanting to urge prompt and effective action. Both of the great political parties now represented in the Government have by repeated and authoritative declarations condemned the condition of our laws which permit the collection from the people of unnecessary revenue, and have in the most solemn manner promised its correction; and neither as citizens nor partisans are our countrymen in a mood to condone the deliberate violation of these pledges.

Our progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade. This savors too much of bandying epithets. It is a condition which confronts us, not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated. The question of free trade is absolutely irrelevant, and the persistent claim made in certain quarters that all the efforts to relieve the people from unjust and unnecessary taxation are schemes of so-called free traders is mischievous and far removed from any consideration for the public good.

The simple and plain duty which we owe the people is to reduce taxation to the necessary expenses of an economical operation of the Government and to restore to the business of the country the money which we hold in the Treasury through the perversion of governmental powers. These things can and should be done with safety to all our industries, without danger to the opportunity for remunerative labor which our workingmen need, and with benefit to them and all our people by cheapening their means of subsistence and increasing the measure of their comforts.

The Constitution provides that the President "shall from time to time give to the Congress information of the state of the Union." It has been the custom of the Executive, in compliance with this provision, to annually exhibit to the Congress, at the opening of its session, the general condition of the country, and to detail with some particularity the operations of the different Executive Departments. It would be especially agreeable to

follow this course at the present time and to call attention to the valuable accomplishments of these Departments during the last fiscal year; but I am so much impressed with the paramount importance of the subject to which this communication has thus far been devoted that I shall forego the addition of any other topic, and only urge upon your immediate consideration the "state of the Union" as shown in the present condition of our Treasury and our general fiscal situation, upon which every element of our safety and prosperity depends.

The reports of the heads of Departments, which will be submitted, contain full and explicit information touching the transaction of the business intrusted to them and such recommendations relating to legislation in the public interest as they deem advisable. I ask for these reports and recommendations the deliberate examination and action of the legislative branch of the Government.

There are other subjects not embraced in the departmental reports demanding legislative consideration, and which I should be glad to submit. Some of them, however, have been earnestly presented in previous messages, and as to them I beg leave to repeat prior recommendations.

As the law makes no provision for any report from the Department of State, a brief history of the transactions of that important Department, together with other matters which it may hereafter be deemed essential to commend to the attention of the Congress, may furnish the occasion for a future communication.

GROVER CLEVELAND