

## **CHAPTER 11**



### ***The Depression Nineties***

WHEN NORTH DAKOTA BECAME A STATE, it was a partially settled spring wheat country and a colonial hinterland of Minneapolis and St. Paul. Wheat produced the wealth of North Dakota, and the Twin Cities, the chief market for that product, were inevitably the political and economic nerve center of the state—the headquarters of its railroads, grain elevators, and banks, as well as the residence of its most influential political leader.

Not only these facts but also broad national trends were reflected in the history of the region. In the 1880's, a time of rapid national expansion in industry and urbanization, North Dakota had grown amazingly in population, railroad trackage, and wheat production. But in the latter part of the decade, well before depression hit the nation, the Great Dakota Boom died, the rush of settlers to the new country gave way to an exodus of the disillusioned, and the discontent of the farmers erupted in an agrarian revolt. Not until the middle 1890's was the nation deep in depression and torn by political unrest. Populists gained control of the state in 1892, but when the national depression arrived in 1893, all efforts of the North Dakota Populists ended in failure. Populism declined in North Dakota when it was still rising in the nation; in 1896, William Jennings Bryan fared badly in the state, which James B. Weaver had carried in 1892. The failure of Populism in North Dakota, though caused in part by the Panic of 1893, owed something to strong loyalty to the Republican party and the astuteness of Alexander McKenzie and his

The latter 1890's brought revival to North Dakota. Better prices, better crops, lower railroad rates, and renewed promotion of settlement by the Great Northern ushered in a second boom in 1898. The population increased 67 percent during the decade, mostly in the last two years, and by 1900 much of the Drift Prairie was fairly well settled and well supplied with railroads.

Although Populism had but a brief career in North Dakota, a surprising fact in view of the state's colonial status, it did help to channel the popular psychology into an anti-big business mold. After Populism declined, the state government, while at least nominally controlled by the McKenzie machine, continued to fight the railroads, to raise their taxes, and to force them to reduce their rates.

### **POPULISM IN THE FIRST LEGISLATIVE ASSEMBLY**

Statehood gave the farmers of North Dakota new hope that they might control their own economy. A market for hard spring wheat at Minneapolis had stimulated the settlement of the region, but soon the cooperation of the millers, the elevator men, and the railroad managers had eliminated competition in the grain trade. The wheat grower wanted a free, competitive market, but the grain buyers felt, as the *Weekly Northwestern Miller* said on January 11, 1889, that "such words as trust, combine, and monopoly are better than failure, ruin and bankruptcy."

Territorial laws governing the grain trade had been useless, and Judson A. LaMoure, chief lieutenant of Alexander McKenzie, had done little as chairman of the territorial board of railroad commissioners to restore competition. Could the new state break the monopoly? Could it shift the seat of power from the Twin Cities to Bismarck?

At picnics in the summer of 1889, Farmers' Alliance men sang S. A. Fisher's poem "The Farmers Must Rule North Dakota." That August, the Republican state convention, responding to Alliance demands for a share of the offices, nominated John Miller, an Alliance leader, for governor. Miller was a native of New York State and a large farmer and land speculator in Richland County. In November the Republicans swept the election by a two-to-one majority. Henry C. Hansbrough, Devils Lake newspaper editor and McKenzie man, was sent to the United States House of Representatives.

The first legislative assembly witnessed a series of struggles between the Farmers' Alliance and the McKenzie machine. In the Republican caucus the Alliance men supported Martin N. Johnson and Walter Muir for United States senators. Backing Muir, the *Edgeley Mail* wrote: "The people of North Dakota are by necessity radical in their

views, as may be witnessed by the platform of the Farmers' Alliance, and they should be represented in the United States Senate by men who will do justice to those views." Although Johnson had forty-two of the ninety-three votes in the joint session, the assembly elected Gilbert Pierce and Lyman R. Casey to the Senate. Pierce, the choice of the Northern Pacific, was a popular former governor of Dakota Territory and met with little opposition. Casey had come to Carrington in 1882, acquiring a large ranch. He was chosen as a compromise candidate after McKenzie failed to line up enough votes for his friend, former Governor Nehemiah G. Ordway. Casey was a member of the Farmers' Alliance and an honest man, but George B. Winship's *Grand Forks Herald* considered his selection a victory for the corporations and the "old gang element."

Defeated in the senatorial elections, the reform element won on the moral issues of prohibition and the Louisiana lottery. Prohibition was supported by Charles A. Pollock and Frank Lynch of Fargo, R. B. Griffith of Grand Forks, and Elizabeth Preston Anderson, who was to serve for forty years as president of the North Dakota Woman's Christian Temperance Union. The assembly prohibited the manufacture and sale of intoxicating liquors.

The Louisiana lottery sold tickets throughout the nation and distributed nearly \$15,000,000 in prizes at each drawing. It was to lose its charter in Louisiana in 1893 and so was seeking a new base for its disreputable operations. It offered North Dakota \$100,000 for the first year and \$75,000 annually thereafter for a charter. Lottery officials were ready to bribe legislators in order to secure the necessary votes. The McKenzie gang favored the lottery, and the senate passed the charter bill by a two-thirds majority. Governor Miller, however, hired a Pinkerton detective to gather evidence of bribery. The detective, passing himself off as a newspaper correspondent, ingratiated himself with the bribable members of the legislature ("wolves for money," he called them in his racy reports to the governor). After hearing, over drinks, much talk about money for lottery votes, the detective revealed his identity to the astonished legislators. The lottery charter never came to a vote in the house. The university's president, Homer B. Sprague, and faculty openly fought the lottery. When the university appropriation bill came up, the McKenzie gang cut Sprague's salary from \$3,000 to \$2,500. Sprague resigned in February, 1891.<sup>1</sup>

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<sup>1</sup>Lewis F. Crawford, [\*History of North Dakota\*](#) (3 vols.; Chicago: American Historical Society, Inc., 1931), I, 370-375; Louis G. Geiger, [\*University of the Northern Plains: A History of the University of North Dakota, 1883-1958\*](#) (Grand Forks: University of North Dakota Press, 1958),

Much of the work of the first legislative assembly was not controversial. Drawing feely upon the experience of the older states, it defined the duties of state officials, established the structure of county and municipal government, set up a system of free public schools, and authorized the new institutions designated by the constitution. But only the School for the Deaf at Devils Lake received an appropriation. In all, the legislature passed 201 laws in 120 days. Fourteen of them dealt with the railroads and the grain trade. The Board of Railroad Commissioners was granted authority to regulate railroads and grain elevators, to reduce unreasonable railroad rates, and to establish "North Dakota grades" of wheat. The railroads were required to furnish elevator sites and freight cars without discrimination, to build loading platforms, to equalize rates for long and short hauls, and to give no preference in rates or service to any person or company. The assembly forbade elevators to fix prices for grain, to agree on the amount to be purchased by each, or to mix grades. It provided for the licensing of elevators and the bonding of elevator operators; it set elevator rates for grain storage. It also fixed the legal rate of interest at 7 percent but allowed up to 12 percent by mutual consent.

These laws forbade virtually every evil practice that accounted for the exploitation of North Dakota farmers by outside interests. They passed, quite naturally, without any open opposition from the McKenzie machine, the servant and ally of the exploiters. If they had succeeded, North Dakota would no longer have been a colonial hinterland of the Twin Cities. But the laws were so faultily drawn, so complicated, and so contradictory that they were a failure.

Hostile to the regulatory legislation, the elevator companies threatened to close their elevators. To prevent such a calamity, the railroad commissioners and the attorney general went to Minneapolis to talk with the representatives of the elevator firms. To appease them and keep the elevators open, the commissioners agreed to drop the bonding requirement, the storage rates, and a provision for elevator receipts.<sup>2</sup>

## **THE INDEPENDENT PARTY**

Disappointment over this failure led to talk of a third party. Fred Fancher and other Alliance leaders, loyal to the Republican party, opposed the move, and George B. Winship, who ran the Alliance platform in the *Grand Forks Herald* for days, urged the Republicans to

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pp. 88-89.

<sup>2</sup>Glenn L. Brudvig, "[The Farmers' Alliance and Populist Movement in North Dakota, 1884-1896](#)" (Unpublished M.A. thesis, University of North Dakota, 1956), pp 123-134.

nominate men agreeable to the farmers. The Republican convention did nominate Martin N. Johnson, active in the Alliance, for the House of Representatives, but for governor they nominated Andrew Burke, a Cass County banker satisfactory to the McKenzie machine.

In spite of these concessions, a third party was organized that fall. On September 25-26, 1890, conventions of the Prohibitionists and the Farmers' Alliance met in Grand Forks. When the Prohibitionists voted to form the "Independent Party of North Dakota" and invited the Alliance to join it, Walter Muir agreed. The Independent party nominated Muir for governor, but most of its slate, such men as Martin N. Johnson, had already been nominated by either the Republicans or the Democrats. Its platform contained the usual Alliance and Populist demands: free silver, government loans on real estate and stored crops, woman suffrage, the Australian ballot, and the direct election of United States senators and the President.

Most Alliance members did not follow Muir into the new party, and in November all Republican candidates were elected. Muir himself received only 13 percent of the vote; the Independents elected only eight men to the legislature. Loyalty to the Republican party caused many exploited North Dakota farmers to cast their votes for men like Andrew Burke (elected governor) and George Walsh (elected railroad commissioner), who were identified with the McKenzie machine.

### **GRAIN-TRADE LEGISLATION**

The second legislative assembly, meeting in 1891, made only limited reforms. It elected Henry C. Hansbrough, the McKenzie candidate, to the United States Senate to replace Gilbert Pierce, although Alliance men and Democrats gave Walter Muir thirty-one votes. It failed to pass a better platform law, much wanted by the farmers. It passed a new law requiring the railroads to grant elevator sites without discrimination, but Governor Burke vetoed it. It passed an Australian-ballot law and made usury a misdemeanor. Finally, it declared that the railroad commissioners had full power to supervise the grain trade and to establish storage rates.

Again the elevators threatened to dose. They challenged the law in the courts on grounds that it deprived them of their property without due process of law in violation of the Fourteenth Amendment. On April 26, 1892, the United States Supreme Court upheld the North Dakota law in *Brass v. Stoesser*. In the meantime, the railroad commissioners had met with the representatives of the elevators in Grand Forks on July 14, 1891, to work out regulations satisfactory to both the elevators and the farmers. They reported that there was "a profit in wheat over and above handling and freight of thirty cents a bushel, due to short weight, excess dockage,

low grades and commissions.” The commissioners recommended that the farmers build a terminal elevator at West Superior to handle their grain and keep an agent at Liverpool to sell it on the English market. But the Farmers’ Protective Association, organized for that purpose in the summer of 1891, soon went bankrupt.

The farmers, too poor to provide their own terminal elevators, had to depend on loading platforms to restore competition. After a special session of the legislature passed an enforceable platform law in June, 1892, the number of loading platforms rose from 38 to 147 in 1893. Now a farmer, dissatisfied with the price offered by the local elevators, could sell his wheat to a track buyer who used a loading platform or could ship it himself to the terminal market.

### **A VICTORY FOR POPULISM**

In spite of all this, discontent among the farmers increased. Walter Muir and other leaders of the Independent party and the North Dakota Farmers’ Alliance took part in the conventions at St. Louis and Omaha which organized the Populist party and nominated James B. Weaver for President in 1892. That June, the Independent convention, meeting in Valley City, accepted the Populist platform and nominated a full slate of candidates, including a congressman and presidential electors. The Democrat convention endorsed the Independent candidates, except for Congress and the state legislature. The Republican convention, controlled by McKenzie, put up Andrew Burke for re-election as governor, but it also nominated some men who had been active in the Farmers’ Alliance. Such as Martin Johnson for a second term in Congress and Fred Fancher for insurance commissioner.

Eli C. D. Shortridge, a farmer living near Larimore and recently president of the Alliance, was the Independent candidate for governor. He made a vigorous campaign, going from schoolhouse to schoolhouse across the state, charging that the state government was maintained by and for the corporations, and pointing to Burke’s veto of the elevator bill as proof. He promised a state-owned elevator at the head of the lakes.

The Republican national committee sent money to save North Dakota from the Populists. Such newspapers as Alanson Edwards’ *Fargo Argus* had long ridiculed Alliance leaders. Even George B. Winship and the *Grand Forks Herald* could not accept the Populist platform, and Winship complained that Alliance members should not “assume that all the other classes were against them.” Just because the November election, the railroad commissioners reported:

Railroad companies have done and are still doing a mighty work

toward the prosperity and material advancement of our State.... Persecution of the railway companies by legislative enactment is nothing less than a crime.... For the prosperity of the citizen is the prosperity of the railway company and vice versa.<sup>3</sup>

The Independents took every state office except secretary of state. Christian M. Dahl, the successful Republican candidate, was the only person of Norwegian birth in the campaign. In the presidential contest, James B. Weaver, the Populist candidate, received 17,667 votes to 17,519 for Benjamin Harrison, the Republican candidate. The outcome, however, was so close that two Weaver electors and one for Harrison were chosen. However, one Weaver elector, a staunch Democrat, repudiated his endorsement by the Independents and cast his vote for Grover Cleveland. Martin Johnson was returned to Congress.

### **THE FAILURE OF GOVERNOR SHORTRIDGE**

Eli C. D. Shortridge, the new governor, had made a success of his farm north of Larimore. A man of sixty-three with receding gray hair, a white beard, and alert eyes behind steel-rimmed spectacles, he inspired confidence. In January, 1893, he told the third legislative assembly that the railroads and elevators had “absolutely put an end to competition” and that they had “practically ignored” the laws for their control. Shortridge and the Populists wanted to force them to play fair with the public. There was some prospect of success, for the assembly, though controlled by the Republicans, was made up largely of farmers (74 percent of the house and 58 percent of the senate), and no one in North Dakota, not even the McKenzie machine, openly opposed sensible reform.

The Populist program, however, was largely defeated by the long struggle over the election of a United States senator. McKenzie wanted to re-elect Lyman R. Casey, but a group of about fifteen Republicans from the eastern end of the state refused to support Casey or any other McKenzie candidate. After forty-eight days and sixty-one ballots, they finally combined with the Independents and Democrats to elect William N. Roach. The first Democrat in Congress from North Dakota, Roach was a leader of his party. He had attended Georgetown University, farmed, dealt in land, and served as mayor of Larimore.

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<sup>3</sup>North Dakota Board of Railroad Commissioners, [Annual Report, 1892](#), p. iv; Robert H. Bahmer, “[The Economic and Political Background of the Nonpartisan League](#)” (Unpublished Ph.D. dissertation, University of Minnesota, 1911), pp. 124-126, 131; Brudvig, “[Farmers’ Alliance and the Populist Movement](#),” pp. 135-147, 199.

In the remaining twelve days, the legislature passed most of the 158 laws that came out of the session; 111 of them reached Shortridge on the last day. On the eve of the Panic of 1893, the assembly, for the first time, made large appropriations for state institutions: the penitentiary, the capitol, the governor's mansion, the old soldiers' home, and the colleges and normal schools. It appropriated \$100,000 for a state-owned terminal elevator at Duluth or Superior.

Some important railroad and elevator bills passed but were lost or stolen before they reached the governor. It was "a well-known fact," Shortridge asserted acidly, "that every bill brought before the Legislatures of the past, that was not satisfactory to the corporations, and could not be otherwise defeated, was either stolen, mutilated, or destroyed in some way to prevent them from becoming laws of the State."

The upshot was that Shortridge's administration was a failure. No important reform legislation was enacted; the large appropriations and the depression bankrupted the treasury; and the state-owned elevator was not built. Neither Minnesota nor Wisconsin would give North Dakota exclusive control of an elevator site so that North Dakota grain laws could govern its transactions. It made little difference; the treasury was empty.

In 1894, Walter Muir and the more radical leaders of the North Dakota Independents opposed both the re-nomination of Shortridge and fusion with the Democrats, the basis for success in 1892. Accordingly, the Independents and the Democrats nominated separate tickets; both endorsed free silver. The Independent convention praised Senators Roach and Hansbrough for their free-silver votes in Congress. The Republicans named candidates who had the confidence of the farmers: Roger Allin for governor and the old standbys Martin Johnson for the House and Fred Fancher for insurance commissioner. In November the Republican candidates won every state office, Allin receiving 57 percent of the vote, while the Independent candidate for governor had only 23 percent.

The defeat of the Independents in 1894 marked the permanent decline of Populism in North Dakota. The legislature which met in January, 1895, spent little time on reform legislation, and conditions soon improved. The 1895 crop was bountiful, James J. Hill reduced freight rates on the Great Northern, and the railroads built loading platforms at the request of the railroad commissioners. Consequently, William Jennings Bryan's campaign for free silver in 1896 found little response in North Dakota. That year, the Independents and Democrats fused on a ticket for state offices and came out for free silver. The



Republican convention, held in Grand Forks on July 22, rejected free silver 164 to 18 and nominated a ticket headed by Frank Briggs for governor. In November, Briggs received 56 percent of the votes cast; Bryan carried only eight counties in North Dakota.

The achievements of Populism in North Dakota were limited. The railroads, in compliance with the law of 1892, did build many loading platforms, but other railroad legislation was ineffective. Yet the Board of Railroad Commissioners, under the leadership of George Walsh, a McKenzie man, did secure the amelioration of many grievances. The project of a state-owned terminal elevator, however, was quickly forgotten. When in 1895-1896 West Superior set up a board of trade and arranged to conform to North Dakota grades for wheat, the state's farmers made such small shipments that the West Superior grain dealers were forced to reinstate Minnesota grades.<sup>4</sup>

### THE CRISIS IN PUBLIC EXPEDITURES

North Dakotans in the 1890's struggled to balance the state's income and expenditures. There were too many institutions, and tax revenues were restricted by depression and poor crops. Moreover, the railroads failed to pay their fair share of the taxes, although they owned, by one estimate, nearly one-fourth of the taxable property in the state. In 1890, for example, the Northern Pacific paid no taxes—neither the percentum of its gross income provided by the constitution nor the regular mill levy on its property. While the constitution gave the railroads their choice between the two imposts, the counties were suing the Northern Pacific for taxes on its lands.

Railroad tax payments, however, increased rapidly. In 1894 railroad property was assessed at nearly \$6,700,000, in 1898 at nearly \$12,900,000. In 1900 the railroads in North Dakota paid \$505,940 in state and local taxes. That was \$187 per mile of track, as compared to \$72 per mile in South Dakota, and more per mile than in most states west of the Mississippi.<sup>5</sup>

Throughout the 1890's, North Dakota had to fight to meet its obligations. Taxes were often delinquent. By November 1, 1890, the counties owed the state \$210,000 in back taxes. The legislative assembly generally appropriated more money than taxation was likely to yield.

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<sup>4</sup>Paul R. Fossum, *The Agrarian Movement in North Dakota*, Johns Hopkins University Studies in Historical and Political Science, Vol. XLIII, No. 1 (Baltimore, 1925), pp. 37-49.

<sup>5</sup>North Dakota *House Journal*, 1891, p. 18; 1897, p. 29; 1899, p. 35; North Dakota Constitution, Art. 11, sec. 176; Interstate Commerce Commission, *Thirteenth Annual Report of Statistics of Railroads, 1910*, p. 99.

The governors, who continually urged the legislature to economize, always vetoed many items in the appropriation bills. Thus Governor Shortridge vetoed items totaling \$108,000 in 1893 and Governor Allin vetoed \$122,640 in 1895. In 1897, Governor Briggs vetoed all appropriation bills, but they were passed over his veto. In 1894 the voters turned down a constitutional amendment to raise the debt limit. Shortridge told the assembly that the state had more institutions than it needed or could support. When Allin vetoed their appropriations, he expected most of the state educational institutions to close, but they secured private funds and remained open.

### **PROGRESS IN SETTLEMENT**

After the Great Dakota Boom ended in 1886, northern Dakota had entered a period of slow growth. The low point in homesteading came in the fiscal year ending June 30, 1890, when only about 850 persons filed original homestead entries. In 1891, Congress repealed the Timber Culture and Pre-emption acts, leaving the Homestead Act as the only means of acquiring government land. Homesteading picked up during the 1890's in spite of the depression; in fiscal 1896 about 2,670 persons filed. A new boom began in fiscal 1898, when approximately 7,100 persons filed original entries, almost twice the number of the previous year.

The 1890's saw substantial progress. The population increased 67 percent, from 191,000 to 319,000. The number of acres in farms increased 103 percent. By 1900 some 35 percent of the state was in farms, as compared to only 17 percent in 1890. By 1900 both the Red River Valley and much of the Drift Prairie were fairly settled, but settlement had barely begun on the more arid Missouri Plateau. That year, the plateau, occupying about 50 percent of the state's area, had less than 15 percent of the population (47,000), while the valley, with about 10 percent of the area, had 38 percent of the population (122,000) and the Drift Prairie, with 40 percent of the area, had 47 percent of the population (151,000) .

Settlement moved forward with the investment of outside capital. But whereas debt had increased rapidly during the boom years, it declined during the 1890's. In 1890 nearly 49 percent of the North Dakota farms operated by their owners were mortgaged; in 1900 the figure was down to only 31 percent.

One significant investment during the boom period was railroad construction. By 1890, North Dakota had 2,094 miles of track, representing an investment of about thirty million dollars. In that year the state had 110 miles of track for each 10,000 persons, as compared to

43 miles per 10,000 in Minnesota. In the early 1890's the Minneapolis, St. Paul and Sault Ste Marie built diagonally across the state from Hankinson to Portal, the last construction for several years. The eastern half of the state was reasonably well supplied with railroads; probably most settlers lived within 25 miles of a railroad.

In 1889, James J. Hill and his associates organized the Great Northern Railway Company. It leased all the properties of the old St. Paul, Minneapolis and Manitoba; in effect, the Manitoba became the Great Northern. By January, 1893, Hill had completed the Great Northern to Everett, Washington. His line had been built at a lower cost and on a route both shorter and with lower grades than the Northern Pacific. The amount of its stock and debt per mile was less than half that of its rival: in 1890, about \$66,000 per mile for the Northern Pacific, compared to some \$26,230 for the Great Northern.

The Panic of 1893 affected North Dakota's railroads in several ways. It pushed the Northern Pacific into bankruptcy for the second time. That line cut its freight rates, and Hill met the cuts. In 1893, Hill's average rate per ton-mile was 1.232 cents, in 1896 only 0.976 cents; in 1880-1881 the rate had been 2.88 cents. Hill worked out a plan with J. P. Morgan to secure control of the Northern Pacific by guaranteeing the interest and principal on \$100,000,000 of its bonds. In 1896, however, the United States Supreme Court upheld an injunction forbidding an extensive railroad merger in the Northwest, whereupon Hill and his associates, acting as individuals, bought stock in the re-organized Northern Pacific. Thus Hill acquired a strong voice in the management of his competitor. He then controlled 1,921 of the 2,519 miles of railroad in North Dakota. With 870 miles of Northern Pacific and 1,051 of the Great Northern, he had a near monopoly of transportation in a state whose remoteness and sparse settlement made the cost of conquering distance especially important.<sup>6</sup>

It was fortunate for North Dakota that Hill was an efficient, far-sighted railroad manager (a sort of genius in that field) who was interested in earning a large volume of freight at a low unit cost and that he was also much interested in settling North Dakota. In 1892, Hill appointed Max Bass as immigration agent of the Great Northern. Bass, a Bohemian, had grown up in Vienna and had come to the United States

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<sup>6</sup>North Dakota Board of Railroad Commissioners, *Annual Reports, 1891-1896*; letter written by James J. Hill, 1912, in Clement A. Lounsbury, *Early History of North Dakota* (Washington: Liberty Press, 1919), pp. 341-349; Joseph G. Pyle, *The Life of James J. Hill* (2 vols.; Garden City: Doubleday, Page and Company, 1917), [II](#), 69-70.

when he was twenty-four. Before joining the Great Northern, he had operated a hotel at Belfield, North Dakota, when it was a jumping-off point for the Black Hills. He then served in Bismarck as deputy commissioner of immigration for Dakota Territory. A friendly, warmhearted man with a mass of black hair and a handle-bar mustache, Bass knew both the immigrant and the new country, and he believed in North Dakota's future.

Bass and others who would promote settlement in the 1890's faced many obstacles. In the eleven years from 1890 through 1900, North Dakota had only four good crops. Hard times, low yields, and a popular picture of North Dakota as a land of impossibly cold winters and unproductive soil discouraged prospective pioneers. The thousands who had come out during the Great Dakota Boom and then abandoned their homesteads to return east had given the state a bad name.

Max Bass needed hard-working settlers who would stick and prosper. His first success was with a colony of Dunkers, a German sect similar to the Quakers, from Walkerton, Indiana. In August, 1893, Bass visited them and persuaded the Reverend A. B. Peters and five others to take a land-prospecting trip to Cando. They were pleased with the country and selected homesteads.

That winter, Peters, employed by the Great Northern, made a personal canvass among the Dunkers and others of north-central Indiana, going from home to home, taking a meal here and staying overnight there, and always talking about the advantages of settling in North Dakota. Because he was, like themselves, a poor man and because he himself was venturing his all in the new country, the people gave him their confidence. Many decided to make the move. In March, 1894, some 350 persons gathered at Walkerton with household goods, farm stock, and tools. With much excitement and also with much discouraging talk from bystanders about terrible winters, they loaded their possessions on a special mixed train of freight and passenger cars and started for North Dakota.

Cando was ready for the newcomers. Barns, livery stables, the town hall, tents, and some railroad cars on a siding provided temporary shelter for stock, goods, and people. Lists of jobs and lands to rent helped. That first summer, most families rented land to put in a crop and then turned to improving their own homesteads. The Dunker colony was a success.

Encouraged by Bass, many people moved to North Dakota. Some 460 colonists came on special trains to the Great Northern country in the spring of 1895, 1,035 in 1896, 1,761 in 1897, 5,342 in 1898, 8,005 in 1899, and 10,056 in 1900. The striking increase in 1898 clearly marks the beginning of the second boom. Thousands also came on the regular

trains at other seasons. Bass took a warm interest in those he brought to North Dakota; he would revisit their settlements and always felt proud of his part in peopling the vast grassland. He carried on the work until his death in 1909. The Great Northern named a station in Bottineau County Maxbass in his honor.<sup>7</sup>

## THE MCKENZIE MACHINE

The easy defeat of Bryan in 1896 revealed the weakness of Populism in North Dakota. There were three reasons for that weakness: the large foreign-born element in the population, strong loyalty to the Republican party, and the McKenzie machine. The foreign-born, about 43 percent of the population in 1890, were strangers not yet at home in a new country and a new society. Quite naturally they settled in colonies, knew little of politics, and, if they voted at all, voted in blocs dominated by the native-born leaders of the community—often men (like “Father” John H. Wishek) who were tied to the McKenzie machine.

Even the native-born settlers, many of them but recently come to new homes, were apt to be more concerned with getting themselves established than with the corporation affiliations of Alexander McKenzie, Judson LaMoure, and company. Foreign- and native-born alike were generally loyal to the Republican party—the party of Abraham Lincoln, the Union, and the Homestead Act. There were 146 Republican newspapers among 163 in North Dakota in 1900.

Although the Republican party was also the party of the railroads, the grain elevators, and the moneylenders, a growing majority voted Republican. The vote going to the fusion candidate for governor put up by the Democrats and Independents declined from 52 percent in 1892 to 40 percent in 1900; the number of Democrats and Independents in the legislature declined from forty-one in 1893 to twelve in 1901.

A one-party state simplified machine control, and the McKenzie machine made Republican loyalty easy. Tall, broad-shouldered, ruddy faced Alexander McKenzie was himself a generous, modest man whose kind deeds soon became legendary. He and his followers never openly opposed reform; if necessary, they were willing to swim with its current. Under McKenzie control, the railroad commissioners secured important concessions from the railroads.

While the McKenzie machine (the “Old Gang,” as it was commonly called) regularly controlled the Republican state convention, the slate of nominations was actually made up as a contract among county leaders,

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<sup>7</sup>Roy Thompson, “The First Dunker Colony in North Dakota,” [North Dakota Historical Society Collections](#), IV (1913), 83-97.

who divided the offices in a way to satisfy themselves and voted their delegations as units. Judson LaMoure often ran the convention instead of McKenzie, who did not even attend in 1894, 1898, and 1900, though his influence was still felt.

McKenzie personally seemed more interested in controlling the election of United States senators, a source of patronage and power in Washington. By the 1890's he was spending much of his time there, as well as in St. Paul and in New York City, where he was speculating in Wall Street. But he would be in Bismarck, his legal residence, when the legislature chose a new United States senator. He had a hand in the selection of Henry C. Hansbrough (elected in 1891 and re-elected in 1897 and 1903) and Porter J. McCumber (elected in 1899 and regularly re-elected until 1922). They were steadfast McKenzie men.

So were other important officials. Governors Andrew Burke (elected in 1890), Roger Allin (elected in 1894), Frank Briggs (elected in 1896), Fred Fancher (elected in 1898), Frank White (elected in 1900 and 1902), and Elmore Y. Sarles (elected in 1904) were all choices of the McKenzie machine. United States Congressmen Henry C. Hansbrough (elected in 1889), Burleigh F. Spalding (elected in 1898 and 1902), Thomas F. Marshall (elected in 1900, 1902, 1904, and 1906), and Asle J. Gronna (elected in 1904, 1906, and 1908) were all McKenzie-machine choices. Martin N. Johnson (elected in 1890, 1892, 1894, and 1896) was accepted, rather than chosen, by the machine because of his large Scandinavian following.

In the state legislature the Old Gang usually won over a large part of the well-meaning but undecided members. Although the men chosen by the McKenzie machine were not McKenzie's puppets (men like McCumber, Allin, and Fancher were selected because of their followings), the machine, led by a boss who no longer lived in the state, dominated North Dakota's political life to a considerable degree. Frequently its political leaders conferred in St. Paul, where McKenzie had a suite in the Merchants Hotel. So, in a sense, the Twin Cities were politically, as they were economically, the capital of North Dakota.<sup>8</sup>

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<sup>8</sup>Charles N. Glaab, "[John Burke and the North Dakota Progressive Movement, 1906-1912](#)" (Unpublished M.A. thesis, University of North Dakota, 1952), pp. 15-17 ; D. Jerome Tweton, "[The Election of 1900 in North Dakota](#)" (Unpublished M.A. thesis, University of North Dakota, 1957), p. 10; David B. Baglien, "[The McKenzie Era: A Political History of North Dakota from 1880 to 1920](#)" (Unpublished M.S. thesis, North Dakota Agricultural College, 1955), pp. 9-12, 62-85, 112; letter written by George B. Winship, [Grand Forks Herald](#), June 10, 1916.

**THE RAILROAD RATE FIGHT**

The success of the McKenzie machine did not prevent the people from using the state government to obtain lower railroad rates. In 1897 the legislature, responding to popular dissatisfaction, authorized the Board of Railroad Commissioners to fix maximum rates for passengers and freight carried wholly within the state (such traffic made up only 4 percent of the total). Thereupon the commissioners reduced rates on local traffic about 14 percent. The Great Northern, the Northern Pacific, and the Milwaukee refused to accept the new rates and asked the courts for a permanent injunction against them. They based their action upon the clause of the Fourteenth Amendment forbidding a state to deprive a person of property without due process of law.

The railroads were really alarmed. The new rates, although pertaining only to traffic within North Dakota, threatened their whole rate structure outside the state. The new rates were lower than local rates in Minnesota and Wisconsin and even lower than the railroads' special rates on carload lots moving long distances. Railroad attorneys produced evidence that the cost of carrying local traffic was at least twice as great as that for through freight, that in sparsely settled communities such as North Dakota it was four or five times as great, and that it was greater than the returns from the rates. A vice-president of the Great Northern testified:

[The railroads] have been handling the local business in North Dakota at rates that have put the traffic upon the basis of something done for the accommodation of the neighborhood rather than for the profit that is in it. . . . The local business in North Dakota has, all the time, really moved at the expense of the through shipper.

On December 30, 1898, the United States Circuit Court, with Judge Charles Fremont Amidon writing the opinion, granted the railroads the injunction they sought.

But it was the railroad commissioners who really won the fight. Their attorney, in presenting their case before the court, showed that the railroads were seeking a return on a much larger capital sum than their actual investment. Experts testified that branch lines (the greater part of the railroad mileage) could be built and equipped in North Dakota for \$12,000 a mile and that the Northern Pacific could be duplicated for \$16,000 a mile. The Great Northern itself admitted that its lines, main and branch, were worth only \$28,000 a mile. But it was paying interest and dividends on \$40,000 per mile, and the Northern Pacific was paying interest and dividends on \$70,000 a mile. That is, the rates were fixed to

make a modestly profitable return on a surprisingly large fictitious investment. The Northern Pacific was paying \$2,040 a mile in interest and dividends, or 12.75 percent on a true value of \$16,000 per mile.

Such evidence of railroad exploitation aroused considerable resentment. While the case was going through the courts, the state board of equalization raised the assessed value of the railroads in North Dakota almost 50 percent—from \$8,600,000 to \$12,900,000. The railroads saw the necessity of conciliating public opinion and therefore reduced rates from points in North Dakota to eastern terminals from 10 to 20 percent. For example, the Northern Pacific cut the rate on grain from Valley City to St. Paul from 17.5 cents per hundred pounds to 15.5 cents per hundred pounds. The railroads also tried to accommodate shippers and to give value for the rates paid.<sup>9</sup>

## THE SPANISH-AMERICAN WAR

In the 1890's the United States became involved in the Cuban crisis and then, pushed along by a sensational press filled with atrocity stories, in a war with Spain. From 1895 on, North Dakota newspapers printed much news on Cuba, scoffed at Spain as a third-rate power, and asked for the recognition of Cuban belligerency. But they dropped the atrocity stories after the murder of General Maceo proved to be a hoax; they remained calm over the De Lôme Letter; and when the Maine went down in Havana Harbor, they refused to call for war. "The United States could gain little honor and less profit by fighting Spain," wrote the *Grand Forks Plaindealer* on March 2, 1898, two weeks after the sinking. No North Dakota newspaper demanded war with Spain; none criticized President William McKinley's efforts for a peaceful solution. When war came, however, the newspapers tried to outdo each other in patriotic zeal, printing flags at the head of their columns.<sup>10</sup>

With the outbreak of war, the North Dakota National Guard volunteered in a body (the First North Dakota Infantry had been organized in 1883). Only eight infantry companies were accepted. These fought bravely in the Philippine insurrection and were commended by Congress. Their commander, Major Frank White, was elected governor of North Dakota in 1900 on fame won in the Philippines.

During the war, Congress passed a joint resolution for the

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<sup>9</sup>North Dakota Board of Railroad Commissioners, *Annual Report*, 1897, p. 5; 1898, pp. 9, 28-33, 56, 188-200, 213, 342, 357.

<sup>10</sup>Milton W. Reitan, "[North Dakota Editors and the Cuban Crisis, 1895-1898](#)" (Unpublished M.A. thesis, University of North Dakota, 1957), pp. 22-69.



annexation of the Hawaiian Islands. Congressman Martin N. Johnson and Senator Henry C. Hansbrough supported it, but Senator William N. Roach, following the Democratic party's anti-imperialist stand, voted and spoke against it. Recalling the principle of government by consent of the governed, Roach asked: "Whose consent do we have as to Hawaii?" When the treaty with Spain provided for the annexation of the Philippines, the North Dakota Legislature memorialized the Senate for its ratification. Roach, however, remained steadfast. His anti-imperialism and the moderation of North Dakota newspapers during the Cuban crisis seem to have foreshadowed the state's later isolationism.