

THE RIGHT OF WAY.

The "Private Monopoly Special" speeds down a line labeled "Opportunity," sidetracking the "Plain People Local" and "Legitimate Business" in this 1910 Puck cartoon. Courtesy of the Library of Congress, Prints and Photographs Division, Washington, D.C.

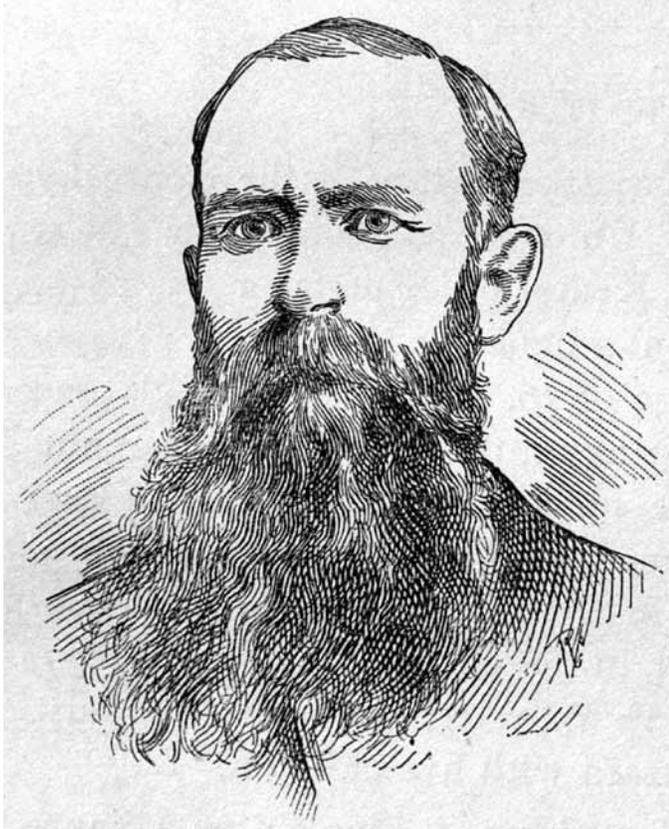
The Populist Dream of a “Wrong Way” Transcontinental

by R. Alton Lee

The Populist quest to build a north–south “transcontinental” railroad, the Gulf and Interstate, during the 1890s represents the ultimate weapon the aggrieved agrarians of the Great Plains sought to use against their major nemesis, the nation’s transcontinental railroads that traversed the region from east to west. Kansas Populists played a major role in this endeavor to expand governmental powers, a move they hoped would assist the helpless and downtrodden, lower property taxes, cheapen the currency, raise farm prices, fight monopolies, and reform railroads. Historian Lawrence Goodwyn properly divided the Populist movement into two distinct and equally important sections. The Populist political movement grew out of Farmers’ Alliance organizations that sought to promote agrarian social and economic interests. These same reformers later used their organizational experience to establish the People’s Party of America to promote their goals in the political arena. They often focused their efforts on breaking up monopolies. Their attempt to build a new transcontinental railroad was an attack on what they viewed as a monopoly controlling their vital farm-to-market system. In addition, Populists sought to expand their foreign markets through cheaper transportation rates. Ironically, the scheme was conceived in South Dakota, the one Great Plains state that had no transcontinental.¹

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1. Charles Postel, *The Populist Vision* (New York: Oxford University Press, 2007), 131–33; Lawrence Goodwyn, *Democratic Promise: The Populist Movement in America* (New York: Oxford University Press, 1976).



In the 1890s two Populist leaders in South Dakota began promoting a revolutionary plan to build a north–south transcontinental railroad from the Gulf of Mexico through the Great Plains to Canada that would help develop and diversify the region’s manufacturing, commerce, and agriculture. One of the men, H. L. Loucks, portrayed in this 1891 drawing from W. Scott Morgan’s *History of the Wheel and Alliance and the Impending Revolution*, was president of the *National Farmers’ Alliance and Industrial Union for a time and presided over the notable Populist National Convention held in Omaha in 1892.*

It is helpful to examine how scholars have regarded this Populist railroad reform and its emphasis on increased competition. Most have ignored it, although a few have examined these reforms in some detail. John D. Hicks, who remains our most satisfactory interpreter of the movement, was the first academic to open the subject to discussion, and railroad historian H. Roger Grant used it as part of his presentation of how agrarians sought to combat the depression created by the Panic of 1893. Others scholars, however, have treated the topic only in scant detail or with benign neglect. Two modern historians illustrate the latter approach. In his award-winning *The Populist Vision*, Charles Postel discussed the venture as an example of the Populists’ “cooperative impulse,” but declared that the Gulf and Interstate (G&I) “never laid a section of track.” O. Gene

Clanton, who devoted his scholarly career to presenting a thorough account of the political aspects of Populism in Kansas, seldom mentioned the Alliance activities that helped establish the milieu in which farmers organized and agrarian cooperatives were created and which later gave rise to the People’s Party. It was the Kansas Farmers’ Alliance that persuaded the state to charter the G&I in 1894. In turn the Sunflower State played a major role in ongoing promotion of this north–south transcontinental in other states.²

Many Great Plains farmers pinned their hopes on the Missouri, Kansas and Texas Railroad (or the “Katy” or MK&T) as a north–south transcontinental. The Union Pacific, Southern Branch, which eventually became the Katy, began construction south of Junction City in 1868 and built to Parsons, Kansas, then through Indian Territory, and to Southern Texas. Agrarians anxiously awaited construction north of Junction City (and Fort Riley). When it was not forthcoming in the 1870s, they focused their attention instead on building a completely new line through the plains states.³

Meanwhile, the five great transcontinentals that ran east and west through the Great Plains were completed, connecting the two American coasts. The first of four federal land-grant railroads, the Union Pacific, was completed in 1869, followed by the Northern Pacific, the Atlantic and Pacific, and the Santa Fe. The last, the Great Northern, was built by promoter James J. Hill and completed in phases by 1893 and without land grants. In the 1890s two Populist leaders in South Dakota began promoting a revolutionary plan for adding to this transportation system. Henry Loucks and Alonzo Wardall, who led the Alliance’s development in their state, were close friends and colleagues in the Populist movement. They proposed building a north–south transcontinental from the Gulf of Mexico through the Great Plains to Canada, bisecting the five east–west lines. Loucks was president of the National Farmers’ Alliance and Industrial Union (NFA & IU) for

2. John D. Hicks, *The Populist Revolt: A History of the Farmers’ Alliance and the People’s Party* (Minneapolis: University of Minnesota Press, 1931), 284; H. Roger Grant, *Self-Help in the 1890s Depression* (Ames: Iowa State University Press, 1983); Postel, *The Populist Vision*, 132; O. Gene Clanton, *A Common Humanity: Kansas Populism and the Battle for Justice and Equality, 1854–1903* (Manhattan, Kans.: Sunflower University Press, 2004). This is a revised and updated version of his *Kansas Populism: Ideas and Men* (Lawrence: University Press of Kansas, 1969).

3. *Prospectus of the Gulf and Interstate Railway Company Giving its Origin, Proposed Route and Revolutionary Aims* (Topeka, Kans.: Roubush Publishing Co., 1894), 1 (hereafter cited as “*Prospectus*”; the copy used in this research is in the State Archives Division, Kansas Historical Society, Topeka). For an account of the Katy, see V. V. Masterson, *The Katy Railroad and the Last Frontier* (Norman: University of Oklahoma Press, 1952).

a time and presided over the notable Populist National Convention held in Omaha in 1892; Wardall had saved Alliance members on the Great Plains millions of dollars with his innovative schemes of health, life, and crop insurance. According to Kansas Populist Annie L. Diggs, Wardall was “a great-hearted, clear-brained brother to all humanity.” The two South Dakotans pressed not only for another transcontinental railroad, but also for a truly audacious program that would develop the Great Plains into a diversified area of manufacturing, commerce, and agriculture. Their hope was to free the agrarian plains from dependence on the commerce and manufacturing of the East, a system that was driving the West into poverty. The project eventually stalled and disintegrated over the question of how to fund construction.⁴

The concept of a farmers’ railway was bruited about a good deal in this period of intense hostility toward railroads. In 1883, for example, promoters organized the People’s Railroad of America in Indianapolis, a projected narrow-gauge, double-track line from New York to San Francisco. The concept fizzled within a year. The Topolobampo scheme, which followed two years later, would have set a great harbor in Lower California, in the province of Sinaloa, Mexico. This huge project would be linked to the United States by a railroad constructed by the Sinaloa colonists, but this, too, collapsed when the colonists spent their time and energy building an irrigation canal to increase production rather than on development of a transportation system to get their produce to market. The Illinois Central, the first railroad to receive federal land grants in 1850, was built from Chicago to Cairo. It was extended to New Orleans by 1889 under the leadership of E. H. Harriman, leading some to label it, particularly after the collapse of the G&I, a “wrong way” transcontinental. A group of supporters also planned a transcontinental on the plains with branches that would constitute a seven-thousand-mile network. All these grandiose schemes, except the Illinois Central, died for lack of financing.⁵

4. Annie L. Diggs, “The Farmers Alliance and Some of Its Leaders,” *Arena* 5 (April 1892): 596; R. Alton Lee, *Principle Over Party: The Farmers’ Alliance and Populism in South Dakota, 1890–1900* (Pierre: South Dakota State Historical Society Press, 2011), 6, 50.

5. John F. Stover, *American Railroads* (Chicago, Ill.: University of Chicago Press, 1961), 44–45; Albro Martin, *Railroads Triumphant: The Growth, Rejection, and Rebirth of a Vital American Force* (New York: Oxford University Press, 1992), 18, 30; George W. Hilton, *American Narrow Gauge Railroads* (Stanford, Calif.: Stanford University Press, 1990); Grant, *Self-Help*, 76–78. Kansas socialist C. B. Hoffman of Enterprise was involved in the Topolobampo scheme. See Patricia Michaelis, “C. B. Hoffman, Kansas Socialist,” *Kansas Historical Quarterly* 41 (Summer 1975): 169–70.



Alonzo Wardall was Loucks’s close friend and colleague in the Populist movement and in the push for a north–south transcontinental. Wardall, pictured as he was in Morgan’s 1891 History of the Wheel and Alliance and the Impeding Revolution, had saved Alliance members on the Great Plains millions of dollars with his innovative schemes of health, life, and crop insurance.

The proposal for a north–south transcontinental probably was not original to the two Dakotans. Loucks, as editor of *Dakota Ruralist*, the official newspaper of the South Dakota Farmers’ Alliance, wrote editorials and reprinted articles over a period of years promoting the interstate railroad, and Wardall advanced the concept in his extensive travels throughout the Great Plains establishing insurance cooperatives. As early as 1887 Loucks suggested the idea in his annual address as president of the South Dakota Alliance. The objective was relatively simple, he noted: the people had paid for construction of four of the five great transcontinentals through the national government land-grant process. Over time these lines had formed a transportation “monopoly,” as the farmers viewed it, and because it was no longer serving their needs they should break its hold by appealing to their state governments to build a competing line on a north–south axis. The



The Populist quest to build a north–south transcontinental railroad, the Gulf and Interstate, during the 1890s was an attack on what they viewed as a monopoly controlling their vital farm-to-market system. The east–west transcontinentals kept wealth in the East, choking off continued development in the plains and West. Kansas farmers, such as the men pictured here in Rice County in the 1890s, were left with few alternatives for shipping their crops to market.

difference this time would be the people would not only pay for the new line, they would own it, by virtue of the railroad’s financing through their state governments.⁶

As early as January 1886 a reporter for the *Dakota Farmer* noted that a railroad to Duluth would save South Dakota farmers at least fifteen cents per bushel of wheat shipped. The author did not state whether the savings would come from improved geographical proximity or whether he was calling for a publicly owned, non-profit line that would offer cheaper rates. Loucks pointed out that most Dakota wheat farmers naturally sent their produce to Minneapolis, but the railroads were trying to force agrarians to ship through Chicago as they had done prior to the great Dakota boom, when a majority of American wheat was sold to terminals in Chicago. The settlement of the “bonanza farms” in Dakota changed all this. These farmers faced “shorter, colder growing seasons,” making it difficult to grow soft winter wheat. They soon turned to hard spring wheat, but the bran, or hard outer shell, hulled while milling this variety tended to clog and scorch in the cylinders. Millers were forced to import new technology from Europe that cracked and crushed the spring wheat

kernels in stages. This process sent a blast of air through the wheat as it moved through rollers that blew away the bran, producing “a beautiful, pure white” flour that housewives much preferred over soft winter wheat flour. Minneapolis, situated more closely to the Dakota farms and replete with waterfalls supplying cheap power, quickly replaced Chicago as the flour milling center of the United States, leaving the Windy City to concentrate on lumber and meat packing. Minneapolis millers also organized a buying cartel to control prices. This is why Loucks and the Dakota Alliance sought to establish their own grain terminal in Minneapolis, a plan that ultimately failed because of the miller monopoly.⁷

Loucks also argued that wheat farmers needed a direct outlet to European markets if they were to prosper. This question was bandied about in Alliance meetings and journals until 1892, when Loucks succeed in inserting a plank into the Alliance platform that read “we believe that the time has come when the railroad corporations will either own the people or the people must own the

6. Lee, *Principle Over Party*, 113–14.

7. William Cronon, *Nature’s Metropolis: Chicago and the Great West* (New York: Norton, 1991), 376; Henry Loucks, *Our Daily Bread* (Watertown, S.Dak.: self-published, 1919), is an account of Loucks’s experience with the Scandinavian Elevator Company; and *Dakota Farmer* (Huron, S.Dak.), January 1886.

railroads." The Gulf and Interstate, it was proposed, would be owned by the states through which it passed but the farmers in each state would promote and own stock in the line within their state or territory. Some people labeled it a "wrong way" transcontinental because promoters wanted to build it from the Gulf of Mexico, at the port of Galveston, Texas, to Topeka, Kansas, where it would separate into two branches, one to Duluth for foreign markets and the other to Winnipeg, Canada.⁸

The planners carefully thought out the project over a period of years. In an 1894 proposal to entice stockholders to invest, ambitiously titled *Prospectus of the Gulf and Interstate Railway Company Giving its Origin, Proposed Route and Revolutionary Aims*, the promoters not only envisioned a government-owned railroad to compete with private lines, but nothing less than a revolution of the entire "great interior basin," or the Great Plains. The East had hitherto throttled development of this vast expanse and, as the *Prospectus* expressed it, "railroad magnates generally arrange rates so as to retard the development of such Western and Southern industries as diminish the dependence of those sections on the northeast." This was never official policy, the planners admitted, and nothing illegal had occurred; it was simply the result of free enterprise. A publicly owned railroad running north and south through the area would carry the great agricultural produce of the region to markets more favorable to farmers and would send other Great Plains products—the lumber and coal of southeast Kansas and the adjacent portions of Missouri and Oklahoma; salt from the mines of Hutchinson; gypsum from Blue Rapids—to sea bound for markets in Europe and Latin America. This new competition would break the stranglehold New York had on the South and West. The *Prospectus* noted: "During the last ten years, the Nation has been awakening to the impolicy [*sic*] of allowing New York to paralyze competitors in the way it does. . . . it begins to look as though the western and southern Sampsons are getting ready, not to tear down the pillars of the temple, but to snap the withes that bind them to a distant city."⁹ Such rhetoric suggests that the authors

of the *Prospectus* appealed as much to denunciations of the "monopolies" of the East as to anti-railroad sentiment in their efforts to sell stock in the new Great Plains rail line.

The *Prospectus* carried the following story to illustrate the monopolistic power of New York City. "A Wichita, Kansas, merchant ordered a shipment of coffee from New York, via Galveston" on the Santa Fe Railway's Galveston Branch line, "and wanted to send more orders." But he did not do so, reportedly because "his coffee had hardly reached the wharf, at New York, before Santa Fe officials were notified that, if rates were not put up so as to make it unprofitable for eastern and foreign shippers to use that line, the east and west railroads would sell no more of their [Santa Fe] passenger tickets and would turn over no more freight to them. Not feeling able to contend against such a combination it [the Santa Fe] surrendered—and New York still retains its monopoly."¹⁰

This eastern monopoly had given rise, years earlier, to efforts by some plains states to establish their own means of transporting freight. During the summer of 1890 the Texas state Populist convention met in Waco, where gubernatorial candidate Jim "Boss" Hogg proposed that a public railroad be built to break the railroad monopoly in the Lone Star State. The state's People's Party was delighted with his suggestion and subsequently pitched it to receptive delegates of the Populist National Convention. The legislatures of the Great Plains states involved pledged their support. After ongoing and thorough study of the question, advocates for the new railroad felt comfortable presenting their plans to the public. Alonzo Wardall began promoting an idea introduced by Boss Hogg in Texas, to use state school funds to start building the line as he developed a concrete plan for financing and construction.¹¹ Subsequently, during a trip through Texas to promote Alliance insurance plans in August 1893, Wardall discussed the proposal with former Senator John Reagan, coauthor of the highly successful Interstate Commerce Commission law of 1887. Reagan believed such a railroad "would be of incalculable value to Texas and the involved states." On this same trip Wardall also secured approval for his plan from the Texas Alliance.¹²

8. *Dakota Farmer*, January 1886; and Grant, *Self-Help*, 78.

9. *Prospectus*, 1, 7, 10. See also Albert Griffin, "A Revolutionary Railway Company," *Arena* 9 (May 1894): 777–82; and Albert Griffin to F. L. Irish, Manhattan, Kansas, "Gulf and Interstate Railway Company," broadsheet, State Archives Division, Kansas Historical Society, Topeka. Griffin was treasurer of the board of trustees of the G&I. Hicks asserted that "it seems to have emanated from the Texas Alliance," although Griffin correctly credited Alonzo Wardall for the inception of the plan (*The Populist Revolt*, 284).

10. *Prospectus*, 6. Emphasis original.

11. Wardall diaries, 1892–1893, folders 14 and 15, box 1, Manuscript Collection 118, Alonzo and Elizabeth Wardall Diaries, Account Books and Other Materials, Special Collections, University of Washington Libraries, Seattle, Washington (hereafter cited as "Wardall Collection").

12. *Dakota Ruralist* (Aberdeen, S.Dak.), August 31, 1893. For an account of Reagan's ICC law, see Elizabeth Sanders, *Roots of Reform: Farmers, Workers, and the American State, 1877–1917* (Chicago, Ill.: University of Chicago Press, 1999), 185–89.



The objective of a north–south rail line was relatively simple: the people had paid for construction of several great east–west transcontinentals through the national government land-grant process. Over time these lines had formed a transportation “monopoly,” as the farmers viewed it, and because it was no longer serving their needs they should break its hold by appealing to their state governments to build a competing line on the north–south axis. The difference this time would be the people would not only pay for the new line, they would own it, by virtue of the railroad’s financing through their state governments. Kansas farmers, such as those pictured around 1900 loading their crops onto railcars at one of A. C. Davis and Company’s grain elevators, would no longer be under the thumb of a handful of railroad owners.

In the meantime, steps were taken to sell the concept to the various plains states. In 1892 the National Farmers’ Alliance meeting in Memphis, Tennessee, endorsed Wardall’s plan and appointed a committee to bring the matter once again to the attention of several states. The ten legislatures involved appeared unanimous in their endorsement, and the Nebraska legislature called for a special gathering of representatives from the affected states to assemble in the Cornhusker State’s capital. Kansas’s Populist Governor Lorenzo D. Lewelling expressed his “hearty accord” for such a meeting to Nebraska’s Governor Lorenzo Crouse. Lewelling believed Lincoln was the appropriate place to hold the conference and was “quite confident the project will meet with the favor of the people.”¹³ Governor

Crouse subsequently called and convened the meeting at Lincoln on June 28 and 29, 1893, and gave the delegates “a hearty welcome.” Fifty delegates from North Dakota, South Dakota, Nebraska, Kansas, Oklahoma Territory, Texas, Arkansas, Missouri, Iowa, and Minnesota met for extensive planning sessions. Fred J. Close, a Kansas delegate and Governor Lewelling’s secretary, was chosen to preside.¹⁴

According to the resolution that created the convention, the national government had “appropriated \$6,000,000 to make a deep water harbor on the Gulf of Mexico.” But this “would be of little value to the great interior basin of the continent without a north and south railroad to said harbor.” Reportedly such a line could be built from the northern border of North Dakota to the Gulf of Mexico at a cost of \$12,000 per mile, or \$27,700,000 total. This sum would include the costs of “right of way, grading, tying [sic], ironing, bridging, telegraph line, depots, side tracks, and the usual supply of rolling stock.” The line would be a bargain, as costs to build railroads across the prairie

13. Lewelling to Crouse, [April 1,] 1893, Lewelling correspondence, letterpress books, box 30, p. 87, State Archives Division, Kansas Historical Society, Topeka (hereafter cited as “Lewelling correspondence”); Grant, *Self-Help*, 78; *Topeka Daily Capital*, August 2, 1893, in Railroad clippings, Kansas, 1:144–45, State Archives Division, Kansas Historical Society, Topeka (hereafter cited as “Railroad clippings”). The Kansas governor proved to be a consistent and ardent supporter of the transcontinental railway throughout the planning stages.

14. *Prospectus*, 2.

usually ranged between \$27,000 and \$30,000 per mile. A levy the equivalent of five cents per acre in each state would produce the necessary construction finances and leave a surplus of \$2,000,000.¹⁵

The first day of the Lincoln meeting, June 28, was taken up with organizing and electing officers. On the second day Wardall presented his plan. He recommended establishing a committee of one representative from each of the nine states and one territory involved to direct the investigation and planning phase; this group would disband once three of the states empowered their railroad commissions to take charge of the line. The subsequent charter of the railroad provided that it should “remain forever the property of the people of the states through which it runs.” Wardall noted that it would traverse “one of the most easily constructed lines on the continent. . . . no mountains or hills or rock cuts, nor streams of importance to cross, except the Missouri and Platte.” This explains the relatively low estimates supporters proposed for construction. Costs would also be kept low, they suggested, by eliminating the graft that had occurred during the construction of other transcontinentals.¹⁶

The area that would be served by the new railway, Wardall explained, was home to “eleven and one-third millions of population in 1890, [and] shall have grown to one hundred million in 1990.” This exaggeration was partially optimistic dreaming and partly boosterism. Great Plains settlers had for “too long paid tribute to our eastern seaboard, at the behest of interested capitalists, who contrary to the laws of nature and common sense” had hauled “hundreds of millions of tons” of produce annually “over broad rivers and high mountain ranges,” instead of by the “natural” course to the Gulf of Mexico. The people had paid for the lines west of the Mississippi, but “the corporations own them.” If the people paid for them, why should they not “retain ownership”? They would, Wardall argued, with this new north-south transcontinental. “Most of us will admit,” Wardall observed, “that the railroad cat ought to be belled, but he is so big, strong, aggressive, and watchful, who will bell the cat, and where will the means be secured?” Others

15. “Broadsheet,” Bureau of Information, Gulf and Inter-State Railroad Headquarters, Topeka, December 12, 1893, in Railroad clippings, Kansas, 1:153–70. This document was originally produced “in order that all may know what progress has been made in the matter of constructing a railroad from some point on the Gulf coast to the north line of the U.S.” (pp. 153–54). See also “Why It Was Organized,” *Prospectus*, 1–2.

16. *Report of the Proceedings of the Gulf and Interstate Railway Convention held at the City of Lincoln, Nebraska* (Velasco, Tex.: The Times Print, 1893), 12–13; Railroad clippings, Kansas, 1:158–59.

had done similar work: Collis P. Huntington and Leland Stanford, along with Mark Hopkins and Charles Crocker, devised a successful railroad plan in California despite their lack of start-up capital, helping to build the first transcontinental by stretching the Central Pacific eastward to join the Union Pacific coming west out of Omaha. “If we can devise one that will do as well for all the people,” Wardall explained, “we ought to be satisfied.” This north-south public route could be paid for with money borrowed from the school funds of individual states.¹⁷

Wardall cited a number of countries with successful government-owned railroads. Prussia owned “15-16th of all railroads in her borders and last year in addition to paying expenses and interest on its cost, paid the interest on the entire state debt, and left a surplus of \$38,000,000.” The Japanese state railroads “pay a fine profit. Italy, Austria, Hungary and Australia all receive a revenue from their state railroads.” According to Wardall, the proposed Gulf railway “would save from three to ten cents on every bushel” of produce shipped, and it would compel competitors to reduce their rates accordingly. If the Hungarian system were in operation in the United States, he noted, he would have paid \$1.20 to \$2.80, according to the class of ticket he purchased, to ride the three hundred and fifty miles from Huron to Lincoln, instead of the \$12.20 ticket he had bought to travel to the convention.¹⁸

The meeting delegates discussed Wardall’s proposal for two days and concluded that the charges to reach the seaboard market of the “vast empire” of the Great Plains—the ports along the Atlantic coast, fifteen hundred miles away—were so high as to “nearly consume the entire value of the product.” The proposed railroad would greatly lessen these costs by using the Gulf port. This port would also make accessible the huge markets in Latin America, where “the soon to be completed Nicaragua Canal” would open them to American commerce. Finally, “a committee was instructed to print 100,000 pamphlets

17. *Report of the Proceedings of the Gulf and Interstate Railway Convention*, 13–14; *Topeka State Journal*, July 1, 1893. It was argued, according to the *State Journal*’s report, that this would secure “an excellent investment for such [school] fund.”

18. *Report of the Proceedings of the Gulf and Interstate Railway Convention*, 17–18; *Report of the Kansas Division of the Gulf and Interstate Transportation Committee. Submitted to the Governor of Kansas, August 1, 1897* ([Topeka: State Printer, 1897]), 15. When challenged a few years later about these freight and passenger rates, Missouri Pacific attorney Balie P. Waggener of Atchison reported that the differentials had been rectified. When questioned as to how, the railroad lawyer responded that the rates had been raised in northern Kansas and southern Nebraska so as to bring them into line with previously lower rates in southern Kansas; so “there was no longer any room for complaint.” See also “Balie Peyton Waggener,” *Twenty-First Biennial Report of the Kansas State Historical Society* (Topeka: Kansas State Printing Plant, 1919), 57–58.



It was necessary to sell the concept of the G&I to the plains states through which it would run. Kansas's Populist Governor Lorenzo D. Lewelling, shown here between 1893 and 1895, was a key supporter who was "quite confident the project will meet with the favor of the people." He helped organize a special gathering of representatives from the affected states to assemble in Lincoln, Nebraska. Fifty delegates from across the plains met for an extensive planning session over which Lewelling's secretary was chosen to preside.

containing the proceedings of the convention and plans and suggestions for carrying out the proposed railroad scheme."¹⁹

The *Advocate*, Topeka's Populist newspaper, carried a story explaining why the "Napoleons of finance" were cool toward the Populist railroad proposal. First, these moneyed interests no doubt thought there had been "too many Populists in the convention"; second, the scheme offered no prospects for the financiers "to get in their work of wrecking, watering stock and bleeding the people; and

above all, it was a paternalistic scheme such as should, in their minds, never be tolerated in this country." The scant discussion of the meeting in other papers, the *Advocate* argued, was designed "to ridicule and belittle it as much as possible."²⁰

The convention adjourned to give the states time to study Wardall's plan further and delegates promised to reconvene in Topeka on the first Tuesday in December 1893. In the meantime Wardall himself moved to Topeka to promote his Alliance Aid insurance program. Arriving in the capital in November 1893, he also continued to talk up his Gulf and Interstate Railway scheme. He proposed that boosters of the railroad in Kansas establish a committee to promote it, an idea that met with their approval. An executive committee was named in Topeka, composed of Wardall, E. Stoddard of Omaha, noted Kansas Populist Frank Doster, and H. A. Keifer of Kansas City, with Fred Close of Topeka as chairman. As secretary to Kansas's Populist governor, Close helped garner his boss's strong support for the proposal. Plans for the rail line received enough publicity that eventually Wardall and Close had to warn the public against unauthorized solicitors who were selling subscriptions for constructing "a people's railroad to the Gulf," a line that did not yet exist, even on paper.²¹

Supporters of the Gulf and Interstate discovered after their June 1893 meeting in Lincoln that many of the constitutions of the affected states would not permit use of school lands or funds to finance state-owned businesses and they had to rethink their sources of revenue.²² Still, they met as planned in Topeka in December 1893. Fred Close called the meeting to order to finalize a strategy for building the line. He "commented on the large number of communications, offering encouragement and substantial assistance" to the project. The *Topeka Daily Capital*, the largest Republican newspaper in Kansas, offered no support, however, describing the concept as "visionary and impractical . . . we now have more railroads than the condition and business of the people demand." The editor also called attention to the fact that there "were no capitalists at the convention, nor were there any practical railroad men present to endorse the new road." The paper further tried to sabotage the G&I by printing a

19. *Advocate* (Topeka), July 5, 1893. At this time Isthmian Canal advocates were promoting the sea-level Nicaraguan route over the shorter but mountainous Panama route. For an extensive account of how the United States subsequently exploited the Latin American tropics, see Richard P. Tucker, *Insatiable Appetite: The United States and the Ecological Degradation of the Tropical World* (Berkeley: University of California Press, 2000).

20. *Advocate*, July 5, 1893.

21. *Advocate*, July 5 and November 15, 1893; and January 3, 1894; and "Broadsheet," Railroad clippings, 1:167.

22. *Topeka State Journal*, July 1, 1893; *Topeka Daily Capital*, July 1, 1893; *Advocate*, December 13, 1893; and *Topeka State Journal*, December 5 and 6, 1893.

story that “wheat carried across the Gulf becomes useless for milling purposes.”²³ Another Republican paper, the *Topeka State Journal*, described the future chief justice of the state Supreme Court, Frank Doster, “discussing the legal phase of the proposed railroad” with Alonzo Wardall. The editor happily reported that the line had received “its death blow” because despite his opinion that the railroad plan was “a feasible one and would be very advantageous to the farmers and manufacturers of the west,” Doster believed the Kansas constitution forbade the state from engaging in “works of internal improvement.”²⁴

Still Kansas proceeded to incorporate the Gulf and Interstate Railway on January 11, 1894. The state could create this entity, promoters noted, and later face the issue of constructing an internal improvement that was prohibited by the state constitution. The railroad’s *Prospectus* presented a well-reasoned program for constructing the state-owned line. The line would be built from Galveston to Topeka, then on to Winnipeg, while a branch would fork off at the Kansas capital to run to Kansas City and thence through Missouri, Iowa, and Minnesota to the Great Lakes port of Duluth. Planners proposed a levy equivalent to five cents per acre on the lands of the nine states and one territory involved. First mortgage bonds would be limited to \$10,000 per mile and the total indebtedness could not exceed \$15,000 per mile.²⁵ The railroad would issue \$6,000,000 in non-dividend-paying stock, “most of which” would be exchanged with municipalities for their bonds. This, in effect, would be a donation to the company but the donors would more than get their money back in taxes to cover the bonds and the taxpayers would be compensated with cheaper railroad rates.²⁶

Having lost the option to use school lands or funds, promoters developed a curious, rather complicated method for raising additional construction costs. Another \$12,000,000 in non-dividend-paying preferred stock would be sold to individuals at par in the form of twenty-two \$5 transportation certificates for each \$100 of stock. These certificates could then be used to purchase half-fares on the G&I: a \$5 certificate plus \$5 cash would purchase a \$10 passenger ticket or the equivalent in freight when the line opened. The *Prospectus* expected these certificates to

“circulate as currency” along the line of the road, “until redeemed by the Company.”²⁷

Equating New York with the railroad “trust” the Gulf and Interstate was meant to fight, G&I trustee and treasurer Albert Griffin of Manhattan, Kansas, promised that his line “would have such advantages that New York could not possibly compete with it in most of its territory.” Griffin estimated the savings on wheat shipped from Kansas to Liverpool, England, would be at least ten cents per bushel. Such savings “would have put seven million dollars more into the pockets of the farmers of Kansas in 1892, and the difference would be as great on other articles of export.” This “demonstration, on a large scale, that the people can help themselves, without waiting for parties and politicians to act,” Griffin predicted, “would fill the land with railroad rebels,” who would “proceed to build other roads on the same general plan,” and “in all probability” owners of existing transcontinental lines would attempt to “dump” their railroads on the public “for more than they are really worth.”²⁸

Gulf and Interstate Railway charges would be limited to two cents per mile for passengers and freight rates would be levied on the basis of the net income of the lines: no more than 5 percent of the “bonafide” cost of construction, equipment, and operating costs. Any profit above this would go to a sinking fund for the schools of the counties involved. It was estimated the line would cross other roads at some 150 points but the G&I would be “master of the situation” because these east–west roads would “feed it.” In the next dozen years many more state-owned branches would be built to furnish commerce for the main line. The future promised growth, the *Prospectus* predicted, because the population of the nine states and one territory involved had grown from 8,551,171 in 1880 to 12,315,985 in 1890. This represented a gain of 44.03 percent, compared to 18.07 percent during the same time period for the area east of the Mississippi and north of the Mason-Dixon Line. By the turn of the century, the *Prospectus* calculated, Nebraska would have grown to 5,000,000 people, and neighboring states would show similar gains. Both producers and consumers would benefit from the enterprise. “The only losers will be investors in railroad securities, and those in whose favor unjust discriminations are now made—and some of the latter will gain more as producers and consumers, than they will lose by the ending of their parasitical relations.”²⁹

23. *Topeka Daily Capital*, December 7, 1893.

24. *Topeka State Journal*, December 5 and 6, 1893; *Advocate*, December 13, 1893.

25. *Prospectus*, 11.

26. For the charter with names of trustees, see Secretary of State Dead Jacket, Gulf and Interstate Railway Co., 63-02-05-17, State Archives Division, Kansas Historical Society, Topeka.

27. *Prospectus*, 29–30.

28. Griffin, “A Revolutionary Railway Company,” 780–81.

29. *Prospectus*, 11–12.

No one person or group would be able to obtain control of the G&I because of built-in protections. Only one-third of the common stock and two-thirds of the preferred stock could be voted. The preferred shares at \$100 would be held by a ten-member board of trustees and the sixty thousand shares of common stock would be issued at \$100 each for cash or municipal bonds. The trustees, including such sound men as Alonzo Wardall and Fred Close, would make certain that no one would ever gain control of the line and work against the interests of the people.³⁰

Building the “Ge Ni,” as it was popularly called in some quarters, would have the added benefit of providing employment for hundreds of the millions that were left unemployed by the Panic of 1893. Supporters never used this as a *raison d’être*, but the need was obvious and many would benefit from the construction work. If nothing else, such laborers “could earn stock for sweat.” Farmers with their teams and dirt slips would have the opportunity to build road grade and acquire valuable stock in the railroad to be used as the line was completed. And when the G&I was in full operation the company would become an important regional employer, as all railroads were “highly labor intensive.”³¹

The *Prospectus* was meant to convince financiers and businessmen that the railroad was a good investment. But it also made a direct appeal to farmers to invest their money in the line. If they bought stock or bonds in the people’s railroad equivalent to \$1 for every acre they owned, they would “more than get” their money back in transportation certificates. More importantly, the farmer would net from \$1 to \$10 per acre more annually because he would realize that much more on his crops through cheaper transportation. He would also

forever afterwards have the satisfaction of knowing that he was one of those who helped solve this great problem—helped to prove that, in America, even the common people have sense enough to devise effective measures of relief, and courage enough to apply them. How many of our farmers will help to work out their own salvation? and how many are merely driftwood floating with the current, until stranded on sand bars, or fastened with mud at their bottom?³²

30. *Ibid.*, 4.

31. Grant, *Self-Help*, 80.

32. *Prospectus*, 32–33.

The depression that lasted from 1893 through 1897, however, without question hampered efforts to fund the G&I. How different things might have been if the weather had cooperated, crops had remained bountiful, Great Plains farmers had maintained economic affluence, and the financial institutions of the nation had remained sound.³³

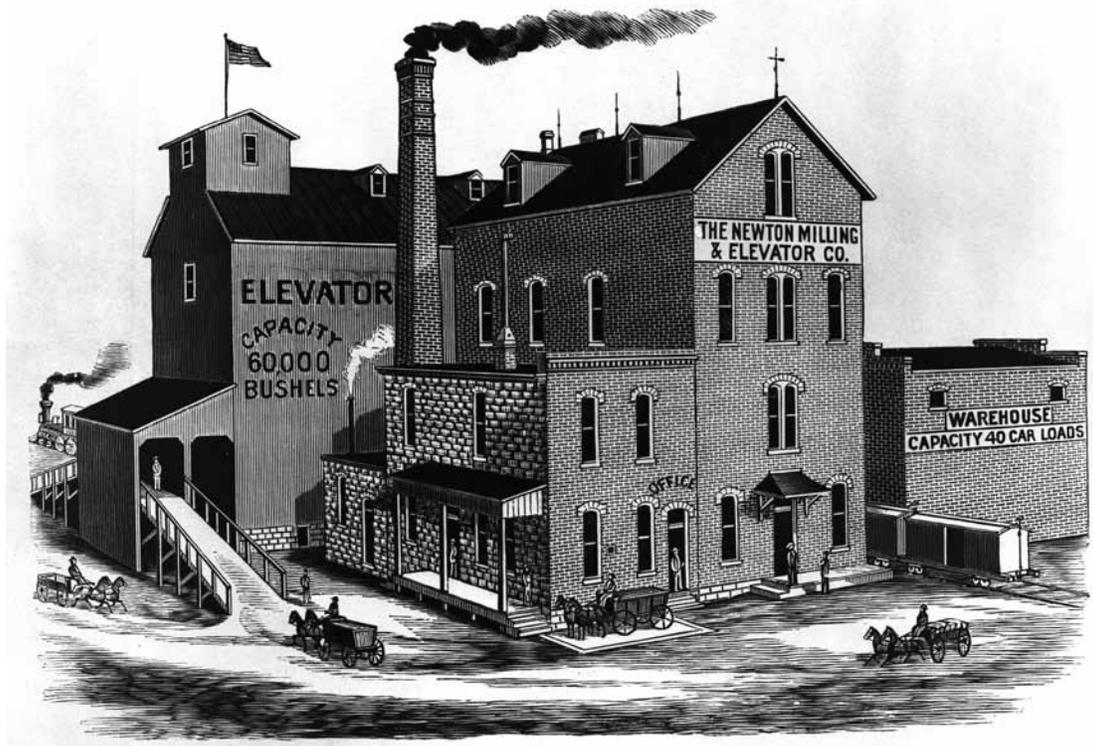
Governors and legislators of the states involved continued to be buoyant about the line, despite the depression. Governor Lewelling was ecstatic over the plan, especially after he held discussions with European leaders interested in new trade opportunities. Such talks had been taking place for some time, fueled by the ongoing plans for new, cheaper transportation routes. A special convention met at Chicago in September 1893, concurrent with the World’s Fair, to broaden interest in the Gulf railroad in Mississippi Valley states. On the third day of the convention, September 14, “Mr. Phillipson, Danish commissioner World’s Columbian exposition; Mr. Victor E. Rhodin, commissioner of the General Association of Exports of Sweden; [and] Mr. Thompson, Danish merchant” addressed the delegates on the subject of expanding foreign commerce through ports on the Gulf of Mexico. A special committee was appointed “to work with existing rail and ocean connections, and encourage the construction of new lines.” Governor Lewelling was in attendance, discussing potential trade relations with various European trade representatives. He also facilitated a meeting between Thyge Sogard, consul of Denmark, and other Danish trade representatives with Kansas merchants, including two millers, two grain shippers, two cotton exporters, two meat packers, and one cotton seed firm.³⁴

Before adjourning, convention delegates agreed to establish a permanent organization to promote commerce called the Gulf Transportation Association, with S. S. King of Kansas as president and a vice president from each state involved with the G&I. Governor Lewelling was convinced the proposed steamship line between the Gulf of Mexico and Copenhagen was “now almost assured,” and he pressed for improved U.S. transportation.³⁵ Ameri-

33. Lee, *Principle Over Party*, 116–17.

34. *Advocate*, September 27 and June 28, 1893. See also D. C. Imboden, Galveston Export Commission Co., to Governor Lewelling, August 7, 1893, folder 3, box 3, Lorenzo D. Lewelling Papers, State Archive Division, Kansas Historical Society, Topeka. See Lewelling correspondence for letters from the governor to Thomas C. Purdy of the Missouri, Kansas and Texas Railway, June 29, 1893; Charles M. Hays of the Wabash, July 7, 1893; and George H. Nettleton of the Kansas City, Fort Scott and Memphis, July 14, 1893, requesting reduced fares to the World’s Fair.

35. *Advocate*, September 27, 1893.



The Newton Milling and Elevator Company was established in 1886 by Bernard Warkentin as one of many facilities he operated throughout central Kansas. While this advertisement for the Newton elevator touts a capacity of 60,000 bushels, supporters of the G&I promised Kansas farmers cheaper connections to facilities in Texas that held 2,450,000 bushels.

cans and Europeans alike agreed that the prospects for lucrative trade were excellent; the problem was a lack of enthusiastic investors in the G&I.³⁶

Despite funding problems, construction on the hoped for north-south railroad line began in Texas. Promoters, including Charles J. "Buffalo" Jones and N. C. Jones of Garden City, Kansas; L. D. Featherstone of Forest City, Arkansas; four Texans from Post Bolivar; and several others received a charter from the state of Texas on May 23, 1894, to build a line from Port Bolivar, near Galveston, to the Southern Pacific track in Liberty County, Texas. The line, known as the Beaumont Branch, was capitalized at \$200,000 and the charter was to last forty years. The Texas state prison furnished convict labor and the first link would be twenty-three miles long. Galveston appeared to be the ideal

port for this project. The national government had just assisted the city with an \$8 million grant and the harbor's "jettys [*sic*] stretched seaward like arms welcoming the commerce of the world." It was intended to be a port that "would never be destroyed by a hurricane."³⁷

The youngest of Alonzo Wardall's sons, eighteen-year-old Ray and sixteen-year-old Knox, found employment surveying for the road in the summer of 1894. Wanting to visit with the boys and also to check on the progress of construction, Wardall arranged for an extensive speaking tour of Alliance meetings in Texas. He spoke at the state meeting on August 23, along with Annie Diggs, known affectionately among Populists as "our little Annie," who

36. *Ibid.* See also, for example, *Topeka Daily Capital*, August 2, 1893; and several additional items in Railroad clippings, Kansas, 1:144-52.

37. For the road's charter, see Gulf & Interstate Railway, Minute Books, vol. 1, 1894, Atchison, Topeka and Santa Fe Collection 19-01-10-02, State Archives Division, Kansas Historical Society, Topeka; Paul F. Long, "Buffalo Jones: City Builder," *Journal of the West* 28 (October 1989): 87-92; "Gulf & Interstate Railway: The Populist Railroad," atsfrr.com/resources/burton/g&i.htm; and Postel, *The Populist Vision*, 132.



Kansas's second Populist governor, John W. Leedy, who won his single two-year term of office in 1896, also developed an interest in the G&I. Without a north-south line, freight rates on wheat from Wichita to Galveston were thirty-one cents per bushel. Yet the rate from Omaha to Galveston, nearly four hundred miles further, was twenty-seven cents. The current railroad monopoly, G&I supporters argued to Governor Leedy, was the "monster that is robbing the people of the state of Kansas, by denying them just and reasonable freight-rates to the natural outlet for their surplus grains via the Gulf of Mexico."

"captured them boldly." A newspaper clipping at the time reported

it is amusing to see with what avidity those newspapers which all along ridiculed Alonzo Wardall and his paper railroad from Canada to the Gulf, now grasp at the idea that it even may become a possibility and are giving the scheme and their cities in connection with it, whole columns of free advertisement. There is nothing too good to be said of the project and all of their cities are available candidates.

Fred Close visited the construction site in September and reported the railroad "in nice shape."³⁸

38. Wardall diaries, July 13 and August 23, 1894, folder 16, box 1; and news clippings, folder 6, box 4, Wardall Collection.

Buffalo Jones's contractor began building grade and laying a new type of track utilizing steel for both rails and ties. This was more expensive than using traditional creosote ties but much safer and more durable in the long run. A strike at the supplying factory, though, halted use of the steel ties and future construction reverted to the conventional design. Construction was slowed in other ways, as well. Internal bickering between Jones and the railroad over the direction of the route led to Jones being replaced as prime contractor by L. D. Featherstone, another trustee of the G&I. Oversight of the project again changed hands when N. C. Jones was put in charge of construction, and in March 1896 he drove the last spike on the Beaumont Branch. In May 1896 Featherstone sued N. C. Jones for control of the railroad, but legally the line remained in Jones's hands and he put a train on a scheduled run and pocketed the subsequent revenues. The G&I was finally sold to Featherstone in June 1898. Two years later Galveston was struck by a devastating hurricane, and it took years for the city to recover from this disaster. The storm destroyed the G&I's tracks, but Featherstone later rebuilt them. The G&I eventually died but part of the concept continued with Arthur Stillwell's Kansas City, Pittsburg and Gulf Railroad.³⁹

Meanwhile, Kansas's second Populist governor, John W. Leedy, who won his single two-year term of office in 1896, developed an interest in the G&I Railway. After the national financial debacle of 1893 halted construction, the states of Kansas and Texas and Oklahoma Territory decided to investigate the feasibility of constructing a southern regional line to connect Kansas with Galveston. The state legislature asked Leedy to appoint a committee of two senators and three representatives to consult with delegates from Texas and Oklahoma. The group went to Oklahoma City to confer about the transcontinental in the summer of 1897. They then proceeded to Galveston to investigate the progress of the railroad in that region. The committee waxed enthusiastically over the grain elevators there that held 2,450,000 bushels of wheat. Facilities could load 190,000 bushels on a freighter in less than three hours. They also noted that freight rates on wheat from Wichita to Galveston were thirty-one cents and corn was twenty-six cents. Yet the rate from Omaha to Galveston, nearly four hundred miles further, was twenty-two cents on corn and twenty-seven cents on wheat, a significant differential. The railroad monopoly, the committee reported to Leedy, was the "monster that is robbing the people of the state

39. Wardall diaries, July 13 and August 23, 1894, folder 16, box 1; and news clippings, folder 6, box 4, Wardall Collection.

of Kansas, by denying them just and reasonable freight-rates to the natural outlet for their surplus grains via the Gulf of Mexico."⁴⁰

The committee heard excuses, "that old, worn-out cry of poverty," from the east-west lines. Yet they discovered the farmers of central Texas had conceived a plan to construct the Hearne and Brazos Valley Railroad, a local line of 16 miles that leased an additional 2.4 miles to gain access to terminal facilities. It had been constructed at a total cost of \$106,679.14, or \$6,563.28 per mile. This short line paid expenses and accumulated a surplus of over \$53,000 in a four-year period, demonstrating the feasibility of farmers building and operating their own railroad. "A few lines of this kind," the report concluded, "would break the force of the present combine, and secure to the people that justice that has so long been due them, and which at this time seems to be as far removed as ever."⁴¹

The committee recommended building a line from northern Kansas to Galveston. It could be done, they claimed, for \$8 million and this would force a reduction in rates through competition. They called for another convention on transportation to be held in Omaha in September 1897. Nothing came of their proposals and the states between Texas and North Dakota were unable to raise any more funds during the depression to finance further construction.⁴²

The dream of a "wrong way" transcontinental, however, refused to die. Numerous efforts were made to connect the plains north to south. The Illinois Central extended its line to New Orleans, although this was not a true transcontinental and did not directly serve the Great Plains as planners of the G&I had hoped to do. A group of Kearney, Nebraska, businessmen sought to build a line from Moose Jaw, Saskatchewan, to the Gulf of Mexico, but their project "died in the planning stage." A more promising venture was undertaken by the Midland Construction Company, which was incorporated in South Dakota in 1906 and began to build the Midland Continental Railroad. This transcontinental, financed initially by Chicago lawyer Hebert Sydney Duncombe and Frank K. Bull, president of the J. I. Case Threshing Machine Company of Racine, Wisconsin, was to connect Winnipeg with Galveston. Promoters believed the Panama

40. *Report of the Kansas Division of the Gulf and Interstate Transportation Committee*, 10.

41. *Ibid.*, 10, 18.

42. *Ibid.*, 19. The Panic of 1893 also produced financial crisis for the five transcontinentals. See Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York: W. W. Norton, 2011), ch. 9, "Collapse."

Canal, then under construction, "would revolutionize global trading patterns" and increase the importance of Gulf ports.⁴³

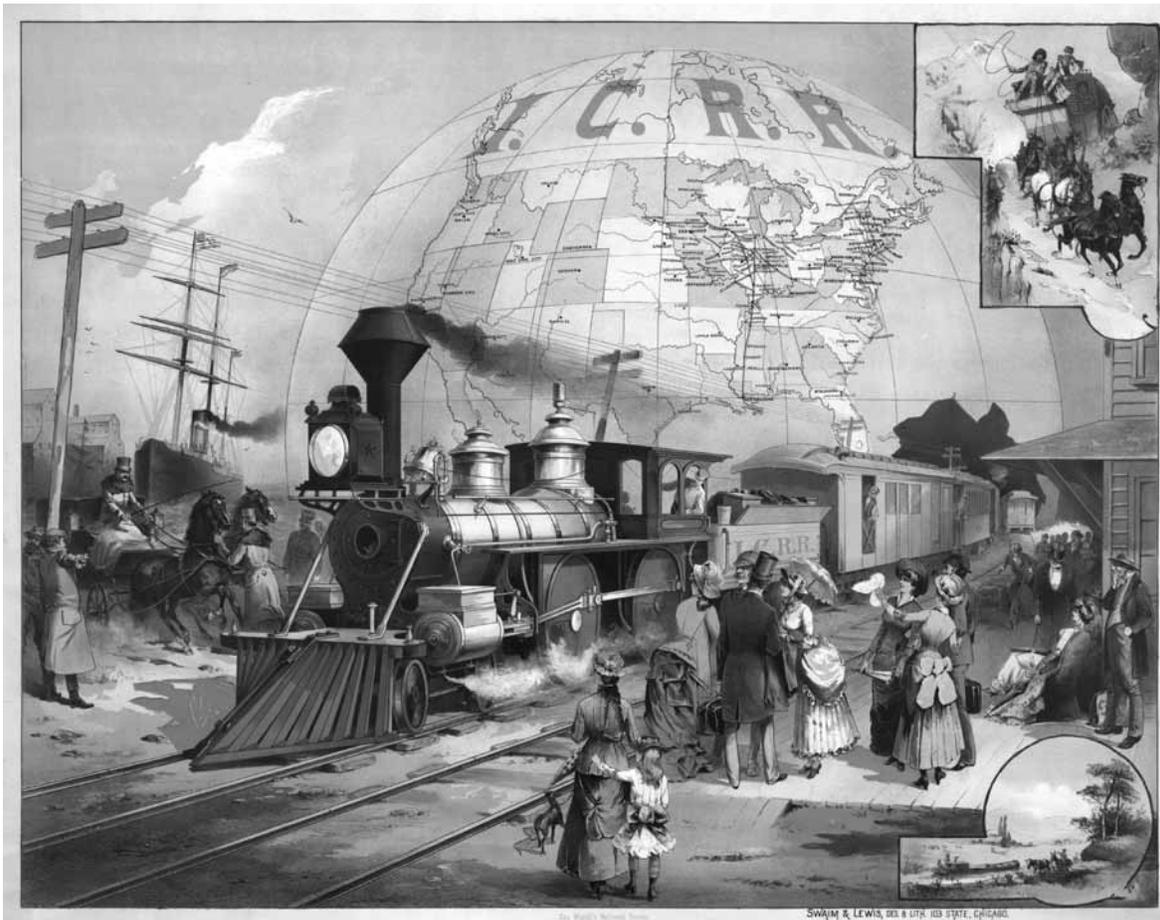
The initial phase of the line was to run from Pembina, North Dakota, at the junction of North Dakota, Minnesota, and Manitoba, to Forbes on the border of North and South Dakota. The line would include Jamestown, North Dakota, and would run north through towns according to the financial contributions they made to the Midland Construction Company. Actual construction began at Edgeley, near the southern border of North Dakota; it was to connect to the north with a branch of the Chicago, Milwaukee and St. Paul Railway in Jamestown. It would later be joined with Pembina. When the directors of the Midland Company sought a \$400,000 loan for this phase, Frank A. Seiberling, a wealthy businessman and head of the Goodyear Tire Company, accepted notes on the loan as collateral for another loan he was making, and the future of the railroad seemed secure. Although Seiberling was excited by Duncombe and Bull's project, however, the "international money market" again tightened prior to America's entry into World War I and funding for the line was threatened.⁴⁴

In 1916 the loan on the construction company's project went into default and Seiberling was forced to bring a foreclosure suit against Midland Construction to obtain control of the railroad, which had been completed from Jamestown to Wimbledon. Unable to sell his "white elephant," Seiberling had to build to Grand Forks or another destination in order to attract a buyer. He chose Grand Forks because the Great Northern Railroad ran through it, and that road might become an interested buyer. He also had a line surveyed from Edgeley to Leola, South Dakota, the northern terminus of the Minneapolis and St. Louis Railway. Nothing more had been built, though, when the national government assumed control of the nation's railroads in December 1917. At first Seiberling believed the Railroad Administration would help his struggling line in order to secure additional transportation routes. But such help failed to materialize. His floundering sixty-eight-mile road failed to show a profit and he was unable to find a buyer. Seiberling continued operation of his railroad until he retired in 1949. Meanwhile, he abandoned the dream of a transcontinental outside North Dakota.⁴⁵

43. H. Roger Grant, "Frank A. Seiberling and the Formative Years of the Midland Continental Railroad, 1912-1920," *North Dakota History: Journal of the Northern Plains* 43 (Fall 1976): 29.

44. *Ibid.*, 30-32.

45. *Ibid.*, 34-36.



The Illinois Central, the first railroad to receive federal land grants in 1850, was built from Chicago to Cairo. It was extended to New Orleans by 1889, leading some to label it, particularly after the collapse of the G&I, a “wrong way” transcontinental. The line was not a true transcontinental, however, and did not directly serve the Great Plains as planners of the G&I had hoped to do. The ICCR and a map of its route are depicted here in the 1882 “World’s Railroad Scene,” courtesy of the Library of Congress, Prints and Photographs Division, Washington, D.C.

Two other short lines were eventually built in North Dakota. The Duluth and North Dakota Railroad that connected with Grand Forks was a farmer-sponsored line and the Farmers Grain and Shipping Company traversed the area from Hansboro to Devils Lake. Construction of these short lines, which connected local farmers to nearby markets but did not link the country north to south, coincided with the demise of the People’s Party. Thus the vision of revolutionizing the Great Plains through a people’s railroad came to naught.⁴⁶

One of the great bequests of the Populists was the idea that Americans had the right to a decent living through hard work and a better future for the next generation. Abraham Lincoln had spoken of a new nation “conceived in liberty and dedicated to the proposition that all men are created equal.” His prosecution of the Civil War broke the old bondage of blacks to slavery. A quarter of a century later the Industrial Revolution created a new bondage that seized the nation’s poor, only this time it included both

46. Grant, *Self-Help*, 77.

black and white. Some conceived it to be an even worse bondage than that which produced the Civil War because slave holders protected their valuable property while the Populists struggled merely to survive. Populism failed in many respects, but it succeeded mightily in sowing the seeds of the next reform movement that unfolded during the Progressive Era, when many Populist ideas that had once been rejected came to fruition.⁴⁷

Alonzo Wardall and Henry Loucks helped sow these seeds, as committed organizers, sound businessmen, and unlimited dreamers. Under their direction the Farmers' Alliance was successful in saving its members hundreds of millions of dollars in various types of insurance premiums. They had a magnificent vision of building a north-south transcontinental railroad that could have saved Great Plains farmers additional millions and transformed the area's entire economy and social fabric.

They were unable, however, to convince their fellow farmers to help finance that vision. Individual Populists were not willing or able to take the risky step of investing in a rail line that would have improved their fortunes, particularly during the severe depression of the late 1890s. Although Wardall and his supporters did their homework effectively and were accurate in their planning, they lacked the salesmanship necessary to counter the national economic decline that characterized the Populist era and the powerful railroad monopolies that worked against their plans. The east-west transcontinentals continued to exploit the hapless agrarians unmercifully until they were brought under some semblance of control during the Progressive Era prior to World War I, but this came from Progressive reforms, not increased competition from public lines. [KH]

47. Gene Clanton, *Populism: The Humane Preference* (Boston, Mass.: Twayne, 1991), xiii.