

**Reconstruction Governments**

After Grant became president in 1869, the Republicans seemed stronger than ever. They controlled most southern governments, partly because of the support of African American voters. However, most of the Republican officeholders were unpopular with white southerners.

**Carpetbaggers and Scalawags**

Some of these office-holders were northern-born Republicans who had moved South after the war. Many white southerners called them carpetbaggers. Supposedly, they had rushed South carrying all their possessions in bags made from carpeting. Many southerners resented these northerners, accusing them—often unfairly—of trying to profit from Reconstruction.

Southern Democrats cared even less for white southern Republicans. They referred to them as scalawags, or greedy rascals. Democrats believed that these southerners had betrayed the South by voting for the Republican Party. Many southern Republicans were small farmers who had supported the Union during the war. Others, like Mississippi governor James Alcorn, were former members of the Whig Party. They preferred to become Republicans rather than join the Democrats.

**African American Leaders**

African Americans were the largest group of southern Republican voters. During Reconstruction, more than 600 African Americans won election to state legislatures. Some 16 of these politicians were elected to Congress. Other African Americans held local offices in counties throughout the South.

African American politicians came from many backgrounds. **Hiram Revels** was born free in North Carolina and went to college in Illinois. He became a Methodist minister and served as a chaplain in the Union army. In 1870 Revels became the first African American in the U.S. Senate. He took over the seat previously held by Confederate president Jefferson Davis. Unlike Revels, Blanche K. Bruce grew up in slavery in Virginia. Bruce became an important Republican in Mississippi and served one term as a U.S. senator.

### State Governments Change Direction

Reconstruction governments provided money for many new programs and organizations in the South. They helped to establish some of the first state-funded public school systems in the South. They also built new hospitals, prisons, and orphanages and passed laws prohibiting discrimination against African Americans.

Southern states under Republican control spent large amounts of money. They aided the construction of railroads, bridges, and public buildings. These improvements were intended to help the southern economy recover from the war. To get the money for these projects, the Reconstruction governments raised taxes and issued bonds.

### Ku Klux Klan

As more African Americans took office, resistance to Reconstruction increased among white southerners. Democrats claimed that the Reconstruction governments were corrupt, illegal, and unjust. They also disliked having federal soldiers stationed in their states. Many white southerners disapproved of African American officeholders. One Democrat noted, “A white man’s government’ [is] the most popular rallying cry we have.” In 1866 a group of white southerners in Tennessee created the **Ku Klux Klan. This secret society opposed civil rights, particularly suffrage, for African Americans.** The Klan used violence and terror against African Americans. The group’s membership grew rapidly as it spread throughout the South. Klan members wore robes and disguises to hide their identities. They attacked—and even murdered—African Americans, white Republican voters, and public officials, usually at night.

Local governments did little to stop the violence. Many officials feared the Klan or were sympathetic to its activities. In 1870 and 1871 the federal government took action. Congress passed laws that made it a federal crime to interfere with elections or to deny citizens equal protection under the law.

Within a few years, the Klan was no longer an organized threat. But groups of whites continued to assault African Americans and Republicans throughout the 1870s.

**Reconstruction Ends**

The violence of the Ku Klux Klan was not the only challenge to Reconstruction. Republicans slowly lost control of southern state governments to the Democratic Party. The General Amnesty Act of 1872 allowed former Confederates, except those who had held high ranks, to serve in public office. Many of these former Confederates, most of whom were Democrats, were soon elected to southern governments.

The Republican Party also began losing its power in the North. Although President Grant was re-elected in 1872, financial and political scandals in his administration upset voters. In his first term, a gold-buying scheme in which Grant's cousin took a leading role led to a brief crisis on the stock market called Black Friday. During his second term, his personal secretary was involved in the Whiskey Ring scandal, in which whiskey distillers and public officials worked together to steal liquor taxes from the federal government. Furthermore, people blamed Republican policies for the Panic of 1873.

**Panic of 1873**

This severe economic downturn began in September 1873 when Jay Cooke and Company, a major investor in railroads and the largest financier of the Union's Civil War effort, declared bankruptcy. The company had lied about the value of land along the side of the Northern Pacific Railroad that it owned and was trying to sell. When the truth leaked out, the company failed.

The failure of such an important business sent panic through the stock market, and investors began selling shares of stock more rapidly than people wanted to buy them. Companies had to buy their shares back from the investors. Soon, 89 of the nation's 364 railroads had failed as well. The failure of almost 18,000 other businesses followed within two years, leaving the nation in an economic crisis. By 1876 unemployment had risen to 14 percent, with an estimated 2 million people out of work. The high unemployment rate set off numerous strikes and protests around the nation, many involving railroad workers. In 1874 the Democrats gained control of the House of Representatives. Northerners were becoming less concerned about southern racism and more concerned about their financial well-being.

### Election of 1876

Republicans could tell that northern support for Reconstruction was fading. Voters' attention was shifting to economic problems. In 1874 the Republican Party lost control of the House of Representatives to the Democrats. The Republicans in Congress managed to pass one last civil rights law. The Civil Rights Act of 1875 guaranteed African Americans equal rights in public places, such as theaters and public transportation. But as Americans became increasingly worried about economic problems and government corruption, the Republican Party began to abandon Reconstruction.

Republicans selected Ohio governor Rutherford B. Hayes as their 1876 presidential candidate. He believed in ending federal support of the Reconstruction governments. The Democrats nominated New York governor Samuel J. Tilden. During the election, Democrats in the South again used violence at the polls to keep Republican voters away.

The election between Hayes and Tilden was close. Tilden appeared to have won. Republicans challenged the electoral votes in Oregon and three southern states. A special commission of members of Congress and Supreme Court justices was appointed to settle the issue.

The commission narrowly decided to give all the disputed votes to Hayes. Hayes thus won the presidency by one electoral vote. In the **Compromise of 1877, the Democrats agreed to accept Hayes's victory. In return, they wanted all remaining federal troops removed from the South.**