

Ch 13 Section 3 Farmers and the Populist Movement

Farmers Unite to Address Common Problems

Economic Distress

- Farmers buy more land to grow more crops to pay off debts
- After Civil War, government takes greenbacks out of circulation
- Debtors have to pay loans in dollars worth more than those borrowed
- Prices of crops fall dramatically
- 1870s, debtors push government to put more money in circulation
- 1878 Bland-Allison Act—money supply increase not enough for farmers

Problems with the Railroads

- Lack of competition lets railroads overcharge to transport grain
- Farms mortgaged to buy supplies; suppliers charge high interest

The Farmers' Alliances

- 1867, **Oliver Hudson Kelley** starts Patrons of Husbandry or **Grange**
- Purpose is educational, social; by 1870s, Grange fighting railroads
- **Farmers' Alliances**—groups of farmers and sympathizers
 - lectures on interest rates, government control of railroads, banks
 - gain over 4 million members

The Rise and Fall of Populism

The Populist Party Platform

- **Populism**—movement of the people; Populist Party wants reforms
- Economic: increase money supply, graduated income tax, federal loans
- Political: Senate elected by popular vote; secret ballot; 8-hour day
- 1892, Populist candidates elected at different levels of government
 - Democratic Party eventually adopts platform

The Panic of 1893

- Railroads expand faster than markets; some go bankrupt
- Government's gold supply depleted, leads to rush on banks
 - businesses, banks collapse
 - panic becomes depression

Silver or Gold

- Political divisions also regional:
 - Republicans: Northeast business owners, bankers
 - Democrats: Southern, Western farmers, laborers
- **Bimetallism**—system using both silver and gold to back currency
- **Gold standard**—backing currency with gold only
- Paper money considered worthless if cannot be exchanged for metal
- Silverites: bimetallism would create more money, stimulate economy; Plains farmers supported this
- Gold bugs: gold only would create more stable, if expensive currency

Bryan and the "Cross of Gold"

- 1896, Republicans commit to gold, select **William McKinley**
- Democrats favor bimetallism, choose **William Jennings Bryan**
- Populists endorse Bryan, choose own VP to maintain party identity

The End of Populism

- McKinley gets East, industrial Midwest; Bryan South, farm Midwest

- McKinley elected president; Populism collapses; leaves legacy:
 - the powerless can organize, have political impact
 - agenda of reforms enacted in 20th century