

# Changes on the Western Frontier

Farmers and the Populist Movement

# Farmers Unite to Address Common Problems

- 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



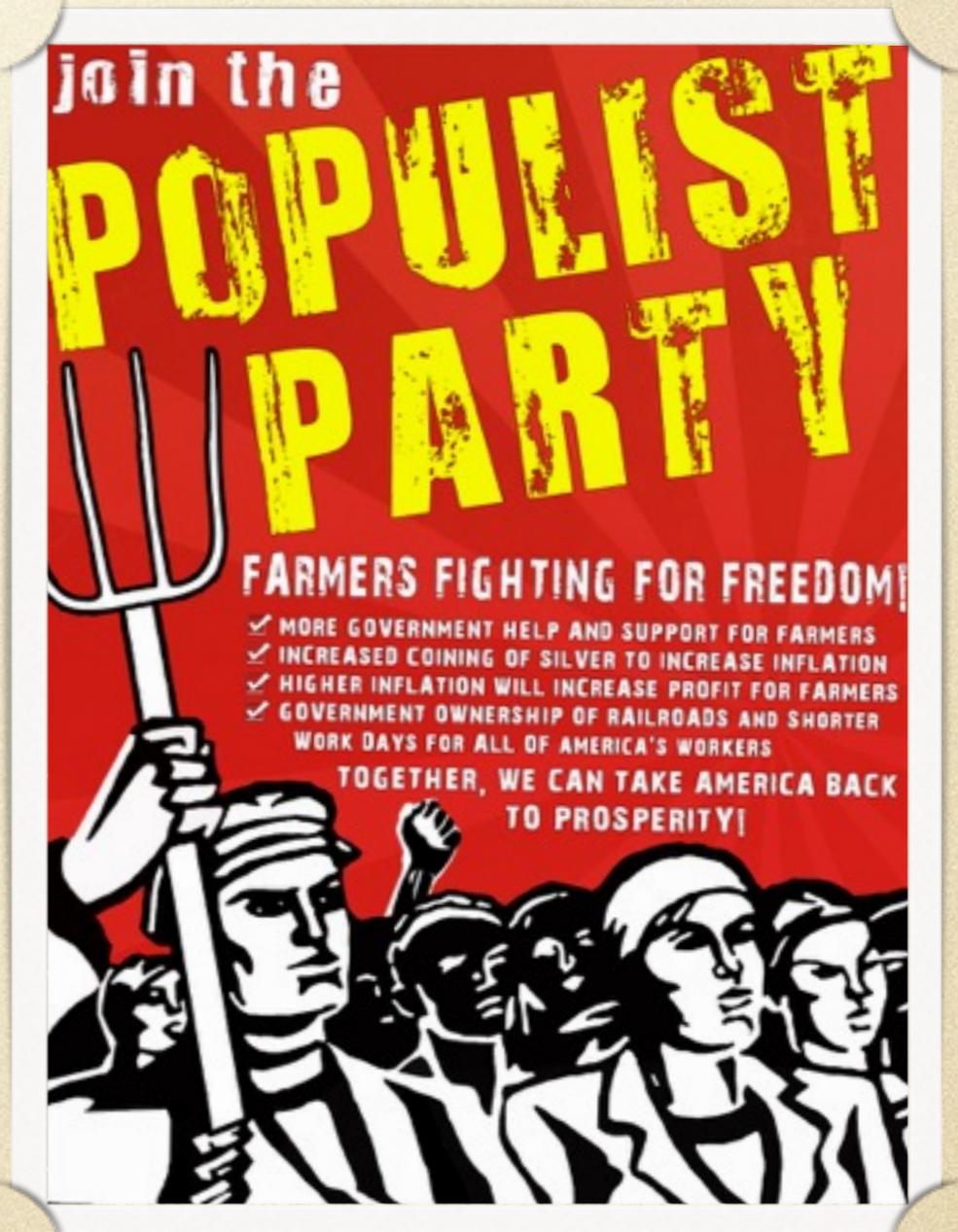
# The Farmers' Alliances

- 1867, Oliver Hudson Kelly starts Patrons of Husbandry or Grange
- Purpose is education, 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 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



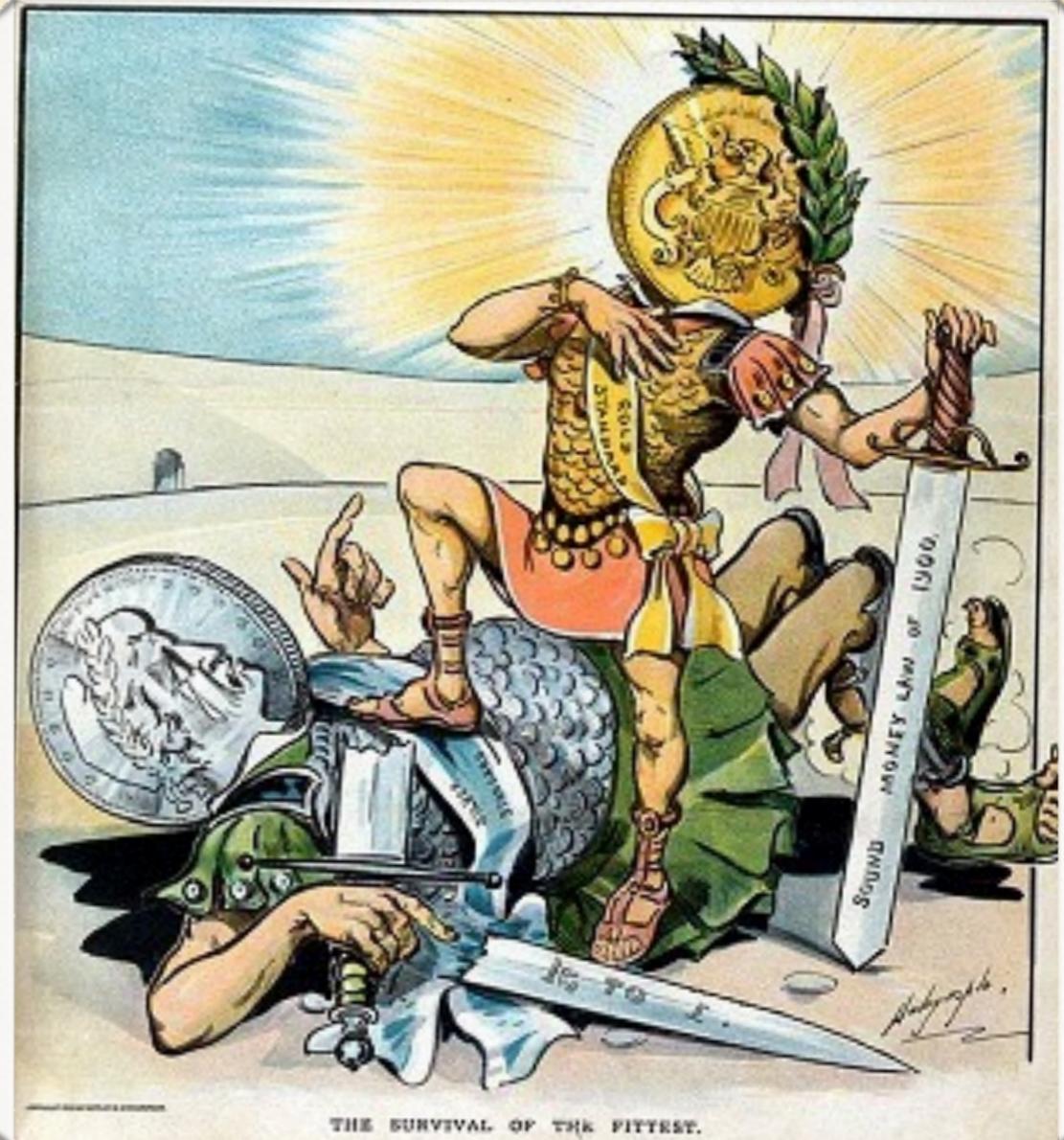
# The Panic of 1893

- 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 division 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



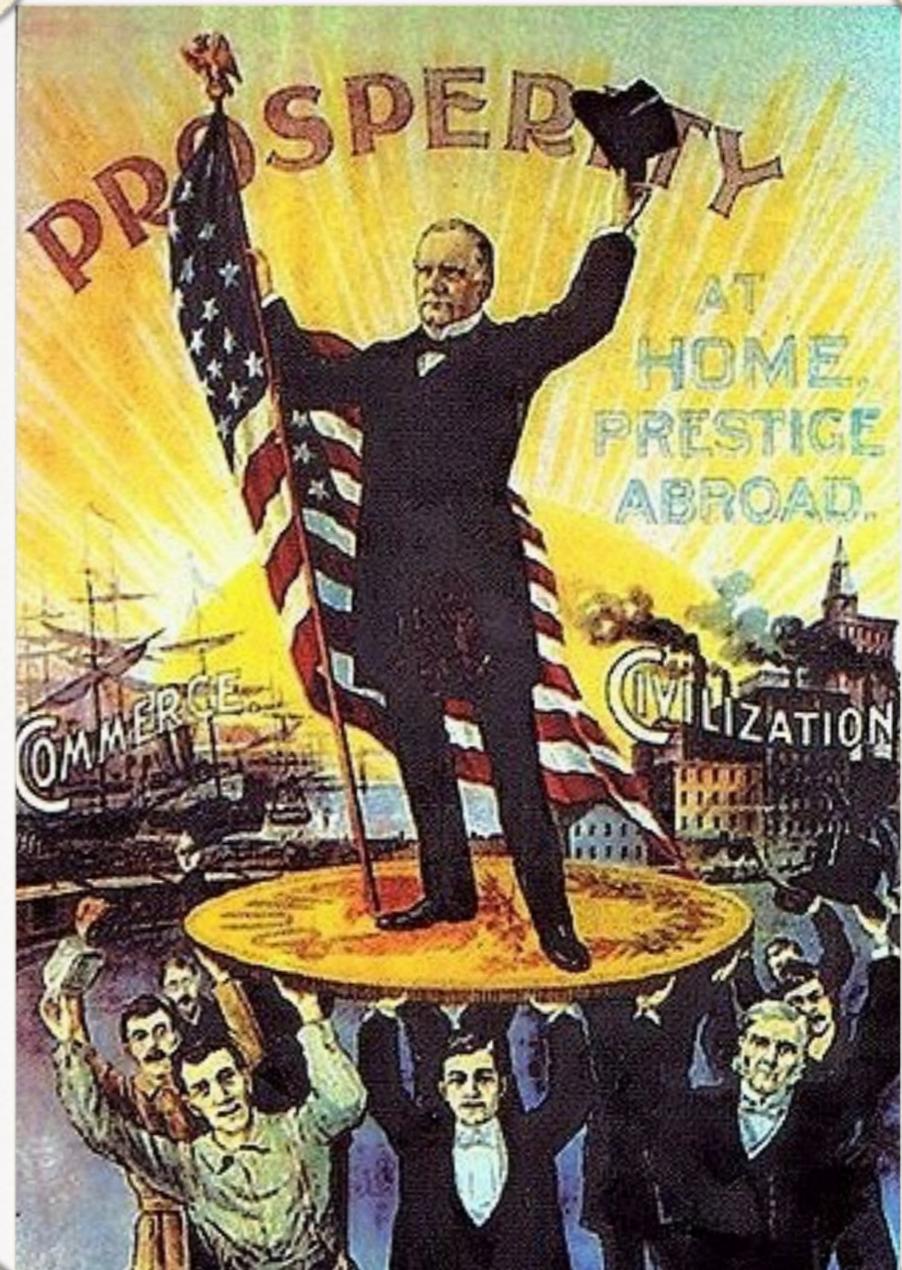
# Gold or Silver

## Gold Bugs and Silverites

	<b>Gold Bugs</b>	<b>Silverites</b>
<b>Who They Were</b>	bankers and businessmen	farmers and laborers
<b>What They Wanted</b>	gold standard less money in circulation	bimetallism more money in circulation
<b>Why</b>	Loans would be repaid in stable money.	Products would be sold at higher prices.
<b>Effects</b>	<b>DEFLATION</b> <ul style="list-style-type: none"><li>• Prices fall.</li><li>• Value of money increases.</li><li>• Fewer people have money.</li></ul>	<b>INFLATION</b> <ul style="list-style-type: none"><li>• Prices rise.</li><li>• Value of money decreases.</li><li>• More people have money.</li></ul>

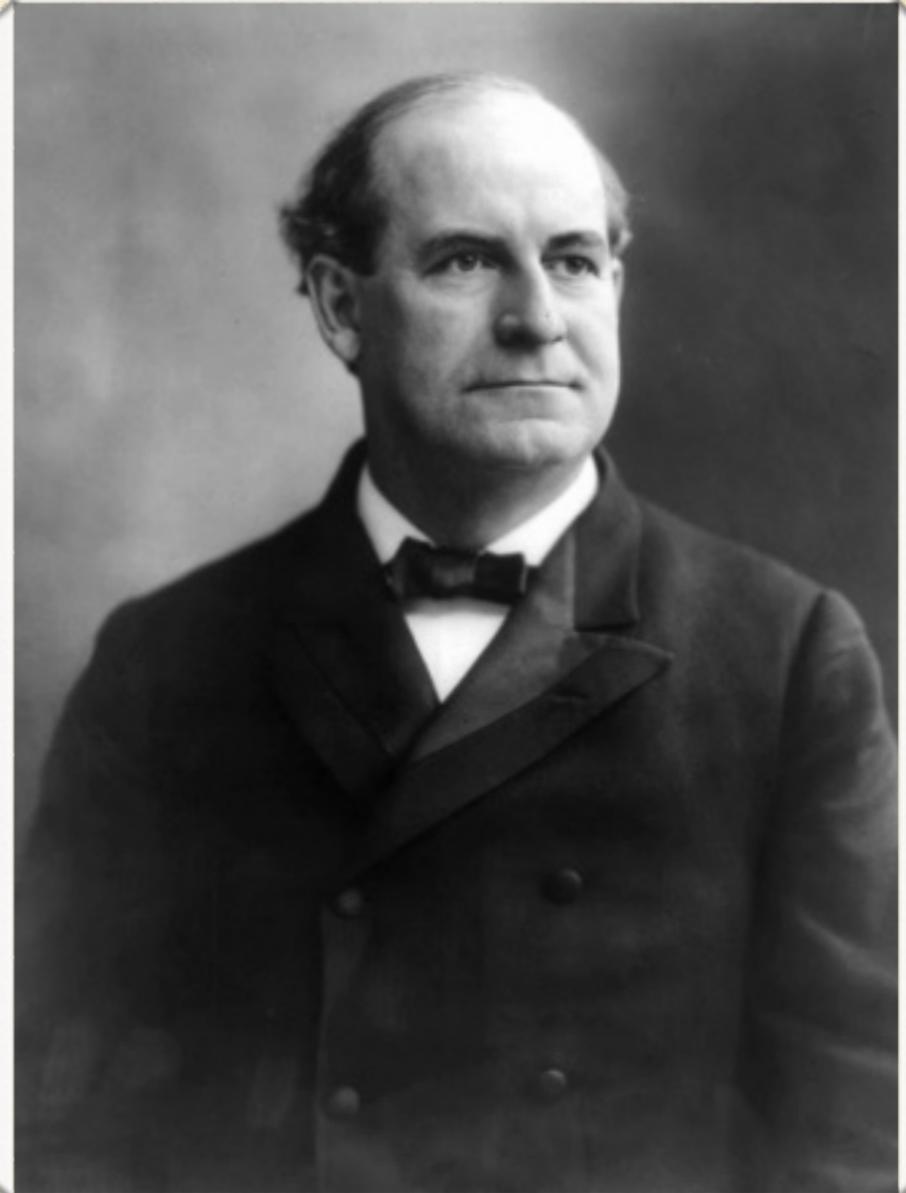
# Silver or Gold

- Paper money considered worthless if cannot be exchanged for metal
- Silverites: bimetallism would create more money, stimulate economy
- Gold bugs: gold only would create more stable, if expensive currency



# Byron 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 gets south, farming Midwest
- McKinley elected president; Populism collapses
- Leaves legacy:
  - the powerless can organize, have political impact
  - agenda of reforms enacted in 20th century

