SECTION 3

Farmers and the Populist Movement

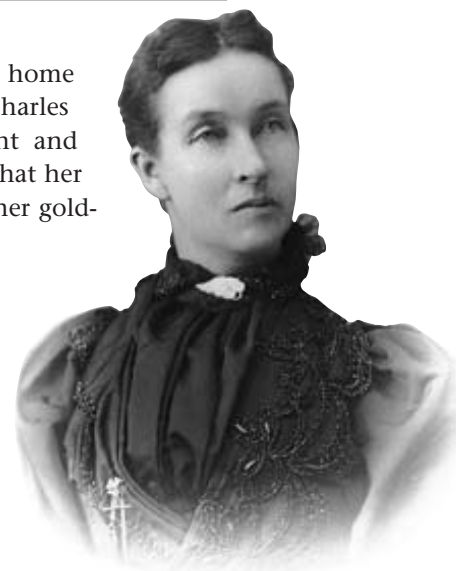| MAIN IDEA	WHY IT MATTERS NOW	Terms & Names
Farmers united to address their economic problems, giving rise to the Populist movement.	Many of the Populist reform issues, such as income tax and legally protected rights of workers, are now taken for granted.	•Oliver Hudson Kelley •bimetallism •Grange •gold standard •Farmers' Alliances •William McKinley •Populism •William Jennings Bryan

One American's Story

As a young adult in the early 1870s, Mary Elizabeth Lease left home to teach school on the Kansas plains. After marrying farmer Charles Lease, she joined the growing Farmers' Alliance movement and began speaking on issues of concern to farmers. Lease joked that her tongue was "loose at both ends and hung on a swivel," but her golden voice and deep blue eyes hypnotized her listeners.

★ A PERSONAL VOICE MARY ELIZABETH LEASE

"What you farmers need to do is to raise less corn and more Hell! We want the accursed foreclosure system wiped out. . . . We will stand by our homes and stay by our firesides by force if necessary, and we will not pay our debts to the loan-shark companies until the Government pays its debts to us."
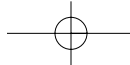
—quoted in "The Populist Uprising"

Farmers had endured great hardships in helping to transform the plains from the "Great American Desert" into the "breadbasket of the nation," yet every year they reaped less and less of the bounty they had sowed with their sweat.

▲ Mary Elizabeth Lease, the daughter of Irish immigrants, was a leader of the Populist Party.

Farmers Unite to Address Common Problems

In the late 1800s, many farmers were trapped in a vicious economic cycle. Prices for crops were falling, and farmers often mortgaged their farms so that they could buy more land and produce more crops. Good farming land was becoming scarce, though, and banks were foreclosing on the mortgages of increasing numbers of farmers who couldn't make payments on their loans. Moreover, the railroads were taking advantage of farmers by charging excessive prices for shipping and storage.
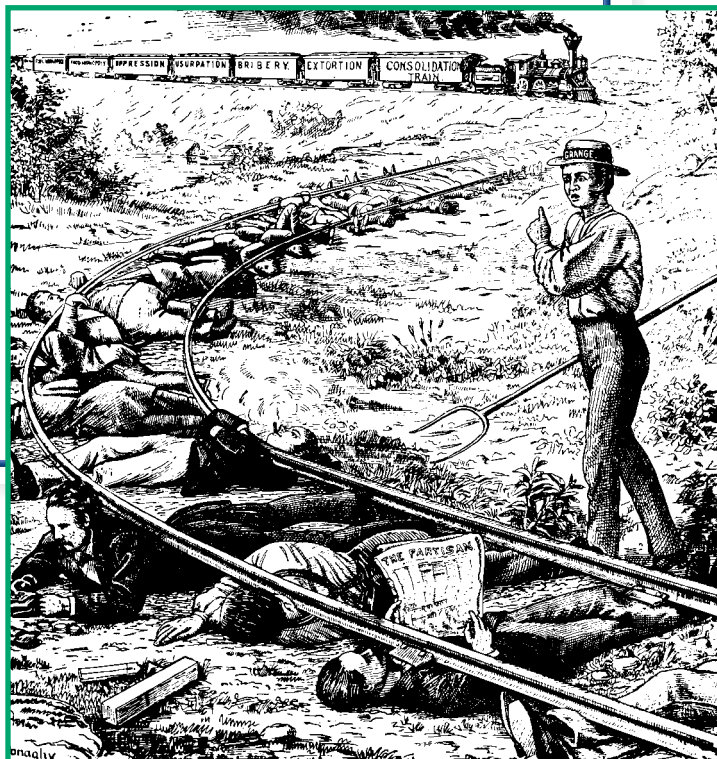
Analyzing *Political Cartoons*

THE PLIGHT OF THE FARMERS

Farmers were particularly hard hit in the decades leading to the financial panic of 1893. They regarded big business interests as insurmountable enemies who were bringing them to their knees and leaving them with debts at every turn. This cartoon is a warning of the dangers confronting not only the farmers but the entire nation.

SKILLBUILDER **Analyzing Political Cartoons**

1. How does this cartoon depict the plight of the farmers?
2. Who does the cartoonist suggest is responsible for the farmers' plight?

SEE SKILLBUILDER HANDBOOK, PAGE R24.

ECONOMIC DISTRESS The troubles of the farmers were part of a larger economic problem affecting the entire nation. During the Civil War, the United States had issued almost $500 million in paper money, called greenbacks. Greenbacks could not be exchanged for silver or gold money. They were worth less than hard money of the same face value. Hard money included both coins and paper money printed in yellow ink that could be exchanged for gold. After the war, the government began to take the greenbacks out of circulation.

Retiring the greenbacks caused some discontent. It increased the value of the money that stayed in circulation. It meant that farmers who had borrowed money had to pay back their loans in dollars that were worth more than the dollars they had borrowed. At the same time they were receiving less money for their crops. Between 1867 and 1887, for example, the price of a bushel of wheat fell from $2.00 to 68 cents. In effect, farmers lost money at every turn. **A**

Throughout the 1870s, the farmers and other debtors pushed the government to issue more money into circulation. Those tactics failed—although the Bland-Allison Act of 1878 required the government to buy and coin at least $2 million to $4 million worth of silver each month. It wasn't enough to support the increase in the money supply that the farmers wanted.

PROBLEMS WITH THE RAILROADS Meanwhile, farmers paid outrageously high prices to transport grain. Lack of competition among the railroads meant that it might cost more to ship grain from the Dakotas to Minneapolis by rail than from Chicago to England by boat. Also, railroads made secret agreements with middlemen—grain brokers and merchants—that allowed the railroads to control grain storage prices and to influence the market price of crops.

Many farmers mortgaged their farms for credit with which to buy seed and supplies. Suppliers charged high rates of interest, sometimes charging more for items bought on credit than they did for cash purchases. Farmers got caught in a cycle of credit that meant longer hours and more debt every year. It was time for reform. **B**

THE FARMERS' ALLIANCES To push effectively for reforms, however, farmers needed to organize. In 1867, **Oliver Hudson Kelley** started the Patrons of
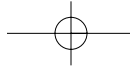
MAIN IDEA

Analyzing Issues
A Why did farmers think that an increased money supply would help solve their economic problems?

MAIN IDEA

Analyzing Causes
B What were some of the causes of farmers' economic problems?

Husbandry, an organization for farmers that became popularly known as the **Grange**. Its original purpose was to provide a social outlet and an educational forum for isolated farm families. By the 1870s, however, Grange members spent most of their time and energy fighting the railroads. The Grange's battle plan included teaching its members how to organize, how to set up farmers' cooperatives, and how to sponsor state legislation to regulate railroads.

The Grange gave rise to other organizations, such as **Farmers' Alliances.** These groups included many others who sympathized with farmers. Alliances sent lecturers from town to town to educate people about topics such as lower interest rates on loans and government control over railroads and banks. Spellbinding speakers such as Mary Elizabeth Lease helped get the message across.

Membership grew to more than 4 million—mostly in the South and the West. The Southern Alliance, including white Southern farmers, was the largest. About 250,000 African Americans belonged to the Colored Farmers' National Alliance. Some alliance members promoted cooperation between black and white alliances, but most members accepted the separation of the organizations.

HISTORICAL SPOTLIGHT

THE COLORED FARMERS' NATIONAL ALLIANCE

A white Baptist missionary, R. M. Humphrey, organized the Colored Farmers' National Alliance in 1886 in Houston, Texas. Like their counterparts in the white alliances, members of the local colored farmers' alliances promoted cooperative buying and selling. Unlike white organizations, however, the black alliances had to work mostly in secret to avoid racially motivated violence at the hands of angry landowners and suppliers.

The Rise and Fall of Populism

Leaders of the alliance movement realized that to make far-reaching changes, they would need to build a base of political power. **Populism**—the movement of the people—was born with the founding of the Populist, or People's, Party, in 1892. On July 2, 1892, a Populist Party convention in Omaha, Nebraska, demanded reforms to lift the burden of debt from farmers and other workers and to give the people a greater voice in their government.

THE POPULIST PARTY PLATFORM The economic reforms proposed by the Populists included an increase in the money supply, which would produce a rise in prices received for goods and services; a graduated income tax; and a federal loan program. The proposed governmental reforms included the election of U.S. senators by popular vote, single terms for the president and the vice-president, and a secret ballot to end vote fraud. Finally, the Populists called for an eight-hour workday and restrictions on immigration.
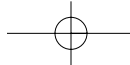
The proposed changes were so attractive to struggling farmers and desperate laborers that in 1892 the Populist presidential candidate won almost 10 percent of the total vote. In the West, the People's Party elected five senators, three governors, and about 1,500 state legislators. The Populists' programs eventually became the platform of the Democratic Party and kept alive the concept that the government is responsible for reforming social injustices. **C**

MAIN IDEA

Summarizing
C What was the Populist Party platform?

THE PANIC OF 1893 Then, in 1893, political issues were overtaken by economic concerns. During the 1880s, farmers were overextended with debts and loans. Railroad construction had expanded faster than markets. In February 1893, the Philadelphia and Reading Railroad went bankrupt, followed by the Erie, the Northern Pacific, the Union Pacific, and the Santa Fe. The government's gold reserves had worn thin, mainly due to its obligation to purchase silver. People panicked and traded paper money for gold. As a result, the stock market crashed. The price of silver then plunged, causing silver mines to close. By the end of the year, over 15,000 businesses and 500 banks had collapsed.

KEY PLAYER

WILLIAM JENNINGS BRYAN
1860–1925

William Jennings Bryan might be considered a patron saint of lost causes, largely because he let beliefs, not politics, guide his actions. He resigned his position as secretary of state (1913–1915) under Woodrow Wilson, for example, to protest the president's movement away from neutrality regarding the war in Europe.

Near the end of his life, he went to Tennessee to assist the prosecution in the Scopes "monkey trial," contesting the teaching of evolution in public schools. He is perhaps best characterized by a quote from his own "Cross of Gold" speech: "The humblest citizen in all the land, when clad in the armor of a righteous cause, is stronger than all the hosts of error."

Investments declined, and consumer purchases, wages, and prices also fell. Panic deepened into depression as 3 million people lost their jobs. By December 1894, a fifth of the work force was unemployed. Many farm families suffered both hunger and unemployment. **D**

SILVER OR GOLD Populists watched as the two major political parties became deeply divided in a struggle between different regions and economic interests. Business owners and bankers of the industrialized Northeast were Republicans; the farmers and laborers of the agrarian South and West were Democrats.

The central issue of the campaign was which metal would be the basis of the nation's monetary system. On one side were the "silverites," who favored **bimetallism**, a monetary system in which the government would give citizens either gold or silver in exchange for paper currency or checks. On the other side were President Cleveland and the "gold bugs," who favored the **gold standard**—backing dollars solely with gold.

The backing of currency was an important campaign issue because people regarded paper money as worthless if it could not be turned in for gold or silver. Because silver was more plentiful than gold, backing currency with both metals, as the silverites advocated, would make more currency (with less value per dollar) available. Supporters of bimetallism hoped that this measure would stimulate the stagnant economy. Retaining the gold standard would provide a more stable, but expensive, currency.

BRYAN AND THE "CROSS OF GOLD" Stepping into the debate, the Populist Party called for bimetallism and free coinage of silver. Yet their strategy was undecided: should they join forces with sympathetic candidates in the major parties and risk losing their political identity, or should they nominate their own candidates and risk losing the election?
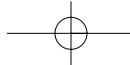
As the 1896 campaign progressed, the Republican Party stated its firm commitment to the gold standard and nominated Ohioan **William McKinley** for president. After much debate, the Democratic Party came out in favor of a combined gold and silver standard, including unlimited coinage of silver. At the Democratic convention, former Nebraska congressman **William Jennings Bryan**, editor of the *Omaha World-Herald*, delivered an impassioned address to the assembled

MAIN IDEA

Analyzing Causes
D What caused the panic of 1893?

Gold Bugs and Silverites		
	Gold Bugs	**Silverites**
Who They Were	bankers and businessmen	farmers and laborers
What They Wanted	gold standard less money in circulation	bimetallism more money in circulation
Why	Loans would be repaid in stable money.	Products would be sold at higher prices.
Effects	DEFLATION • Prices fall. • Value of money increases. • Fewer people have money.	INFLATION • Prices rise. • Value of money decreases. • More people have money.

delegates. An excerpt of what has become known as the "Cross of Gold" speech follows.

★ **A PERSONAL VOICE** WILLIAM JENNINGS BRYAN

"Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold."

—Democratic convention speech, Chicago, July 8, 1896

▲ **William Jennings Bryan's "Cross of Gold" speech inspired many cartoonists.**

Bryan won the Democratic nomination. When the Populist convention met two weeks later, the delegates were both pleased and frustrated. They liked Bryan and the Democratic platform, but they detested the Democratic vice-presidential candidate, Maine banker Arthur Sewall. Nor did they like giving up their identity as a party. They compromised by endorsing Bryan, nominating their own candidate, Thomas Watson of Georgia, for vice-president, and keeping their party organization intact. **E**

MAIN IDEA

Analyzing Issues
E Why was the metal that backed paper currency such an important issue in the 1896 presidential campaign?

THE END OF POPULISM Bryan faced a difficult campaign. His free-silver stand had led gold bug Democrats to nominate their own candidate. It also weakened his support in cities, where consumers feared inflation because it would make goods more expensive. In addition, Bryan's meager funds could not match the millions backing McKinley. Bryan tried to make up for lack of funds by campaigning in 27 states and sometimes making 20 speeches a day. McKinley, on the other hand, campaigned from his front porch, while thousands of well-known people toured the country speaking on his behalf.

McKinley got approximately 7 million votes and Bryan about 6.5 million. As expected, McKinley carried the East, while Bryan carried the South and the farm vote of the Middle West. The voters of the industrial Middle West, with their fear of inflation, brought McKinley into office.

With McKinley's election, Populism collapsed, burying the hopes of the farmers. The movement left two powerful legacies, however: a message that the downtrodden could organize and have political impact, and an agenda of reforms, many of which would be enacted in the 20th century.

3 ASSESSMENT

1. TERMS & NAMES For each term or name, write a sentence explaining its significance.
- Oliver Hudson Kelley
- Grange
- Farmers' Alliances
- Populism
- bimetallism
- gold standard
- William McKinley
- William Jennings Bryan

MAIN IDEA

2. TAKING NOTES
Identify the causes of the rise of the Populist Party and the effects the party had.

Causes		Effects
→	Populist Party	→
→		→
→		→

Which effect has the most impact today? Explain.

CRITICAL THINKING

3. EVALUATING
What do you think were the most significant factors in bringing an end to the Populist Party? **Think about:**

- monetary policy
- third-party status
- source of popular support
- popular participation policy

4. MAKING INFERENCES
How did the Grange and the Farmers' Alliances pave the way for the Populist Party?

Changes on the Western Frontier **429**