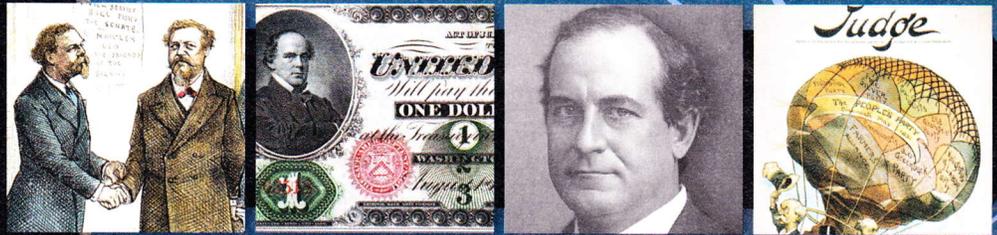


There's More Online!

- ✓ **BIOGRAPHY** William Jennings Bryan
- ✓ **CHART/GRAPH** Political Parties
- ✓ **MAP** Presidential Election of 1896
- ✓ **VIDEO** Politics of the Gilded Age
- ✓ **INTERACTIVE SELF-CHECK QUIZ**



LESSON 4

Politics of the Gilded Age

ESSENTIAL QUESTIONS • Why do people migrate? • How is urban life different from rural life?

Reading HELPDESK



Academic Vocabulary

- **currency**
- **bond**
- **strategy**

Content Vocabulary

- **populism**
- **greenbacks**
- **inflation**
- **graduated income tax**
- **deflation**
- **cooperatives**

TAKING NOTES:

Key Ideas and Details

Organizing As you read about the emergence of populism in the 1890s, use the major headings of the lesson to create an outline similar to the one below.

Politics of the Gilded Age	
I.	Politics in Washington
A.	
B.	
C.	
II.	
A.	
B.	

IT MATTERS BECAUSE

In the late 1800s, the two major political parties were closely competitive, and issues such as tariffs and business regulations were hotly debated. Meanwhile, farmers facing falling crop prices and deflation tried to overcome their problems by forming organizations. In the 1890s, many farmers joined the Populist Party.

Politics in Washington

GUIDING QUESTION Why was civil service reform needed?

After President James A. Garfield was elected in 1880, many of his supporters tried to claim the “spoils of office”—the government jobs that are handed out following an election victory. President Garfield did not believe in the spoils system. After repeated rejections, one of these job seekers reasoned that he would have a better chance for a job if Vice President Chester A. Arthur were president. This man shot President Garfield on July 2, 1881. Weeks later, Garfield died from his wounds.

Civil Service Reforms

For many, Garfield’s assassination highlighted the need to reform the political system. Under the spoils system, elected politicians extended patronage, rewarding their supporters by giving them government jobs. Many Americans believed the patronage system made the government inefficient and corrupt, and support was building for the reform of civil service.

When Rutherford B. Hayes became president in 1877, he tried to end patronage by firing officials who had been given jobs because of their support of the party and replacing them with reformers. His actions split the Republican Party between “Stalwarts” (who supported patronage), “Halfbreeds” (who backed some reform), and reformers. No reforms were passed. In 1880 the Republicans nominated James Garfield, a “Halfbreed,” for president and Chester A. Arthur, a “Stalwart,” for vice president.

Despite the feud over patronage, the Republicans managed to win the election, only to have Garfield assassinated a few months later.

Garfield's assassination turned public opinion against the spoils system. In 1883 Congress passed the Pendleton Act, requiring that some jobs be filled by competitive written exams, rather than by patronage. This marked the beginning of professional civil service—a system where most government workers are given jobs based on qualifications rather than on political affiliation. Only about 10 percent of federal jobs were made civil service positions in 1883, but the percentage increased over time.

The Election of 1884

In 1884 the Democrats nominated Grover Cleveland, the governor of New York, for president. Cleveland was a reformer with a reputation for honesty. The Republicans nominated James G. Blaine, a former Speaker of the House rumored to have accepted bribes. Some Republicans were so unhappy with Blaine that they supported Cleveland. They became known as “Mugwumps,” from an Algonquian word meaning “great chief.”

Cleveland narrowly won the election, and then he faced supporters who expected him to reward them with jobs. Mugwumps, on the other hand, expected him to increase the number of jobs under the civil service system. Cleveland chose a middle course and angered both sides. Soon, however, economic issues replaced the patronage reform debate.

The power of large corporations concerned Americans. Small businesses and farmers had become particularly angry at the railroads. While large corporations could negotiate rebates and lower rates because of the volume of goods they shipped, others were forced to pay much higher rates. Eventually many states passed laws regulating railroad rates. In 1886 the Supreme Court ruled in the case of *Wabash, St. Louis, and Pacific Railway v. Illinois* that only the federal government could regulate interstate commerce. Public pressure forced Congress to act, and in 1887 Cleveland signed the Interstate Commerce Act. This was the first federal law to regulate interstate commerce.

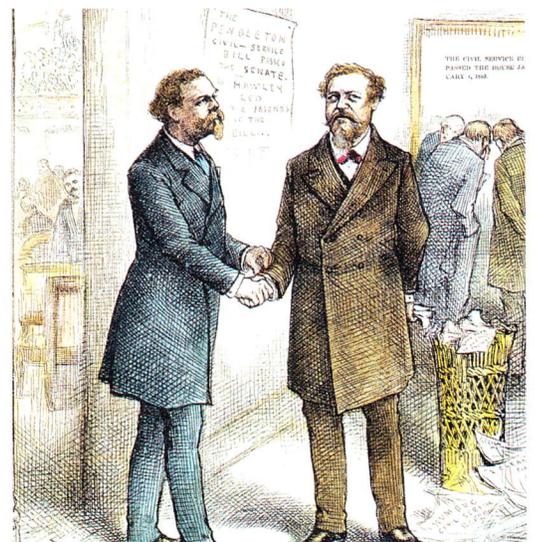
Tariffs were another economic issue. Many Democrats thought that Congress should cut tariffs because they raised the price of imported goods. High tariffs also forced other nations to respond in kind, making it difficult for farmers to export surpluses. In December 1887 President Cleveland proposed lowering tariffs. The Democratic House passed moderate tariff reductions, but the Republican Senate rejected the bill.

Republicans Regain Power

In 1888 the Republicans and their presidential candidate, Benjamin Harrison, received large campaign contributions from industrialists who benefited from high tariffs. Cleveland and the Democrats campaigned against high tariff rates. In one of the closest presidential elections in American history, Harrison lost the popular vote but won the electoral vote, giving Republicans control of the White House.

The party passed legislation to address points of national concern. In 1890 Representative William McKinley pushed through a bill that cut some taxes and tariff rates but increased rates on other goods. The McKinley Tariff, intended to protect American industry from foreign competition, instead

POLITICAL DEBATES OF THE GILDED AGE



POLITICAL CARTOONS

Senator George H. Pendleton is congratulated for his civil service bill. An overflowing trash bin suggests that reform is impossible.

- 1 Did the artist who drew the cartoon favor civil service reform? How does he indicate his opinion?
- 2 How might the passage of civil service reform change how government works?

helped trigger a steep rise in the price of all goods. In 1890 Congress also passed the Sherman Antitrust Act to curb the power of the large business combinations known as trusts. The act prohibited any “combination . . . or conspiracy, in restraint of trade or commerce among the several States.”

✓ READING PROGRESS CHECK

Summarizing What actions did Congress take to reform the civil service? Why were these steps necessary?

Unrest in Rural America

GUIDING QUESTION *What kinds of problems did farmers face?*

Populism was a movement to increase farmers’ political power and work for legislation in their interest. An economic crisis following the Civil War led farmers to join the Populist movement. New technology enabled farmers to produce more crops, but increased supply caused prices to fall. High tariffs also made it hard for farmers to sell their goods overseas. In addition, mortgages with large banks and rail shipping costs that continued to increase made the farmers’ difficulties worse.

The Money Supply

Some farmers thought adjusting the money supply would solve their problems. During the Civil War, the government had expanded the money supply by issuing millions of dollars in **greenbacks**, paper **currency** that could not be exchanged for gold or silver coins. The increased money supply without an increase in goods for sale caused **inflation**, or a decline in the value of money. As the paper money lost value, the prices of goods soared.

After the Civil War ended, the United States had three types of currency in circulation—greenbacks, gold and silver coins, and national banknotes backed by government **bonds**. To get inflation under control, the federal government stopped printing greenbacks and began paying off its bonds. In 1873 Congress also decided to stop making silver into coins. These decisions meant that the money supply was insufficient for the country’s growing economy. As the economy expanded, **deflation**—an increase in the value of money and a decrease in prices—began.

Deflation hit farmers especially hard. Falling prices meant that they sold their crops for less and then had to borrow money for seed and other supplies to plant their next crops. With money in short supply, interest rates began to rise, increasing the amount farmers owed. Rising interest rates also made mortgages more expensive, and despite their lower income, farmers had to make the same mortgage payments to the banks.

The Grange Takes Action

In 1866 the Department of Agriculture sent Oliver H. Kelley to tour the rural South and report on farmers’ conditions. Realizing that farmers were isolated, Kelley

founded the first national farm organization, the Patrons of Husbandry, in 1867. It became known as the Grange.

In 1873 the nation plunged into a severe recession, and farm income fell sharply. Grangers responded by pressuring states to regulate railroad and warehouse rates. To reduce harmful competition among farmers, the Grangers also tried creating organizations called **cooperatives** in which member farmers worked together to increase prices and lower costs. None of the **strategies** improved farmers’ economic conditions.

populism a political movement founded in the 1890s representing mainly farmers that favored free coinage of silver and government control of railroads and other large industries

greenback a unit of paper currency first issued by the federal government during the Civil War

currency paper money used as a medium of exchange

inflation an ongoing increase in prices and decrease in the value of money

bond a note issued by the government that promises to pay off a loan with interest



This Civil War–era banknote from 1862 was part of the expanded money supply that caused a rise in inflation.

► CRITICAL THINKING

Making Inferences Why would an increase in the amount of paper currency cause it to lose value?

The Farmers' Alliance

As the Grange began to fall apart, a new organization, known as the Farmers' Alliance, began to form. By 1890, the Alliance had between 1.5 and 3 million members. When Charles W. Macune became the leader of the Alliance, he announced a plan to organize very large cooperatives, which he called exchanges. The exchanges failed because they overextended themselves, or because wholesalers, railroad owners, and bankers made it difficult for them to stay in business. They also failed because they were still too small to affect world prices for farm products.

READING PROGRESS CHECK

Explaining What measures did the nation take after the Civil War to improve its economic situation? What was the result?

The Rise of Populism

GUIDING QUESTION *What were the goals of the People's Party?*

By 1890, many people in the Alliance were dissatisfied. They felt that only through politics could they achieve their goals. However, many Alliance members had become distrustful of both the Republican and Democratic Parties. They believed that both parties favored industry and banks over farmers. From 1888 to 1892, regional Alliance groups met to discuss how to proceed. Some Alliance leaders, especially in the Midwest, wanted to form a new political party and push for political reforms. Most Southern leaders did not want to weaken the power of the Democratic Party in the South. They suggested that the Alliance produce a list of demands and promise to vote for candidates who supported those demands.

In July 1892, more than 1,000 delegates met in Omaha, Nebraska, to form the People's Party. The party held its first national convention and nominated James B. Weaver to run for president. The Omaha convention's platform called for a return to unlimited

coinage of silver. It also called for federal ownership of railroads and a **graduated income tax**.

Populists also adopted proposals that were designed to appeal to organized labor. Ideas such as an eight-hour workday and immigration restrictions were put forth as appealing options. In the end, however, populism held little appeal to urban voters, who continued their traditional party allegiances. Many workers continued to vote for the Democrats, whose candidate, Grover Cleveland, won the election.

READING PROGRESS CHECK

Summarizing Why did Southern Alliance groups resist the idea of a national People's Party?

deflation an ongoing decrease in prices and an increase in the value of money

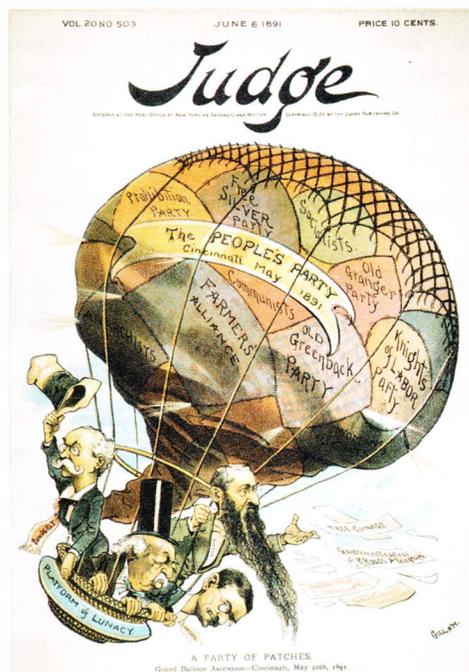
cooperative a store where farmers buy products from each other; an enterprise owned and operated by those who use its services

strategy a plan or method for achieving a goal

graduated income tax a tax based on the net income of an individual or business and which taxes different income levels at different rates

FORMATION OF THE PEOPLE'S PARTY

POLITICAL CARTOONS



The People's Party is shown as a patchwork of assorted movements and philosophies supporting a "Platform of Lunacy."

- 1 Why do you think the People's Party platform is portrayed as one of lunacy?
- 2 How does the patchwork balloon represent the artist's point of view?

The Election of 1896

GUIDING QUESTION *Why did the Populists support the Democratic candidate—William Jennings Bryan—in 1896?*

As the election of 1896 approached, leaders of the People's Party decided to make the free coinage of silver the focus of their campaign and to hold their convention after the Republican and Democratic conventions. They believed, correctly, that the Republicans would endorse a gold standard. They also expected the Democrats to nominate Grover Cleveland, even though Cleveland favored a gold standard. The People's Party hoped that when it endorsed silver, pro-silver Democrats would choose the Populists.

Unfortunately, their strategy failed. William Jennings Bryan made an impassioned pro-silver speech at the convention and won the nomination.

PRIMARY SOURCE

“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.”

—from a speech at the Democratic National Convention, 1896

The Populists faced a difficult choice: endorse Bryan and risk undermining their identity as a party, or nominate their own candidate and risk splitting the silver vote. They chose to support Bryan.

The Republicans appealed to workers with the promise that McKinley would provide a “full dinner pail.” Also most business leaders supported the Republicans, convinced that unlimited silver coinage would ruin the country. Many employers warned workers that if Bryan won, businesses would fail and unemployment would rise further. McKinley's reputation as a moderate on labor issues and as tolerant toward ethnic groups helped improve the Republican Party's image with urban workers and immigrants. When the votes were counted, McKinley had won with a decisive victory.

The Populist Party declined after 1896. The Populists' efforts to ease the economic hardships of farmers and to regulate big business failed. Only long after the party's demise were Populist proposals such as a graduated income tax and further governmental regulation of the economy achieved.

READING PROGRESS CHECK

Evaluating Why did the Republicans win the election of 1896?

LESSON 4 REVIEW



Reviewing Vocabulary

1. Explaining Explain the significance of: populism, greenbacks, inflation, deflation.

Using Your Notes

2. Comparing and Contrasting Use your notes to explain how the Farmers' Alliance contributed to the rise of a new political party.

Answering the Guiding Questions

3. Cause and Effect Why was civil service reform needed?

4. Describing What kinds of problems did farmers face?

5. Summarizing What were the goals of the People's Party?

6. Making Connections Why did the Populists support the Democratic candidate—William Jennings Bryan—in 1896?

Writing Activity

7. ARGUMENT Suppose that you support the Populist Party and that you have been asked to write copy for a campaign poster. Include a slogan and text that provides reasons for people to support the Populists.