

Panic of 1893 & The Election of 1896

Key Concept 6.1.III

January 21, 2016

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POL-2.0: Explain how popular movements, reform efforts, and activist groups have sought to change American society and institutions.

POL-3.0: Explain how different beliefs about the federal government's role in U.S. social and economic life have affected political debates and policies.

WXT-3.0: Analyze how technological innovation has affected economic development and society.

III. New systems of production and transportation enabled consolidation within agriculture, which, along with periods of instability, spurred a variety of responses from farmers.

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Causes of the 1893 Panic



- **Begun 10 days after Cleveland took office.**
 1. **Several major corps. went bankrupt.**
 - **Over 16,000 businesses disappeared.**
 - **Triggered a stock market crash.**
 - **Over-extended investments.**
 2. **Bank failures followed causing a contraction of credit [nearly 500 banks closed].**
 3. **By 1895, unemployment reached 3 million.**
- **Americans cried out for relief, but the Govt. continued its laissez faire policies!!**

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The Crisis of the Depression

- **Economic crisis dominated the 1890s**
- **Railroads overbuilt, companies grew beyond their markets, farms and businesses went deeply in debt**

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The Panic of 1893

- February 1893--failure of major railroad sparks panic on New York Stock Exchange
- Investors sell stock to purchase gold
- Depleted Treasury shakes confidence
- May, 1893--market hits record low, business failures displace 2 million workers
- 1894--corn crop fails

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Coxey's Army and the Pullman Strike

- 1894--Jacob Coxey leads "Coxey's Army" to Washington to demand relief
- Pullman strikes by Eugene Debs' American Railway Union close Western railroads
- President Cleveland suppresses strikes with federal troops

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Changing Attitudes

- Depression of 1893 forces recognition of structural causes of unemployment
- Americans accept the need for government intervention to help the poor and jobless

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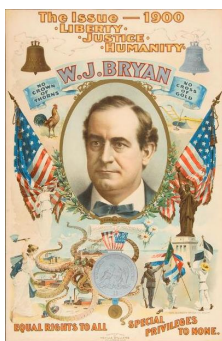
The Presidential Election of 1896

- Free coinage of silver the main issue
 - boost the money supply
 - seen as solution to depression
- New voting patterns emerged and national policy shifted

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Republicans and Gold

- Candidate: William McKinley
- Silverite Republicans defeated on convention floor
- Promises gold standard to restore prosperity



The Democrats and Silver

- Candidate: William Jennings Bryan
- Free silver promised in "Cross of Gold" speech
- Democrats enthusiastic

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Cross of Gold Speech

The most famous speech in American political history was delivered by William Jennings Bryan on July 9, 1896, at the Democratic National Convention in Chicago. The issue was whether to endorse the free coinage of silver at a ratio of silver to gold of 16 to 1. (This inflationary measure would have increased the amount of money in circulation and aided cash-poor and debt-burdened farmers.)



“You came to tell us that the great cities are in favour of the gold standard; we reply that the great cities rest upon our broad and fertile plains. Burn down your cities and leave our farms, and your cities will spring up again as if by magic. But destroy our farms and the grass will grow in the city... You shall not press down upon the brow of labour this crown of thorns. You shall not crucify mankind upon a cross of gold.”

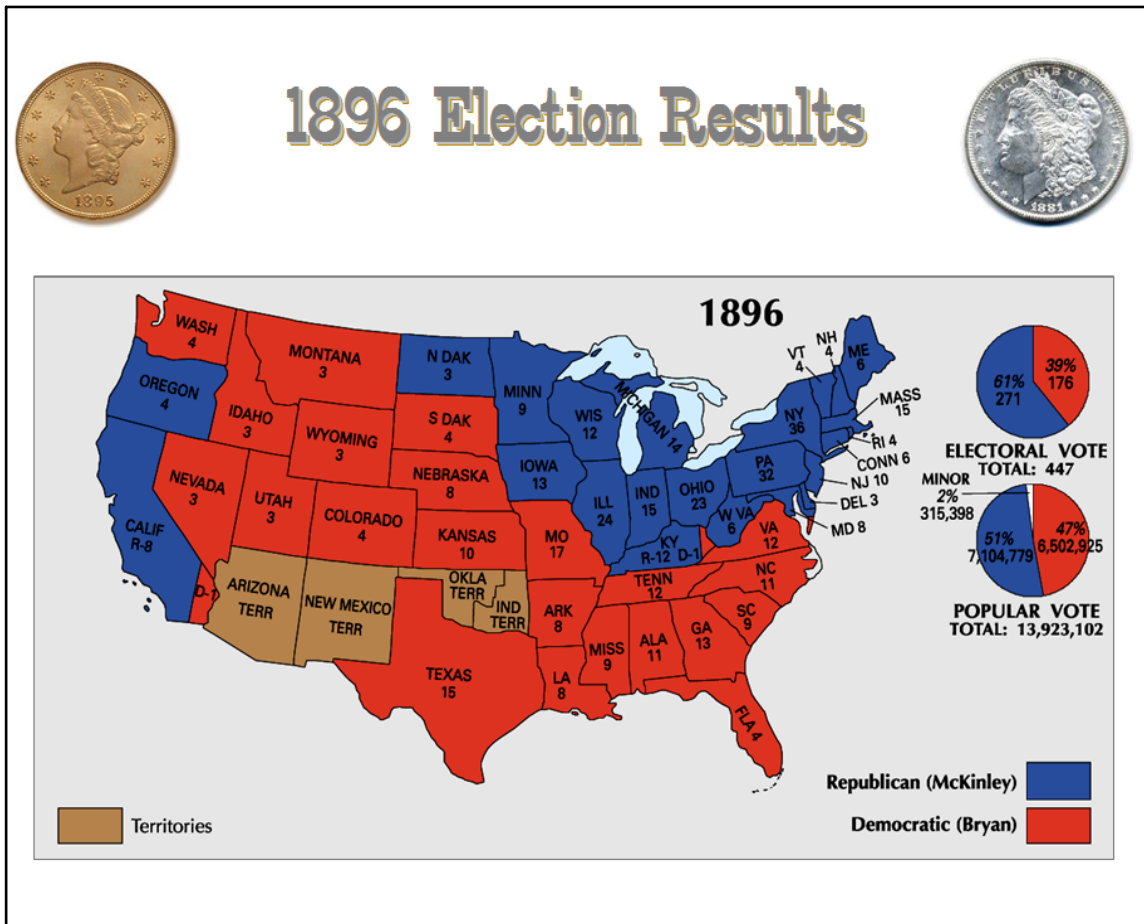
— [William Jennings Bryan](#)

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Campaign and Election

- Populist party endorses Bryan
- Bryan offers return to rural, religious U.S.
- McKinley defends urban, industrial society
- Election is a clear victory for McKinley, utter rout of Populist party

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View:

<https://study.com/academy/lesson/the-grange-and-the-populist-party-platform-goals-history-definitions.html>

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Surprise!



<u>Writing Grades</u>	<u>Points</u>
Period 1 Short Answer (Col Exch)	6
Period 2 Short Answer (NE v Ches)	6
Period 3 Short Answer (Am. Rev)	6
Period 4 DBQ (Reform Movements)	30
Ch 14 Short Answer (Sectionalism)	10
Period 5 LEQ (Reconstruction)	12
Period 6 Short Answer (Frontier)	6

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Final Exam Study Guide



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