

William McKinley - The politics of depression

The McKinley Tariff, together with lavish expenditures on pensions and pork-barrel schemes, aroused resentment against the "Billion-Dollar Congress," and as a consequence the elections of 1890 brought a Democratic landslide. Yet the Republican losses, including his own, proved a blessing for McKinley. He quickly rebounded to become governor of Ohio for two terms, thereby gaining administrative experience while avoiding the stigma of further association with unpopular national policies. His growing prominence in the party led to his serving as chairman of the Republican National Convention in 1892 and to his winning enough support to be mentioned as a nominee for the presidency. Aware of unrest throughout the land and within Republican ranks, he rejected the suggestion that he throw his hat into the ring. He thus remained in relative safety in Columbus as Grover Cleveland returned to the White House and as the depression that began in 1893 deepened into one of the worst economic disasters in American history.

The depression brought business failures, industrial unemployment, and low farm prices. As economic conditions worsened, social tensions increased. Heated debates over causes of the nation's problems pitted the urban East against the rural West and South, the conservative against the radical, and labor against capital. As in any depression, explanations for hard times multiplied. Ultimately, the debates concentrated on money and currency. The [Sherman Silver Purchase Act](#), passed the same year as McKinley's tariff legislation, had been inadequate to meet the demand for better prices or for an increase in the stock of money. Once again the segments of society that stood to gain from higher prices, especially the farmers of the West and South, reiterated their cries for free and unlimited coinage of silver.

To Grover Cleveland, the arguments of the silverites were anathema. Securing repeal of the Sherman Act, he learned to his sorrow that while repeal did not halt the depression, his stand on the currency question divided the Democratic party. Silver Democrats listened to orators such as William Jennings Bryan elaborate on the iniquities of gold and on ways in which the gold standard benefited the financiers of Wall Street.

Silver was not the only issue that divided the Democrats during the depression of the 1890s. For years officials in the Treasury Department had considered a gold reserve of at least \$100 million essential to sound fiscal policy, but that reserve dwindled to \$62 million in 1894 and to less than \$42 million early the next year. Cleveland's response was to negotiate an agreement with [J. P. Morgan](#) and a [syndicate](#) of New York bankers to obtain gold for the treasury by selling bonds. Such maneuvering simply confirmed suspicions that Wall Street was in league with conservative Democrats who remained loyal to the president. To compound the problems of the Cleveland administration, labor unrest summoned up the specter of revolution. [Jacob Coxey](#) led an [army](#) of jobless workers in a march on Washington to demonstrate for unemployment relief, and violence broke out in Chicago when Attorney General Richard Olney issued an [injunction](#) to halt a strike at the [Pullman](#) Palace Car Company.

Blaming Grover Cleveland for the depression and facing a divided Democratic party, the Republicans anticipated a return to their winning ways in the elections of 1894. They were not disappointed. After electing a lopsided majority in both houses of Congress as well as in state and local offices, they were confident that with the right candidate they would recapture the presidency in 1896. As plans for the campaign began to take shape, William McKinley clearly emerged as the favorite of most Republicans. Although he had voted for the Bland-Allison Act and the Sherman Silver Purchase Act, his work on the tariff demonstrated an understanding of economic problems that put monetary manipulation in its proper place and satisfied the party faithful.

Content with McKinley's record in politics, Republicans might have shown greater concern for the depression's effect on his personal affairs. He had unwisely endorsed the notes of a friend whose [tin-plate](#) business failed and left him liable for debts amounting to more than \$100,000. Fortunately, with the help of Mark Hanna, William R. Day, [Myron](#) Her-rick, and [Herman](#) H. Kohlsaat, who took it upon themselves to manage his affairs, McKinley weathered the financial crisis. He made no secret of his difficulties, and sympathetic Democrats as well as Republicans contributed to a fund for his relief. If anything, adversity again worked to his advantage, for it brought him into a closer relationship with Mark Hanna. McKinley first met the Cleveland industrialist in the early 1870s, and Hanna had proved himself to be a reliable associate. Now, having helped to rescue McKinley from financial misfortune, Hanna was prepared to devote his incomparable organizational skills to his friend's campaign for the presidency.

(Source: World Biography of US Presidents)