

## Teaching Guide

### SEGMENT 6, WEBISODE 10

Please note: Each segment in this Webisode has its own Teaching Guide



#### Segment Overview

In 1893, economic depression quickly followed financial panic. A major railroad declared bankruptcy and a few powerful corporations plunged into debt. When the bubble of inflated credit burst, the whole stock market collapsed, thus precipitating the rapid withdrawal of cash reserves from banks.

Previous financial panics had taught depositors that in a general collapse of credit the banks would most likely be the first casualties of disaster. Therefore, depositors would not accept legal tenders but demanded their money in gold. Their withdrawals seriously eroded reserves in the entire banking community. Because they did not have enough cash and were unable to import foreign gold, banks refused to pay the withdrawals of their own depositors. Hundreds of banks, loan and trust companies, and mortgage companies folded. A number of banks joined together to purchase foreign gold, and money brokers offered to pay cash for certified bank checks at a discount. These actions helped to avert a complete financial disaster.

As financial confidence eroded and panic ensued, citizens perceived the government as insolvent and inept in solving the economic crisis. By the time the panic subsided, many businesses and money houses had failed.

#### Teacher Directions

1. Display the following quotation on the chalkboard, chart paper, or a transparency.

*There has never been a time in our history when work was so abundant, or when wages were as high, whether measured by the currency in which they are paid, or by their power to supply the necessities and comforts of life.*

~~ President Benjamin Harrison, 1893

2. Ask the students to imagine they were American citizens in 1893 reading President Harrison's words. How would they feel?
3. Tell the students, that several months after President Harrison wrote these words, a financial panic occurred, followed by a depression. Define the following words for students

*financial panic* — people lose faith in the economy and try all at once to change their paper money and stocks for gold or silver. When this happens, banks and companies fail.



#### Let's Discuss

*depression* — an economic condition when people are unemployed, without money, and unable to buy goods and services.

### Teacher Directions

1. Find pictures of nineteenth century currency (gold or silver certificates) for students to study. The web site American Currency Exhibit @ <http://www.frbsf.org/currency/bills.html> is a good resource. Also have available some modern currency for students to study.
2. Ask the students, working in their small learning teams, to quickly observe and list the differences between the nineteenth century and modern currency. Students may note differences in size, the president portrayed, the arrangement and style of the writing. However, the major difference that they should notice is that the nineteenth century currency promises the bearer the value of the bill in actual gold or silver on demand. The modern bill states that it is legal tender, but does not promise the bearer the value in gold or silver.
3. Ask the students to speculate why this change occurred. Make sure in the discussion that the students understand that in the financial panic of 1893, depositors' demands for gold or silver all at once caused many banks to fail.

### Teacher Directions

1. Share with students the Brief Bio of Jacob Coxey, review other information about Coxey, and if students have access to the Internet, visit the Jacob Coxey web site.
2. Discuss the following questions with the students.
  - What do you think of the way President Cleveland reacted to Coxey's army?
  - What would you have done if you were in the president's place?



History Sleuth



What do you  
Think?



Moving Toward  
Freedom



Connections

### Teacher Directions

1. Distribute copies of the Student Sheets: *Taking Sides: The Pullman Strike Timeline* to partners in the small learning teams.
2. Student partners study the timeline. One partner considers the viewpoint and actions of the Pullman Company owners. The other partner considers the viewpoint of the workers. Students explain their viewpoints and actions to each other and answer the following questions.
  - Why did the Pullman company owners act as they did?
  - Do you think their actions were right or wrong? Why?
  - Why did the workers act as they did?
  - Do you think the workers' actions were right or wrong? Why?
  - What did each side win in the strike?
  - What did each side lose in the strike?
  - Did either side move our country toward freedom? How?

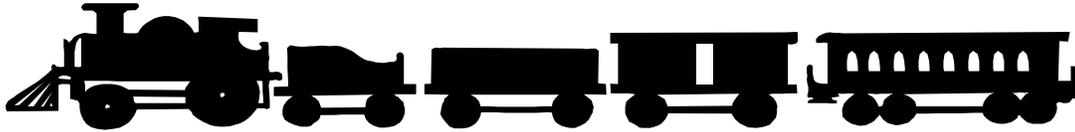
### Teacher Directions

Use the following activities with your students.

**Art** — Students create a mural illustrating the timeline of the Pullman strike and display it on a classroom or hallway wall.

**Science** — Students investigate the technology of making money – how the mint actually makes coins and paper currency, the steps the mint takes to foil counterfeiting, and how new designs for coins and paper currency are created.

**Library** — Students research the symbols and words on coins and currency and why these particular symbols were chosen. Students create a series of posters to share the information.



## Taking Sides: The Pullman Strike Timeline

**1867 - 1893** — The Pullman Company, owned by George Pullman, manufactured first class sleeping cars that ran on almost all the nation's railroads.

The workers for the Pullman Company lived in a company-owned town near Chicago. They paid the Pullman Company for their housing, their food and supplies, even to use the town church.

**September 1893 - May 1894** — With the economic depression, fewer people could afford the luxury of a sleeping car on a train. The Pullman Company's profits began to decrease.

The Pullman Company cut its workers' wages by about 25 percent. It fired two thousand workers. But it charged workers the same amount for rent and supplies in its town.

**March 1894** — The Pullman Company's workers joined the American Railway Union.

**May 1894** — The Pullman Company refused to talk to union representatives. It fired some of the union representatives.

The workers went on strike. Other railroad workers joined them. They refused to run trains that had Pullman cars attached to them.

The Pullman works closed.

**June 1894** — The strike seriously disrupted rail service, including mail cars.

The railroad workers offered to keep the mail trains running, so long as no Pullman cars were attached. The railroad companies refused this offer.

**July 1894** — The United States Army was sent to keep the mail cars running.

The strike ended in violence. Union leaders were arrested, and those who were active in the strike lost their jobs.

**August 1894** — The Pullman Company resumed business.

