

A change in the political current

A politician faces the opportunities and obstacles that resemble those faced by a riverboat captain who would like to travel on a river that runs quick during a rainy season but that dries up during a drought. This similarity was apparent in the 1896 presidential election when William Jennings Bryan found an issue that was popular enough to carry him to his party's nomination.

At the time, the economy was experiencing deflation. That means that money was becoming more valuable over time. This created a problem for farmers who were locked into debt payments that remained constant; they had to repay their loans with money that became increasingly valuable.

Bryan made a promise that allowed him to gain the farmers' support. He promised to coin silver to increase the money supply. The extra money would create inflation, which would increase the prices of almost everything, including the farmers' crops. If they could charge more for their crops, farmers would be earning more money, so they could more easily afford to make their loan payments. While Bryan didn't win the 1896 election, it was a close election.

Much like the river's water can disappear to strand the ship's captain, the deflation that gave Bryan a popular issue did not last. People discovered gold in the Yukon, which led to an increase in the money supply, which in turn led to inflation. The farmers' problems were solved and they did not need Bryan anymore. He lost the 1900 Presidential election by a wider mar-

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Increased globalization was probably the main cause. As the United States increased its trade, domestic firms demanded more workers who could use technology. Since the workers who were best able to use technology were educated, firms bid up the wages for college-educated workers. In contrast, many goods that could be made with low-skilled labor were produced overseas. In the United States, the demand for low-skilled workers decreased. There were a lot of low-skilled workers and few jobs available, so the wages in the low-skilled labor market did not increase very much.

Both Donald Trump and Bernie Sanders railed against the causes of this inequality, as they saw it. Trump wanted people to buy American products (and reduce globalization) and Sanders wanted to punish the rich by taxing them more. Trump won a presidential election, and Sanders was very popular. The inequality that drove their popularity should become less pronounced because of recent changes in the economy.

During normal times, people with fewer

skills or less education can often have trouble finding jobs. Since 1950, the average unemployment rate in the U.S. was 5.8 percent, so in normal times plenty of people are searching for jobs. Last month the unemployment rate was only 3.6 percent and the U.S. isn't even experiencing an economic boom. Firms are having trouble finding enough workers – even unskilled ones. There are several reasons. Many people are leaving the workforce. The labor force participation rate has declined from 63.4 percent in January 2020 to 62.4 percent last month. And, because people had fewer children years ago, there has been diminished growth in the number of young workers entering the labor market.

Because there are more jobs than workers, low-skilled workers are in position to negotiate a good deal. The news is filled with their success. Walmart recently announced that it is willing to train workers to drive trucks and then to pay these truck drivers over \$100,000 a year. Workers at Amazon and Apple are attempting to unionize, an effort that should allow them to earn higher wages.

The shortage of low-skilled workers will give these workers bargaining power and opportunities that can lead to higher wages. These workers no longer need Trump or Sanders to achieve this goal. These politicians should become less attractive to many voters because the economic issue they exploited has dried up (at least partially) much like the river did during the dry season.

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