

## The Gilded Age

### CHAPTERS 23 - 25

*Presented by:  
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### The Spoils System

- ❖ Under the Spoils System (**patronage**), candidates for political office would offer potential jobs in exchange for votes.
  - gave supporters access to money and political favors – “Spoilsmen”
- ❖ During the Gilded Age, the Republicans and Democrats had roughly the same number of supporters.
  - To keep party members loyal, candidates rewarded supporters and tried to avoid controversial issues.

<p><b><i>The Republicans</i></b></p> <ul style="list-style-type: none"> <li>□ appealed to the industrialists, bankers, &amp; eastern farmers.</li> <li>□ They favored the gold standard (<b>sound money</b>) &amp; high tariffs</li> <li>□ <b>Blue laws</b>, regulations that prohibited certain activities people considered immoral.</li> </ul>	<p><b><i>The Democrats</i></b></p> <ul style="list-style-type: none"> <li>□ attracted the less privileged groups.</li> <li>□ such as northern urban immigrants, laborers, southern planters, &amp; western farmers.</li> <li>□ Supported <b>soft money</b> &amp; silver coinage.</li> </ul>
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### Leading to the Gilded Age

- As a result of the Civil War waste, extravagance, speculation, & graft reduced the moral stature of the Republic
- Ulysses S. Grant elected President after Johnson’ s controversial Presidency
  - “Wave the Bloody Shirt” – 1<sup>st</sup> President to use the Civil War as his platform
  - Extremely corrupt Presidency



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## PRESIDENT GRANT'S SCANDALS

### Credit Mobilier



- Phony construction company owned by stockholders of Union Pacific Railroad
- Hired **Credit Mobilier** to build the transcontinental railroad
- Charged the U.S. government nearly twice the actual cost of the project
- Bribed Congress to stop the investigation.
- Largest scandal in U.S. history, & led to greater public awareness of government corruption

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## PRESIDENT GRANT'S SCANDALS

### Whiskey Ring



- A group of President Grant' s officials imported whiskey
- Used their offices to avoid paying taxes
- Cheated US treasury of millions

### Salary Grab

- Congress gave itself a raise, \$5,000.00 - \$7,500.00 annually
- Congressmen received a retroactive check for \$5,000.00, plus their raise
- Became a political issue
- Later repealed

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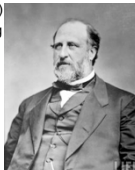
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## Leading to the Gilded Age

- "Jubilee Jim" Fisk & Jay Gould try to rig the gold (Au) market
  - "Black Friday" (Sept. 24, 1869) drove the price of Au higher by speculation
- Boss Tweed leader of the New York City Tweed Ring employed bribery, graft, & fraudulent elections to steal \$200,000,000.00 from the municipality
  - Protesters found their tax assessments raised
  - Cartoonist Thomas Nast (Harper's Weekly) publishes scathing cartoons which eventually lead to Tweed' s arrest (died in prison)
    - NY Times offered \$5,000,000.00 not to publish damning evidence it had against Tweed

William M. Tweed

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### Leading to the Gilded Age

- Despite numerous scandals Grant (Republican) wins the 1872 election
  - Grant's opponent Horace Greeley (Liberal Republican) was a terrible candidate
  - Party loyalists had the most success during the Gilded Age
  - During the Gilded Age Republicans & Democrats had little difference on economic policy
- Economic collapse in 1873
  - Grant was clueless in the ways of economics & is convinced by corrupt officials to not print more "greenbacks"
  - Labor strikes erupt & Grant sends in Federal troops to break them up




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### Forgettable Presidents of the Gilded Age

- Grant was vying for a third term when the House passed a resolution forbidding it
- Rutherford B. Hayes wins a controversial & corrupt election
- **Compromise of 1877** withdraws Federal troops from the South & ultimately ends reconstruction
  - In exchange the Democrats allowed Hayes to become President
  - The Republicans quietly abandon their racial equality policies – Jim Crow laws are now instituted in the South (legal segregation)
  - Southern Whites or "Redeemers" resume political power over blacks




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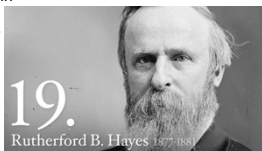
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### Rutherford B. Hayes, James Garfield & Chester A. Arthur

- When Reconstruction ends many laborers seize the opportunity to lower wages
  - Strikes break out and Hayes sends in Federal troops to break it up
- Garfield & Arthur win the election of 1880
  - Garfield is shot in the back by a deranged and disappointed office seeker by the name of Charles J. Guiteau
  - Garfield dies (Sept. 19, 1881) after an eleven week battle to stay alive
  - Guiteau's lawyers plead the very first case of "insanity"
  - Guiteau was found guilty & hanged




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### Rutherford B. Hayes, James Garfield & Chester A. Arthur

- Chester A. Arthur becomes President (1881)
  - Arthur surprises many when he begins to attack supporters of the “Spoils System”
  - Helps pass the **Pendleton Act**
    - It made compulsory campaign contributions from federal employees illegal, & it established the Civil Service Commission to make appointments to federal jobs on the basis of competitive examinations rather than “pull”
    - Helped drive politicians into “marriages of convenience” with big-business leaders




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### Grover Cleveland

- Grover Cleveland (Dem.) wins the 1884 election
  - First Democrat to do so since Buchanan 28 years earlier
  - Most eligible bachelor
  - Strong supporter of Laissez-Faire Economics
  - Wanted to lower tariffs
    - Proposes this to Congress
    - Democrats become deeply disappointed that their chief brought up this controversial issue
    - Republicans rejoiced when Cleveland tried to tackle such a controversial issue
    - Could spend on military pensions or lower tariff




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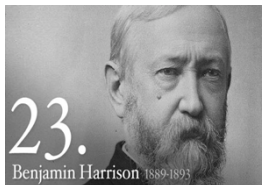
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### Benjamin Harrison

This leads to Benjamin Harrison (Repub.) winning the 1888 election

The Populist Party (Peoples' Party) forms

- Southern Blacks who were now disenfranchised with the Republican Party join the Populists in droves
- This ironically begins to sink the Populist Party
- Populist Party tries to distance itself from Blacks by endorsing racist disfranchisement legislation




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### The Gilded Age

- Southern Whites attack African Americans with literacy requirements to vote, poll taxes, economic intimidation & grandfather clauses
- The Supreme Court validated the South's segregationist social order in the case of *Plessy v. Ferguson* (1896)
  - Separate but equal becomes the law of the land
- Chinese laborers are banned by the Federal Gov't from immigrating to America (Chinese Exclusion Act – 1882)
- Grover Cleveland (Dem.) wins the election of 1892
  - First & only President to serve two non-consecutive terms
  - The US was about to be hit a depression
  - Cleveland left a surplus after his first term but inherited a deficit in his second term
  - Cleveland turns to super banker JP Morgan who agrees to lend the gov't \$65,000,000.00 in gold for a hefty profit of \$7,000,000.00 (11%)
  - Cleveland is met with backlash for this decision

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### Chapter 24 Quiz – Period 3

- Where did Union Pacific meet Central Pacific Railroad to unify the country by rail?
- What was the name of the oil tycoon of this era?
- Who kind of tycoon was James Duke?
- What did the “Gospel of Wealth” mean?
- How did the Haymarket Square strike ultimately destroy the Knights of Labor?

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### Chapter 24 Quiz

1. Where did Union Pacific meet Central Pacific Railroad to unify the country by rail?
2. What was the name of the steel tycoon of this era?
  - What type of integration did he use? Explain.
3. What was the name of the Oil tycoon of this time?
  - What type of integration did he use? Explain.
4. What did the “Gospel of Wealth” mean? Who came up with this idea of thought?
5. What was the name of the legislation that was designed to break up monopolies and trusts? What was its original purpose?

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### American Industrial Revolution

- By 1900, USA becomes the leading industrial power in the world
- 4% growth per year between 1865 and 1900
  - Natural Resources: coal, iron ore, copper, lead, timber & oil
  - Growing population = markets for goods
  - Capital: investments from abroad
  - Labor saving technologies: 440,000 new patents granted from 1860-1890
  - Business was stimulated by government: railroads given loans & grants, tariffs, no heavy taxation or regulation of business
  - Talented entrepreneurs




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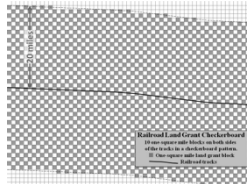
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### American Industrial Revolution

- Most railroads were built with government funding & assistance
- Companies were given acres of land for each mile of track they laid
- Union Pacific Railroad (RR) (East to West) Irish Workers
- Central Pacific Railroad (West to East) Chinese Workers
  - Much deadlier & costlier to life
- Wedding of the Rails – Union Pacific meets Central Pacific in Ogden Utah
- The railroad industry was the single greatest factor helping the United States explode economically during the Industrial Revolution (time zones)




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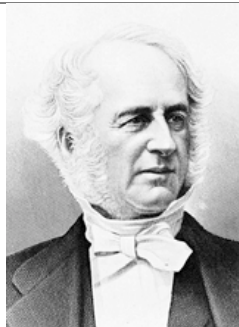
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### American Industrial Revolution

- Railroad Barons
  - James J. Hill – Great Northern RR
  - Cornelius Vanderbilt – New York Central RR
    - Pioneered the steel rail which replaced iron rails
  - Leland Stanford – Central Pacific RR
- At first the railroad barons were competing against each other
- They then begin to work together through a series of agreements
  - Indirectly forming a cartel
- The railroad barons were extremely corrupt
- Poor farmers felt they were being "railroaded" into bankruptcy




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### American Industrial Revolution

- Business leaders begin to eliminate their competition in a number of controversial ways (stock watering; pool; collusion)
- In 1861 only a handful of Millionaires existed in the US
- By 1890 there were roughly 3000 Millionaires\*
- Gap between rich & poor begins to widen\*\*
- 1886 the Supreme Court rules in the Wabash case that states have no right to intervene in interstate commerce
- 1887 Congress passes the Interstate Commerce Commission to regulate businesses & protect public from combinations



### TWO DIFFERENT WORLDS



❖ The wealthy lived **extravagant lifestyles** and considered themselves elitists.

❖ The common people resented their snobbish attitudes and wealth. There was a **caste system** in the U.S.

❖ 1861-----3 millionaires-----1900-----3,800

❖ 1900, 90% of wealth, controlled by 10% of population.

### Robber Barons or Captains of Industry

#### **"Robber Barons"**

- ❖ Business leaders built their fortunes by stealing from the public.
- ❖ They drained the country of its natural resources.
- ❖ They persuaded public officials to interpret laws in their favor.
- ❖ They ruthlessly drove their competitors to ruin.
- ❖ They paid their workers meager wages and forced them to toil under dangerous and unhealthy conditions.

#### **"Captains of Industry"**

- ❖ The business leaders served their nation in a positive way.
- ❖ They increased the supply of goods by building factories.
- ❖ They raised productivity and expanded markets.
- ❖ They created jobs that enabled many Americans to buy new goods and raise their standard of living.
- ❖ They also created museums, libraries, and universities, many of which still serve the public today.

### American Industrial Revolution

- Andrew Carnegie – Steel tycoon
  - Vertical Integration
- John D. Rockefeller – Oil tycoon
  - Horizontal integration
- J. Pierpont Morgan – Banking tycoon
  - Interlocking directorates
- James Duke – Tobacco tycoon
  - All ruthless businessmen & Social Darwinists
- 1890 Rockefeller controls 90% of the oil market – Eliminated competition with “trusts”
- With Carnegie’s new smelting process (Bessemer process) the US becomes the #1 exporter of steel
- The invention of the internal combustion engine causes a bigger demand for oil




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### American Industrial Revolution

- John D. Rockefeller the following tactics to continue his domination of the oil industry:
  - Employing spies, extorting rebates from railroads, bankrupting infant industries, price gouging, price fixing, pursuing the policy of rule or ruin and using high-pressure sales methods
- Andrew Carnegie begins the “Gospel of Wealth”
  - The idea that the wealthy should display moral responsibility for their God-given money
- David Ricardo & Thomas Malthus share the “Dismal Science”
  - Population growth will outpace the food supply




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### American Industrial Revolution

- Sherman Anti-Trust Act of 1890
  - Originally designed to curb the power of labor unions
  - Signed by congress in order to break up monopolies & trusts
- Throughout the Gilded Age the South remained primarily rural & agricultural
- Electricity allows factories to be open 24 hr/dy
  - People now live by the time of the clock rather than daylight & darkness
  - Women were the group most affected by this change – typewriter, telephone switchboard
  - The “Gibson Girl” (1890s) begins to represent the romantic ideal of the independent, assertive & athletic “new woman”



Charles Dana Gibson  
Artist

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### American Industrial Revolution

- Workers had no rights
- Strikes were met with violence
- Corporations bribed judges to have them rule against strikes
- Corporations would “black list” employees who participated in a strike
- Single workers were powerless to battle singlehandedly against industry.

#### Corporations could:

- Federal court injunctions
- Request state & Federal authorities to bring in troops
- Lockout & Scabs
- Ironclad oaths & Yellow dog contracts

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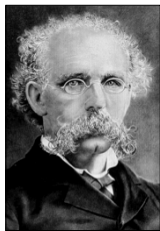
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### Knights of Labor



Terence V. Powderly



*An injury to one is the concern of all!*

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### Knights of Labor



Knights of Labor trade card

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## Goals of the Knights of Labor

- Eight-hour workday.
- Workers' cooperatives.
- Worker-owned factories, but shunned socialism.
- Abolition of child and prison labor.
- Increased circulation of greenbacks.
- Equal pay for men and women.
- Safety codes in the workplace.
- Prohibition of contract foreign labor.
- Abolition of the National Bank.

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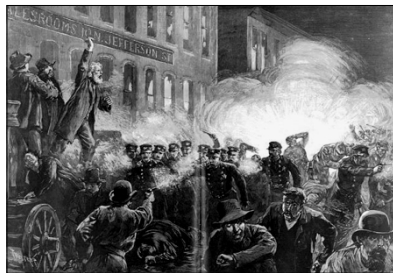
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## Haymarket Riot (1886)



McCormick Harvesting Machine Co.

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## Haymarket Martyrs




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## Governor John Peter Altgeld




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## American Industrial Revolution

- Unions begin to form against much opposition
  - **Noble & Holy Order of the Knights of Labor (K of L)** developed as secret society (1869)
  - Remained secret until 1881 to forestall possible reprisals by employers
  - "an injury to one is a concern of all" - "one big union" barred only "nonproducers"
  - Believed that the conflict between capital & labor would disappear if labor would own and operate businesses & industries
  - Won a number of strikes for the 8 hour day, campaigned for econ & social reform
  - Police sent to break up K of L supported Haymarket Square strike (May 4, 1886)
    - An unidentified person throws a stick of dynamite into a crowd killing several dozen people including police
    - This destroys the K of L

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## American Industrial Revolution

- The American Federation of Labor (AFL) becomes the most effective labor union, created in 1886
- By 1900 organized labor in the United States had begun to develop a more positive image with the public
- Most Americans start to feel that the "captains of industry" gained their wealth by exploiting workers
- Post Civil War expansion was due to:
  - A large pool of unskilled workers
  - An abundance of natural resources
  - American ingenuity & inventiveness
  - A political climate favoring business




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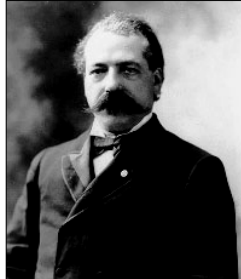
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### **The American Federation of Labor: 1886**



Samuel Gompers

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### **How the AF of L Would Help the Workers**

- Catered to the skilled worker.
- Represented workers in matters of national legislation.
- Maintained a national strike fund.
- Evangelized the cause of unionism.
- Prevented disputes among the many craft unions.
- Mediated disputes between management and labor.
- Pushed for closed shops.

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### **Chapter 25 - Period 3**

- Who founded the NAACP?
- What did the Morrill Act of 1862 grant?
- What is Urbanization?
- What was a “Bird of Passage”?
- What was the Hull House?

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### Chapter 25 Quiz – Period 5

- Who founded the NAACP?
- What did the Morrill Act of 1862 grant?
- What is Urbanization?
- What was a “Bird of Passage”?
- What was the Hull House?

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### Urbanization

- The availability of industrial jobs causes farmers to move into the cities
  - Farmers were crippled by the railroad industry therefore moving into the city became necessary
  - American city population triples
  - Skyscrapers develop in cities
    - Helped by the invention of steel
    - Department stores such as Macy’s and Marshall Fields help feed the ideal of consumerism
    - New engineering marvels such as the Brooklyn Bridge help unite cities
    - Crime escalates in the cities




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### New Immigration

- Many Europeans come to the US
  - Italians, Croats, Slovaks, Greeks, and Poles
  - Many of them worshiped in orthodox churches or synagogues
  - These new peoples totaled only 19% of the incoming immigrants in the 1880s
  - By the first decade of the twentieth century, they constituted an astonishing 66% of incoming immigrants




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### New Immigration

- The "New Immigrants" were vastly different culturally
- Most Italian immigrants came to the US to escape poverty
- A "bird of passage" was an immigrant who came to the US to work with plans of returning to Europe
- Most New Immigrants tried to preserve their Old Country culture in America




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### Reactions to New Immigrants

- Taking care of the immigrants was big business indeed
- Trading jobs and services for votes, a powerful boss might claim the loyalty of thousands of followers
- In return for their support at the polls, the boss provided jobs on the city's payroll, found housing for new arrivals, tided over the needy with gifts of food and clothing, patched up minor scrapes with the law, and helped get schools, parks, and hospitals built in immigrant neighborhoods




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### Reactions to New Immigrants

- Protestants help the needy immigrants thusly adding to their flock
- Most liberal Protestants rejected biblical literalism and adapted religious ideas to modern culture
- The Darwinian theory of organic evolution through natural selection affected American religion by creating a split between religious conservatives who denied evolution and "accommodationists" who supported it




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### Reactions to New Immigrants

- Settlement houses such as the Hull House helped immigrants with:
  - Child Care
  - Instruction in English
  - Cultural Activities
  - Social reform lobbying
- The big city had the most to offer for American women
  - Secretaries, department store clerks and telephone operators
  - Jobs were reserved for native born American women




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### Narrowing the Welcome Mat

- Nativism starts to develop
- Labor Unions favor immigration restriction because most immigrants were used as strikebreakers, worked for lower wages, didn't unionize and spoke little to no English
- Many Immigrants become Roman Catholic – 9 Million by the turn of the century
  - Roman Catholics accepted immigrants
  - Jews gaining numbers as well




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### Narrowing the Welcome Mat

- The "pragmatists" were a school of American philosophers who emphasized the provisional and fallible nature of knowledge and value of ideas that solved problems
- Americans begin to support free public education because they realized that a free government cannot function without educated citizens




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### Booker T. Washington & W. E. B. Du Bois

- War-torn and impoverished, the South lagged far behind other regions in public education, and African Americans suffered most severely
- 44% of African Americans were illiterate
- Booker T. Washington aims to fix the problem
  - Believed that the key to political and civil rights for African Americans was economic independence
  - Did not challenge segregation




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### Booker T. Washington & W. E. B. Du Bois

- W. E. B. Du Bois believed that the “talented tenth” of American Blacks should lead the race to full social and political equality
  - Was a harsh critic of Booker T. Washington
  - Even called him an “Uncle Tom”
  - Harvard Graduate who said, “The honor, I assure you, was Harvard’s”
  - Founded the NAACP




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### Higher Education & Women’s Suffrage

- Morrill Act of 1862 granted public lands to states to support higher education
- Women begin to go to colleges in record numbers
- Andrew Carnegie starts to finance public libraries all over the US
- Family Size actually declines by the turn of the century




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### Higher Education & Women's Suffrage

- Women's suffrage supporters argue that the giving them the vote would enable women to extend their roles as mothers and homemakers to the public world
- Middle class women begin to push for prohibition
- The National American Woman Suffrage Association limited its membership to only whites



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