

The Gilded Age

A. Best and worst American civilization--1870 to 1900

- **Major events**

- Industrial expansion, inventors and inventions
- Settlement of the West
- Railroad = symbol of growth = distribution system
- Rise of labor unions
- Rise of immigration
- Rise of urbanization
- **Political parties took no clear cut stand on issues**
- Captains of industry were the political leaders
- protect a laissez-faire system and capitalism..



B. Examples of Corruption 

3. James A. Garfield--1881---Republican

- Assassinated by an upset spoilsman--Charles Guiteau

4. Chester A. Arthur---1881 to 1885---Republicans

- Pendleton Civil Service Act--reformed the spoils system

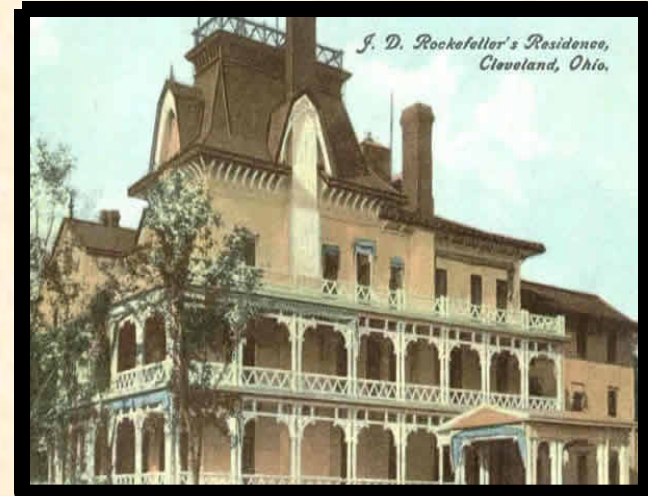
5. Grover Cleveland--1885 to 1889 and 1893 to 1897

- Only Democrat---Serves two terms but not consecutive
- Conflicts between business and labor.
- Formation of Labor Unions
- Haymarket Riot
- Pullman Strike
- Interstate Commerce Act--1887
- Tariff of 1894

6. Benjamin Harrison--1889 to 1893---Republican

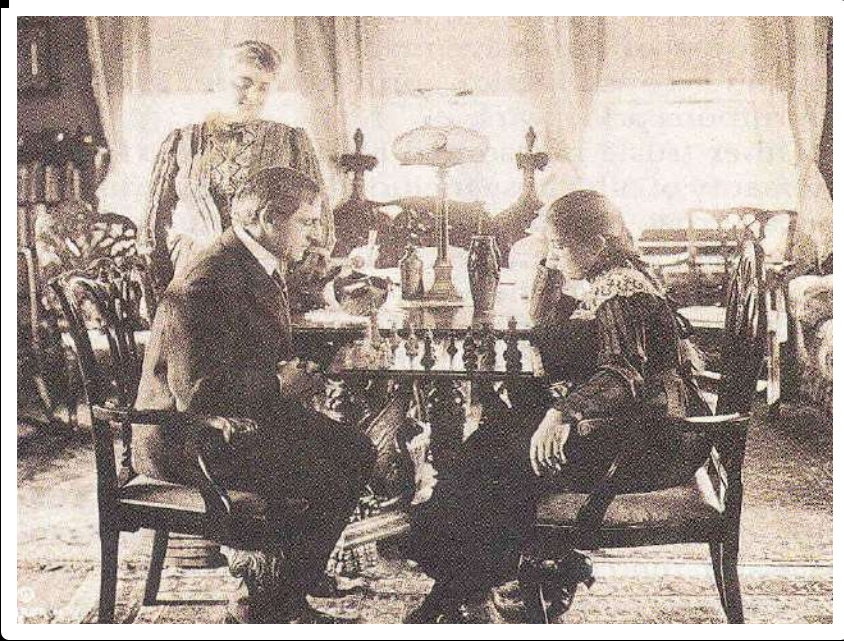
- Four major laws were signed during his presidency:
- Sherman Anti-Trust Act
- Sherman Silver Purchase Act
- McKinley Tariff Act
- Dependent Pension Act

OSTENTATIOUS WEALTH



CONSPICUOUS CONSUMPTION

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.***

The Emergence of Political Machines

Political Machine

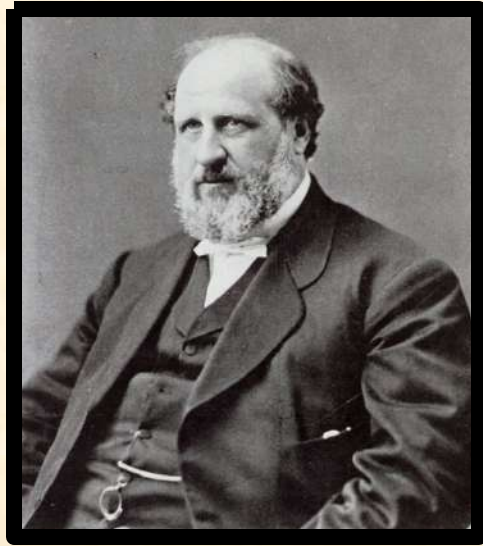
- Organized group that controls a city's political party
- Give services to voters, businesses for political, financial support
- After Civil War, machines gain control of major cities
- Machine organization: precinct captains, ward bosses, city boss



THE POWER BEHIND THE THRONE.

HE CANNOT CALL HIS SOUL HIS OWN.

POLITICAL MACHINES



The Role of the Political Boss

- May serve as mayor he:
- controls city jobs, business licenses
- influences courts, municipal agencies
- arranges building projects, community services
- Bosses paid by businesses, get voters' loyalty, extend influence

Immigrants and the Machine

- Many captains, bosses 1st or 2nd generation Americans
- Machines help immigrants with naturalization, jobs, housing

Election Fraud and Graft

- Machines use electoral fraud to win elections
- **Graft**—illegal use of political influence for personal gain
- Machines take kickbacks, bribes to allow legal, illegal activities



WILLIAM BOSS TWEED



- Corrupt political leader put New York City in debt

✓ *Political boss*

- 1851 elected to city council
- 1852 served in Congress



- Kept Democratic Party in power in NYC called Tammany Hall
- Formed the Tweed Ring
- Bought votes, encouraged corruption, controlled NYC politics



WILLIAM BOSS TWEED

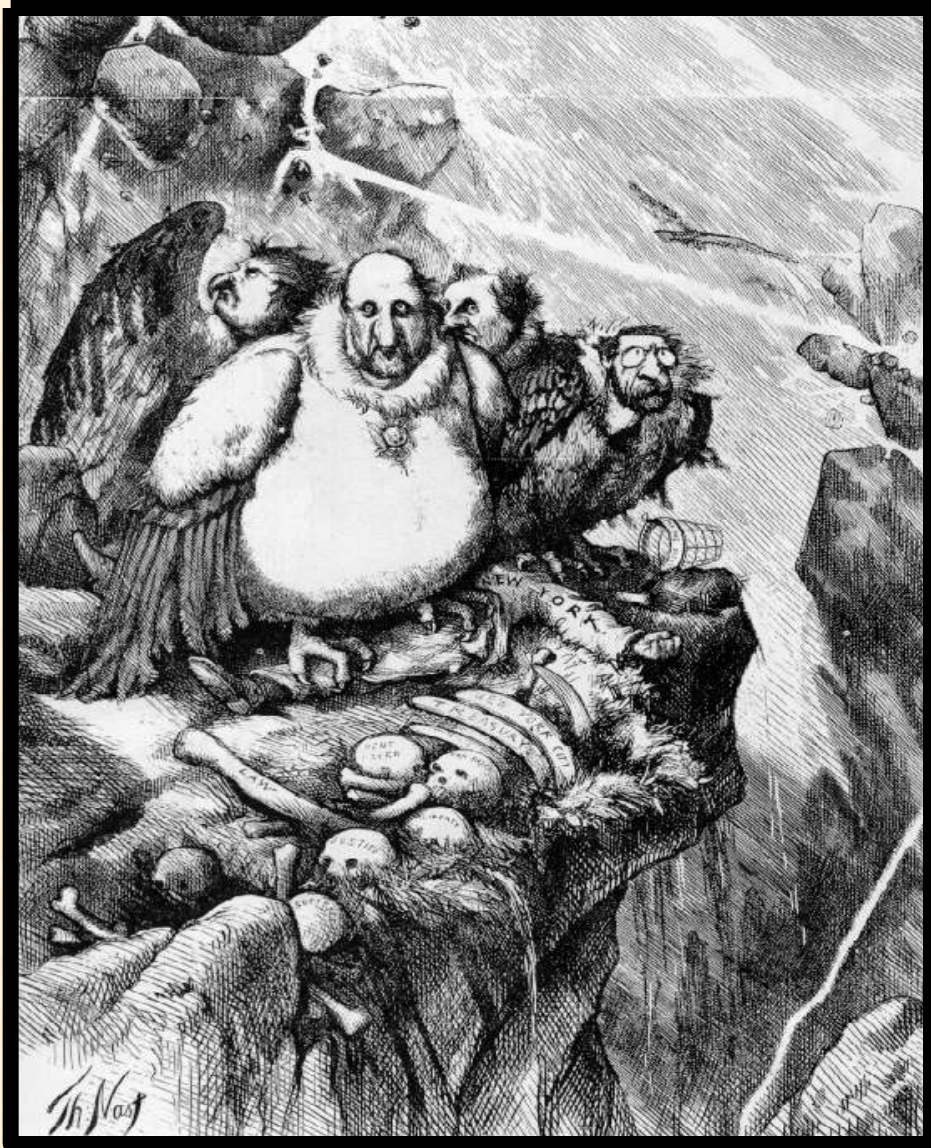


❖ **Received large fees for interests (* *kickbacks*) from the Erie Railroad**

❖ **Tweed Ring milked the city with false leases, padded bills, false vouchers, unnecessary repairs and over-priced goods**

**Return of a portion of the money received in a sale or contract often illegal and corrupt in return for special favors.*

WILLIAM BOSS TWEED



- ❖ **Exposed for his corruption by cartoonist and editor, Thomas Nast**
- ❖ **Tweed Ring fell and 1873 Tweed convicted of embezzlement**
- ❖ **Later Tweed was arrested on a civil charge and jailed in NYC, later died there**



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, and led to greater public awareness of government corruption.

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 to \$7,500 annually.
- Congressmen received a retroactive check for \$5,000, plus their raise.....
- Became a political issue....Later repealed.



PRESIDENT GARFIELD'S ASSASSINATION



- Assassinated by an upset Spoilsman.
- Led to VP Chester Arthur becoming president
- Supported a change to the corrupt spoils system.

- Signed into the law the Pendleton Act also called the Civil Service Act.
- Required candidates applying for government positions to a test to determine their qualifications.

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.
- ❖ 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.

The Republicans

- ❑ appealed to the industrialists, bankers, and eastern farmers.
- ❑ They favored the gold standard (**sound money**) and high tariffs
- ❑ **Blue laws**, regulations that prohibited certain activities people considered immoral.

The Democrats

- ❑ attracted the less privileged groups.
- ❑ such as northern urban immigrants, laborers, southern planters, and western farmers.
- ❑ Supported **soft money** and silver coinage.

SPOILS SYSTEM

President Rutherford Hayes

❖ Elected in 1877

❖ Reformed the civil service, appointing qualified political independents instead of giving positions to supporters.

❖ No Congressional support or from the Republican Party.

❖ Hayes did not seek a second term.

President James A. Garfield

❖ 1880 election, Republicans were split into 3 factions.

✓ **Stalwarts** defended the spoils system—Senator Roscoe Conkling

✓ **Half-Breeds** reform but still supported it— Senator James Blaine

✓ **Independents** opposed the spoils system.

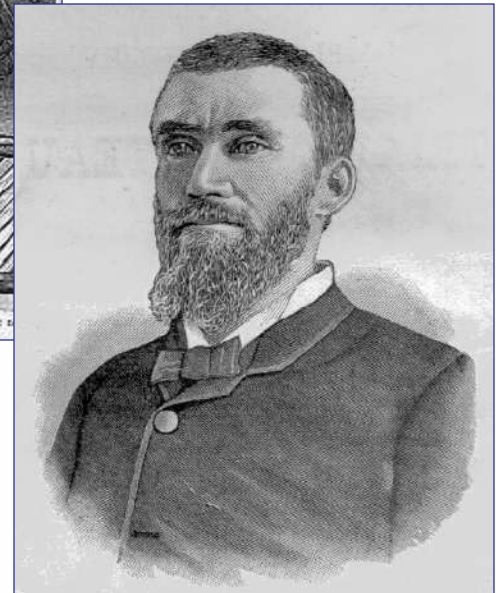
❖ Garfield wanted reforms. His running-mate was Chester Arthur, a **Stalwart**.

❖ July 2, 1881 Garfield was assassinated by a **Stalwart** who wanted Arthur as president.

1881: Garfield



Charles Guiteau:
*I Am a Stalwart, and Arthur is
President now!*



Pendleton Act (1883)

- Civil Service Act.
- The “Magna Carta” of civil service reform.
- 1883 → 14,000 out of 117,000 federal govt. jobs became civil service exam positions.
- 1900 → 100,000 out of 200,000 civil service federal govt. jobs.



LAISSEZ FAIRE

An economic belief supported by the U.S. that opposes the government regulating business.

- ❖ In the late 1800's businesses operated without much government regulation. This is known as *laissez-faire* economics.
- ❖ Laissez-faire means 'allow to be' in French or the government stays out of your business.
- ❖ Laissez faire supports our economic system of *capitalism*



Laissez Faire Federal Govt.

- From 1870-1900 → Govt. did very little domestically.
- Main duties of the federal govt.:
- Deliver the mail.
- Maintain a national military.
- Collect taxes & tariffs.
- Conduct a foreign policy.
- Exception → administer the annual Civil War veterans' pension.

CAPITALISM

Economic system characterized by private property ownership

- ❖ Individuals and companies compete for their own economic gain (**Profit**)
- ❖ Capitalists determine the prices of goods and services.
- ❖ Production and distribution are privately or corporately owned.
 - ❖ Reinvestment of profits
 - ❖ Supports laissez faire

SOCIALISM

Economic system based on cooperation rather than competition

- ❖ Believes in **government ownership** of business and capital
- ❖ Government controls production and distribution of goods.
- ❖ Opposite of **laissez faire** and **capitalism**

