

The Gilded Age

The Gilded Age was a period of American history between 1877 and 1900. It was called the Gilded Age by **Mark Twain** when he referred to the “**superficial glitter of new wealth**” seen during this era.

The Gilded Age of architecture usually refers to the **opulent mansions of the super-wealthy** in the United States. The well-to-do also built elaborate second homes in the suburbs or in rural settings while at the same time many more people were living in urban tenements and on the decaying farmlands of America. This is a Gilded Age mansion in downtown Chicago and still stands there today.



Politics in the Gilded Age

It was a time of “**forgettable presidents**” where none served two consecutive terms in office. Politicians ignored the problems of industry and national growth. During their political campaigns, neither party took on controversial issues.

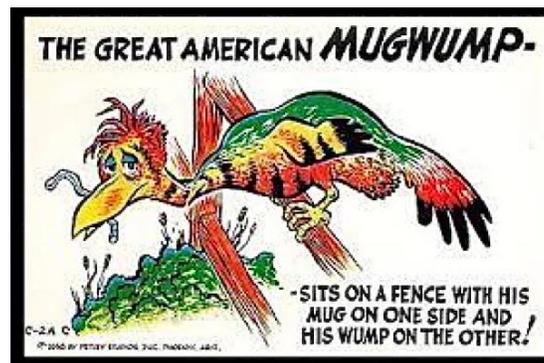
It was a time of “**do little**” government, **laissez-faire** and **Social Darwinism**. Ironically, these issue-free campaigns saw an 80% turn-out at the polls.

Democrats

- Consisted mostly of Catholics, Lutherans, and Jews
- Objected to temperance and prohibition
- Wanted States Rights and Limited Power in the federal government

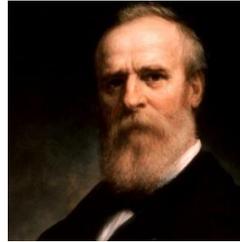
Republicans

- Consisted of White, Anglo-Saxon, Native-born Protestants
- Supported those who did not play “party patronage”
- Were called **MUGWUMPS**
- **MUGS** – those who sit on one side of the fence
- **WUMPS** – the part that sits on the other side.



The **Gilded Age** was a time in American history that saw the “**No-Name**” Presidents.

Rutherford B. Hayes
(1877 to 1881)



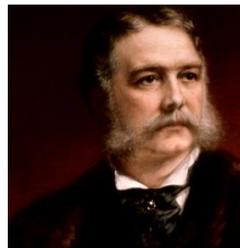
- Most noted for withdrawing federal troops from the South during Reconstruction
- Tried to create an honest government after the corruption seen during President Grant
- Supported Temperance Reformers
- His wife cut-off liquor in the White House, “Lemonade Lucy”
- Vetoes the many bills to restrict Chinese immigration

James Garfield
(March 1881 to September 1881)



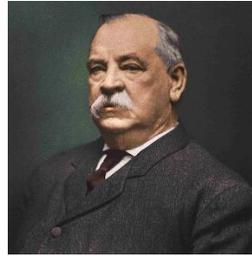
- After his election he appointed “**half-breeds**” (both Democrats and Republicans) for the 100,000 federal jobs that he created.
- At a train station on his way to his vacation, an estranged office-seeker shot him in the back and he died 11 days later.

Chester A. Arthur
(1881 to 1885)



- Took over after Garfield’s assassination
- Ran the presidency better than expected
- Reformed the Civil Service
- Developed the Modern Navy
- Questioned the high protective tariff (which ultimately cost him his re-election)

**Grover Cleveland
(1885 to 1889)
and then
(1893 to 1897)**



- The first Democrat to be elected after the Civil War
- The only American President to leave the White House and return as President four years later
- Ex-Mayor of Buffalo, New York and Governor of New York
- Honest, frugal, conscientious, and uncompromising
- Formed a Limited Government and a new Civil Service system where examinations were required*
- Vetoed hundreds of private pension bills from people falsely claiming injury or service during the Civil War
- Signed the **Dawes Act** allowing the government to break-up tribal lands
- Retrieved 81 million acres of “prime lands” from cattle ranchers and railroads
- Signed the **Interstate Commerce Act** in 1887
- His private life came under scrutiny when it was exposed that he fostered an illegitimate child

* **The Pendleton Act of 1881** had set up the Civil Service Commission. Federal jobs were now based on test scores and civil servants could no longer make political contributions.

During the period from 1865 to 1895, the Dollar increased in value 300% but it was a time in society that saw the “haves” and the “have-nots”

Those for MORE money in circulation

- Debtors, Farmers, Start-Up Business Owners
- They wanted to borrow money at lower interest rates
- They wanted to pay-off loans easier with this inflated money
- They wanted more **greenbacks** in circulation then **unlimiting minting of silver coins**

Those for LESS money in circulation

- Bankers, Creditors, Investors, Established Business Owners
- Wanted **“Hard Money”** – money backed by gold stored in the government vaults
- Believed this would hold money’s value against inflation

The Greenback Party



Greenbacks were paper currency fiat money issued by the United States during the American Civil War that were printed in green on the back. They were in two forms: Demand Notes, issued in 1861–1862, and United States Notes, issued in 1862–1865.

Fiat money is a government-issued currency that is not backed by a commodity such as gold or silver. Fiat money gives central banks greater control over the economy

Since the 1860's, paper money was not backed by **specie** – gold or silver. The Northern Farmers approved of greenbacks as they believed that they were wealthy! However creditors and investors believed that it was a clear violation of natural law.

Those supporters of paper money formed the **Greenback Party**.

- In the 1878 election they received nearly 1 million popular votes
- They sent 14 members to Congress
- Hard times saw the party break up but not the idea of the amount of money that was to be put into circulation

The **Nevada Silver Strike** in 1859 with the **Comstock Lode** saw an increased demand for coinage. In fact, amounts of \$2 to \$ 4 million per month was coined out of this silver.

In the eyes of farmers, debtors, and western miners, this was not enough and they continued to advocate for unlimited coinage of silver.



A Nevada Silver Mine



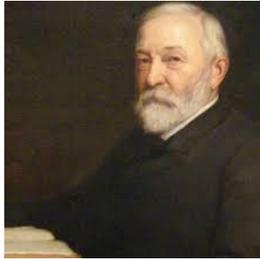
Nevada State Quarter

The Election of 1888 saw opposite views from both political parties. The subject of the debates was the **tariff**.

The **Democrats** nominated **Grover Cleveland** who was in favor of a **lower tariff**.

The **Republicans** nominated **Benjamin Harrison** who was in favor of a **higher tariff**.

The Republican argument was that a lower tariff would wreck business prosperity. They raised funds from big business and rallied the workers in the North whose jobs depended on the success of U.S. industry. They also attacked Cleveland's veto of pension bills to gain them the vote from veterans.



Benjamin Harrison

(1889 to 1893)

The election was close. Cleveland received more popular votes but Harrison gained more Electoral Votes as he swept the North.

For the next two years, Harrison's Republican party controlled the presidency and both houses of Congress. It was the most active in years, best-known for passing the **first billion-dollar budget in United States History**.

The Billion-Dollar Budget

- The **McKinley Tariff** of 1890 raised the import tax on foreign products to **48%**
- **Pensions** were increased to Civil War veterans, widows, and children
- The **Sherman Antitrust Act** outlawed "combinations in restraint of trade"
- The **Sherman Silver Purchase** of 1890 did increase the amount of silver coinage but it was still not enough to appease the farmers and miners
- **Voting Rights** protection for African Americans was drawn up and presented but it did NOT pass in the Senate.

The **Congressional Election of 1890** saw a return to the Democratic Party and the nation changed due to the unpopular ideas of the Republican Party such as **Prohibition and Blue Laws**.

The Republican Party also upset the farmers in the South and West. What was to emerge became known as the **Populist Party**.



The Populist Party

This Third-Party (The Populist Party), was formed at the **Omaha Platform** in 1892

Political Reforms

- **Direct Popular Elections of U.S. Senators**
- State Laws by **initiatives and referendums** placed on the ballots

Economic Reforms

- **Unlimited coinage of silver** to increase the money supply
- A **graduated income tax system**
- Public ownership of the railroads now to be taken over by the government
- Telegraph and telephone systems now to be taken over by the government
- Loans and federal warehouses are to be created for farmers to stabilize crop prices
- An **8-Hour day** for industrial workers

The **Election of 1892** saw the Populist Party nominate **James Weaver** (Iowa) run for president.

- They won more than 1 million Popular Votes
- They received 22 Electoral Votes, a record for Third-Party candidates.

However, the Populists lost badly in the South where they had tried to unite both blacks and whites. They also lost badly in the Industrial North as the factory workers and businessmen did not agree with their campaign platform.

The Election of 1892 saw a re-match between Harrison and Cleveland.

- Cleveland had a solid victory in both the Popular and Electoral vote
- Cleveland became the first president to return to the White House
- Cleveland's victory came due to the unpopular high taxes from the McKinley Tariff Act

The Panic of 1893

This event was caused by overspeculation within the economy and when dozens of railroads went bankrupt due to overbuilding. The next four years saw farm foreclosures, 20% unemployment, soup kitchens, and hoboes riding the trains.

Due to the national decline in the price of silver, there was a greater demand for gold dollars. However, the federal gold reserves were low. To counteract the demand in silver, the **Silver Purchase Act** was **repealed** in 1890. It did not however, stop the gold drain.

In an effort to balance the gold reserves, President Grover Cleveland was forced to borrow **\$ 65 million** in gold from **J.P. Morgan**, a move that supported both the value of the dollar and the gold standard.

Another government policy was the **Wilson-Gorman Tariff in 1894** which was an effort to pass a moderate tariff reduction. It also included a 2% increase in income tax for those people who earned \$2,000 or more a year, (the average income in American at this time was less than \$1,000.00). One year later, the Supreme Court ruled that this income tax was unconstitutional.

Coxey's Army

In 1894, the Populist, **Jacob A. Coxey** from Ohio, proposed that the federal government spend \$ 500 million on public works programs. To support his idea he led a march on Washington. He was supported by thousands of people, mostly unemployed, but on his arrival Coxey and his fellow leaders were arrested and the march was disbanded; his followers went home.

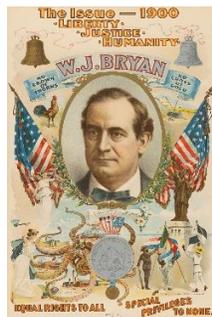


Coin's Financial School was an 1894 pamphlet written by lawyer, politician and resort founder **William Hope Harvey**. It advocated a return to **bimetallism**, where the value of a monetary unit is defined as a certain amount of two different kinds of metals, often gold and silver. Strangely enough, this economics book also contained cartoon drawings. It was written as advice to end to the depression and stated that the troubles were caused by a conspiracy started by rich bankers. It concluded that prosperity would return if the government coined silver in unlimited quantities.

The Election of 1896

The **Democratic Party** was split:

- Those who were pro-gold were loyal to Grover Cleveland (**gold-bugs**)
- Those who were pro-silver were loyal to **William Jennings Bryan**



William Jennings Bryan was only 36 years old, a former U.S. Representative from Nebraska. His famous "Cross of Gold" speech was given before the Democratic National Convention in Chicago.

William Jennings Bryan's platform was as follows:

- There must be **unlimited coinage of silver**
- The government must set the standards at a traditional but inflationary rate of exchange where 16 ounces of silver was equal to one ounce of gold, (the current being 32 ounces = 1 ounce)
- The government should adopt many of the issues raised by the Populist Party.



This meant that the Populists also nominated Bryan for president. Bryan led a national campaign for the **Democratic-Populist Party** taking him over 18,000 miles while making over 600 speeches.

The **Republican Party** nominated **William McKinley** (Ohio) and his platform was:

- A continuation for a high import tariff
- To become a friend to labor promising a strong and prosperous industrial nation
- Blaming the Democrats for the Panic of 1893
- Uphold the gold standard against unlimited coinage of silver.

McKinley hired business tycoon **Mark Hanna** to work his campaign who raised millions from business leaders. McKinley, unlike Bryan, stayed at home during his campaign having Hanna use the media to portray his image. The Republican Party waged its campaign through newspapers and magazines with great success making it to be known as the **"front-porch"** campaign.

During the last few weeks of the campaign, Bryan's hope were shattered due to

- Rising wheat prices meaning the farmers were now less desperate
- Employers threatened shut-downs if the workers voted for Bryan
- National factory production increased
- The Stock Market climbed rapidly
- Gold was discovered in Alaska which increased the money supply under the gold standard causing inflation

McKinley won both the Popular and Electoral vote.

In 1897, the **Dingley Tariff Act** was passed ensuring a higher tariff.

By 1900, Gold was the official standard of U.S. Currency.

The Election of 1896 changed American politics. The modern politics of what we know today was created with this election. Campaigns now revolved around fund raising and advertising. The Republican Party that had once promoted "free soil, free labor, and free men" now became a party for business, industry, and a strong national government. The nation was now **Urban Dominant**, not agrarian. Foreign policy was about to change from isolationism to becoming a major player in international affairs.