

# Gilded Age Politics

# The Forgettable Presidents

## 18: Ulysses S. Grant:

- administration plagued by scandals
- **Credit Mobilier Scandal:** Vice President and members of Congress took bribes from railroad companies
- **Whiskey Ring:** Private secretary of Grant helped steal 3 million from the fed gov. in a tax corruption scheme
- **Panic of 1873:** Severe economic collapse

## 19: Rutherford B. Hayes

- **Compromise of 1877:** Results in election of Hayes and removal of federal troops from southern states = end of Reconstruction

## 20: James A. Garfield:

- Assassinated by angry office seeker 6 months after taking office, replaced by VP Chester Arthur

## 21: Chester Arthur:

- Supported civil service reform signed **Pendleton Civil Service Act** into law, signed **Chinese Exclusion Act** into law

## 22: Grover Cleveland

- Strong advocate of laissez faire, ordered federal troops to break up **Pullman Strike**

## 23: Benjamin Harrison

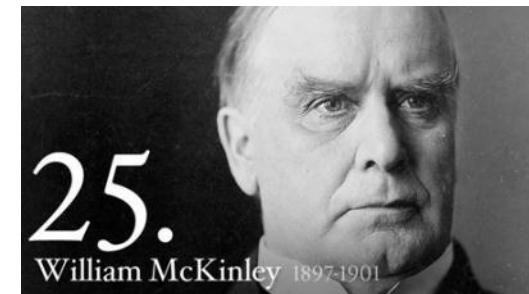
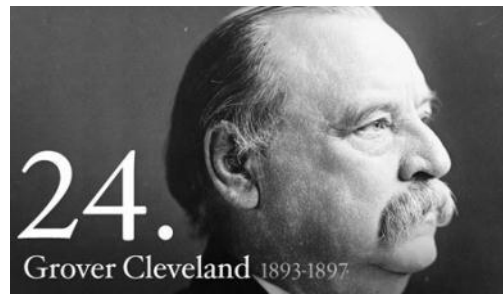
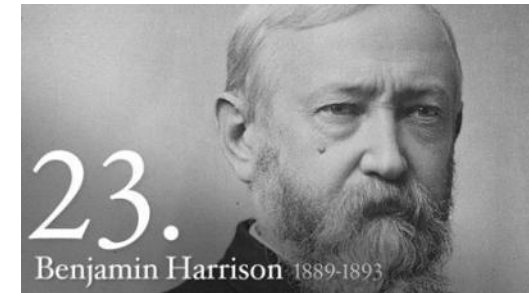
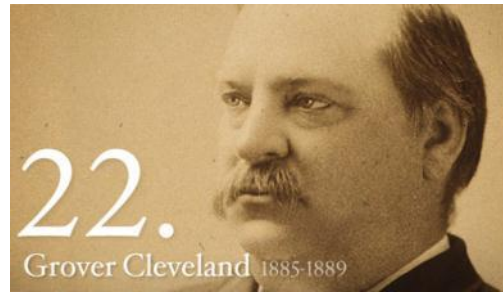
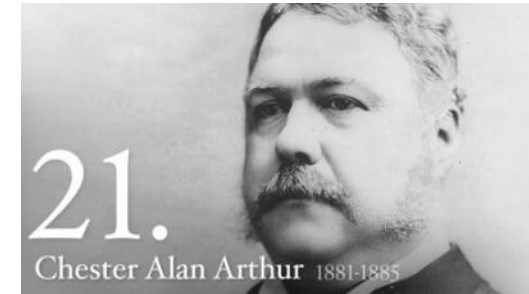
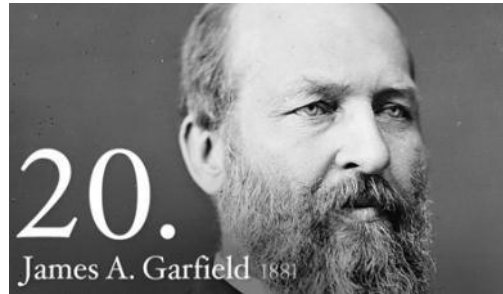
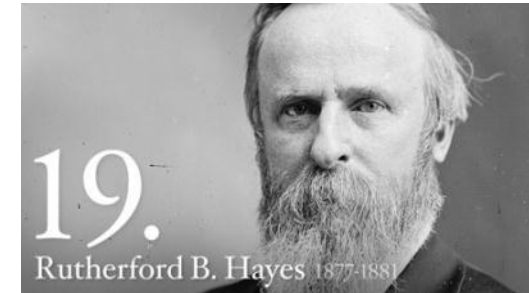
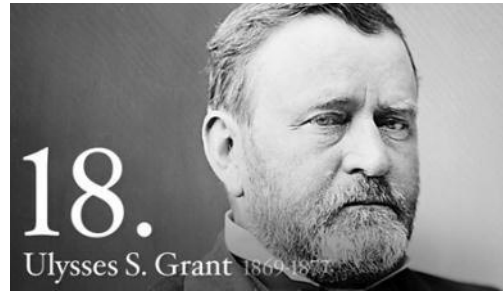
- Advocate for keeping high tariff, **McKinley Tariff**

## 24: Grover Cleveland (again)

## 25: William McKinley

- **Spanish American War, Gold Act of 1900** killed silver controversy

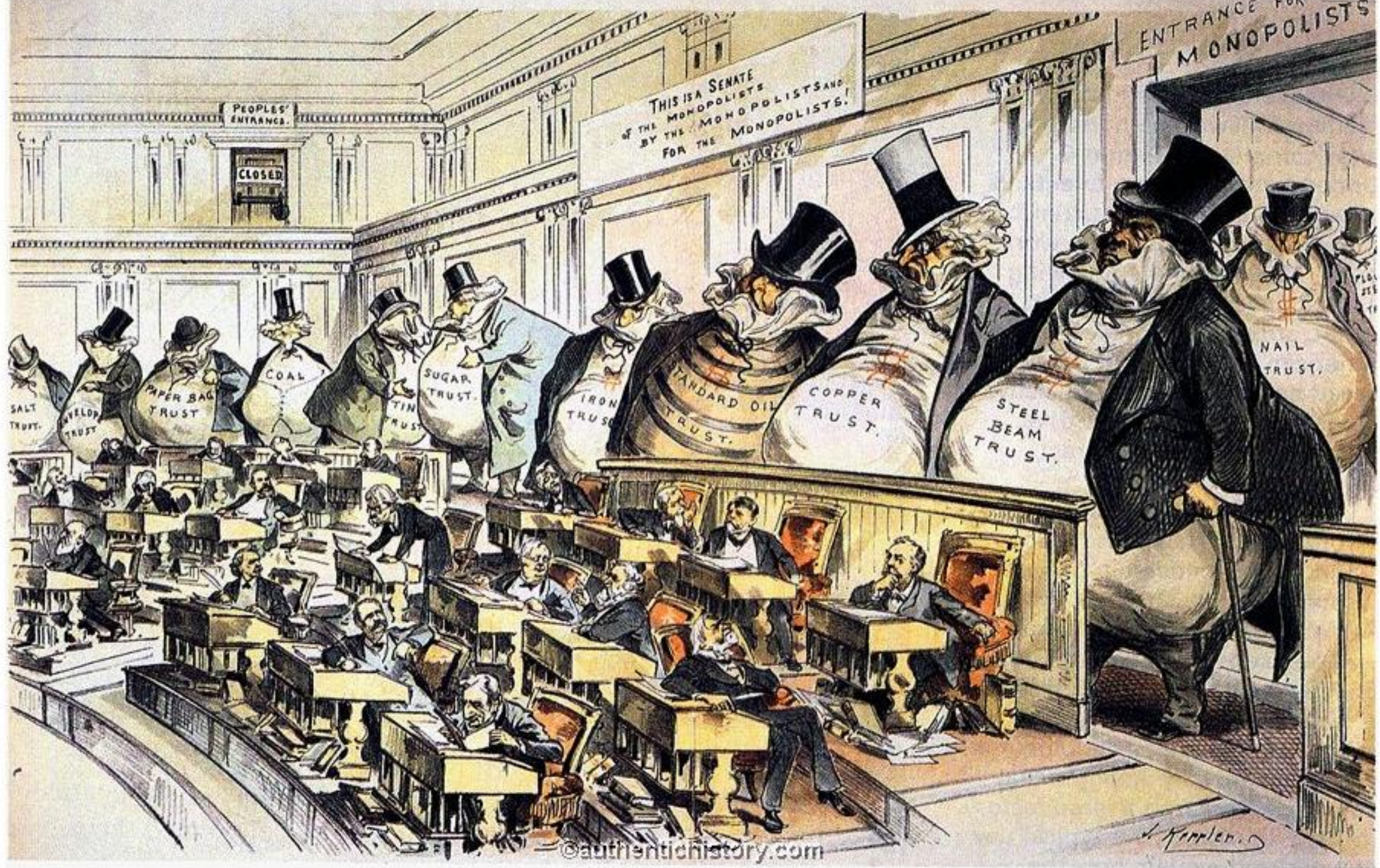
In the Gilded Age, presidents were seen as less powerful than monopolists like Carnegie, JP Morgan, and Rockefeller



# Weak Attempts to Regulate Monopolies

- During the Gilded Age, the **federal government generally pursued a laissez-faire economic policy**, with very little being done to regulate business...
- **Sherman Anti-Trust Act 1890:**
  - outlawed trusts and other monopolies that fixed prices and restrained trade
  - Largely ineffective at regulating corporations
  - Actually used to attack labor unions in early years
- **Interstate Commerce Act of 1887:**
  - Makes railroads first industry subject to federal regulation
  - Created Interstate Commerce Commission (ICC) to oversee railroad operations
  - Required railroads to charge fair rates to customers
  - Banned pooling, rebates, and rate fixing
  - Companies had to publish rates
  - Not very effective...







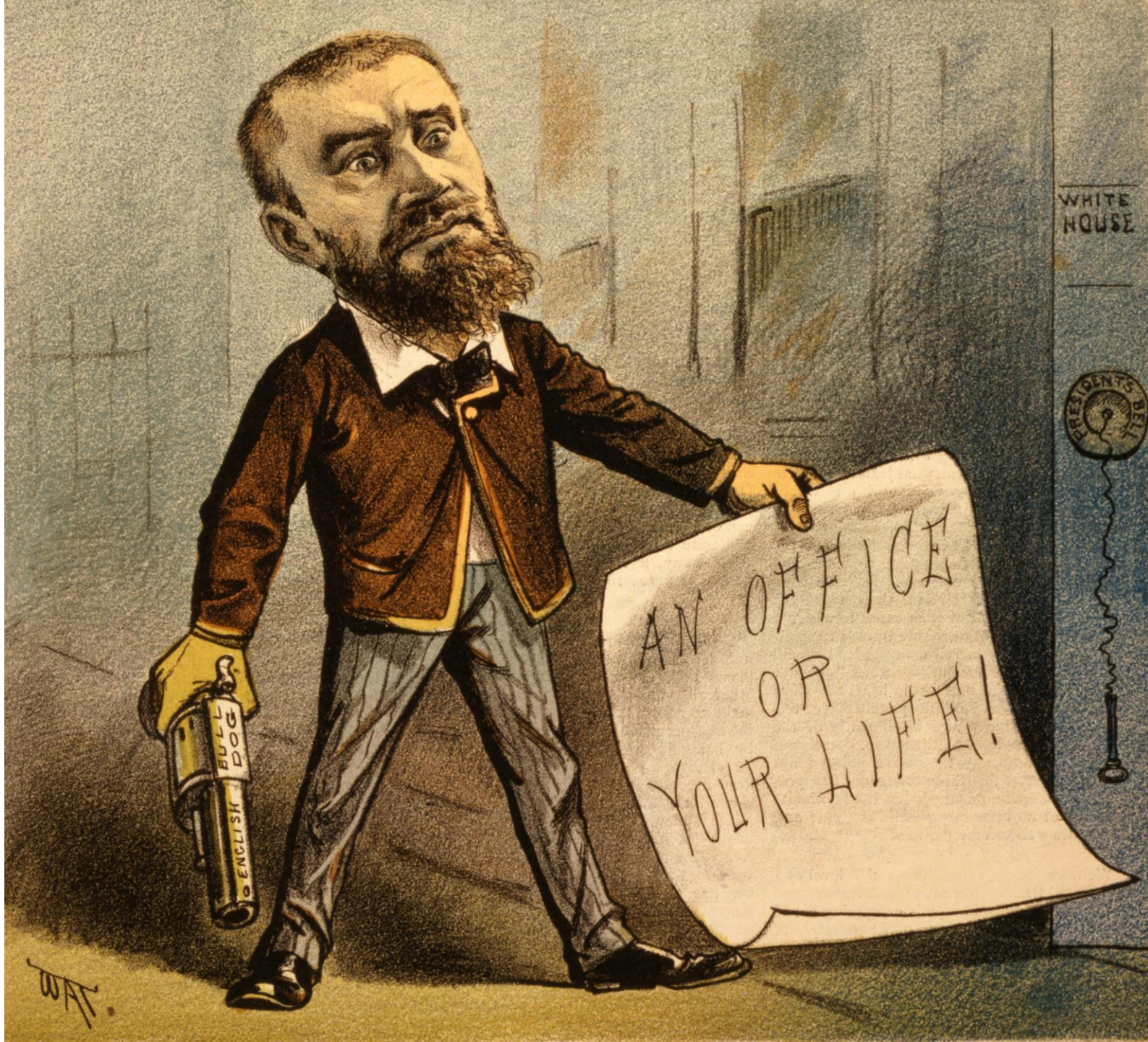
# Some Important Supreme Court Cases

- In 1870, Illinois declared RRs to be public highways; this was upheld by *Munn v. Illinois* (1876), state gov regulation of private business is right and proper “when such regulation becomes necessary for the public good.”
- But, was overturned in *Wabash v. Illinois* (1886): “*only Congress can regulate interstate trade*”, not states

# Civil Service Reform

- **Patronage** (aka Spoils System) had been used by both major political parties in the years after Andrew Jackson
  - Civil service jobs were given to supporters
  - Often incompetent, corrupt
  - Led to calls for reform
- **Half-Breeds:** Republicans who advocated for civil service reform, led by James G. Blaine
- **Stalwarts:** Republicans who supported of continuing patronage, led by Roscoe Conkling
- President Garfield was assassinated by a disappointed office seeker, **Charles J. Guiteau**, in 1881
- VP Chester Arthur becomes president
- Congress and Arthur passed the **Pendleton Act of 1883**
  - Established a merit based system for making appointments to political office
  - Applicants had to take a test measuring their knowledge of their assigned duties





WHITE  
HOUSE

PRESIDENTS  
BELL

AN OFFICE  
OR  
YOUR LIFE!

BULL  
DOG  
ENGLISH

W.A.



# Tariffs

- After the Civil War, Congress raised tariffs to protect new US industries
- **McKinley Tariff of 1890**
  - Raised duties to 48.4%, highest peacetime rate ever
- **Wilson-Gorman Tariff of 1894**
  - replaced McKinley Tariff and lowered rate
- Tariffs supported by Republicans, manufacturers/industrialists
- Tariffs opposed by Democrats, farmers, laborers

# Currency Debates

- One of the biggest economic/political debates of the Gilded Age was currency
- *Should paper currency be based on a strict gold standard?*
  - Gold standard?
    - Value of money was based on how much gold a country had in its reserves and how much that gold was worth
  - Bimetallism?
    - Monetary system where the value of money is based on two different metals, gold and silver
    - Alternative to gold standard
- **Coinage Act/Gold Act of 1873** revoked the bimetallic standard adopted in 1792, placing nation firmly on the gold standard
  - Farmers referred to this as the “Crime of 73”
- People in favor of bimetallism claimed that it allowed the US to keep more precious metal in reserves and put more currency in circulation



## Gold Bugs and Silverites

|                         | <b>Gold Bugs</b>   | <b>Silverites</b>   |
|-------------------------|--|---|
| <b>Who They Were</b>    | bankers and businessmen  | farmers and laborers  |
| <b>What They Wanted</b> | gold standard<br>less money in circulation   | bimetallism<br>more money in circulation  |
| <b>Why</b>              | Loans would be repaid in stable money.   | Products would be sold at higher prices.  |
| <b>Effects</b>          | <b>DEFLATION</b> <ul style="list-style-type: none"><li>• Prices fall.</li><li>• Value of money increases.</li><li>• Fewer people have money.</li></ul> | <b>INFLATION</b> <ul style="list-style-type: none"><li>• Prices rise.</li><li>• Value of money decreases.</li><li>• More people have money.</li></ul> |

# Farmers Organize

- Increased crop production following the Civil War led to a drop in prices
- Lower prices meant trouble for farmers who were unable to pay long-term debts
- Farmers began calling for a more generous money supply
- By increasing available money, payments would be easier
- More money would cause inflation, making farmer's debts to northern banks worth less
- Banks opposed this plan, preferring the country to use only gold to back its money supply
- Farmers called for **“free silver”**
  - Liberal use of silver coins
  - Return to bimetallism



## Farmers Organize

- Following the Civil War, farmers were plagued by
  - Declining prices for their crops
  - Tariffs
  - High interest rates from banks
  - Economic depressions
  - Chronic debt
  - High freight prices (railroad monopolies charged whatever they wanted)

Farmers lashed out at banks, merchants, railroads, & the U.S. monetary system (gold standard)

# Farmers Organize

- **Grange Movement/Patron's of Husbandry**
  - Founded in 1867
  - Formed cooperatives, allowing farmers to buy machinery and sell crops as a group
  - Created credit unions for farmers
  - Endorsed political candidates and lobbied for legislation benefitting farmers
- **Farmer's Alliances**
  - Members of these alliances won seats in state legislatures across the Great Plains to strengthen agrarian voice in politics
- **Populist Party/People's Party**
  - Formed as a political party representing the nations agricultural sector
  - Called for generous coinage of silver= "free silver"
  - Called for gov. ownerships of railroads and telegraphs
  - Called for graduated income tax
  - Direct election of US Senators
  - Shorter workdays (this earned Populists the support of urban wage workers)



I PLEAD FOR ALL.

I RULE FOR ALL.

I FIGHT FOR ALL.

I PREACH FOR ALL.

I CARRY FOR ALL.

I SAIL FOR ALL.

**I FEED YOU ALL!**

GENERAL BROKERAGE

I BULL & BEAR FOR ALL.

I FLEECE YOU ALL.

I PHYSIC YOU ALL.

I BUY & SELL FOR ALL.

| BOARD OF TRADE |        |
|----------------|--------|
| Wheat          | 1.16   |
| Oats           | 36     |
| Corn           | 56 1/2 |
| Apples         | 70     |
| Barley         | 1.03   |



# Populism and the Election of 1896

- Democratic candidate **William Jennings Bryan** was a **populist** (ran on a Populist platform calling for “free silver”, free-trade)
  - Bryan was the farmers and workers candidate
- Republican candidate **William McKinley** (supported gold standard and tariffs)
  - McKinley was the candidate of the business owners/industrialists
- William Jennings Bryan gives famous “**Cross of Gold**” speech
  - Argued that an easy money supply, though inflationary, would loosen the control that Northern banking interests held over the country, alleviate farmers
- William McKinley (R) triumphs
- Populist party dies out, but many of their ideas will live on in the Progressive Era
- McKinley and congress pass Gold Standard Act of 1900

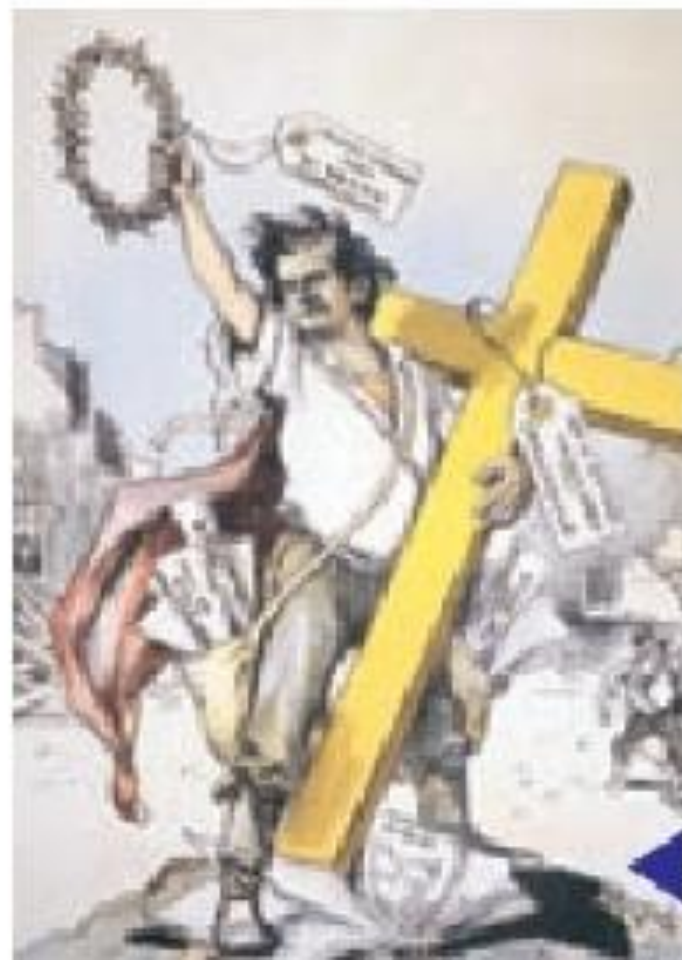




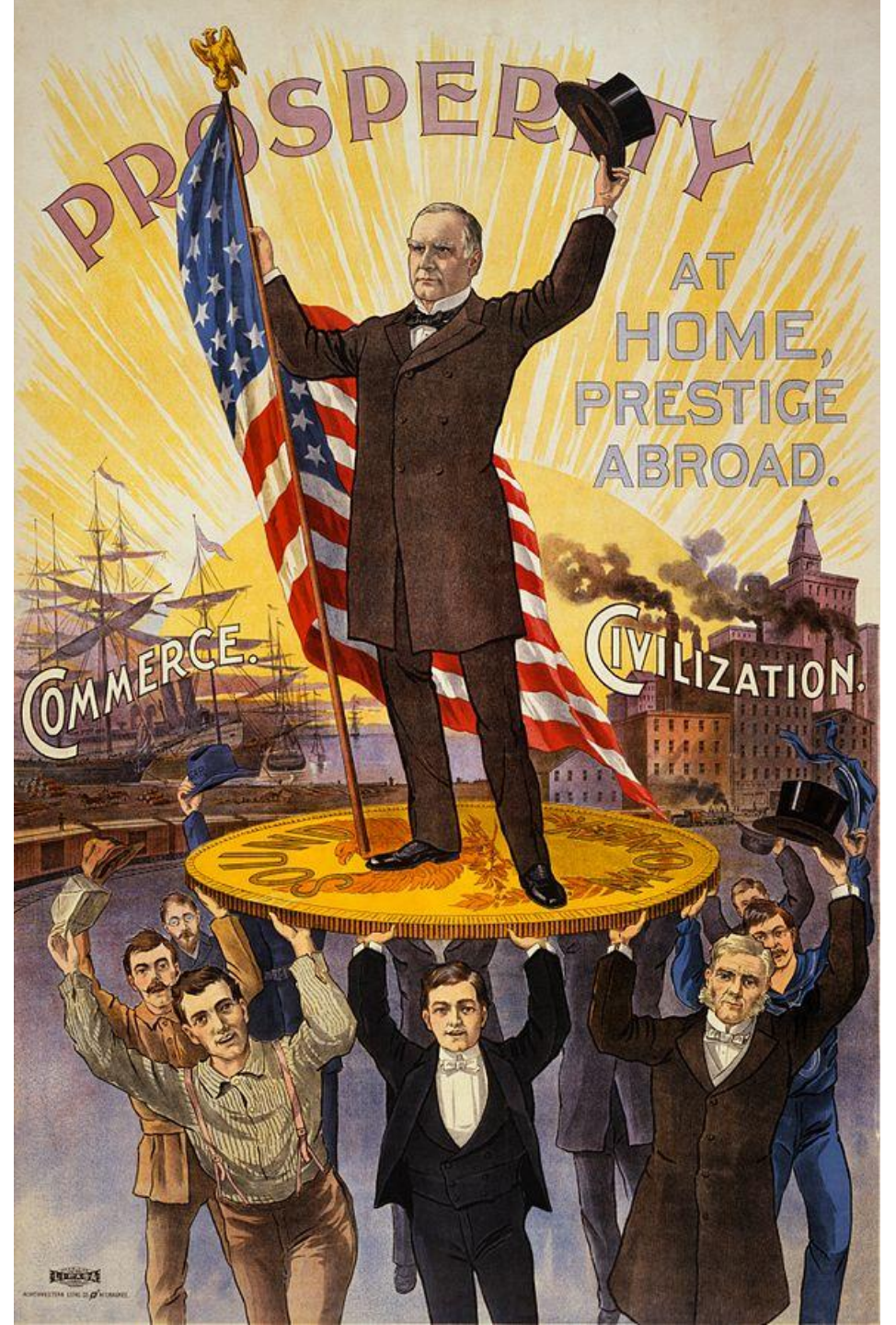
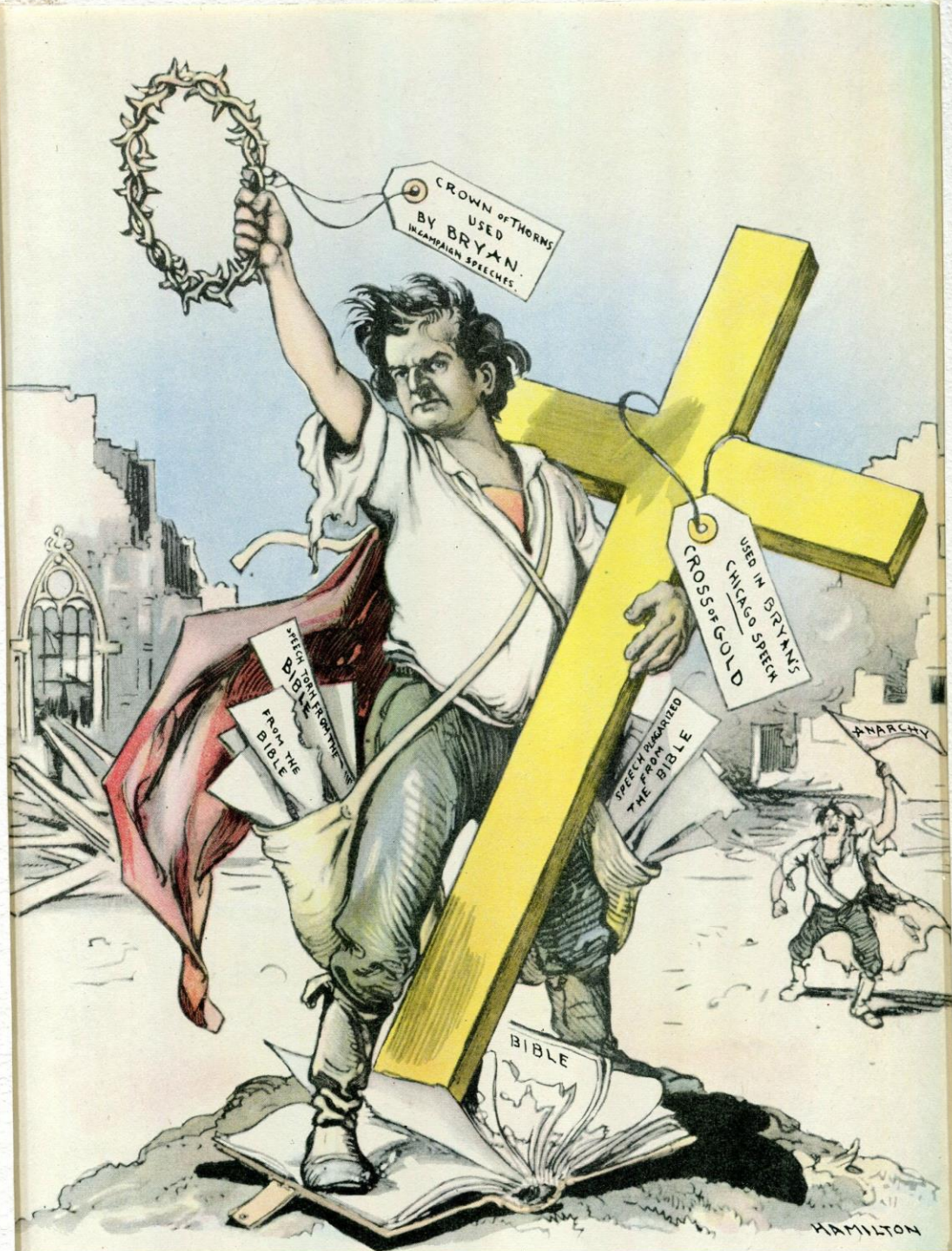
# 'CROSS OF GOLD' speech

by William Jennings Bryan

“You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold.”











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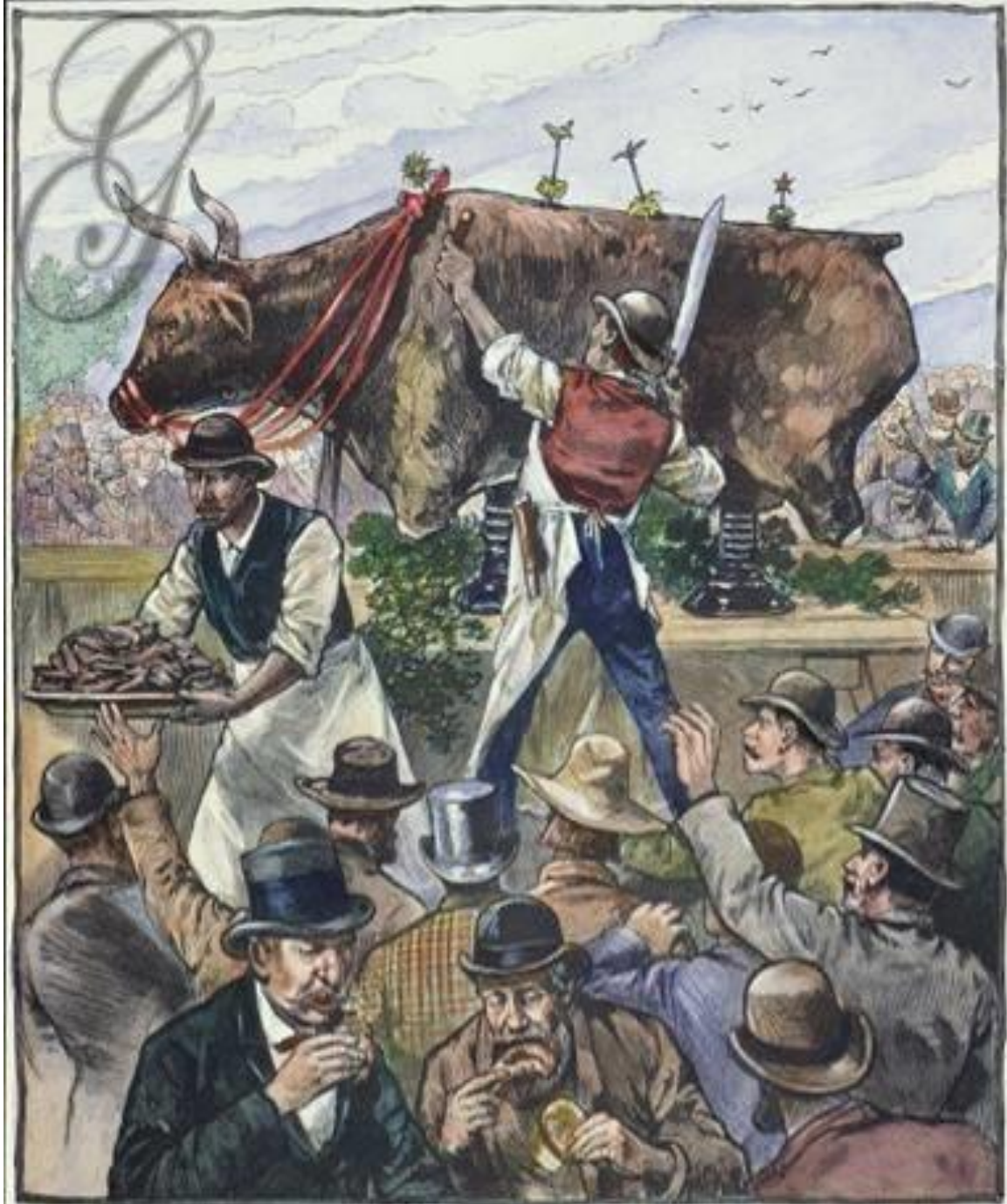
THE SURVIVAL OF THE FITTEST.



# Political Machines Dominate Cities

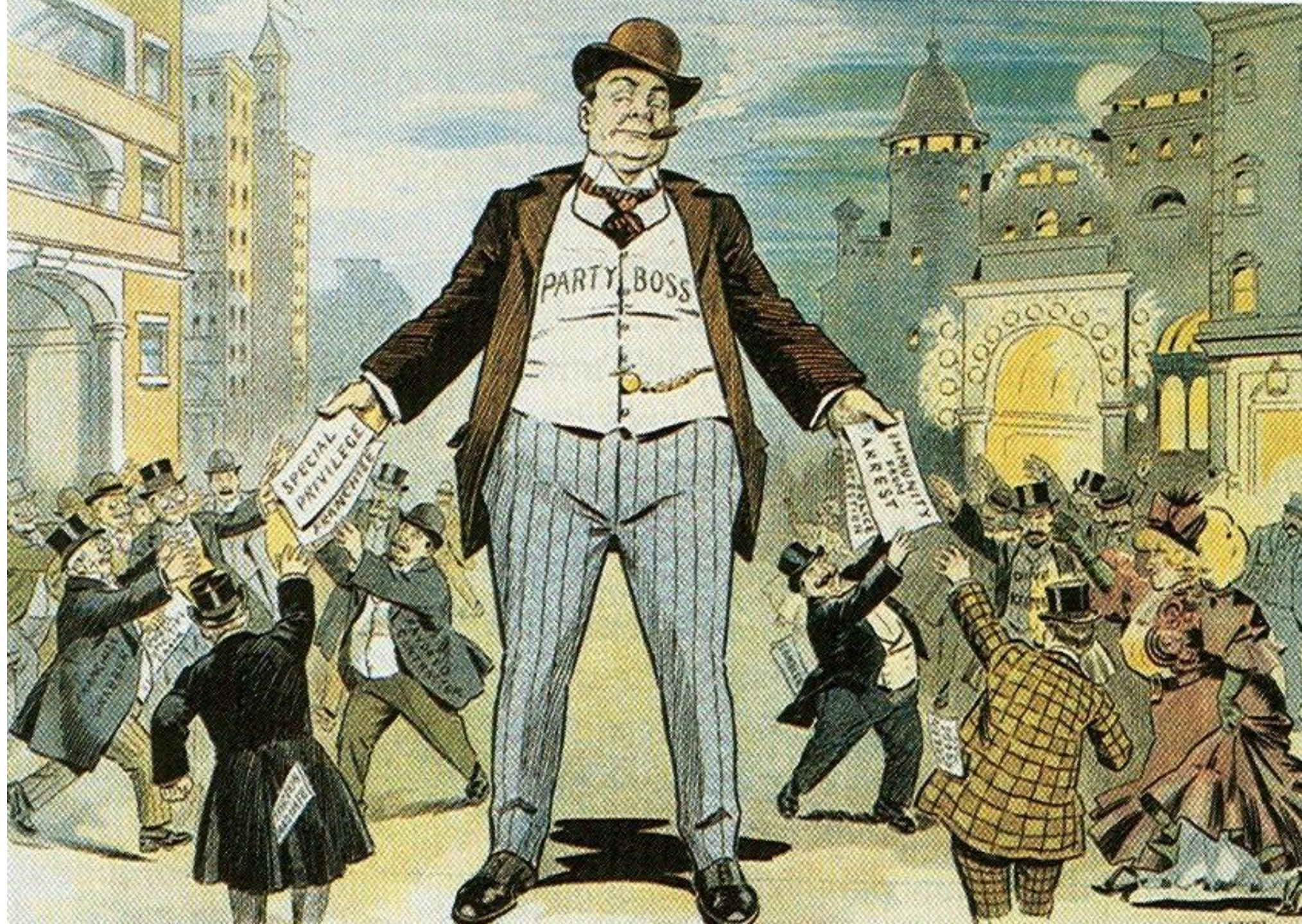
- The Gilded Age saw the rise of political machines—well-organized groups that controlled a political party in a city
  - Machines offered services to voters & businesses in exchange for political votes
  - Were very influential with immigrants; Helped with jobs, housing, & naturalization

Political machines  
influenced  
immigrant voters  
by creating parks  
near slums,  
barbeques,  
giving away  
Christmas presents  
to children



4E863.24 TAMANNY HALL BARBECUE, 1884.







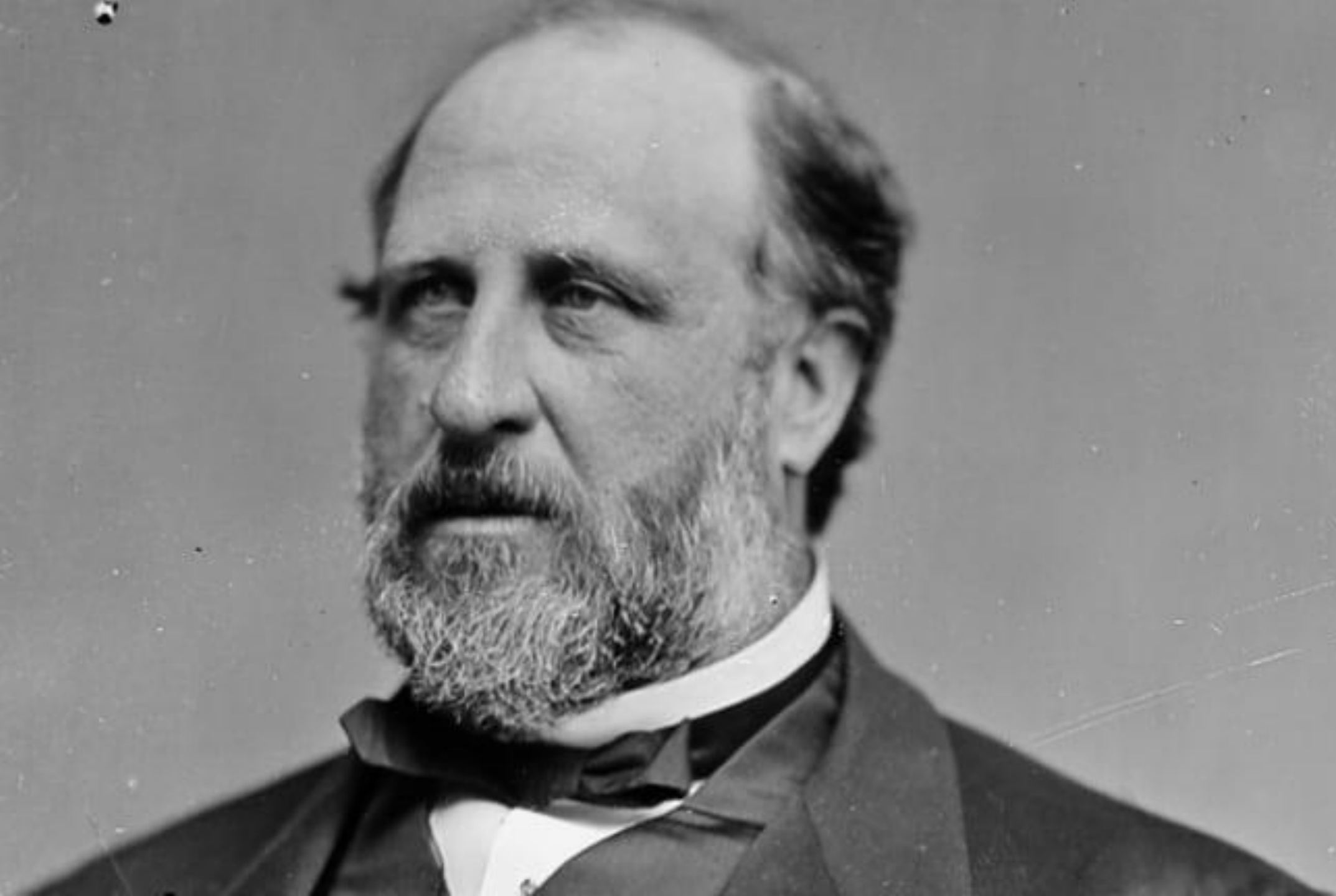
# Political Machines Dominate Cities

- Machines were led by city **bosses** who used a network of ward bosses & precinct captains to:
  - Control access to city jobs, business licenses, courts
  - Arrange building projects & community services



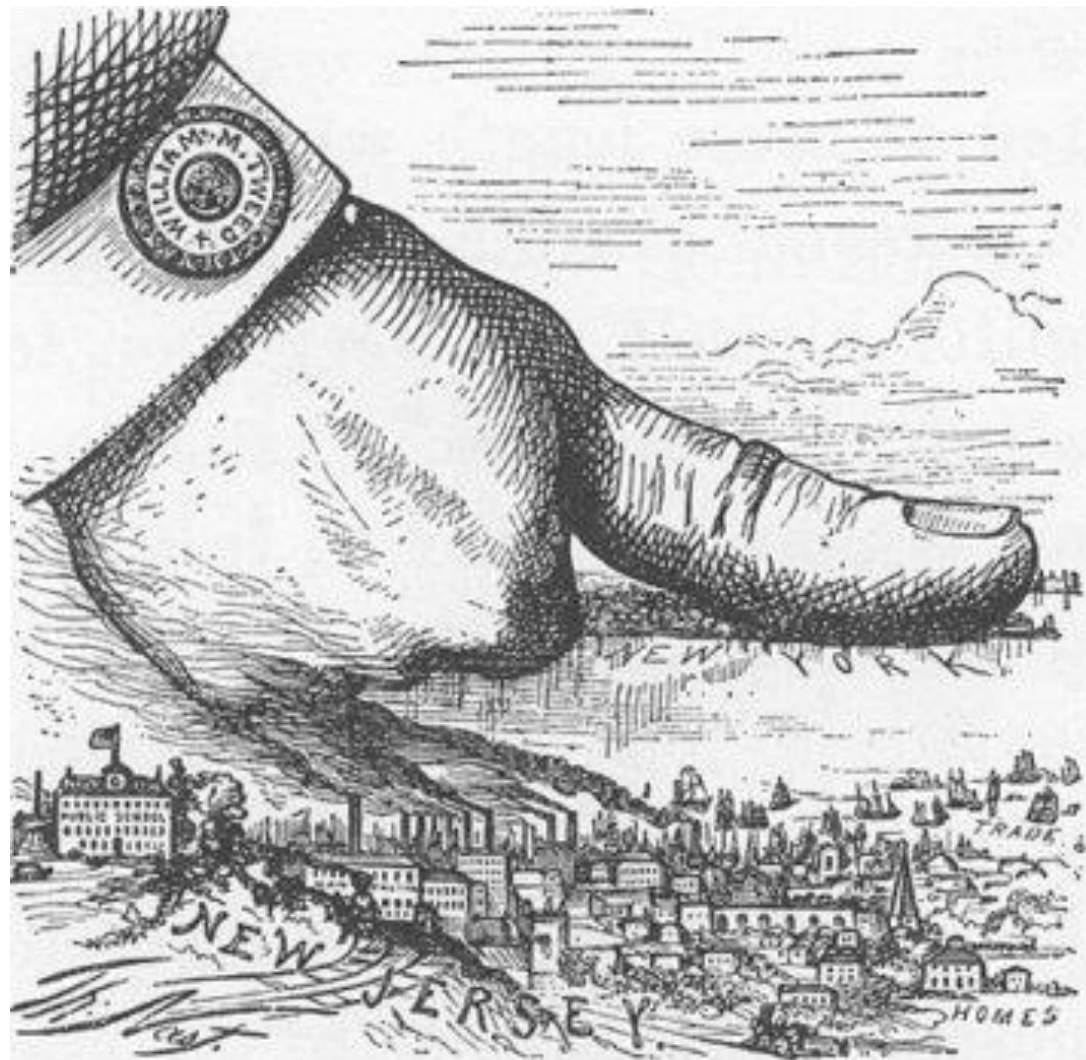
# Political Machines Dominate Cities

- Machine politicians were often corrupt:
  - Use fraud to win elections
  - **Graft**—Using their political influence for personal gain
  - Took kickbacks & bribes
- The most notorious machine boss was **William “Boss” Tweed of New York’s Tammany Hall** who defrauded the New York City of millions of dollars





“Tweed Courthouse”—NY County Courthouse was supposed to cost \$250,000 but cost \$13 million.



UNDER THE THUMB.

THE Boss—"Well, what are you going to do about it?"