

The Gilded Age

How did the industrial expansion and politics of the Gilded Age shape the present?

I recently heard someone compare our current times with the Gilded Age, a time known for rising income disparity and political corruption. And it got me thinking - just how far does the analogy go? To answer that, we need a better understanding of the Age.

This was a time that corresponded with the late Victorian Age in Canada and Britain (1837 to 1901) and the early Belle Epoque in Continental Europe (1871 to 1914). As has happened throughout history, the events of the Gilded Age were shaped by the age before it, Reconstruction, and its consequences played out in the age which followed, the Progressive Era.

Oh, how far they've strayed. The Republican Party was founded in 1854 by anti-slavery activists and its first nominee to win the presidency was Abraham Lincoln. Lincoln's election triggered the secession of several Southern states and the start of the Civil War.¹ The cataclysm and slaughter of the war ended with Lincoln's assassination, a country divided and the political and social revolution of four million former slaves seeking equality.

Reconstruction

Historians refer to the period that followed the war as the Reconstruction era. The eleven former Confederate states were reintegrated and African American males gained suffrage, through the efforts of the Republican Party and representatives like Frederick Douglass: "Where justice is denied, where poverty is enforced, where ignorance prevails, and where any one class is made to feel that society is an organized conspiracy to oppress, rob and degrade them, neither persons nor property will be safe."² During Reconstruction, sixteen African Americans served in Congress, while over 600 served in state legislatures.³

The dream was to be short-lived. Under President Johnson, the administration's focus on egalitarianism waned as a policy of leniency towards the South took its place. This allowed the passage of Jim Crow laws, the rise of the Ku Klux Klan, the Democratic Party and the eventual disenfranchisement of most African Americans.⁴ Union forces were withdrawn from the Southern states in 1877, signalling the end of Reconstruction.

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Thus began a period first referred to by a sardonic Mark Twain as the Gilded Age. (The age being merely gilded, as under the veneer of economic gold was a base metal of social and ethical dross.) Spanning 1877 to around 1900, it was a time of feverish and largely unregulated economic expansion atop rising class inequality and the emergence of political machines. "By the mid-1870s, Democratic Southern state legislatures had reversed most of Reconstruction's" advances.⁵

Key to Gilded Age economic expansion was the advance of rail. The first transcontinental railroad (1869) reduced New York to San Francisco travel time from six months to six days. In

¹ World History Edu (2024, Oct.15): [Republican Party History ...](#)

² AZ Quotes: [Frederick Douglass \(1886\)](#)

³ Britannica (2024, Nov. 26): [Reconstruction](#)

⁴ Ibid

⁵ History (2021, Feb. 1): [Republican Party](#)

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the words of naturalist John Muir, it “annihilated time and space”⁶, bringing the distant nearer and leading to the adoption of standard time zones. In a precursor to Amazon, it made possible mail-order catalogues, allowing products to be sold across the breadth of the United States without a storefront.

But the annihilation was not limited to time and space. Massive amounts of wood were needed to build the railroad and more than 7,000 towns which sprang up west of the Missouri⁷, devastating western forests. It then became easier for large numbers of hunters to travel West. Buffalo herds were exterminated and with them went the Native American way of life,⁸ leading to the squalor of life on the reservation.

Official racism towards non-Europeans was clearly a matter of national policy and the Indigenous were not its only victims. With completion of the railroad, the 14,000-strong Chinese workforce⁹ who had built the Sierra Nevada leg returned to the West Coast, depressing its labour market and leading to the Chinese Exclusion Act of 1882. The Act was not repealed until 1943.¹⁰

The Eastern tycoons who built the railroads took little risk themselves. These projects spawned corporate giants using P3 models of debt financing that left taxpayers holding the risk while corporate debtors reaped the gain, then declared insolvency.¹¹

There were consequences. The Panic of 1873 originated at the Vienna Stock Exchange and spread through all of the industrial nations, worsened by factors that included rampant speculation on devalued U.S. railroad stock. In America, the depression lasted until 1879 and was known as the Great Depression until superseded by the events of the 1930's. It ended with a great surge of immigration to the U.S., which lasted until the 1920s. That surge powered the shift of the U.S. economy from agriculture to industry, even as it populated the American West.¹²

With industrialization continuing at a fever pitch the U.S. became a world leader in applied technology, with 500,000 patents issued from 1860 to 1890 (ten times the number granted in the previous 70 years). Economic growth became greater than at any time in U.S. history.¹³

Yet much economic growth during the Gilded Age was based on technological advances made in prior years. Petroleum launched a new industry upon its discovery in Pennsylvania (Edwin Drake, 1859). Kerosene lit factories and homes until it was replaced by electric light (Thomas Edison, 1880); air brakes (George Westinghouse, 1869) meant faster trains and the telephone (Alexander Graham Bell, 1876) allowed instant communication for industrialists, merchants and political organizers.¹⁴

⁶ History (2023, July 25): [10 Ways the Transcontinental Railroad Changed America](#)

⁷ Union Pacific: [A Nation Transformed - The impact of the Transcontinental Railroad.](#)

⁸ Ibid

⁹ History (2019, Sept. 11): [Transcontinental Railroad](#)

¹⁰ History (2022, Aug. 9): [The Chinese Exclusion Act](#)

¹¹ History (2023, July 25): [10 Ways the Transcontinental Railroad Changed America](#)

¹² PBS: [The Panic of 1873](#)

¹³ Investopedia (2024, June 19): [The Gilded Age Explained: An Era of Wealth and Inequality](#)

¹⁴ History (2023, June 13): [Gilded Age](#)

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Corruption

Elevators (Elisha Otis, 1853) allowed higher buildings and denser cities. Denser, larger cities meant more power to the political machines controlling them. A prominent example of those machines was Tammany Hall in New York, headed by the infamous Boss “I don’t care who does the electing, as long as I get to do the nominating” Tweed.¹⁵ Tweed was eventually convicted for having embezzled millions from the City.¹⁶ But political machines existed in every major U.S. city, running municipal affairs with unabashed cronyism into the 1930’s, when FDR’s New Deal series of domestic programs absorbed their patronage power (and with it, their power to “Get Out The Vote” on election day).

Many industrial tycoons exerted more political power than did elected officials. They used that power, along with bribery, fraud and violence, to gain competitive advantage.¹⁷ Perhaps the greatest scandal of the time was Crédit Mobilier. During the building of the transcontinental railroad, Crédit Mobilier of America defrauded the U.S. government of \$44 million in false claims, while bribing congressmen and the vice president to look the other way.¹⁸

Wealth

By 1890, the top one percent owned 51 percent of all wealth.¹⁹ While rapid industrial expansion and the formation of Trusts drove prosperity for the wealthy elite, that expansion rested upon the exploitation of workers. In the absence of labour laws, tycoons like J.P. Morgan, John Rockefeller and Buck Duke could exploit the working class - especially African Americans, women and new immigrants - with relatively low wages, long hours and unsafe conditions, leading to the pejorative “robber barons”. Economic disparity grew, even as wages increased.²⁰ America was losing its republican ideals, becoming more like a European country with ostentatious displays of wealth and countless poor mired in a class they were unable to escape.

Media

The transcontinental railroad (1869) was preceded by a transatlantic telegraph cable (Cyrus Field, 1858)²¹ and a coast-to-coast telegraph line (Western Union, 1861, charging \$1 a word)²², soon supplemented by telephone lines (Bell, 1876)²³, and telegraphy that spanned the globe (1902). The benefit to print media, until then largely regional, was timely national and international coverage. Mass circulation provided the fourth estate with an important lever on national politics.

The expansion of print media gave rise to “muckrakers”, i.e. investigative journalists who exposed political corruption. The horrors of slum life in New York, corruption at City Hall and

¹⁵ AZ Quotes: [Boss Tweed](#)

¹⁶ Biography (2019, Aug. 13): [Boss Tweed](#)

¹⁷ Ibid

¹⁸ History (2022, Oct. 17): [Credit Mobilier](#)

¹⁹ History (2023, Sept. 11): [Are We Living in the Gilded Age 2.0?](#)

²⁰ Investopedia (2024, June 19): [The Gilded Age Explained](#)

²¹ Science Museum (2018, Sept. 26): [How Perseverance Laid the First Transatlantic Cable](#)

²² Engineering and Technology History (2015, Dec. 31): [Milestones: Transcontinental Telegraph, 1861](#)

²³ Science Museum (2018, Oct. 19): [Ahoy! Alexander Graham Bell and the First Telephone Call](#)

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the underhanded methods of tycoons like oil magnate John D. Rockefeller were exposed and sparked public outcries that legislators could not ignore.²⁴

William Randolph Hearst became Publisher of the San Francisco Examiner in 1887, providing him with a foothold in the publishing business. Engaging in yellow journalism and eschewing ethics or standards, the Hearst brand of tabloid journalism propelled his growing newspaper chain to a position of significant influence over government policy and helped propel America into the Spanish-American War of 1898. The Hearst Corporation is still one of the largest media companies in the U.S.²⁵

Empire

The Civil War culminated with the industrialized, densely populated Union, greatly benefitting from its extensive rail network, defeating the agrarian Confederacy.²⁶ In hindsight, the outcome was highly predictable. Industrial and economic power wins wars. The lesson was remembered thirty years later when America judged itself ready to exert its manifest destiny on the world stage. The Independent Republic of Hawaii was annexed in 1898, over the objections of its Queen Lili'uokalani²⁷. Then, in a manner worthy of Pericles, America fought the Spanish-American War (1898) and the Philippine-American War (1899) to bring Cuba, Puerto Rico, Guam and the Philippines under its control. The American Empire was born.

The Progressive Era

As Southern Democrats opposed the policies of Reconstruction and gained power in their state legislatures, Republicans turned for support to big business and financial interests in the North. That association led to their being seen as the party of the upper-class elites.²⁸ Some Republicans, among them Theodore Roosevelt, split with the party to champion more progressive values, ushering in the Progressive Era. (Progressives believed that government had a role in mediating between conflicting forces, including between capital and labour, to stabilize society).

When President William McKinley was assassinated in September 1901, his Vice President Theodore Roosevelt succeeded him. Known as a "Trust Buster" (i.e. dismantling firms which had achieved monopoly by unfair practices), Roosevelt lent his formidable energy to the promotion of his "Square Deal" domestic policies. He took on the robber barons: J.P Morgan and the railways, John Rockefeller's Standard Oil, Buck Duke's American Tobacco Co.²⁹ He had a passion for preserving wilderness, deeming 150 million acres national forests, creating 16 national monuments, 51 wildlife refuges and five national parks.³⁰

He steered the U.S. to an active role in world politics. Roosevelt's administration began U.S. construction of the Panama Canal in 1904. He won the Nobel Peace Prize in 1906 - the first American to do so - for his role in ending the Russo-Japanese War. Although at age 42 Roosevelt was the youngest of any U.S. president, polls of historians and political scientists rank him as one of the greatest.

²⁴ History (2023: June 13): [Gilded Age](#)

²⁵ Britannica: [William Randolph Hearst](#)

²⁶ Military: [6 Simple Reasons the Union Won the Civil War](#)

²⁷ U.S. History: [44b. Hawaiian Annexation](#)

²⁸ History (2021, Feb. 1): [Republican Party](#)

²⁹ U.S. History: [Theodore Roosevelt: The Rough Rider in the White House](#)

³⁰ Ibid