

AP United States History
Unit 6: The Nation Expands
Topic- Politics in the Gilded Age

Explain continuities and changes in the role of the government in the U.S. economy.

Some argued that laissez-faire policies and competition promoted economic growth in the long run, and they opposed government intervention during economic downturns.

Politics in the Gilded Age

After the Civil War came to a conclusion, for a brief time in American politics, the Republican Party was quite dominant. The Democratic Party which had been the party of the South was weakened by the Civil War experience. Throughout the war, the Democratic Party had tried to either find compromise or to sue for peace during the conflict. By the end of the war, as Union victory became imminent, the Republican Party became increasingly tied to the business interests and with it, the large-scale industries that had been a major part of prosecuting the war effort. The Democratic Party remained the party of the South, but did have some support in America's growing cities. Throughout the Gilded Age, from 1868-1900, each of the Presidential elections and Congressional midterm elections were extremely close, almost all of them were decided by only a few percentage points— neither party had a major advantage. Civil War loyalties throughout the period, also helped to decide elections. In fact, each of the Republican chief executives— Grant, Hayes, Garfield, Arthur, Harrison, and McKinley had been Union veterans during the Civil War. No Southern Democrat would win the White House until Woodrow Wilson in 1912, and at the time, though he was born and raised in the South, Wilson had been serving as the progressive governor of the state of New Jersey.

While the two parties were close in terms of their popular support, they differed widely on major issues, especially the role of government, tariffs, and how both viewed American society. Throughout the period, the Republican Party favored modernizing the American economy, a strong sense of national unity, and moral reform. Republicans feared and fought against what they viewed as the excessive regulation of businesses by the states. As the dominant political party of the period, the Republican Party was also divided over the issue of civil service reform. The civil service is composed of the people who work for the federal government, which constitutes everyone from the local postal worker to the tax collector. Since the presidency of Andrew Jackson, the nation had worked under the "spoils system." Under the "spoils system," presidents could appoint whoever they wished to fill a government position. While it may have helped reward their campaign supporters, the practice also, of course, became an invitation for corruption. In 1881, after the assassination of President James A. Garfield, by Charles Guiteau, a disgruntled office seeker, his Vice-President, a former product of New York machine politics, did the unthinkable— pushing through the Pendleton Civil Service Act in 1884. This act made civil service jobs impartial and subject to an examination, no longer would the process be controlled by political parties.

Though Republicans favored high protective tariffs to stimulate industrial growth, the party (as mentioned earlier) stood firmly at the time against the regulation of American businesses by the state governments. To that end, in 1887, Congress passed the Interstate Commerce Act, which created the Interstate Commerce Commission to regulate America's railroads. The act had been pushed for quite some time, particularly by farmers, such as the members of the Grange and later the Farmers Alliance, who depended upon the railroads

and saw the growth of the rail system as a monopoly that was hurting small farmers and businesses. The act came upon the heels of a court case, *Wabash, St. Louis and Pacific Railway Company vs. Illinois* in 1886. In an earlier case in 1877, *Munn vs. Illinois*, the Supreme Court had ruled, at the time, that a state could regulate a business if it was in the public interest. The state legislature in Illinois had been pushed by the Grange to enact a law to make railroad rates fair for farmers who were often shipping their crops to long-distance markets. The *Wabash* case changed the dynamics of the situation—overruling the *Munn* decision, it stated that only the federal government could regulate interstate commerce. This led to the creation of the Interstate Commerce Act, and with it, the Interstate Commerce Commission which was the first regulatory agency to be established by the federal government. In 1890, Congress passed the Sherman Antitrust Act which forbade the creation of monopolies in American business. Though the federal government began creating laws to regulate big business practices, until the administration of Theodore Roosevelt, they were seldom enforced. In fact, the use of government power to step in during times of economic crisis was unthinkable at the time.

From 1865-1900, the United States went through two major financial catastrophes, one in 1873 and another in 1893, the country experienced tremendous droughts and blizzards, and with the rise of monopolies and trusts, farmers, in particular, were hit extremely hard. By 1890, quite a few farmers were beginning to advocate for more government intervention in the economy. After a drought in 1887 crushed Texas farmers, they advocated that the federal government help them be supplied with seed for planting new crops, so that they could financially recover. In response, President Grover Cleveland vetoed the proposed legislation to help them, stating that it was not the role of the federal government to provide direct assistance to the American people during a time of economic crisis. This philosophy was not new. At no point during any financial crisis up until that time had the federal government intervened on behalf of the American people. The Panic of 1893 was so severe that an army of protestors—Coxey's Army, a group of rag-tag protestors made their way to Washington D.C. to try to get the federal government to establish a fund to create jobs for the unemployed. While it did not work, it planted the seed in the minds of many that both the economy and therefore the political system that they were living under did not benefit them. But, the political revolution that was to come occurred not in America's cities, but among farmers who were eking out a living on the Great Plains and who had been asking for government assistance by now for more than two decades.

Foreign policymakers increasingly looked outside U.S. borders in an effort to gain greater influence and control over markets and natural resources in the Pacific Rim, Asia, and Latin America.

By 1890, American businesses and the politicians who supported them were beginning to think on a global scale. American politicians consistently argued over tariff rates throughout the 1880s and 1890s, the idea being that tariffs, if protective, could enhance economic growth. But, if tariff rates were too high, they could also restrict trade. In 1890, Congress passed the McKinley Tariff which raised rates on a variety of goods, but conspicuously, not sugar. One of the greatest sugar producing regions in the world was in the Pacific Rim, the Kingdom of Hawaii. As we will see in an upcoming unit, the United States will annex the Hawaiian Islands and make them not just a lucrative territorial acquisition, but a way-station for ships that were going to trade with the nations of East Asia. As European nations began to colonize the nations of Africa and East Asia, anxious American politicians began to see their business and trading interests in jeopardy. Throughout the decade, American politicians also began to advocate for a great presence in Latin America, as well as in the Caribbean and the Pacific Rim. By 1900, America will actually control the following territories: Puerto Rico, Guam, the Samoan Islands, Midway Island, and will have a presence in both Cuba and the Philippines. Plus, by the dawn of the century, America will have annexed the Hawaiian Islands, too. Its next step would be to build what will become the Panama Canal— all of which came after the Spanish-American War of 1898. But, in American politics, as it was mentioned earlier, a political revolution was brewing on the Great Plains and it would collide with the great political machines of the day which dominated the political scene in most of the major American cities of the period. It was this political revolution that would give us the first inklings of progressivism in American politics.