

The Gilded Age

A Remarkable Transformation

The most remarkable transformation of the country in the late nineteenth century involved the change from a primarily agricultural to an industrial nation. American enterprise expanded to unprecedented levels of concentration and production. New heroes emerged as the "self-made" businessman replaced the "self-reliant" farmers as the ideal American.

Video: The Rush of the Express

The landscape of America was conducive to large-scale economic development in the late nineteenth century. Expansion in the transportation industry, agricultural production, population growth, and other reasons for rapid and extensive industrialization during the Gilded Age are explained in this video.

Carnegie Steel

Look for answers to these questions when watching the video:

- How and why did railroads become America's first big business?
- What roles did Jay Gould, James J. Hill, and Cornelius Vanderbilt play in developing the railroad industry? How did the railroads affect economic development? How were they connected to developments in communications? Why was there some public alarm about the railroad industry and railroad magnates?
- How did agricultural production and natural resources affect industrialization? Why was population growth important in this process?
- How and why did John D. Rockefeller become dominant in the oil industry? How did the trust and holding company help him achieve his objectives? Why and how did Ida Tarbell criticize Rockefeller?
- How and why did the federal government, including the Supreme Court, help business during this era? What was meant by "laissez-faire" capitalism? Why was this a golden era of corruption?

Video script:

Music introduction

Narrator: One morning in May 1876, reporters gathered outside the Vanderbilt home in New York City, waiting for a sign that railroad magnate Cornelius Vanderbilt had passed away. Rumors ran rampant – the commodore was dead! The stock market plunged. The commodore was still alive! Wall Street rallied. Finally Mrs. Vanderbilt invited the reporters into the parlor. From upstairs came the unmistakable voice of the old man himself:

Actor, Cornelius Vanderbilt: I am not dying!

Bill Cecil, Jr.: My great-great grandfather, Cornelius Vanderbilt, from what I know about him, he must've been a pretty tough sort of period person of that time and that character, 'cause they were very tough-minded business people.

Arthur Vanderbilt II: The commodore was definitely an American original. He was a very roughhewn character. He grew up on a small farm in Staten Island off of Manhattan and his family was very poor. When he was fifteen, he went out and bought this old scow, an old wooden boat with one sail that could also be rowed, and he started taking passengers back and forth to Manhattan five miles across New York Harbor for eighteen cents a trip.

Bill Cecil, Jr.: It took about eight or ten hours to be able to get produce from the farmland around to Manhattan and by taking his ferry straight across the inlet there he was able to cut the time down and make four, five, six trips a day. He definitely knew his business. He understood competitive advantage.

Arthur Vanderbilt: Eventually he was able to build up a fleet of steamships and by the time he was in his mid-40s he had made about ten or eleven million dollars.

When the commodore died, he died at the age of eighty-three; he was the wealthiest man in the country. In fact, he had more money than there was in the United States treasury.

Actor, "Boston Herald" Article: There has never been, in the history of civilization, a period or a section of the earth in which science and invention have created such opportunity for material welfare as in these United States in the period since the end of the Civil War.

Richard White, Stanford University: The United States has a series of advantages that allow it

to undergo tremendous growth at the end of the civil war. And first of all – it's the most obvious one but it's often neglected, and that's agriculture. The south producing, I think, five times as much cotton in 1900 as it was in 1860 before the Civil War. The wheat production in the north quadruples.

Michael Bernstein, University of California in San Diego: The United States, by the late 1800s, is a continental nation, spanning from sea to sea – large amounts of arable land of high quality in the interior for agricultural development, large amounts of water resources, lumber, coal, and other fuels. And in addition, a climate and a topography, a landscape, that allows not only for rapid agricultural development but for rapid urbanization, articulation of transportation and communication networks. All of these things make for rapid industrial development and economic growth.

Richard White: Another component, and a very basic one, is the tremendous growth in population. The population of the United States nearly doubles between 1870 and 1900 and what this allows is this new labor force which is overwhelmingly young. It's not as if American workers are that much more productive, though they are especially in agriculture, but there's so many more of them and there's also so many more consumers that come in at the same time.

Actor, Andrew Carnegie: The old nations of the Earth creep at a snail's pace. The republic thunders past with the rush of the express.

Sarah Stage, Arizona State University: The railroad is really America's first big business and as the railroad pushes west, we see settlement going up along the tracks. We see the development of the iron and steel industry. We see the development of the communications industry. The telegraph is the important communications industry at this point and telegraph wires march right next to the railroad tracks across the United States.

Pamela Laird, University of Colorado at Denver: What the railroads did, in very short summary, was to bring raw materials to where they might be developed or processed, to take processed goods to customers, to take people into farmlands. So you have foodstuffs traveling one direction and materials traveling the other direction.

Actor, President James A. Garfield: The railway is the greatest centralizing force of modern times.

Narrator: Between 1869 and 1894, 100,000 miles of railroad track were laid, the infrastructure

for an industrial society, financed by Eastern bankers and lubricated by the brand new industry of refined petroleum. Oil was the fuel of the future and John D. Rockefeller was its leading producer.

Michael Bernstein: Rockefeller understood, like many of the leading industrialists of his age, that large scale production would generate returns and efficiencies that the small scale investment simply could not.

Richard White: The major goal that standard oil has is to eliminate competition, to ruthlessly streamline production and to make it as efficient as possible. Basically you have a choice with standard oil – you join them or you die.

Pamela Laird: One of the advantages that he brought to the oil market was order, structure, pricing, efficiencies and so on. Of course, the disadvantage was that once he created a monopoly through his efficient and orderly business practices, then he could do anything he wanted with the prices.

Narrator: Rockefeller wasn't the only industrialist who understood the advantages of monopoly.

Arthur Vanderbilt: In his mid-sixties, the commodore set his sights on the New York Central Railroad which extended from Buffalo to Albany, up to the Great Lakes, out to the Mississippi and the Ohio rivers. This was something much bigger than he could purchase on his own, so he tried negotiating with the board of directors of the New York Central to work out some arrangement and was getting nowhere.

So what he did, he decreed that his Harlem and Hudson lines would not connect with the New York central. So passengers would have to walk through the ice and snow the two miles to make that hookup and the freight would have to be hauled across the two miles. And, of course, the Hudson River itself was frozen in that hard winter and the steamships were of no use. So he really brought trade and commerce to a halt at that period. And within a month or two the New York Central capitulated and said, "What are your terms? What do you want from us?"

Narrator: Vanderbilt's consolidated railroad system transported over seven million passengers per year, with over 9,000 freight cars carrying much of the nation's produce, raw materials, and manufactured goods. He was proud of his role in revolutionizing the nation's transportation system and he ran his railroad as he pleased.

Actor, Cornelius Vanderbilt: You don't suppose you can run a railroad in accordance with the statutes of New York, do you?

Narrator: Government officials and judges generally believed that the less interference there was in the affairs of industry, the better. Laissez-faire capitalism claimed that regulation would only hinder the "free hand" of the market, which naturally served to foster competition and balance the interests of producers and consumers. But even where ideology didn't suffice, the awesome abundance of money was often enough to keep government off the backs of corporations.

Richard White: The gilded age becomes a sort of golden age of American corruption because so much of these industries really demanded a cooperation between government and industry. What these industrialists are interested in is not running the whole government; they're just interested in the part of it that can make them wealthy. And what they do is they cultivate friends. Sometimes it's really hard to tell whether public officials are working for the public or whether they're working for corporations. The corruption is, I think, very deep seated and it creates the modern corporate lobby whose legacy we live with still.

Narrator: There were many who criticized the greed and corruption of the era – like Mark Twain, who dubbed it "the gilded age" for its shallow values and published an open letter to the commodore, pleading...

Actor, Mark Twain: Go, oh please go, and do one worthy act!

Narrator: But many more admired the wealthy capitalists, respected their boldness, and were enchanted with their wealth. Where once ordinary Americans had aspired to own their own land, to be free and independent farmers, now their dreams began to change and visions of vast fortunes danced in their heads.

End of video.

Video: Luck and Pluck

The development of a consumer culture in the late nineteenth century depended on several factors, including the widespread availability of manufactured goods, advertising, and a change

in how success was measured. *Luck and Pluck* analyzes the importance of these and other factors in creating a culture that celebrated wealth and big business.

Look for answers to these questions when watching the video:

- Why were Horatio Alger's stories so popular in the late nineteenth century? Why did the stories create a myth? What was important about this myth?
- What was the theory of social Darwinism? How did William Graham Sumner spread this theory? How and why did the theory glorify wealth and curb social reform?
- What did Andrew Carnegie say in "The Gospel of Wealth"? How did Carnegie's advice and actions soften social Darwinism? How much influence did Carnegie's view of money have on other millionaires?
- What does a "consumer culture" mean? How is it expressed in the late nineteenth century?

Video script:

Music introduction

Actor, reads from *Ragged Dick*: "You may consider yourself engaged at a salary of ten dollars a week."

"Ten dollars!" Repeated Dick, thinking he must have misunderstood.

It was indeed a bright prospect for a boy who, only a year before, could neither read nor write.

Narrator: Horatio Alger's stories of poor boys rising to wealth and respectability were a cultural staple of the late 19th century. What began with his first novel, *Ragged Dick*, became a genre of "rags-to-riches" stories which fed the imaginations of Americans rich and poor.

Pamela Laird: The stories were very popular at the time precisely because the world that Horatio Alger described in them was disappearing. And the world that he described was the world of small communities where you either had your own business, ideally, or you worked directly under the owner of a business. They also were a way to give people hope. So if you're plucky, and with a little luck, you may be able to step outside of this industrial morass that most people found themselves in.

Susan Strasser, University of Delaware: The idea that anybody could get rich was one that

spread around the world. My own grandfather, when I asked him why his parents had immigrated, he shrugged his shoulders. He said the streets were paved with gold.

When my great-grandparents came to the United States they discovered that the streets were not, in fact, paved with gold...and immigrants found themselves crowded into tenements. They found themselves working in sweat shops. They found themselves not getting rich. And so, the myth was indeed a myth, but it definitely kept people coming here and it kept people striving.

Narrator: As the disparities between rich and poor grew increasingly conspicuous, new social and religious philosophies sprang up to assuage the conscience of the nation.

Actor, William Graham Sumner: Society does not owe any man a living. He has got to fight the battle with nature as every other man has.

Sarah Stage, Arizona State University: The social Darwinists, and the American exponent of social Darwinism, William Graham Sumner, really emphasized that individuals could do nothing to change things. Everything happened in a mechanical way. It was the evolution and survival of the fittest.

Pamela Laird: The principle of social Darwinism is a circular logic, mainly that if you are materially successful, by whatever means you became materially successful, you are valued as having individual merit. One of the many unfortunate consequences was that poor people were also presumed to deserve what they, in this case, did not have. And so this meant that even children were judged as unfit by virtue of their poverty.

Narrator: In his gospel of wealth, Andrew Carnegie gave the concept a softer, if more paternal, slant.

Sarah Stage: Carnegie didn't like the way that the rich spent their money, so the gospel of wealth was really his statement of how the very rich should operate. And what he said is that the wealthy should be stewards for all of the people. They should see the money not simply as their own money but use it for the public good.

Narrator: Carnegie advocated philanthropy and he himself gave away more than 300 million dollars in his lifetime, most notably for public libraries.

Sarah Stage: I think he probably had the Vanderbilts in mind when he wrote the gospel of

wealth. Alva Vanderbilt had given a ball in 1883 that cost, in today's currency, about four million dollars, an elaborate costume ball to promote her launching into high society.

Arthur Vanderbilt: It turned out really to be the ball of the season. It was on the front pages the next day of all the newspapers across the nation and the guests came dressed in every sort of imaginable costume. One of the commodore's granddaughters, Alice Vanderbilt, came dressed as the electric light, which was then the new invention – dressed all in satin and with diamonds all over her head as if she was sparkling light.

Narrator: In the late 19th century, the lights of the city drew Americans in droves – leaving the agricultural or craft work that had brought self-sufficiency for city jobs that paid them in cash.

Susan Strasser: When we talk about a consumer culture, we're literally talking about a culture in which people buy things rather than making them – processed foods, first breakfast cereals, canned foods, those sorts of things. But there were also all kinds of new products, flashlights or phonographs, that nobody had ever seen before.

Pamela Laird: At the core of the consumer culture is the notion that needs are infinite, that they are changeable. For a consumer culture to exist we have to want more.

By the 1890s, you've got a group of people who are beginning to say, "What we demand is a living wage. We want to be able to buy for our families what it takes to participate in the American culture." And so, they are essentially defining what it means to be a man now, not in terms of owning your own business anymore but in terms of being able to provide for your family within a consumer culture.

End of video.

Activity: Check Your Understanding

This quiz reviews the culture of the United States in the late nineteenth century. Agriculture played an important role by not only providing an abundance of food, but also an influx of farm workers who moved to the cities after being displaced by agricultural mechanization. Population soared from 39 million in 1870 to almost 76 million by 1900, helping fuel the urbanization and industrialization of the era. Railroads became essential for linking goods and consumers, making rural and urban areas more accessible to each other and moving raw materials for

processing. The Gilded Age became a golden age of corruption as bribes became the great lubricant of government-industry relations. Horatio Alger became the most popular author of the time period because his stories made it seem that any man with ambition and a little luck could get rich. However, most immigrants did not find this to be a reality, ending up in hard, low-paying factory jobs and living in squalid, overcrowded tenements. Social Darwinists argued that society owes people nothing and that the struggle for existence would allow the fittest to survive and rise to the top. In "The Gospel of Wealth," Andrew Carnegie argued that the rich should use their money for the public good and believed that dying rich was a disgrace. In the emerging consumer culture of the late nineteenth century, more manufactured items were available for purchase and advertising created the desire to want more things. More and more, worldly goods were used to measure individual success.

Additional Resources

Websites

[On the Standard Oil Company](#)

Excerpts from Ida M. Tarbell, "The History of the Standard Oil Company," John D. Rockefeller, "Random Reminiscences of Men and Events," and the U.S. Supreme Court decision against Standard Oil in 1911.

[Dime Novels and Penny Dreadfuls](#)

<http://www-sul.stanford.edu/depts/dp/pennies/home.html>

Dime novels were aimed at youthful, working-class audiences and distributed in massive editions at newsstands and dry goods stores. Stanford's Dime Novel and Story Paper Collection consists of over 8,000 individual items and includes long runs of the major dime novels.