

# The Gilded Age

## A Wide Range of Consequences

The culture celebrated great wealth, but the gilded layer of gold at the top of American society concealed some sordid conditions below the surface. How and why had this happened?

### Video: Costs and Benefits

One benefit of rapid industrialization in the late nineteenth century was the lower cost of producing goods and services, but there were also major consequences. What were the costs and benefits of this industrializing economy? How was America transformed during the Gilded Age?

### Video script:

Music introduction

Richard White: One of the things that strikes people by 1890, 1900, is how different the America of their old age or middle age was from the America of their youth. It's an urban nation. It's an industrializing nation. We are a magnet for people all over the world who see the United States as a place where individual lives can be bettered. All of those things are taking place. They come at an incredible cost, because increasingly by the end of the century, the United States for the first time is being divided into a society of people who are rich, there's an emerging middle class, but there are large numbers of poor in ways that seem un-American to many people.

Michael Bernstein: What were the benefits of industrialization in the U.S. case? Simply put, more output and lower prices. Lower prices improve the living standards of individuals and gives them access to a greater array of goods. What are the costs? The introduction of mass mechanized factory production and this replaces the small workshop and indeed the small scale farm in the case of agriculture. A way of life is ultimately being eliminated and it's replaced by what many social historians have regarded as the fairly impersonalized qualities of the large factory, the large corporation. People become numbers, not names.

Pamela Laird: We oftentimes look back on this rapid industrialization as if this is a wonderful boon to humanity. But the costs for the people at the time were enormous. The costs included the very obvious costs of the workers, who worked under horrible conditions, but even the people who we would consider successes during that period paid a price as well. A term that was popular in the 1880s, and then through the 1890s, was neurasthenia. We would call this stress now – that drove people into anxiety attacks, hysteria, depression, insomnia, and all the things that we now understand as being physiological reactions to stressful situations.

Michael Bernstein: Finally, one of the clear costs of industrialization is environmental. Rapid expansion into the interior of the country, rapid urbanization is chewing up natural resources and creating pollution and other industrial waste byproducts that are leaving the environment worse off.

Pamela Laird: Of course, in the 19th century ads they would show the factories with the smoke coming out - this is good. And now of course, we would say, "Oh my gosh, they're polluting. We have to do something about it." So there was a wide range of consequences.

End of video.

## **Factors of Industrialization**

Technology, transportation, natural resources, and capital for investment were critical factors in the Industrial Revolution, but the human factor in managing these resources was also a key ingredient. With innovative thinking and entrepreneurship, the leaders of the Industrial Revolution forged an era that transformed America. This activity reviews prominent figures of the era and their influence on America during the process of industrialization.

### **Interactive Activity: Factors of Industrialization**

This activity links quotes, facts, and ideas from the time period to specific people. In "The Gospel of Wealth," Andrew Carnegie stated that a millionaire is "a mere trustee and agent for his poorer brethren." Jay Gould used a strategy of expansion and consolidation to help develop a vast railway system in the 1880s. The eldest son of Cornelius Vanderbilt inherited the New York Central Railroad and more money than was held in the U.S. Treasury in 1877. J.D.

Rockefeller pioneered a new corporate structure called a trust, which gave him a virtual monopoly on the oil refining industry through horizontal expansion. Horatio Alger wrote his first book, *Ragged Dick*, which encouraged people to seek upward mobility. Cornelius Vanderbilt used transportation to begin his industry that accumulated millions of dollars by the time he was in his mid-forties. Ida M. Tarbell wrote a series of articles for *McClure's Magazine* that helped convince people that economic and political reforms were needed to curb the power of big business. The invention of the light bulb filament by Thomas Edison intensified the growing division between rural and urban living. Acting as a banker and power broker, J.P. Morgan created a model for corporate mergers that led to the development of industrial giants like General Electric and U.S. Steel. Mark Twain satirized the corrupt relationship between business and government and the shallow values of the late 1800s in his book, *The Gilded Age*.

## **A Business Culture**

As America transitioned from an agrarian to an urban culture in the late 1800s, prominent businessmen and wealthy industrialists overtook the "happy yeoman" in the race to achieve happiness. Two social theories that helped define the new model of success were social Darwinism and the Horatio Alger myth. See how many characteristics of each you can identify in this activity.

### **Interactive Activity: A Business Culture**

This activity identifies the characteristics of Social Darwinism, including justification of economic inequality, glorification of wealth, endorsement of survival of the fittest, and the promotion of fierce competition. It also reinforces the characteristics of the myth propagated by the Horatio Alger novels, which are rags to riches stories espousing upward social mobility through hard work and self-reliance, where the hero starts with humble beginnings and eventually gains respectability.

## Lesson Study Questions

To evaluate your understanding of the lesson topics and prepare for tests, consider how you would answer these questions:

1. How and why did Cornelius Vanderbilt and his family represent the Gilded Age?
  - What personal qualities did the Commodore possess?
  - How did he take advantage of the opportunities he had?
  - How did he treat his adversaries? What was his attitude toward government?
  - How did he and his family flaunt their wealth?
2. How and why did the federal government, including the Supreme Court, aid business in the late nineteenth century?
  - Consider how subsidies and tariffs helped business.
  - Why was there little regulation? Why were the regulations that existed hardly enforced?
  - How did the Supreme Court protect and enlarge the rights of business?
3. Why was the theory of social Darwinism popular among the rich? How did this theory affect the poor?
  - What was the theory of social Darwinism? How did it flatter the rich?
  - Why did this theory support laissez-faire capitalism?
  - Why are people poor, according to social Darwinists? What can be done for them?
4. Explain at least five reasons for the rapid industrialization of the United States in the late nineteenth century. How did the culture of the time support wealth and big business? How was America transformed during the Gilded Age? What was the legacy of this era of American history?
  - Consider natural resources, population growth/labor, capital, transportation/communications, marketing, technology, management/entrepreneurs, and the role of government.
  - Consider the effects of the Alger myth, social Darwinism, and consumer culture.
  - What were the big changes that took place in the nation?
  - What were the costs and benefits of industrialization?

## **Additional Resources**

### **Websites**

#### **[The Gilded and the Gritty](http://nationalhumanitiescenter.org/pds/gilded/generallinks.htm)**

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These primary resources are thematically organized with notes and discussion questions concerning America, 1870–1912.