# Political and Economic Changes of the Late 19th Century

# **UNPACKING** the **TEKS**

(R) H.1.3(A), (R) H.1.3(B), (R) H.2.12(A),

S H.2.25(B), S H.3.23(A), S H.4.15(A), R H.4.15(B)

Indian policies were U.S. government's means of controlling Indian tribes and taking control over many aspects of American Indians' lives. One example of this policy was the government's forcing American Indians onto reservations, or plots of land set aside for American Indians after the government removed them from their land.

**Assimilation** is a process by which something is altered or absorbed. In the case of American Indians, the U.S. government attempted to force them to accept American (European-based) culture at the expense of their traditional cultures.

Political machines were organized groups within a political party in many large cities in the late 19th and early 20th centuries. Machines provided political favors for the groups in society that most needed government support (working class and immigrants) in return for votes which would keep that political party in power.

Civil service is a body of government officials and employees who are hired rather than elected. In the 1800s, the "spoils system" (or patronage) developed, which was the practice of giving civil service positions to party members and political allies.

Industrialization is the process of transforming a nation's economic focus from agriculture to manufacturing. Rapid industrialization led to political corruption and clear class distinctions based on wealth, giving this period the name Gilded Age. Powerful industrialists who gained their wealth through ruthless business tactics were called robber barons

### Words to Know

Indian policy reservation assimilation political machine civil service spoils system patronage industrialization Gilded Age robber baron monopoly laissez-faire labor union entrepreneur Granger Laws

Wild West

A monopoly is exclusive control of a particular market achieved by a large company by elimination of most or all competition. Business leaders of the late 1800s used new techniques to create monopolies which allowed them the ability to control production and prices. In the early years of industrialization, the government did little to regulate big business, or practiced laissez-faire economic policy. The federal government eventually started to regulate monopolies because of their negative impacts.

A labor union is an organization of workers formed for the purpose of advancing member interests, such as wages, benefits, and working conditions.

An entrepreneur is someone who organizes, manages, and takes on the risks of a business or enterprise. Some entrepreneurs of the period were able to acquire enormous fortunes through their business practices.

Granger Laws were a series of state laws that regulated railroad rates to protect farmers from unfair railroad practices. Railroads commonly charged higher rates for farmers to transport goods to markets compared to the rates charged for some industries to move their goods.

The Wild West is the American frontier as it was being settled in the late 19th century. This period was romanticized by literature and movies to be one of lawlessness, gunfights, and cowboys. In reality, the West was no more "wild" than other parts of the country. It was populated by small business owners, farmers, ranchers, and miners who mostly lived in small towns located along railroad lines.

## **GUIDED PRACTICE**

DIRECTIONS Read the selection below. As you read, answer the questions in the side column.

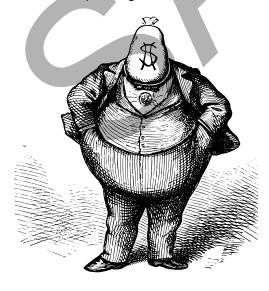
In the decades following the Civil War and Reconstruction, the United States was experiencing unprecedented growth. That growth led to significant political and economic successes and challenges for the nation.

#### Political Issues from 1877 to 1898

Indian Policies During this period, the U.S. government's Indian policies shifted considerably. Prior to the Civil War, most Native people had already been relocated west of the Mississippi River and the policy of assimilation gained momentum, driven by the belief that Native Americans should adopt European-American customs and lifestyles. After the war, the Dawes Act of 1887 broke up tribal landholdings and allotted individual plots of land to families. This policy was a departure from earlier efforts to isolate and relocate American Indians on reservations.

Political Machines In the late 19th century, political corruption was on the rise, primarily in cities in the east. This is seen in the growth of political machines. These Gilded Age political organizations were often characterized by a network of illegal practices, including patronage, bribery, and fraud. Political machines controlled city governments, distributing favors and jobs in exchange for political support.

One of the most notorious political machines of the era was the Tweed Ring. It was led by William M. "Boss" Tweed, a powerful figure in Tammany Hall, New York City's Democratic political machine. The Tweed Ring was known for embezzling, or stealing, millions of dollars from the city through fraudulent contracts and kickbacks, exploiting Democrats' control of city government.



A political cartoon by Thomas Nast shows the greedy Boss Tweed. Political cartoons reached a wider audience as many working-class people were not literate at this time.

## **Guided Questions**

Which law intended to separate tribes with individual land holdings?

How did the U.S. government's Indian policies change over time?

How did political machines gain political support from voters?

How did political machines acquire wealth?



**Civil Service** The government responded to the corruption and patronage associated with political machines by reforming the civil service system. The Pendleton Civil Service Reform Act of 1883 was a significant step in this direction. It aimed to replace the patronage system with a merit-based system for federal government employment rather than one based on political loyalty. This was a significant shift away from the "spoils system," where government jobs were awarded as political rewards, and towards a more professional and competent bureaucracy.

#### Economic Issues from 1877 to 1898

**Industrialization** The late 19th century witnessed rapid industrialization in the United States (sometimes called the Second Industrial Revolution). Technological advancements, including the widespread use of steam power and the electric light bulb, spurred the growth of industries like steel, textiles, and machinery. These advancements led to mass-production goods and to urbanization—a shift in the labor force from farms to factories.

The government supported this growth with protective tariffs, such as the McKinley Tariff Act of 1890, to shield American industries from foreign competition. Additionally, when it came to regulating business during this period, the U.S. government took a laissez-faire approach. Over time, the government's support for big businesses and hands-off mentality toward regulations led to concerns about monopolies and the concentration of economic power.

Industrialization also brought about challenging labor conditions. Workers faced long hours, low pay, and hazardous working conditions. In response, labor unions like the Knights of Labor and the American Federation of Labor (AFL) formed, fighting for workers' rights, better wages, and improved working conditions. Strikes and labor disputes became common as workers sought to improve their situations.

Rapid industrialization growth led to this period being labeled the Gilded Age, which was characterized by a significant surge in entrepreneurship. The term Gilded Age comes from author Mark Twain who described this era as golden on the surface, but corrupt beneath the glittering appearance. Entrepreneurs like Andrew Carnegie (steel), John D. Rockefeller (oil), and J.P. Morgan (financing and banking) drove economic growth by using innovative techniques to build massive business empires and enormous wealth. Some entrepreneurs, like Carnegie, felt a moral responsibility to give significant amounts of their wealth to charitable causes. However, the techniques of these robber barons were considered unfair by some as they limited competition, raising concerns about monopolies.

Monopolies The growth of big businesses had both positive and negative implications for the American economy. On the positive side, large corporations brought about increased production efficiency, technological innovations, and economic growth. They created jobs

## **Guided Questions**

How did the Pendleton Act improve the
civil service system?
How did the U.S. government support the growth of big business?
What positive and negative impacts did industrial growth have on American society?

and contributed to the nation's prosperity. However, there were concerns about monopolistic practices, which led to a concentration of economic power in the hands of a few. The government's support for big business was offset by regulatory efforts. The Sherman Antitrust Act (1890) was passed to give the federal government the authority to curb the growing power of monopolies.

Railroads The expansion of the railroad network played a pivotal role in shaping the American economy at this time. It was key to westward expansion, influencing settlement patterns, and enabling access to new resources and markets. However, railroad monopolies were of concern to the government. The Interstate Commerce Commission (1887) was created to limit monopolistic practices by requiring railroad companies to charge fair rates.

A symbol of American progress and innovation was the Transcontinental Railroad. Completed in 1869, this series of railroads connected the East and West coasts, reducing cross-country travel time from months to a mere week. The Transcontinental Railroad was a catalyst for western expansion, spurring economic growth, opening new markets, and fostering trade.

Cattle The cattle industry, particularly in the plains and the West experienced a boom during this period. The growing demand for beef in cities east of the Mississippi River fueled the growth. The completion of the Transcontinental Railroad allowed cattle to be transported to eastern markets more efficiently. Federal land policies, such as the Homestead Act of 1862, provided 160 acres to settlers if they worked the land for at least five years—many raised cattle on these lands. In addition to economic prosperity, the cattle industry's growth added to the iconic image of the Wild West. However, the industry had environmental consequences, particularly overgrazing, which led to soil erosion.



Gold The discovery of gold in 1896 in the Klondike region of the Yukon in Canada lured thousands of prospectors in search of fortune. The Klondike Gold Rush spurred economic development helping to pull the U.S. economy out of a recession and aided in the expansion of the Alaskan frontier. It symbolized how gold and silver captivated many Americans, and it had a lasting impact on the culture and mythology of the western frontier. As more people moved West, whether in search of gold, farmland, or a new life, many historians considered the frontier to be closed by the late 1800s.

### **Guided Questions**

How did the U.S. government attempt to limit the power of monopolies? What was the importance of the Transcontinental Railroad? How did the cattle industry show the interconnectedness of U.S. regions?

What caused people to rush to Alaska and northwest Canada in the late 1800s?



Farm Problems The late 19th century was a challenging time for American farmers. Falling crop prices, high transportation costs, and overproduction led to financial difficulties. The Granger Laws in several states regulated unfair railroad rates and grain elevator charges to protect farmers. However, these efforts were often insufficient to address the larger economic issues faced by farmers.

Currency Debate At this time, the U.S. was gripped by a heated debate over whether gold or silver should be the standard for backing the country's currency. Supporters of the gold standard, who were often bankers and business owners, argued that gold was more stable and valuable, which would ensure a strong and reliable economy. Advocates of the silver standard, including farmers and miners, believed that using silver would lead to more money in circulation, reduce debts, and boost the economy, especially in rural areas. The debate became a central issue in the presidential election of 1896, highlighting the deep economic divisions within the country.

Guided Questions				
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Who were the supporters of gold and silver as the backing of U.S. currency?				
silver as the backing of 0.5. currency.				

## **CRITICAL THINKING**

DIRECTIONS Think about the questions carefully. Then write your answers on the lines provided.

1. How did the U.S. government's policies regarding American Indians change in the period after

	the Civil War?
2.	What were the positive and negative impacts on the U.S. economy of the growth of big business in the late 19th century?
3.	What factors contributed to the growth of railroads, and what were the outcomes of this growth?

## **★ PRACTICE**

### **DIRECTIONS** Read and answer each question carefully.

- **1** What was the purpose of the Interstate Commerce Act (1887)?
  - A To encourage railroad monopolies
  - B To give the government control of railroads
  - © To promote fair rates from railroads
  - ① To facilitate westward railroad expansion
- **2** Which of the following **BEST** describe the effects of the Klondike Gold Rush?

Select **TWO** correct answers.

- A It resulted in long-term economic stability for all of the prospectors who participated.
- B The population of the Klondike region dramatically increased as people moved there in search of wealth.
- © It symbolized the allure that gold and silver held over the American public at this time.
- D The rush primarily benefited large mining corporations, rather than individual prospectors.
- © It resulted in the establishment of a permanent infrastructure and development of the region.

**3** Read the statement below.

Men who continue hoarding great sums all their lives, the proper use of which for public ends would work good to the community . . . There remains, then, only one mode of using great fortunes; but in this we have the true antidote for the temporary unequal distribution of wealth. . . . and this wealth, passing through the hands of the few, can be made a much more potent force for the elevation of our [human] race . . .

Which of the following people likely made this statement?

- Senator Henry Dawes (author of the Dawes Act)
- William "Boss" Tweed
- © President William McKinley
- D Andrew Carnegie
- Which **BEST** describes the Dawes Act?
  - A It was designed to force the tribes from their homelands.
  - B It provided American Indian families with allotments of land to farm
  - © It prohibited tribal members from becoming American citizens.
  - ① It gave tribal people a means to gain wealth.



# \* PRACTICE

This question has two parts.

This image shows sheep being unloaded from a stock car in Wisconsin.



#### Part A

How did railroads contribute to economic growth?

- A New farm equipment was invented.
- B More people wanted to farm.
- © Railroads transported livestock and produce.
- D New crops were invented.

#### Part B

Which evidence in the image supports your answer to Part A?

- Trains are going in different directions.
- B The trains are transporting livestock.
- © The trains move slow enough for animals.
- D It is impossible to tell from the image.

- **6** Which of the following **BEST** describes the long-term effect of the Homestead Act of 1862?
  - A To limit issues with urbanization as people move from cities to rural areas to claim land
  - B To offer public land to settlers in the West, which added to the closing of the frontier
  - © To provide immediate economic relief to all who participated in the program
  - D To restrict settlement in the West to only those who could afford large plots of land

# \* ASSESSMENT

### DIRECTIONS Read and answer each question carefully.

**1** This table lists political and economic issues in U.S. History from 1775 to the 1900s.

Identify the causes or effects that are missing from the table.

Write the cause or effect into the correct box in the table.

Workers formed unions.

Interstate Commerce Act

Construction of railroads

Cause	Event	Effect
Railroad expansion	Railroads charged unfair rates to farmers and some industries.	
	Thousands of cows were transported across the country.	Cattle industry boomed.
Low wages, poor and dangerous work conditions	Industrialists benefitted tremendously while workers suffered.	

- **2** For which purpose was the Sherman Antitrust Act passed?
  - A To protect U.S. businesses from foreign competition
  - B To discourage the formation of small businesses
  - © To promote business growth in the West
  - D To curb the growing power of monopolies
- Which of the following is most responsible for the industrial growth that transformed American society?
  - The relocation of Native Americans
  - B Civil Service reforms
  - © The growth of railroads
  - © Granger Laws passed by several states
- Which characterized the policy of the U.S. government regarding American Indians near the end of the 1800s?
  - A Establishing modern tribal governments
  - B Forcibly relocating tribes west of the Mississippi River
  - © Denying American Indians citizenship
  - D Breaking up tribal landholdings and forcing assimilation



# \* ASSESSMENT

This question has two parts.

Read the excerpt.

They are the election of officials and the passage of legislation through the power of an organization created for political action . . . The so-called "independent voter" is foolish to assume [it] is run solely on good will, or patronage.

> -William Safire. Safire's Political Dictionary

#### Part A

Based on the excerpt, to what is Safire referring?

- (A) Government
- Political machines
- Tribal nations
- Industrialists

#### Part B

Which phrase from the excerpt provides evidence for the answer to Part A?

- A "election of officials"
- B "power of an organization created for political power"
- © "independent voter"
- D "solely on good will"

- **6** Which statement describes entrepreneurs of this period?
  - A Political leaders who used illegal practices such as bribery and kickbacks to acquire wealth.
  - B Business owners who used innovative techniques to build massive empires and enormous wealth.
  - © Activists who worked for workers rights and better working conditions.
  - D Farmers who wanted to control the growing power of the railroads.