

The Gilded Age The Grant Administration

Ulysses S. Grant brought to the presidency less political experience than any man who ever occupied the office, except perhaps Zachary Taylor, and perhaps less political judgment than any other. But in 1868 the rank-and-file voter could be expected to support him because of his record as a war leader. Both parties wooed him, but his falling-out with President Johnson pushed him toward the Republicans. He defeated the Democratic candidate, Horatio Seymour, 214 electoral votes to 80 but his popular majority was only 307,000 out of a total of over 5.7 million.

Grant may have made a great general but he is not regarded as a great president. His administration soon fell into a cesspool of scandal.

The Gold Market Scam

In 1869 two Wall Street financiers, Jay Gould and James Fisk, obtained the help of Grant's brother-in-law in a scheme to corner the gold market. To "corner the market" means to stockpile as much of a commodity as possible to create an artificial shortage and driving up the price and then selling at the higher price.

Fisk and Gould tried to convince Grant (with pressure from his brother-in-law) to stop the federal treasury from selling gold. This they hoped would drive up the price of gold. Meanwhile Fisk and Gould were silently buying up as much gold as they could. As rumors spread that Grant was going to follow their advice, gold rose from \$132 to \$163 an ounce. As prices rose, Fisk and Gould began selling their gold. Grant became suspicious of his brother's-in-law sudden interest in gold and when he found a letter between his wife and his sister, Grant realized he was being conned.

On 9/24/1869, Grant ordered the Treasury to sell a large quantity of gold, causing the price of gold to fall suddenly; as prices fell, panic hit and everyone else began to sell; the bubble had burst. Fisk and Gould had done nothing wrong – unethical maybe but not illegal. A congressional investigation determined that Grant had done nothing wrong although he had acted ineptly.

Crédit Mobilier

Crédit Mobilier was a railroad construction company formed by insiders of the Union Pacific Railway. They hired themselves to build their share of the transcontinental railroad. Union Pacific Railway received government subsidies to help pay for building the railroad. The construction company would overcharge for their services. By the time they were done, they'd cleared at least \$23 million (and perhaps considerably more), and the U.P. was on the verge of bankruptcy. Everyone who had invested in the railroad but not the construction company found themselves with nearly worthless securities on their hands. To avoid investigation by Congress the company gave influential members of Congress shares in the company. When the scandal was uncovered, Congress let it slide. Most of this took place before Grant became president. But the scandal broke during his administration and involved high profile Republicans, the President's party.

The Whiskey Ring

During and after the civil war, federal revenue agents in St. Louis, Milwaukee, and Chicago conspired with the liquor industry to keep the taxes on liquor for themselves. An investigation led to 238 arrests and 110 convictions. When the scandal broke, Grant insisted that "No man should go unpunished" until his own private secretary, Orville Babcock, was revealed as one of the arrested. Again, Grant himself did not personally profit from the corruption, but his loyalty to dishonest men around him badly tarnished his presidency.

The Gilded Age Politics at the Federal Level

The political seesaw was delicately balanced throughout most of the Gilded Age. Even a slight nudge could tip the teeter-totter to the advantage of the opposition party. Every presidential election was a squeaker, and the majority party in the House of Representatives switched six times in the eleven sessions between 1869 and 1891. In only three sessions did the same party control the House, the Senate, and the White House. Wobbling in such shaky equilibrium, politicians tiptoed timidly, producing a political record that was often trivial and petty.

Few significant economic issues separated the major parties. Democrats and Republicans saw very nearly eye-to-eye on many issues. Yet despite their rough agreement on many national matters, the two parties were ferociously competitive with each other. They were tightly and efficiently organized, and they commanded fierce loyalty from their members. Voter turnouts reached heights unmatched before or since – nearly 80 percent of eligible voters cast their ballots in presidential elections during the Gilded Age.

The lifeblood of both parties was patronage – disbursing jobs by the bucketful in return for votes, kickbacks, and party service not to the most qualified people. Office seekers hoping to land one of these jobs besieged election winners, taking precious time away from more important duties. People even put advertisements in the newspapers, such as this one: “WANTED-A GOVERNMENT CLERKSHIP at a salary of not less than \$1000 per annum. Will give \$100 to any one securing me such a position.”

The federal government was growing, employing 131,000 people at this time. Moreover, new government jobs required mathematical, scientific, or other skills. When a disappointed and mentally deranged office seeker, Charles Guiteau, shot President Garfield in the back in a Washington railroad station many Americans were appalled. Garfield lingered in agony for eleven weeks and died on September 19, 1881. Guiteau asked all those who had benefitted politically by the assassination to contribute to his defense fund. Guiteau was found guilty of murder and hanged.

The Gilded Age Urban Politics

At the municipal level, political corruption was widespread. The political machines that dominated urban politics distributed city jobs to loyal supporters regardless of ability, and they awarded city contracts for construction and services to those offering the largest bribes. As cities swelled with migrants moving from rural areas and immigrants arriving from Europe, roads had to be built, sewer and gas lines had to be laid, and police and fire departments had to be staffed. Political insiders grew rich meeting the needs of the rapidly expanding cities.

The most powerful example of this political corruption was New York's Tammany Hall. This political organization, led by William Marcy Tweed (known popularly as "Boss" Tweed) and his cronies controlled the Democratic Party in New York City. He used his power to cheat city taxpayers out of \$13 million for a courthouse that was never completed (it was originally supposed to cost \$250,000). Tammany Hall capped off its orgy of self-rewarding control over New York City politics by building an elaborate new city hall. One loyal member of the Tammany organization was dubbed the "Prince of Plasterers" by the New York press when it was discovered that his connections had earned him a tidy \$3 million for his work on the new building.

The infamous Tweed Ring vividly displayed the ethics (or lack of ethics) typical of the age. They employed bribery, graft, and fraudulent elections to milk the metropolis of as much as \$200 million. Honest citizens were cowed into silence. Protestors found their tax assessments raised.

Tweed's luck finally ran out. The *New York Times* secured damning evidence in 1871 and courageously published it, though offered \$5 million not to do so. Gifted cartoonist Thomas Nast attacked Tweed mercilessly, after spurning a heavy bribe to desist. Tweed complained that his illiterate followers could not help seeing "them damn pictures." New York attorney Samuel Tilden headed the prosecution, gaining fame that later paved the path to his presidential nomination in 1876. All the Tweed Ring were subsequently tried and sentenced to prison. Boss Tweed served time for forgery and larceny and other charges but in 1875 escaped from prison and traveled to Cuba and Spain. In 1876, he was arrested by Spanish police, who reportedly recognized him from a famous Nash cartoon depiction. After Tweed's extradition to the United States, he was returned to prison, where he died in 1878.