

6.12 Controversies over the Role of Government in the Gilded Age

Theme: Politics and Power

Learning Objective 6.J: Explain continuities and changes in the role of the government in the U.S. economy.

Laissez Faire Economics

KC-6.1.II.A Some argued that laissez-faire policies and competition promoted economic growth in the long run, and they opposed government intervention during economic downturns.

- Industrialists benefited from lack of regulation, lack of _____
 - Argued economic _____ and jobs they created outweighed negative effects
- Preferred _____, backed by gold to maintain their wealth
 - Influenced government to give subsidies, raise _____ but not regulate

Government Intervention Beneficial to Industrialists

- Railroad land grants - Used to leverage construction of RRs, speculated on value, construction mired by scandal (_____), resulting monopolies fixed prices
- Tariffs - protective tariffs (_____, Dingley Tariff 1897) helped industry, hurt consumers, farmers bear brunt of retaliatory tariffs
- Coining Silver - “_____” stopped coining silver, kept inflation down strengthened industrialists’ position
- Regulation - Slow progress with _____, creation of the _____, SC limits regulation in US v. E.C. Knight Co.

Foreign Policy

KC-6.1.II.E.ii 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.

- Hawaii
 - Business interests in _____ plantations secure exclusive trading rights
 - 1890 _____ hurt profits on sugar exports
 - 1893 American settlers and diplomats involved in overthrow of _____ and monarchy
 - Annexation rejected by President Grover Cleveland

Recap

- Industrialists claimed an economy with little government involvement was most efficient
- Reality was that they benefited greatly from government intervention in the economy
- Actions in Hawaii most extreme example in attempt to control resources abroad

Part II

Short Answer Questions

Answer the following in AT LEAST three sentences.

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

Evidence Supporting a Thesis

Create an evidence statement which backs the thesis below. Your evidence statement should be three sentences and be in A-C-E format.

“During the Gilded Age, the United States government was deeply involved in the economy, though usually in favor of industrialists’ interests.”

1. Evidence Statement #1

2. Evidence Statement #2

3. Evidence Statement #3
