In 1877, as federal troops withdrew from the former Confederacy and Reconstruction officially ended, the meaning of the Civil War was being redefined, rendered apolitical. The white South and the white North approached reunion by constructing a common memory of the war, a narrative that erased the struggle over slavery and celebrated a national cult of martial valor—for whites only. All that carnage could acquire meaning if it was seen as a mode of moral regeneration through combat. Militarism paved the road to reunion, on the backs of African Americans.

The first military hero of the Gilded Age was General George Armstrong Custer, who became a martyr when he blundered into disaster at the Little Bighorn in 1876. While Ulysses S. Grant (a professional soldier) viewed Custer as an imprudent over-reacher, Theodore Roosevelt (an amateur moralist) praised Custer as a model to American youth. Roosevelt’s was the Gilded Age perspective: he epitomized the post–Civil War turn toward an obsession with combat as an opportunity for personal regeneration, and a confusion of physical courage with moral courage. He became the second military hero of the Gilded Age in 1898 when he led his Rough Riders up San Juan Hill—a move as theatrical and nearly as ill-conceived as Custer’s provocation at the Little Bighorn. Both episodes signaled the new relationship between war and American society: from here on, big or small, wars would be a distant spectacle for the civilian population—hence all the more susceptible to militarist fantasy.

Gilded Age militarism was part of a broader redefinition of manhood in bodily rather than moral or spiritual terms. A new focus on physical manliness animated the waves of “muscular Christianity” that washed over Protestant culture during these years, as well as the rising preoccupation with bodybuilding and vigorous outdoor sport. Yet the new concern with vigor was ultimately not just about men. In her brilliant short story “The Yellow Wallpaper” (1892), the budding feminist Charlotte Perkins Gilman dissected the catastrophic effects of Silas Weir Mitchell’s “rest cure” for neurasthenic women (whom we would now call clinically depressed). Enforced passivity would never do. By the 1890s, women were hopping astride bicycles and pedaling their way to renewed vitality. And some, led by Jane Addams, were seeking contact with “real life” through settlement-house work in the slums of Chicago or New York. Among both sexes in the middle and upper classes, desires for regeneration intensified. Having originated in Protestant longings for spiritual rebirth, those yearnings now took psychological and physical form.

The fascination with physicality was in some ways a reaction against the abstractions and deceptions of everyday life in a commercial society. The title of Mark Twain and Charles Dudley Warner’s novel The Gilded Age (1873), which gave the era its identity, suggests the primacy of superficial display and misleading artifice—leading features of life in a speculative society thronging with confidence men, whose stock in trade was the deceitful manipulation of appearances. On the New York Stock Exchange, success was about winning the confidence of investors to pump up the share price of overvalued companies—especially railroads, the high-tech investment of the day, whose paper stock soared while their rolling stock lay rusting in ditches. Even such titans as Andrew Carnegie and John D. Rockefeller, whose companies supplied the basic ingredients of the industrial revolution (steel and oil), made their first pile through political cronyism and clever salesmanship rather than technological innovation.

The robber barons were also magicians of money. Their rise embodied its transformative power. Money had always been a vehicle for magical thinking, but it became an especially powerful focus for fantasy in Gilded Age America, where dreams of overnight wealth and dramatic self-transformation proliferated in the popular imagination. In the speculative climate that had characterized the United States since its founding, monetary value remained arbitrary and evanescent, a tissue of paper and promises. Money was ubiquitous and powerful yet ephemeral and invisible; it increased and decreased mysteriously in worth and sometimes it disappeared altogether, without warning. Men who could manage it successfully, like Carnegie and Rockefeller, created monopolistic corporations. These “trusts” met an ironic fate—they became a law unto themselves and curtailed the free competition that (according to laissez-faire mythology) had created them in the first place.

Official moralists tended to overlook the contradictory impact of monopoly power. They also ignored the speculative aspects of money, which they treated not as a manipulable instrument of power but a just reward for hard work. The poor, from this view, were responsible for their own plight. Visions of self-made manhood proliferated, promoted by such self-help writers as Horatio Alger, whose boys’ books traced the rise of bootblacks to bank clerks, and Russell Conwell, the Baptist minister who declared “Acres of Diamonds” to be the proper reward of the hard-working Christian.

Working-class folk were not impressed. They knew that pulling yourself up by your bootstraps was trickier than any self-help writer imagined. That was why they embraced an ethic of solidarity rather than individualist striving. Solidarity took institutional form in the labor unions that miners, railroad laborers, and other skilled industrial workers organized to protect themselves against their employers’ relentless drive to maximize profits through maximum productivity—which meant squeezing as much work out of their labor force for as little pay as possible. The first fruits of the labor movement appeared in 1877, as a railroad strike spread along the lines from Baltimore and Pittsburgh to Chicago and St. Louis. Resisting wage cuts and mass firings (the backwash of a long depression), workers fought pitched battles with local militia, the National Guard, and in some places the US Army. As soldiers fired on their fellow citizens, railway cars burned, and the bodies of dead strikers lay strewn about the streets, labor gradually yielded to the combined power of capital and the state.

This became the pattern of labor-management strife in the Gilded Age. Even in prosperous times, the ethic of individualism left unprotected workers at the mercy of unregulated capital. They sought refuge in “one big union,” the Knights of Labor, which claimed to welcome any member of the “producing classes”—anyone who lived by his labor power rather than the mere manipulation of money. Though the Knights’ membership swelled, they proved unequal to the task of protecting labor from such employers as Cyrus McCormick, the farm implement king. McCormick sought to reduce labor costs by replacing workers with machines and speeding up the work of the rest. His policies provoked a tsunami of strikes in and around Chicago in 1886, concluding with a mass protest in Haymarket Square, where a bomb exploded and seven policemen were killed. Five German anarchists were eventually executed for the crime, on slim-to-nonexistent evidence. Whenever unions resisted management policies—whether at Homestead in 1892, Pullman in 1894, or any of dozens of other workplaces—the result was always the same: the side with more money and more guns won out.

Still, discontent with conscienceless capitalism spread, through the countryside as well as the cities. Southern farmers, black and white, faced conditions little better than peonage as they struggled with crop liens, unstable markets, leached-out soil, and other sources of chronic indebtedness. Midwestern farmers, whose entrepreneurial horizons were wider, bought land at inflated prices and then found themselves underwater when the economy took a dive. They were indebted to tight-money banks at steep interest rates and dependent on railroad monopolies charging extortionate rates to take their goods to market. The vagaries of weather and commodity prices intensified their distress. Desperate and angry, they formed a national Farmers’ Alliance, which in 1891 became the Populist Party. Led by such charismatic figures as “Sockless Jerry” Simpson of Kansas and Tom Watson of Georgia, the Populists demanded that the money supply be managed democratically, for the public good. This was a plan that could appeal across regional and even racial lines. Watson realized this, and challenged Southern farmers to form a biracial coalition against the bankers and their political allies. It was a bold move, and it even earned Watson some black support, but in the end the biracial coalition fell victim to the implacable force of white supremacy. White elites exploited racism to divide and conquer their Populist opponents. Then, as now, talking about race was a way of not talking about class.

The Gilded Age marked a key moment in the rise of American racism—a transition from the relatively fluid race relations of the Reconstruction era to the rigid segregation of Jim Crow. By 1900, separation of the races had been sanctified by the US Supreme Court (in Plessy v. Ferguson) and written into state constitutions across the old Confederacy. Despite black people’s heroic and sustained efforts to maintain some presence in public life, their systematic disenfranchisement had accelerated rapidly through the 1880s and 1890s, culminating in the coup d’etat in Wilmington, North Carolina, in 1898, when white democrats forcibly wrested control of local government from a biracial coalition of Populists and Republicans. Racism acquired more scientific legitimacy than ever before or since, which would remain largely unchallenged until the pioneering work of Franz Boas and other anthropologists in the early twentieth century. In a society where traditional Christian beliefs were buffeted by the chill winds of positivist science, where identities were fluid and sources of value were in doubt, race became a category one could count on, solid ontological ground for a culture in constant flux. This was reassurance for whites only, but sometimes even whites craved more palpable antidotes to racial anxiety. White supremacy erupted in periodic rituals of racial regeneration: lynchings of black men, often on dubious charges of sexually assaulting white women, proliferated in the1890s and peaked around the turn of the century. Despite the eloquent protest of Frederick Douglass, Ida Wells, and other black leaders, the fortunes of their people reached a low point in American public life during the Gilded Age.

African Americans were the not the only targets of racist ideology. Doctrines of white supremacy singled out Anglo-Saxons for special praise, fostering suspicion of Italians, Jews, Slavs, and other non-Anglo immigrants and laying the groundwork for immigration restriction. But unlike American Indians, whose remnants had been confined to reservations, and Asians, who were excluded altogether, European immigrants could at least claim that they were Caucasian. And by 1900, the word “Caucasian” was well on the way to becoming synonymous with “American.”

Anglo-Saxon racism became a crucial ingredient in the emerging ideology of empire. Theodore Roosevelt, Albert Beveridge, and other imperial ideologues assumed that Anglo-Saxons were the vanguard of progress, and they insisted that the United States in particular had a divinely ordained duty to carry forward “the regeneration of the world.” Racial ideology and religious longing merged in an imperial rhetoric of rebirth.

The pursuit of empire satisfied longings for emotional, physical, moral, and even spiritual revitalization—that is, if one accepted the idea that an American empire was the work of Providence. William James, for one, did not; he viewed the Spanish American War and the acquisition of colonies as a fundamental departure from American traditions of decentralized power and government by consent. But he and other anti-imperialists were driven to the margins of debate, disdained as fainthearted objectors to the fulfillment of national destiny. An era that began in reunion of the warring sections ended in the reunited nation becoming an international power—maybe even, as Henry Adams suggested, the international power.

The key to this transformation lay in the crisis of the 1890s. The stock market crash of May 1893 touched off four years of the worst economic depression the United States had ever seen. Prolonged mass unemployment produced a desperate search to stay alive among huge portions of the population. Starvation spread. Unions fought layoffs, as in the American Railway Union’s strike of 1894, but their efforts fell victim to the familiar combination of state power in the service of capital. Populists denounced plutocracy in the name of the plain folk, but lost some of their fire when they made common cause with the Democratic Party in the election of 1896. Led by the charismatic William Jennings Bryan, the Democrats focused their campaign on the free coinage of silver. This was a mild effort to increase the money supply, a faint echo of the Populist demand for a democratically managed currency. But it was accompanied by other themes, including the regulation of “trusts,” that foreshadowed the Progressive attempt to tame irresponsible capital in the early twentieth century. Bryan’s defeat by McKinley and the Republicans marked a decisive victory for the forces of concentrated corporate power and imperial expansion. Relieved men of wealth poured unprecedented sums into the stock market, driving share prices to new heights and financing the first big merger wave in US history. At the same time, the United States fought what Secretary of State John Hay called a “splendid little war” with Spain, emerging with possessions from the Caribbean to the Pacific. Its hour upon the world stage had arrived. By 1900, the reunited nation of 1877 had become an empire in its own right.