

Section 3

The Wilson Years

Guide to Reading

Big Ideas

Individual Action Woodrow Wilson increased the control of the government over business.

Content Vocabulary

- income tax (p. 310)
- unfair trade practices (p. 311)

Academic Vocabulary

- academic (p. 308)
- unconstitutional (p. 312)

People and Events to Identify

- Progressive Party (p. 308)
- New Nationalism (p. 309)
- New Freedom (p. 309)
- Federal Reserve Act (p. 311)
- Federal Trade Commission (p. 311)
- Clayton Antitrust Act (p. 311)
- National Association for the Advancement of Colored People (p. 313)

Reading Strategy

Organizing As you read about progressivism during the Wilson administration, complete a chart similar to the one below by listing Wilson's progressive economic and social reforms.

Economic Reforms	Social Reforms

Woodrow Wilson, a progressive Democrat, won the election of 1912. While in office, he supported lower tariffs, more regulation of business, and creation of a federal reserve banking system.

The Election of 1912

MAIN Idea Woodrow Wilson was elected after Republican voters split between Taft and Roosevelt.

HISTORY AND YOU Do you remember a catchy slogan from a political campaign? Read about the competing slogans and platforms in the 1912 election.

The 1912 presidential campaign featured a current president, a former president, and an **academic** who had entered politics only two years earlier. The election's outcome determined the path of the Progressive movement.

Picking the Candidates

Believing that President Taft had failed to live up to progressive ideals, Theodore Roosevelt informed seven state governors that he was willing to accept the Republican nomination. "My hat is in the ring!" he declared. "The fight is on."

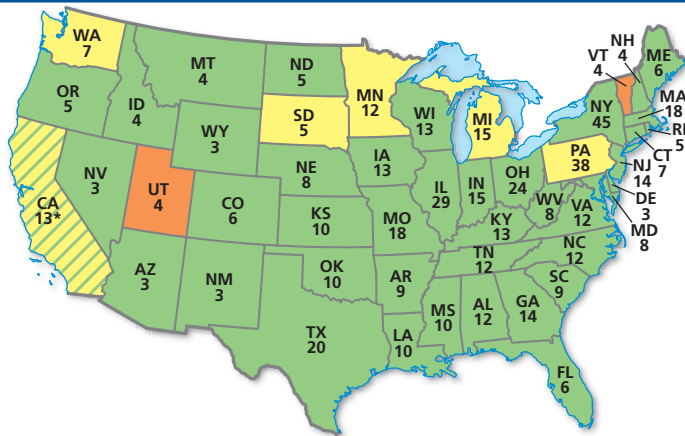
The struggle for control of the Republican Party reached its climax at the national convention in Chicago in June 1912. Conservatives rallied behind Taft. Most of the progressives supported Roosevelt. When it became clear that Taft's delegates controlled the nomination, Roosevelt decided to leave the party and campaign as an independent.

Declaring himself "fit as a bull moose," Roosevelt became the presidential candidate for the newly formed **Progressive Party**, which quickly became known as the Bull Moose Party. Because Taft had alienated so many groups, the election of 1912 became a contest between two progressives: Roosevelt and the Democratic candidate, Woodrow Wilson.

After a university teaching career that ended in his becoming the president of Princeton University, Woodrow Wilson entered politics as a firm progressive. As governor of New Jersey, he pushed through one progressive reform after another. He signed laws that introduced the direct primary, established utility regulatory boards, and allowed cities to adopt the commissioner form of government. In less than two years, New Jersey became a model of progressive reform.

New Nationalism Versus New Freedom

Presidential Election of 1912



Presidential Candidate	Popular Votes	% of Popular Vote	Electoral Votes
Wilson	6,293,454	41.86%	435
Roosevelt	4,119,207	27.40%	88
Taft	3,483,922	23.17%	8

* Eleven voters in California voted for Roosevelt and two for Wilson.

DBQ Document-Based Questions

- Analyzing Visuals** From which state did Roosevelt gain the most Electoral College votes?
- Analyzing Primary Sources** How do Wilson and Roosevelt differ on trusts?
- Making Generalizations** What can you generalize about the two men based solely on their appearance in giving a speech?

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Wilson Versus Roosevelt

The election of 1912 was a contest between two progressives with different approaches to reform. Roosevelt accepted the large trusts as a fact of life and set out proposals to increase regulation. Roosevelt also outlined a complete program of reforms. He favored legislation to protect women and children in the labor force and supported workers' compensation for those injured on the job. Roosevelt called his program the **New Nationalism**.

Wilson countered with what he called the **New Freedom**. He criticized Roosevelt's New Nationalism for supporting "regulated monopoly." Monopolies, he believed, should be destroyed, not regulated. Wilson argued that

WILSON'S NEW FREEDOM

"I am perfectly willing that [a business] should beat any competitor by fair means . . . But there must be no squeezing out the beginner . . . no secret arrangements against him. All the fair competition you choose, but no unfair competition of any kind. . . . A trust is an arrangement to get rid of competition. . . . A trust does not bring efficiency . . . it *buys efficiency out of business*. I am for big business, and I am against the trusts . . . any man who can put others out of business by making the thing cheaper to the consumer . . . I take off my hat to . . ."

—from *The New Freedom*



ROOSEVELT'S NEW NATIONALISM

"Combinations in industry [trusts] are the result of an imperative economic law which cannot be repealed by political legislation. . . . The way out lies, not in attempting to prevent such combinations, but in completely controlling them in the interest of the public welfare. . . . The absence of an effective state, and, especially national, restraint upon unfair money getting has tended to create a small class of enormously wealthy and economically powerful men. . . . The prime need is to change the conditions which enable these men to accumulate power."

—from *The New Nationalism*



Roosevelt's approach gave the federal government too much power in the economy and did nothing to restore competition. Freedom, in Wilson's opinion, was more important than efficiency. "The history of liberty," Wilson declared, "is the history of the limitation of governmental power. . . . If America is not to have free enterprise, then she can have freedom of no sort whatever."

As expected, Roosevelt and Taft split the Republican voters, enabling Wilson to win the Electoral College with 435 votes and the election, even though he received less than 42 percent of the popular vote.

Reading Check Summarizing Who were the major candidates in the election of 1912?

Wilson's Reforms

MAIN Idea President Wilson reformed tariffs and banks and oversaw the creation of the Federal Trade Commission.

HISTORY AND YOU Are you aware of recent economic concerns and presidential responses to them? Read to learn of Wilson's economic actions after his election.

The new chief executive lost no time in embarking on his program of reform. "The president is at liberty, both in law and conscience, to be as big a man as he can," Wilson had once written. "His capacity will set the limit." During his eight years as president, Wilson demonstrated his executive power as he crafted reforms affecting tariffs, the banking system, trusts, and workers' rights.

Reforming Tariffs

Five weeks after taking office, Wilson appeared before Congress, the first president to do so since John Adams. He had come to present his bill to reduce tariffs. Wilson per-

sonally lobbied members of Congress to support the tariff reduction bill. Not even Roosevelt had taken such an active role in promoting legislation.

Wilson believed that lowering tariffs would benefit both American consumers and manufacturers. If tariff rates were lowered, he reasoned, the pressure of foreign competition would lead American manufacturers to improve their products and lower their prices. In the long term, businesses would benefit from the "constant necessity to be efficient, economical, and enterprising."

In 1913 Congress passed the Underwood Tariff, and Wilson signed it into law. This law reduced the average tariff on imported goods to about 30 percent of the value of the goods, or about half the tariff rate of the 1890s.

An important section of the Underwood Tariff Act provided for levying an **income tax**, or a direct tax on the earnings of individuals. The Constitution originally prohibited direct taxes on individuals. Ratification of the Sixteenth Amendment in 1913, however, gave the federal government the power to tax the income of individuals directly.

INFOGRAPHIC

Progressives Reform the Economic System

During Wilson's presidency, Congress passed several major reforms affecting the nation's economy. The Federal Reserve and the Federal Trade Commission were created, federal income tax was introduced, and unions were legalized.

The Federal Reserve

Why Was the Federal Reserve Created?

- to create national supervision of the banking industry
- to decentralize banking institutions and access to credit
- to prevent recurring "panics," such as the Panic of 1907
- to allow the demands of business to control the expanding and contracting of currency

What Does the Federal Reserve Do?

- controls the money supply and credit policies
- raises interest rates to member banks in times of plenty so that people won't borrow or spend too much money
- lowers interest rates to member banks during recessions so that people can more easily obtain needed credit
- supervises and supports Federal Reserve banks in twelve regions
- buys and sells government bonds and other securities



Reforming the Banks

The United States had not had a central bank since the 1830s. During the economic depressions that hit the country periodically after that time, hundreds of small banks collapsed, wiping out the life savings of many of their customers.

To restore public confidence in the banking system, President Wilson supported the establishment of a federal reserve system. Banks would have to keep a portion of their deposits in a regional reserve bank, which would provide a financial cushion against unanticipated losses. The **Federal Reserve Act** of 1913 created 12 regional banks to be supervised by a Board of Governors, appointed by the president. This allowed national supervision of the banking system. The Board could set the interest rates the reserve banks charged other banks, thereby indirectly controlling the interest rates of the entire nation and the amount of money in circulation. The Federal Reserve Act became one of the most significant pieces of legislation in American history.

Other Reforms

Why Was the Federal Trade Commission Created?

- to advise business people on the legality of their actions
- to protect consumers from false advertising
- to investigate unfair trade practices

What Was the Clayton Antitrust Act?

- outlawed unfair trade practices
- made it illegal for a company to hold stock in another, if by doing so, it reduced competition
- made owners and directors of businesses guilty of violating antitrust laws criminally liable
- allowed private parties who had been injured by trusts to collect any damages in legal suits
- banned use of injunctions against strikes
- farm and labor organizations could no longer be considered illegal combinations in restraint of trade

Analyzing VISUALS

1. **Analyzing** What do the Federal Trade Commission and the Clayton Antitrust Act have in common?
2. **Identifying** What do you notice about the Western states and the locations of the Federal Reserve Banks? Why do you think this pattern exists?

Antitrust Action

During his campaign, Wilson had promised to restore competition to the economy by breaking up monopolies. Roosevelt had argued this was unrealistic, because big businesses were more efficient and unlikely to be replaced by smaller, more competitive firms. Once in office, Wilson's opinion shifted and he came to agree with Roosevelt. Progressives in Congress, however, continued to demand action against big business.

In the summer of 1914, at Wilson's request, Congress created the **Federal Trade Commission** (FTC) to monitor American business. The FTC had the power to investigate companies and issue "cease and desist" orders against companies engaging in **unfair trade practices**, or those that hurt competition. The FTC could be taken to court if a business disagreed with its rulings.

Wilson did not want the FTC to break up big business. Instead, it was to work toward limiting business activities that unfairly limited competition. He deliberately appointed conservative business leaders to serve as the FTC's first commissioners.


Unsatisfied by Wilson's approach, progressives in Congress responded by passing the **Clayton Antitrust Act** in 1914. The act outlawed certain practices that restricted competition. For example, it forbade agreements that required retailers who bought from one company to stop selling a competitor's products. It also banned price discrimination. Businesses could not charge different customers different prices. Manufacturers could no longer give discounts to some retailers who bought a large volume of goods, but not to others. Farm and labor organizations could no longer be considered illegal combinations in restraint of trade. The passing of the Clayton Antitrust Act corrected deficiencies in the Sherman Antitrust Act of 1890, which was the first federal antitrust law.

Before the Clayton act passed, labor unions lobbied Congress to exempt unions from anti-trust legislation. The Clayton Antitrust Act specifically declared that its provisions did not apply to labor organizations or agricultural organizations. When the bill became law, Samuel Gompers, the head of the American Federation of Labor, called the act the workers' "Magna Carta" because it gave unions the right to exist.

Regulating Business

Despite his accomplishments, Wilson was not guaranteed reelection. In the congressional elections of 1914, Democrats suffered major losses. The Republican Party was also not likely to be divided as it had been in the election of 1912.

In 1916 Wilson signed the first federal law regulating child labor. The Keating-Owen Child Labor Act prohibited the employment of children under the age of 14 in factories producing goods for interstate commerce. In 1918 the Supreme Court declared the law **unconstitutional** on the grounds that child labor was not interstate commerce and therefore only states could regulate it. Wilson's effort, however, helped his reputation with progressive voters. Wilson also supported the Adamson Act, which established the eight-hour workday for railroad workers, and the Federal Farm Loan Act, which helped provide farmers with loans at low interest rates.

 **Reading Check** **Evaluating** What was the impact of the passage of the Sixteenth Amendment?

Progressivism's Legacy and Limits

MAIN Idea Progressivism changed many people's ideas about the government's role in social issues.

HISTORY AND YOU Do you believe that groups of people have been left out of "the American dream"? Read on to find out about progressivism's failures and successes.

During his presidency, Wilson had built upon Roosevelt's foundation. He expanded the role of the federal government and the power of the president.

A New Kind of Government

Progressivism made important changes in the political life of the United States. Before this era, most Americans did not expect the government to pass laws protecting workers or regulating big business. In fact, many courts had previously ruled the passage of such laws unconstitutional.

PRIMARY SOURCE

Founding of the NAACP

W.E.B. Du Bois was one of six founders of the NAACP. In *The Crisis*, the journal of the NAACP, Du Bois wrote:

PRIMARY SOURCE

"The object of this publication is to set forth those facts and arguments which show the danger of race prejudice. . . . It takes its name from the fact that the editors believe that this is a critical time in the history. . . . Catholicity and tolerance, reason and forbearance can today make the world-old dream of human brotherhood approach realization: while bigotry and prejudice, emphasized race consciousness and force can repeat the awful history of the contact of nations and groups in the past. We strive for this higher and broader vision of Peace and Good Will."

—from *The Crisis*, November 1910



▲ W.E.B. Du Bois works with his staff in the office of *The Crisis*.



▲ The first issue of *The Crisis*, November 1910

DBQ Document-Based Questions

- Analyzing** According to Du Bois, why was the magazine given its name?
- Analyzing Primary Sources** What "vision" does Du Bois recommend to his readers?

By the end of the Progressive Era, however, both legal and public opinion had shifted. Increasingly, Americans expected the government, particularly the federal government, to play a more active role in regulating the economy and solving social problems.

The Limits of Progressivism

The most conspicuous limit to progressivism was its failure to address racial and religious discrimination. African Americans themselves, however, were absorbing the reform spirit, which fueled their longstanding desire for advancement.

In 1905 W.E.B. Du Bois and 28 other African American leaders met at Niagara Falls to demand full rights for African Americans. They met on the Canadian side of the falls because no hotel on the American side would accept them. There, they launched what became known as the Niagara Movement. This meeting was one of many steps leading to the founding of the **National Association for the Advancement of Colored People** (NAACP) in 1909. Du Bois and other NAACP founders believed that voting rights were essential to end lynching and racial discrimination. “The power of the ballot we need in sheer self-defense,” Du Bois said, “else what shall save us from a second slavery? Freedom too, the long-sought we still seek,—the freedom of life and limb, the freedom to work and think, the freedom to love and aspire. Work, culture, liberty,—all these we need, not singly, but together.”

In 1908 race riots in Springfield, Illinois, shocked many people, including Mary White Ovington, a settlement house worker. She had been studying African Americans in New York, determined to do something to improve their situation. Other progressives, including Jane Addams of Hull House, and muckrakers Ida Wells-Barnett and Lincoln Steffens, joined Ovington in calling for change. Capitalizing on Springfield as Lincoln’s hometown and his centennial birthday on February 12, 1909, they organized a national conference to take stock of the progress in emancipation. At a second conference the following year, the NAACP was born. Through Du Bois, the members learned of the Niagara Movement, and the two groups eventually merged.

African Americans were not the only minority group facing discrimination. Jewish people also lived in fear of mob violence. In 1913 Leo Frank, a Jew being tried in Atlanta for a murder he did not commit, was sentenced to death. Although his sentence was changed to life imprisonment, a mob lynched him two years later.

In this context, lawyer Sigmund Livingston started the Anti-Defamation League (ADL) to combat stereotypes and discrimination. The ADL worked to remove negative portrayals of Jews in movies, in print, and on stage. For example, the League protested an army manual published during World War I that targeted Jews as likely to pretend to be sick to escape work or battle. When the ADL complained, President Wilson had the manual recalled.

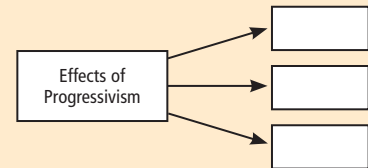
Reading Check **Evaluating** How did progressivism change American beliefs about the federal government?

Vocabulary

- 1. Explain** the significance of: Progressive Party, New Nationalism, New Freedom, income tax, Federal Reserve Act, Federal Trade Commission, unfair trade practices, Clayton Antitrust Act, National Association for the Advancement of Colored People.

Main Ideas

- 2. Discussing** Explain how Wilson won the presidency without winning the popular vote.
- 3. Identifying** Why did Wilson propose the Federal Reserve system?
- 4. Organizing** Use a graphic organizer similar to the one below to list the effects progressivism had on American society.



Critical Thinking

- 5. Big Ideas** What new federal agencies increased the government’s power to regulate the economy?
- 6. Forming an Opinion** Which of Wilson’s reforms do you consider to be most important? Why?
- 7. Analyzing Visuals** Study the chart on page 310. What was the purpose of the Federal Reserve?

Writing About History

- 8. Expository Writing** Suppose that you are a newspaper editor during Wilson’s administration. Write an article about the failure of Progressives to address African American reform issues.



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Causes of the Progressive Movement

- People thought progress in science and knowledge could improve society.
- People thought immigration, urbanization, and industrialization had created social problems.
- People thought laissez-faire economics and an unregulated market led to social problems and that government could fix them.
- Political corruption prevented the government from helping its citizens.

► In 1910 a young boy works in a glass factory, an example of the type of child labor progressive reformers wanted to end.



▲ Trade unions begin their march honoring victims of the Triangle Shirtwaist Factory fire.

Effects on Politics

- Cities begin adopting commission and city-manager forms of government.
- States begin to adopt the direct primary system, allowing voters to choose candidates for office.
- States begin to allow initiatives, referendums, and recall votes.
- Seventeenth Amendment is ratified, requiring direct election of senators.
- Nineteenth Amendment is ratified, guaranteeing women the right to vote.

► Women march in 1916 in support of Woodrow Wilson's efforts to grant women the right to vote.

Effects on Business and Society

- Interstate Commerce Commission is strengthened.
- Consumer protection laws are passed.
- Federal Trade Commission is created.
- Federal Reserve System is created to regulate the money supply.
- Clayton Antitrust Act grants labor unions more rights.
- Zoning laws and building codes improve urban housing.
- Child labor laws are passed, regulating time and conditions for minors to work.
- Workers' compensation laws are passed.
- Temperance movement begins seeking limitations on the production and consumption of alcohol.



STANDARDIZED TEST PRACTICE

TEST-TAKING TIP

You can eliminate some answers by using your own knowledge and common sense. Read through each option and decide if it fits with what you know; if it does not, discard it.

Reviewing Vocabulary

Directions: Choose the word or words that best complete each sentence.

- The term "muckraker" was used in the early 1900s to describe
 - street sweepers.
 - investigative journalists.
 - farmers.
 - garden designers.
- Women spent more than 70 years actively seeking _____, or the right to vote.
 - initiative
 - petition
 - recall
 - suffrage
- The temperance movement was linked to the _____ of alcohol.
 - prohibition
 - production
 - reduction
 - requisition
- When Gifford Pinchot leaked a story to the press against William Taft's will, the president fired him for
 - arbitration.
 - prohibition.
 - insubordination.
 - initiation.

Reviewing Main Ideas

Directions: Choose the best answers to the following questions.

Section 1 (pp. 292–299)

- Progressivism used the principles of science to solve problems resulting from
 - industrialization and urbanization.
 - global warming and fossil fuel use.
 - the outbreak of war and proliferation of weapons.
 - epidemic diseases and plagues.
- Which of the following allowed proposed legislation to be placed on the ballot for voter approval?
 - direct primary
 - referendum
 - initiative
 - veto
- What did the Nineteenth Amendment accomplish?
 - It required colleges to accept women.
 - It guaranteed child care for workers' children.
 - It granted women the right to vote.
 - It guaranteed equal pay for equal work.

Section 2 (pp. 300–307)

- Theodore Roosevelt became known as a trustbuster for his actions against
 - the Northern Securities company.
 - the United Mine Workers.
 - the automobile industry.
 - national parks.

Need Extra Help?

If You Missed Questions . . .	1	2	3	4	5	6	7	8
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GO ON 

Chapter 8

9. Upton Sinclair's novel *The Jungle* was instrumental in exposing which industry?
- A steel
 - B meatpacking
 - C oil
 - D alcohol
10. President Taft broke with Roosevelt and progressives over
- A unions.
 - B child labor.
 - C trust-busting.
 - D tariffs.

Section 3 (pp. 308–313)

11. How did President Wilson attempt to reform the banking industry?
- A He created the Federal Reserve System.
 - B He vetoed the Underwood Tariff Act.
 - C He opposed the Sixteenth Amendment.
 - D He refused to break up monopolies.
12. What did Du Bois and other NAACP founders believe was essential to end racial violence?
- A establishment of African American colleges
 - B higher-paying jobs for low-income citizens
 - C voting rights for African Americans
 - D private schools for African American children

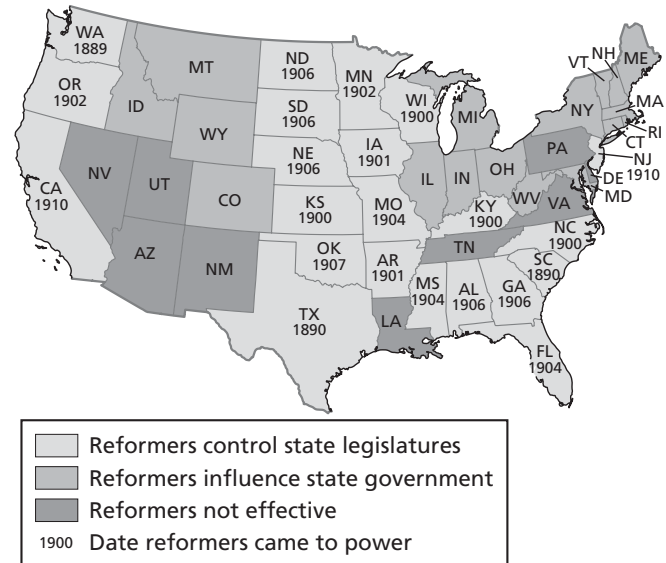
Critical Thinking

Directions: Choose the best answers to the following questions.

13. How did Wisconsin governor Robert M. La Follette help to expand democracy in the United States?
- A by favoring women's suffrage
 - B by requiring political parties to hold a direct primary
 - C by allowing recall elections to remove elected officials from office before the end of his or her term
 - D by providing for absentee ballots to voters

Base your answers to questions 14 and 15 on the map below and on your knowledge of Chapter 8.

Progressives and State Governments, 1889–1912



14. Which state came under the control of reformers before Wisconsin?
- A Florida
 - B Oregon
 - C Washington
 - D Nebraska
15. According to the map, what generalization can you make about progressives in state governments?
- A Progressives were most active in the Pacific Northwest, the Great Plains, and the South.
 - B They had no influence in the New England states.
 - C Reformers controlled few state legislatures by 1910.
 - D Reformers had little success in the Deep South.

Need Extra Help?

If You Missed Questions . . .	9	10	11	12	13	14	15
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GO ON

16. The Progressive movement strengthened the cause of woman suffrage by
- A drawing attention to child labor.
 - B encouraging trust-busting.
 - C making government more efficient.
 - D showing women they needed the vote to get the reforms they wanted.

Analyze the cartoon and answer the question that follows. Base your answer on the cartoon and on your knowledge of Chapter 8.



Source: S.D. Ehrhart, *Puck*, February 24, 1909

17. How does the cartoon portray William Howard Taft?
- A as eager to see Roosevelt leave the White House
 - B as Roosevelt's equal in every way
 - C as a servant walking off with Roosevelt's big stick
 - D as a nursemaid to the baby, Roosevelt's policies

Document-Based Questions

Directions: Analyze the document and answer the short-answer questions that follow the document.

Lucy Haessler writes of her childhood memories surrounding the woman suffrage movement:

"The suffragettes had a big headquarters in downtown Washington. My mother would take me up there on Saturdays when she volunteered to help out with mailings. The backbone of the suffrage movement was composed of well-to-do, middle-class women, both Republicans and Democrats. There weren't many working-class women in the movement. . . ."

The suffragettes organized pickets and marches and rallies. I was only ten years old the first time I went to a march with my mother. She told me, 'Oh, you're too young, you can't go.' But I said, 'I am going, because you're going to win the right to vote and I'm going to vote when I'm grown-up.' So she let me march. . . . The more marches that were held, the more you could feel the movement just building and building. . . ."

—quoted in *The Century for Young People*

18. Who does Haessler say were the backbone of the movement? Why do you think working-class women were not involved?
19. Why did Haessler want to march when she was only ten years old?

Extended Response

20. Upton Sinclair and other muckrakers took on the social ills of their day, forcing passage of legislation such as the Pure Food and Drug Act. Select one social problem of modern life and write a persuasive essay that suggests legislation to address the issue. The essay should include an introduction, several paragraphs, and a conclusion that supports your position.

STOP

History  **ONLINE**

For additional test practice, use Self-Check Quizzes—Chapter 8 at glencoe.com.

Need Extra Help?

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