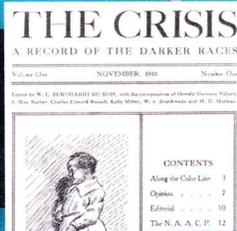
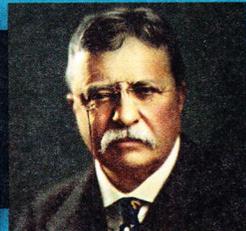
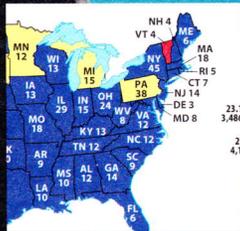


There's More Online!

- ✓ BIOGRAPHY Louis D. Brandeis
- ✓ MAP The Federal Reserve
- ✓ VIDEO The Wilson Years
- ✓ INTERACTIVE SELF-CHECK QUIZ



## LESSON 3

# The Wilson Years

ESSENTIAL QUESTION • Can politics fix social problems?

Reading HELPDESK



### Academic Vocabulary

- academic
- unconstitutional

### Content Vocabulary

- income tax
- unfair trade practices

### TAKING NOTES:

#### Key Ideas and Details

**Outlining** 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

## IT MATTERS BECAUSE

Woodrow Wilson, a progressive Democrat, won the election of 1912. While in office, he supported lower tariffs, more regulation of business, and the creation of the Federal Reserve System.

## The Election of 1912

**GUIDING QUESTION** How was the election of 1912 different from previous presidential elections?

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.

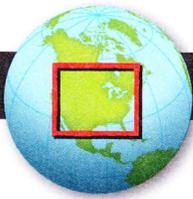
### Picking the Candidates

Believing that President William Howard 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."

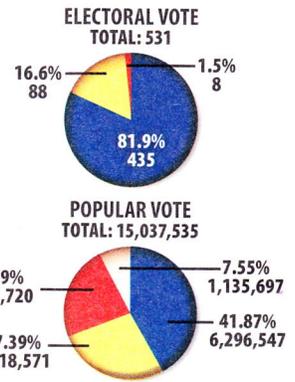
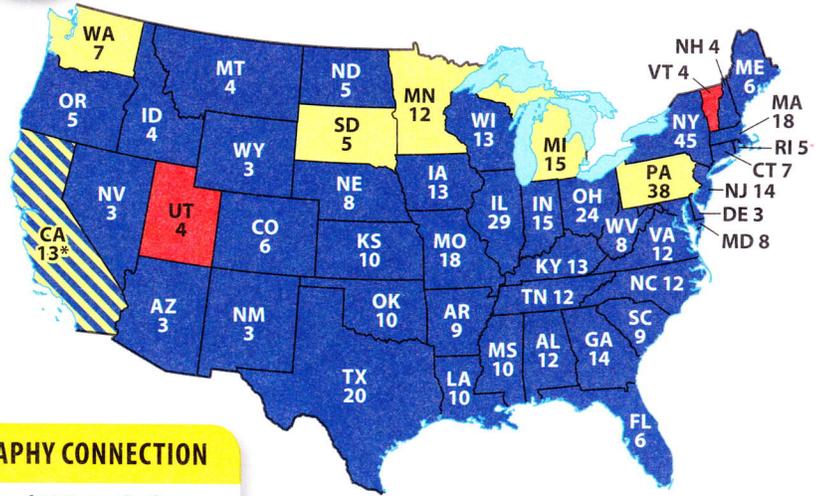
The struggle for control of the Republican Party reached its climax at the national convention in Chicago in June 1912. Conservatives rallied behind Taft. Most progressives supported Roosevelt. When it became clear that Taft's delegates controlled the nomination, Roosevelt decided to leave the party 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 culminated in his becoming the president of Princeton University, Woodrow Wilson entered politics as a firm progressive. As the governor of New Jersey, he pushed through many progressive reforms.



## Presidential Election of 1912



\* Eleven electors in California voted for Roosevelt and two for Wilson.

### GEOGRAPHY CONNECTION

The election of 1912 was the first presidential election in which all of the then 48 states participated.

- 1 THE WORLD IN SPATIAL TERMS**  
*In which two states did Taft win electoral votes?*
- 2 PLACES AND REGIONS**  
*In what region did Roosevelt have the most electoral support?*

He 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.

### Wilson Versus Roosevelt

The election of 1912 was a contest between two progressives with different approaches to reform. Roosevelt accepted large trusts as a fact of life and set out to create proposals to increase regulation. He favored laws 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." Wilson argued that Roosevelt's approach gave the federal government too much power in the economy and did nothing to restore competition. Wilson believed that freedom outweighed efficiency.

As expected, Roosevelt and Taft split the Republican voters. Wilson won the Electoral College with 435 votes. He won the election even though he received less than 42 percent of the popular vote. For the first time since Grover Cleveland's election in 1892, a Democrat was elected president.

### READING PROGRESS CHECK

**Summarizing** How did having three nominees running for president make the election of 1912 different from others?

## Wilson's Reforms

**GUIDING QUESTION** *How did Wilson earn the respect of progressives?*

As the new Chief Executive, Wilson lost no time in embarking on his program of progressive reform. 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 personally lobbied members of Congress to support the tariff reduction bill. Not even Roosevelt had taken such an active role in promoting legislation.

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 and provided for levying the first federal graduated **income tax**—a direct tax on people’s earnings. *Graduated* refers to the percentage of a person’s income that is taxed. A person with a large income would pay more income tax than a person with a small income. The Sixteenth Amendment, also passed in 1913, had given the federal government the power to levy such a tax on income.

## Reforming the Banks

The United States had not had a central bank since the 1830s. Periodic economic depressions that had occurred after that time had destroyed numerous small banks, wiping out many of their customers’ life savings.

To restore public confidence in the banking system, Wilson supported a federal reserve system. Banks would have to keep part of their deposits in one of 12 reserve banks, providing a cushion against unexpected financial losses. The Federal Reserve Act of 1913 created the regional reserve banks, supervised by a Board of Governors appointed by the president. The Board could set the interest rates the reserve banks charged other banks, thereby indirectly controlling the nation’s interest rates and the amount of money in circulation. This act became one of the most significant pieces of legislation in American history.

## Antitrust Action

During his campaign, Wilson had promised to restore competition to the economy by breaking up monopolies. After the election, he realized that Roosevelt had been right: big businesses were more efficient and unlikely to be replaced by smaller, more competitive firms. Wilson decided against pursuing the monopolies. Progressives in Congress, however, continued to demand action against big business. In 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 those it found to be engaging in **unfair trade practices**, or practices that hurt competition. If a business disagreed with its rulings, it could take the FTC to court.

Wilson did not want the FTC to break up big business. Instead, it was to work toward limiting unfair trade practices. He deliberately appointed conservative business leaders 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 such as price discrimination, or charging different customers different prices. The passing of the Clayton Antitrust Act corrected deficiencies in the Sherman Antitrust Act of 1890.

Before the law passed, labor unions lobbied Congress to exempt unions. As a result, the Clayton Antitrust Act stated 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.

**academic** a person associated with higher learning at a scholarly institution

**income tax** a tax based on the net income of a person or business

## Analyzing PRIMARY SOURCES



### Wilson’s New Freedom

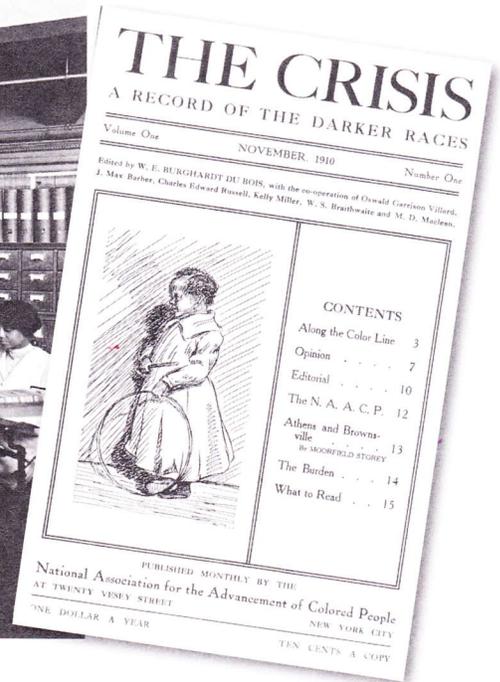
“I am perfectly willing that [a business] should beat any competitor by fair means. . . . But there must be no squeezing out the beginner . . . no secret arrangements against him. All the fair competition you choose, but no unfair competition of any kind . . .”

—from *The New Freedom*, 1918

### DBQ MAKING INFERENCES

What can you infer about Wilson’s belief in free enterprise?

**unfair trade practices** trading practices that derive a gain at the expense of competition



African American leaders such as W.E.B. Du Bois worked to end racial discrimination, communicating through publications including the NAACP's journal, *The Crisis*.

**► CRITICAL THINKING**

**Making Connections** What are ways that people today work to reduce discrimination?

**unconstitutional** not in accordance with or authorized by the constitution of a state or society

### Regulating Big Business

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. Although the Supreme Court declared the law **unconstitutional** in 1918, Wilson's effort helped his reputation among progressives. He also supported the Adamson Act, which established the eight-hour workday for railroad workers, and the Federal Farm Loan Act, which helped provide low-interest loans to farmers.

**✓ READING PROGRESS CHECK**

**Drawing Conclusions** Why was the Federal Reserve Act so important?

### Progressivism's Legacies and Limits

**GUIDING QUESTION** *What do you believe were progressivism's most important success and biggest failure?*

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

#### New Roles for 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. 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 long-standing 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. There they launched what became known as the Niagara Movement.

Du Bois and other African American leaders 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 Abraham Lincoln’s hometown and on the centennial of his birthday on February 12, 1909, they organized a national conference in Springfield to take stock of the progress in emancipation. At a second conference the following year, the National Association for the Advancement of Colored People (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 that the facts proved 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. According to its 1913 charter, the ADL’s “ultimate purpose [was] to secure justice and fair treatment to all citizens alike and to put an end forever to unjust and unfair discrimination against and ridicule of any sect or body of citizens.” The ADL worked to remove negative portrayals of Jews in movies, in print, and on stage. For example, the League protested a World War I army manual that claimed Jews were likely to pretend to be sick to escape work or battle. When the ADL complained, President Wilson had the manual recalled.

### **READING PROGRESS CHECK**

**Identifying** What do you think were progressivism’s most important success and biggest failure?

## LESSON 3 REVIEW



### Reviewing Vocabulary

**1. Defining** The Federal Trade Commission had the power to investigate companies engaging in what actions that unfairly limited competition?

### Using Your Notes

**2. Comparing and Contrasting** Review the notes that you completed during the lesson to write a statement comparing and contrasting Wilson’s economic and social reforms.

### Answering the Guiding Questions

**3. Contrasting** How was the election of 1912 different from previous presidential elections?

**4. Monitoring** How did Wilson earn the respect of progressives?

**5. Evaluating** What do you believe were progressivism’s most important success and biggest failure?

### Writing Activity

**6. INFORMATIVE/EXPLANATORY** During the Progressive Era, nongovernmental organizations such as the NAACP and the ADL worked to gain rights and end discrimination for minority groups. Explain what steps these groups took to correct injustices in American life.