

- c. The U.S. Steel Company was under fire from Taft, even though Roosevelt had agreed to let the company survive as one of his "good trusts." When Taft sought to break it up, Roosevelt was furious at his successor's actions.
- XV. Taft Splits the Republican Party
- a. Two main issues split the Republican party: (1) the tariff and (2) conservation of lands.
 - b. On the tariff, old-school Republicans were high-tariff; New/Progressive Republicans were low tariff.
 - i. Taft, as the mild Progressive, had promised to lower the tariff. As president, he sought to do just that, if only a small reduction.
 - ii. **Sen. Nelson Aldrich** added many *increases* to the bill while it was in the Senate. When passed and signed by Taft, the **Payne-Aldrich Bill** actually broke his campaign promise and angered many.
 - 1. Pres. Taft even unwisely named it "the best bill that the Republican party ever passed."
 - iii. In actuality, the Payne-Aldrich Bill split the Republican party.
 - c. On conservation, old-school Republicans favored using or developing the lands for business; new/Progressive Republicans favored conservation of lands.
 - i. Taft did set up the Bureau of Mines to manage mineral resources. This was a "Progressive-ish" move and likely a popular one.
 - ii. However, Taft's involvement in the **Ballinger-Pinchot quarrel** (1910) was unpopular.
 - 1. Sec. of Interior **Richard Ballinger** said that public lands in Wyoming, Montana, and Alaska would be open for development.
 - 2. Chief of Forestry **Gifford Pinchot** was critical of the decision. Apparently siding with Ballinger, Taft fired Pinchot--an unpopular move.
 - d. The Republican party split became apparent in the 1910 Congress election.
 - i. In the election, the old-school Republicans and new/Progressive Republicans split the vote, thus the Democrats won heavily in the House of Rep's.
 - ii. Also, Socialist **Eugene Berger** of Milwaukee won a seat in Congress--again, showing the movement toward Socialism.
- XVI. The Taft-Roosevelt Rupture
- a. The Republican split turned from differing opinions to different parties. The National Progressive Republican League began in 1911. Sen. Robert La Follette ("Fighting Bob" of Wisconsin) seemed destined to become their candidate.
 - b. Teddy Roosevelt was so upset about Taft's policies that TR dropped hints that he'd be interested in running again for president.
 - i. He finally said, "My hat is in the ring!" arguing that he hadn't wanted three *consecutive* terms as president.
 - ii. La Follette was brushed aside and Roosevelt was named as the Progressive Republican.
 - c. The Taft-Roosevelt showdown came in June of 1912 at the Republican convention. Both men vied for the Republican nomination.
 - i. As the sitting president, Taft was nominated as the Republican candidate for 1912.
 - ii. Roosevelt wasn't done, however. TR would simply run on his own as a third party candidate.

Chapter 29

Wilsonian Progressivism at Home and Abroad

- I. The "Bull Moose" Campaign of 1912
 - a. Democrats in 1912 felt they could take the White House (since being out for 16 years) because the Republicans had split their party.
 - b. Democrats looked to **Dr. Woodrow Wilson**, the governor of New Jersey.
 - i. Wilson had been a mild conservative but had turned become a strong progressive.
 - ii. His background was in education as a history professor, then as president of Princeton Univ. As governor of NJ, he made a name for himself by standing up to the bosses, trusts, and as a liberal.

- iii. At their convention, it took 46 votes to choose Wilson. The final vote was cast after William Jennings Bryan threw his support behind Wilson.
- c. The Democrats now had a candidate in Woodrow Wilson and they added a platform they named the "New Freedom."
 - i. The New Freedom platform was made up of liberal and progressive policies.
- d. At the Progressive party convention Teddy Roosevelt was nominated by reformer Jane Addams (of Hull House in Chicago). Roosevelt's speech enthralled its listeners.
 - i. TR won the nomination (which was a foregone conclusion) and commented that he felt "as strong as a bull moose." The Progressive party then had a symbol and a nickname: the **Bull Moose Party**.
- e. The 1912 presidential campaign was thus set and the campaigning began.
 - i. The 1912 candidates were...
 - 1. Republican: Pres. William Howard Taft
 - 2. Democrat: Woodrow Wilson
 - 3. Progressive: Theodore Roosevelt
 - ii. Talk between Taft and TR got nasty as the two old friends laid into one another. Wilson could enjoy just letting his other two opponents rip themselves.
 - iii. Personality wars aside, Wilson's New Freedom plan and Roosevelt's "New Nationalism" plan came front-and-center.
 - 1. The New Nationalism plan had been inspired by *The Promise of American Life* by Herbert Croly (1910). The book agreed with TR's old policy of leaving good trusts alone but controlling bad trusts.
 - 2. The New Nationalism also pushed for female suffrage and social programs such as minimum wage laws social insurance programs. These such programs would later be manifested during the Great Depression in Franklin Roosevelt's New Deal.
 - a. These "socialistic" social welfare programs would be a hard pill to swallow for business folks and conservatives.
 - 3. The **New Freedom** plan supported small business and wanted to bust all trusts, not distinguishing good or bad. The plan did not include social welfare programs.
 - iv. TR was shot in the chest in Milwaukee while on the campaign trail. Though shot, TR delivered his speech, went to the hospital, and recovered in 2 weeks' time.

II. Woodrow Wilson: A Minority President

- a. With the Republicans split, it was time for the Democrats. Woodrow Wilson won the 1912 electoral vote handily: Wilson had 435 electoral votes, Roosevelt had 88, and Taft had 8.
 - i. The popular vote was much different however. Wilson garnered only 41% of the people's votes, TR and Taft totaled 50%. Thus, most people in America did *not* want Wilson as their president.
 - ii. The conclusion seemed clear--Roosevelt's Bull Moose party had cost Republicans, and given the Democrats, the White House.
- b. The Socialist party continued to be on the rise. Eugene V. Debs got 6% of the popular vote--a strong showing by a third party and, again, a sign-of-the-times for people liking what the Socialists were saying.
- c. Taft didn't just go away after his one term. He would later become the chief justice of the Supreme Court.

III. Wilson: The Idealist in Politics

- a. He was born and raised in the South who sympathized with the Confederacy's struggle to rule itself during the Civil War. This may have influenced his "self-determination" policy of post-WWI where the people chose their government.
- b. His father was a Presbyterian minister and Wilson was deeply religious himself as well as a superb speaker. It was noted that he was born halfway between the bible and the dictionary and never strayed far from either.
- c. Like Teddy Roosevelt, he believed the president should strike out and lead the country.
- d. Wilson's personality was very much /un/like Roosevelt, however.
 - i. Wilson was an idealist, not a pragmatist like TR. He was completely stubborn at times, not budging an inch on his ideals or beliefs. Consequently, his stubbornness meant at times not getting anything done.
 - ii. Wilson also was an intellectual who lacked the people's touch. Whereas TR had been loved by the people, Wilson was scholarly and arrogant. Or in other words, whereas TR might have had a beer with the people, Wilson might scoff at their ignorance and move on.

IV. Wilson Tackles the Tariff

- a. As a Progressive, Woodrow Wilson entered the White House saying he wished to attack what he termed the "triple wall of privilege": the tariff, the banks, and trusts.
- b. Wilson sought to bring the tariff down. He helped Congress pass the **Underwood Tariff** (1913) which did two main things...
 - i. It considerably reduced tariff rates on imports.
 - ii. It started a graduated income tax (the tax rate went up as a person's salary went up). The 16th Amendment had recently been passed legalizing an income tax, the Underwood Tariff law simply laid out the rules.

V. Wilson Battles the Bankers

- a. America's financial system had been set up by the National Banking Act back during the Civil War. The Panic of 1907 had shown the system to have faults and to be incapable of addressing emergency needs. Wilson set up a committee to look into the banking system.
 - i. The committee was headed by Republican Senator Aldrich (of the Aldrich-Vreeland Act which addressed banking back in 1908). The committee recommended what amounted to a third Bank of the United States.
 - ii. The Democrats, following a House committee chaired by Arsene Pujo, concluded that the "money monster" was rooted in the banking system.
 - iii. And, **Louis D. Brandeis** wrote *Other People's Money and How the Bankers Use It* (1914) which fired people up even more to reform a supposedly corrupt banking system.
- b. Wilson's mind was made up. In June of 1913 he asked a joint session of Congress to make broad reforms to the nation's banking system.
 - i. Congress reacted and passed the monumental **Federal Reserve Act** (1913).
 1. The law created the Federal Reserve Board (appointed by the president) which oversaw 12 regional, federal banks.
 2. The Federal Reserve Board was given the power to issue paper money (AKA "Federal Reserve Notes"). Thus, it could regulate the amount of money in circulation by issuing, or holding back, paper money.

VI. The President Tames the Trusts

- a. Last on Wilson's "triple wall of privilege" were the trusts. Congress passed the **Federal Trade Commission Act** (1914) which set up a position, appointed by the president, to investigate activities of trusts.
 - i. The goal would be to stop trade practices deemed unfair such as unlawful competition, false advertising, mislabeling, adulteration, and bribery.
- b. Congress wanted to strengthen the largely ineffective Sherman Anti-Trust Act (1890), so it passed the **Clayton Anti-Trust Act** (1914).
 - i. The Clayton Act put real teeth into anti-trust law. It added to the Sherman law's list of objectionable trust practices by forbidding price discrimination (a different price for different people) and interlocking directorates (the same people serving on "competitors" boards of trustees).
 - ii. It also (a) exempted labor unions from being considered trusts and (b) legalized strikes as a form of peaceful assembly.

VII. Wilsonian Progressivism at High Tide

- a. Several other reforms followed Wilson's attack on the "triple wall of privilege."
- b. Farmers got a bit of government help from the Progressive-minded Wilson.
 - i. The **Federal Farm Loan Act** (1916) offered low interest loans to farmers.
 - ii. The **Warehouse Act** (1916) offered loans on security of staple crops.
- c. Workers made gains under the Progressive-minded Wilson.
 - i. Sailors were guaranteed good treatment and a decent wage under the **La Follette Seamen's Act** (1915). A negative result was that shipping rates shot upward with the new governmental regulations.
 - ii. The **Workingmen's Compensation Act** (1916) offered help to federal civil-service employees during a time of disability.
 - iii. The **Adamson Act** (1916) set an 8-hour workday (plus overtime) for any worker on a train engaged in interstate trade.
- d. Wilson named **Louis Brandeis** to the Supreme Court--the 1st Jew to sit on the bench. But, Wilson's Progressivism did *not* reach out to blacks in America. His policies actually moved toward greater segregation.
- e. Wilson played politics too.

- i. The business community largely despised all of Wilson's and the government's meddling into business. To keep business folks somewhat happy, and hopefully get reelected, Wilson made conservative appointments to the Federal Reserve Board and to the Federal Trade Commission.
- ii. To get reelected in 1916, Wilson new he'd have to lure most of TR's Bull Moose backers to the Democrat party. So, despite "throwing a bone" to business, most of his energies were put into the Progressive arena.

VIII. New Directions in Foreign Policy

- a. Woodrow Wilson took a very different path in foreign policy when compared to his two predecessors. Wilson was a pacifist at heart, a peacemaker. He hated TR's Big Stick Policy and Taft's Dollar Diplomacy.
 - i. He got American bankers to pull out of a 6 nation loan to China.
 - ii. Wilson got Congress to repeal the Panama Canal Tolls Act (1912) which allowed American ships to pass through the canal toll free.
- b. Wilson signed the **Jones Act (1916)** granting territorial status to the Philippines. It also promised independence when a "stable government" was established.
 - i. The Philippines were finally granted their independence on July 4, 1946.
- c. Other foreign situations forced the peaceful president to take action.
 - i. Wilson defused a situation with Japan. California forbade Japanese-Americans from owning land in the U.S. Tensions ran high and violence seemed a real threat. Wilson sent Sec. of State William Jennings Bryan to speak to the California legislature and the situation calmed down.
 - ii. He was forced to take military action in 1915 in Haiti. Chaos erupted there and Wilson sent U.S. Marines to protect Americans and American interests there. They stayed for over a year and a half.
 - iii. Marines were also sent to the Dominican Republic in the same year to keep order.
 - iv. In 1917, Woodrow Wilson purchased the Virgin Island from Denmark. It was clear by this time that the arms of America were reaching into the Caribbean.

IX. Moralistic Diplomacy in Mexico

- a. For years, the resources of Mexico had been used by American oil, railroad, and mining businesses. The Mexican people were extremely poor and they revolted in 1913.
 - i. The president was assassinated. Placed as president was an Indian, **Gen. Victoriano Huerta**. The result of the chaos was a massive immigration from Mexico to Texas, New Mexico, Arizona, and California.
- b. Huerta's regime put Wilson in a tight spot.
 - i. The revolutionaries in Mexico were violent and threatened American lives and property. Americans called for Wilson to offer protection but, he would not.
 - ii. On the flip side, Wilson also would not recognize Huerta and his regime. Wilson allowed American arms to go to Huerta's rivals **Venustiano Carranza** and **Francisco "Pancho" Villa**.
- c. A situation emerged in Tampico, Mexico when some American sailors were seized by Mexico. Wilson sought Congress' okay to use military force and actually had the navy seize Vera Cruz, Mexico. Huerta and Carranza both were not happy about this move.
 - i. The ABC Powers (Argentina, Brazil, and Chile) stepped in to mediate the situation.
 - ii. Huerta was replaced after considerable pressure and Carranza became president.
- d. Carranza's rival Pancho Villa began stirring up trouble. Pancho Villa was something of a Mexican Robin Hood. He was hated by some who considered him a thief and murderer; he was loved by some who saw him as fighting for the "little man."
 - i. Pancho Villa raided a train, kidnapped 16 American mining engineers, and killed them.
 - ii. He and his men raided Columbus, New Mexico and killed 19 more people.
- e. Wilson sent the Army, headed by **Gen. John J. Pershing**, after Pancho Villa.
 - i. Pershing took a few thousand troops into Mexico, fought both Carranza's and Villa's troops, but couldn't catch Pancho Villa.
 - ii. While hunting Villa, World War I broke out and Pershing was recalled. (Villa would soon be murdered by a Mexican rival.)

X. Thunder Across the Sea

- a. In 1914, Austrian heir-to-the-throne **Franz Ferdinand** was assassinated by a Serbian nationalist. This started a domino-effect where Europe quickly fell into war.
- b. The powers of Europe chose sides due to culture and to alliances...
 - i. The main **Central Powers** were Germany, Austria-Hungary, and Turkey (aka the Ottoman Empire).
 - ii. The main **Allied Powers** were Russia, France, England, and Australia.

- c. Most Americans favored the Allies but many supported the Central Powers due to ethnic heritage. Nearly all Americans were happy that an ocean separated them from the war and wanted to stay neutral.
- XI. A Precarious Neutrality
- a. Adding to the somber tone of the times, President Wilson's wife had recently died. He declared that the U.S. was officially neutral.
 - b. Both the Central and Allied Powers sought America's support.
 - i. The Central Powers of Germany and Austro-Hungary were reliant on Americans that shared their heritage. There were 11 million Americans with ethnic ties to these nations (roughly 20%).
 - ii. The Allies had most of the cultural, political, and economic ties with America. Generally speaking, most Americans were sympathetic to the Allies' side.
 - 1. The leader of Germany, Kaiser Wilhelm II, was a military autocrat and was easy for most freedom-loving Americans to dislike. Anyone "on the fence" would almost certainly side with the Allies and against the Kaiser/Central Powers.
 - 2. Additionally, any fence-sitters likely had their minds made up against the Central Powers in a New York subway incident. There, a Central Powers operative left his briefcase on the subway. Inside were plans to sabotage American industries.
- XII. America Earns Blood Money
- a. Being officially neutral, American businesses sought to trade with either side in the war to make money.
 - i. Trade with the Allies was possible and took place.
 - ii. Trade with the Central Powers was much trickier with the British navy controlling the sea. This trade effectively pulled the U.S. out of a mini-recession that it'd been in prior to the war.
 - b. Germany was aware of their inferior naval status and the benefits of Allied-American trade.
 - i. Germany knew they could not compete with the British navy one-on-one. The German solution was to rely on U-boats, or submarines.
 - ii. Germany announced "unrestricted submarine warfare" on the Allies or anyone assisting the Allies. The U.S. would not be targeted, but no guarantees were made.
 - iii. President Wilson said Germany would be held to "strict accountability" for any American damages.
 - c. The greatest U-boat attack was on the *Lusitania*, a British cruise liner. Nearly 1,200 souls were killed in the attack, including 128 Americans.
 - i. The *Lusitania* and the Americans had been warned of a possible attack. Still, the effect was to motivate many Americans to call for war.
 - 1. William Jennings Bryan resigned from his post as Secretary of State due to the possibility of going to war.
 - d. Other ships were soon sunk by German U-boats.
 - i. The *Arabic* was sunk, a British ship, killing two Americans.
 - ii. The *Sussex* was sunk, a French passenger ship, and prompted Pres. Wilson to pressure Germany.
 - 1. Germany gave the "**Sussex Pledge**" in response. It promised that no attacks would be made on ships without warning.
 - 2. Germany quickly realized that such a pledge undermined the purpose of a submarine (surprise attack). They retracted the pledge and reverted back to unrestricted submarine warfare.
 - e. Wilson's neutrality was teetering on the brink of war.
- XIII. Wilson Wins Reelection in 1916
- a. 1916 was another presidential election year. The candidates were...
 - i. Republicans nominated Charles Evans Hughes. He was infamous for changing his position depending on his audience. He was thus nicknamed "Charles Evasive Hughes."
 - ii. Democrats nominated Pres. Wilson for another 4 years. The campaign slogan was "He kept us out of war."
 - b. By this time America's neutrality was slipping away. Still, the slogan was appealing.
 - c. Wilson won the election, 277 to 254 in the electoral vote.
 - i. The irony of the election was that Wilson would lead America *into* war only 5 months later, in April of 1917.