The Progressive Reform of Woodrow Wilson: From Campaign Promise to Presidential Legislation

A Thesis
Submitted to the Faculty
Of Saint Meinrad College of Liberal Arts
In Partial Fulfillment of the Requirements
For the Degree of Bachelor of Arts

Gregory Edward Reeves May, 1972 Saint Meinrad College St. Meinrad, Indiana



Table of Contents

Chapter		Page
I.	A Survey of Progressivism and the Young Wilson	. 1
II.	The Presidential Campaign of 1912	. 15
III.	The First Term: 1913-1917	• 37
IV	Success and Failure: An Evaluation of Wilson's Progressive Reform	. 69
;	Footnotes	. 85
,	Bibliography	. 94

Chapter One

A Survey of Progressivism and the Young Wilson

"The truth is, we are all caught in a great economic system which is heartless."

These words are from the mind and heart of Woodrow Wilson, twenty-eighth President of the United States. They describe simply the dominating force that moved this man to action as an important political leader of Progressivism, the reform movement of early twentieth century America. The Progressive reform of Woodrow Wilson is the subject of debate among historians, especially his political campaign for the Presidency in 1912 and his legislative program for reform during the first term, 1913-1917. This thesis will focus on part of this debate by presenting the ideas and promises for reform expressed by Wilson in his Presidential campaign, by reviewing his major legislative programs in the first term, and by evaluating the reform legislation in light of the campaign promises.

Progressivism as a movement of reform had its beginnings in the late nineteenth century. From the end of the Civil War to the close of the century, the physical energies of the American people were mobilized for a remarkable burst of material development. A railroad network of more than a quarter of a million miles spanned the nation. The number of farms and the number of acres cultivated doubled between 1870 and 1890 with

an increased production of wheat, cotton, and corn up to two and a half times. An overwhelming growth of urban and industrial segments of the economy took place, creating whole systems of industry and whole regions of industrial production. Between 1870 and 1900 the production of bituminous coal increased five times, crude petroleum twelve times, steel ingots and castings one hundred and forty times. Immersed in this tremendous growth was an urban population that jumped from 9.9 million to 30.1 million. Large cities grew at an almost alarming speed and the pace of this growth seemed to outstrip their means of administration.

Toward the end of the nineteenth century, it became increasingly evident that this material growth was being achieved at a terrible cost in human values and in waste of natural resources. Both the people and the land had been plundered. Farmers, whose products fed the expanding working force and paid for much of the foreign capital that financed American industrialization, received pathetic returns for their labor. They had little protection individually or collectively against exploitation by the railroads, against the high cost of credit, against the unjust burden of taxation. Cities that grew with American industries became themselves industrial wastelands -- badly administered, centers of vice and poverty, full of crowded slums. Industry, after a period of hectic competition, was rapidly becoming concentrated. Men were beginning to realize the ruthless methods by which some great

enterprises and fortunes had been built, and more critically how business competitors and industrial workers had been exploited by the captains of industry.²

Huge combinations of capital had emerged in the forms of trusts and monopolies controlled by a few, powerful industrial giants. These industries dwarfed small independent businesses and threatened the economic basis of individualistic, middle-class democracy. In 1901, for example, the United States Steel Corporation was organized by J. P. Morgan and Company with a capitalization of almost one and a half billion dollars. Great fortunes and unspeakable poverty grew side by side. By 1896, it was estimated that one-eighth of the population owned ninety percent of the nation's property, while increasing numbers of Americans were propertyless altogether. 3

While choking free competition, big business concentrated political power in a few hands. Working with powerful bosses in city, state, and nation, business won favors and privileges in return for its subsidies to corrupt political machines. The United States Senate was acknowledged as the best "rich man's club" in the nation, and the Supreme Court was called the "sword and buckler" against regulatory, social welfare, and leveling legislation. The domination of affairs by political bosses and business organizations was now seen as a threat to democracy itself.

During the 1880's and 1890's, the agragian reform called Populism and its culmination in the presidential campaign of

William Jennings Bryan in 1896 challenged the industrial growth and corruption of the age. Out of this movement arose Progressivism. Awakened by the Populist issues, large numbers of middle-class Americans became wary of the predatory power of concentrated wealth, fearful of the impending conflict between big business and the under-privileged classes, and disturbed by the social dislocations of urbanization. With the support of the middle class, the Progressives carried forward a movement of reform into the twentieth century.

In The Age of Reform, Richard Hofstadter defines
Progressivism as

that broader impulse toward criticism and change that was everywhere so conspicuous after 1900, when the already forceful stream of agrarian discontent was enlarged and redirected by the growing enthusiasm of middle-class people for social and economic reform.

Hofstadter goes on to state:

Its general theme was the effort to restore a type of economic individualism and political democracy that was widely believed to have existed earlier in America and to have been destroyed by the great corporation and the corrupt political machine; and with that restoration to bring back a kind of morality and civic purity that was also believed to have been lost.

Progressives saw that, in the extraordinary outburst of productive energy of the last few decades, the nation had not developed in any corresponding degree the means of meeting human needs or reforming the manifold evils that came with any such rapid physical change. The Progressive Movement can be looked upon then as an attempt to develop the moral will, the intellectual insight, and the political and administrative agencies

to remedy the accumulated evils and negligences of a period of industrial growth. 8

The distinguishing mark about the Progressives was "activism." They argued that social evils will not remedy themselves, and that it is wrong to sit by passively and wait for time to take care of them. As Herbert Croly put it:

they did not believe that the future would take care of itself. They believed that the people of the country should be stimulated to work energetically to bring about social progress, that the positive powers of government must be used to achieve this end.

Conservatives generally believed in time and nature to bring progress; Progressives believed in energy and governmental action.

Progressivism was largely the creation of a new and younger generation of politicians who would bring about this governmental action. These men had come of age after the problems of Reconstruction had been largely settled, who had grown up along with post-Civil War industrialization and who had never acquiesced in the crass and ruthless materialism of the industrial captains. They were often of well-established families, the sons of professionals or business men, who were inspired by the high civil ideals kept alive since the Civil War by Mugwump reformers. Above all, these leaders recognized that their political careers were not to be made by catering to money makers, but by some disinterested contribution either in the reform of industrial and political evils or in the promotion of American interests in the arena of world politics. 11 Thus, the

Progressive Movement was led by men like Senator Robert M.

LaFollette, lawyer and Supreme Court Justice Louis D. Brandeis,

Governor Hiram Johnson, President Theodore Roosevelt, and President Woodrow Wilson.

One of the most influential of the many stimulating personalities of the Progressive Movement was the highly intellectual and highly idealistic Woodrow Wilson. He was born on December 28, 1856, in Staunton, Virginia. The following November his family moved to Augusta, Georgia, where his father, the Reverend Joseph R. Wilson, became pastor of the Presbyterian Church. Woodrow Wilson later wrote:

My earliest recollection is of standing at my father's gateway in Augusta, Georgia, when I was four years old, and hearing someone pass and say that Mr. Lincoln was elected and there was to be war. Catching the intense tones of his excited voice, I remember running in to ask my father what it meant.

The war left an indelible mark on the boy, but, despite the strife and horror around him, he had security and love in his own home.

Because his father was a Presbyterian minister and his mother a Presbyterian minister's daughter, Wilson grew up in a family where the Calvinist spirit burned with a bright and imperishable flame. He learned to look upon life as "the progressive fulfillment of God's will" and to see man as "a distinct moral agent" in a universe of moral imperatives. 13

Although he never aspired to be a clergyman, Woodrow Wilson made politics his means of spreading spiritual enlightenment, of expressing the powerful Protestant urge for "service" upon which

he had been reared.

Convinced of the boy's superior mind, Reverend Joseph Wilson devoted himself to his son's intellectual development. He taught Woodrow that his mind must be trained as an instrument for use, not as a storehouse; that religion was life, not doctrine; that reading was for definite instruction as well as relaxation and amusement; that education was to train for a rounder, fuller more complete life, not just for veneering. By the time Wilson entered Princeton in September 1875, he was ready to "command his own development." He almost immediately began to study independently in order to find out things for himself, instead of relying alone on what professors said.

After graduating from Princeton, Wilson decided that politics was to be his profession. In September 1879, he entered the University of Virginia to prepare himself for law as a steppingstone to entering politics. The overwhelming burden of scholastic work and college activity was too heavy for Wilson's frail physique, and he was forced to regretfully withdraw from the university in December 1880. He returned to the home of his family now in Wilmington, Virginia, where he carried on his legal studies for a year and a half. Wilson was admitted to the bar in October 1882, in Atlanta, and entered into partnership with Edward Ireland Rennick, whom he had known slightly at the University of Virginia. The infant firm of Rennick and Wilson had few clients simply because many young lawyers like Wilson had come to Atlanta, supplying the growing city with an

overabundancé of members of the profession. 15

Wilson soon became disillusioned with the barren, humdrum life of the New South. Moreover, he had earned practically nothing and was conscious of the financial burden he was causing his father. He applied for a fellowship at Johns Hopkins University in Baltimore. On September 16, 1883, Wilson became engaged to Ellen Axson, and two days later he arrived in Baltimore. In going to Johns Hopkins, Woodrow Wilson not only abandoned the practice of law, he also gave up for good he thought his ambition to enter politics. He admitted that professors could not participate in political affairs, but he was now content to become "an outside force in politics," and was "well enough satisfied with the prospect of having whatever influence . . . (he) might be able to exercise make itself felt through literary and non-partisan agencies."

While at Johns Hopkins, Wilson wrote his first and most important work Congressional Government. It represented his analysis of the organic functioning of the federal government, and as the title implies, asserted the dominance of the legislative over the executive and judicial branches. Wilson wrote:

The balances of the Constitution are for the most part only ideal. For all practical purposes the national government is supreme over the state governments, and Congress predominant over its so-called coordinate branches.

He judged the House of Representatives wanting as an efficient representative body. In his discussion on the Senate, he stated that the decline of leadership and ability could be found in the

fact that national controversies had almost ceased to exist since the Civil War and that there were no longer prizes for leadership for men of great ability in the Senate. In the light of his future political career, Wilson interestingly satisfied himself with writing off the president as an unimportant third wheel of the federal system, in short, a nonentity. Indeed, this was contrary to the history he should have known and to contemporary political practice. 18 Wilson concluded the work:

As at present constituted, the federal government lacks strength because its powers are divided, lacks promptness because its authorities are multiplied, lacks wieldiness because its processes are roundabout, lacks efficiency because its responsibility is indirect and its action without competent direction.

Published in January 1885, it was at once a complete success.

In June 1885, Wilson married Ellen Axson and in September, they went to Bryn Mawr, where Wilson had accepted an associate professorship of history. He began working enthusiastically, but soon found the teaching of women an irksome task. In the meantime, he prepared for his doctoral examinations and, in June 1886, received his Ph.D. at Johns Hopkins. An opportunity came to Wilson to go to Wesleyan University in Middleton, Connecticut in 1888. With an offer of a higher salary and the added attraction of teaching men, Wilson accepted. Finally, in 1890, Wilson was elected professor of jurisprudence and political economy at Princeton. He accepted the appointment with joy, looking forward to returning to his alma mater.

As a professor at Princeton, Wilson enhanced his reputation as a scholar and teacher. His lectures were not only

eloquent, but also presented dramatically the issues of politics in a way which stimulated his hearers. He was very accessible to the students who repeatedly voted him the most popular professor. But throughout this period Wilson suffered from a deepening sense of frustration. He aimed to be a statesman, but found himself no more than an intellectual wet-nurse to undergraduates, while men of inferior talents and motives ran the country. To a friend, Wilson poured out his heart:

I have no patience with the tedious world of what is known as "research;" I have a passion for interpreting great thoughts to the world; I should be complete if I could inspire a great movement of opinion, if I could read the experiences of the past into the practical life of the men of today and so communicate the thought to the minds of the great mass of people as to impel them to great political achievements. . . . My feeling has been that such literary talents as I have are secondary to my equipment for other things: that my power to write was meant to be a handmaidan to my power to speak and to organize action. . . .

Wilson nevertheless rose rapidly at Princeton. The trustees were impressed with his gravity, his solidarity, his high sentiments, and in June 1902, upon the retirement of President Francis L. Patton, they unanimously elected Wilson his successor. After twelve years of personal preparation and faculty leadership, he was neither surprised nor unready when he was called. He turned to his new duties as if they marked the realization of a long-cherished ambition. At last, he was holding high office, in some respects superior to political preferment. He wrote that summer: "My election to the presidency has done a very helpful thing for me. It has settled the future for me and given me a sense of position and of definite

tangible tasks which take the <u>flutter</u> and restlessness from my spirits."²²

The new president had broad ambitious plans for improving instruction. He wrung large sums of money from alumni, added fifty young preceptors to the staff, and worked out a series of eleven systematic curricula, all with unqualified success. 23 In 1907, he made the daring suggestion that the sacred Princeton eating clubs be abolished in favor of a more democratic system of undergraduate life known as "quads." At first adapted by the trustees without question, the mere announcement caused an explosion of wide protest. In the following year, the exertions of powerful alumni caused the trustees to rescind their original approval of the plan. Wilson took the defeat very hard, and immediately became embroiled in another controversy over a The issue centered around the bequest of an graduate school. alumnus named Swann of \$300,000 for the establishment of the graduate school "at the heart of Princeton," and the later acceptance of an offer by an alumnus named Proctor of \$500,000 if the school was erected on land away from the campus. believed that the graduate school should be part of the Princeton campus and it would be wrong to give in for money. Before hostile alumni, he gave stirring, emotional speeches contrasting the issue as indeed a fight between democracy and special privilege. Again, Wilson lost and seethed inwardly with frustration and defeat. He considered his usefulness at Princeton at an end. The only question was what should be his

next move. 24

While he was fighting his educational battles, Wilson was preaching in public addresses and essays political ideas that brought him to the attention of influential Democrats. Also, the publicity aroused by his disputes helped to popularize him as a democrat at a moment when the progressive impulse was on the upswing. Through his friendship with Colonel George Harvey and Harvey's close connection with the political bosses in New Jersey, Wilson's political career was launched. Harvey believed in Wilson's potential as a great political leader after their first meeting in 1902; he was convinced that someday this man could be president. Harvey set about to achieve this goal and recognized the New Jersey gubernatorial nomination in 1910 as the strategic starting point.

When Boss Jim Smith's well-knit New Jersey Democratic machine approached Wilson about the governorship, he was puzzled. He thought the bosses knew him as "an absolutely independent person," but when he asked them why they wanted him to run, he received no satisfactory answer. Wilson concluded, for himself, that these men recognized that a new day in American politics had come, and that they would have to conduct themselves in a new fashion. He persuaded himself that he could cooperate with them on righteous terms. 25

No sooner had Wilson launched his campaign than a subtle change came over him. Forced upon the Democratic party by the machine steamroller, his candidacy had been greeted with sharp

cries of complaint by the Progressives. Wilson took this criticism personally, and he had enough regard for the Progressives to respond to it. In order to get a foothold in politics, Wilson realized it had been necessary to please the capitalists and the bosses; now, if he was to keep this foothold -- and his own self-esteem -- he had to please the people. In his acceptance speech for the gubernatorial nomination, he boldly stated:

As you know, I did not seek this nomination. It has come to me absolutely unsolicited. With the consequence that I shall enter upon the duties of the office of Governor, if elected, with absolutely no pledge of any kind to prevent me from serving the people of the State with singleness of purpose.

He also gave approval to the proposed Progressive platform, which he found to be "solid, explicit, and business-like," and there could be no mistaking what it meant. 27 The young Progressives began to rub their eyes at Wilson's straightforward replies to their challenges, and they thrilled with approval when he declared that he would enter the Governorship, if elected, "with absolutely no pledge of any kind." On November 8, 1910, Wilson swept into office with a plurality of 49,056 and carried along with him a Democratic Assembly. After a quarter of a century in the comparative quiet of academic life, Woodrow Wilson won his first public office.

At the time of his nomination to governorship, Wilson was a political conservative and almost totally ignorant of the issues agitating the people. His political convictions, however, were never as fixed as his ambition, and he was a rapid learner regarding the issues. Wilson dumped the party bosses

and the machine and went over completely to the Progressive reform platform. During the winter and spring of 1911, he pushed through a reluctant legislature practically the entire reform platform -- direct primary system, corrupt practices legislation, workmen's compensation, and strict state control of railroads and public utilities. 29 He made New Jersey, long known as "the mother of trusts," one of the most progressive states. Wilson's performance electrified the nation, and Democratic progressives throughout the country were beginning to look upon him as the "most hopeful figure in American politics." 30

Chapter Two

The Presidential Campaign of 1912

1910 was a critical juncture in the career of the Democratic party. Fourteen years had elapsed since William Jennings Bryan had captured leadership of the party, fourteen years without patronage or national office, without real unity or effective purpose. Bryan had not been unfaithful to the Democratic progressive cause; in fact, he had broadened his program since 1896 and still commanded the devotion of many rural Democrats in the South and the West. Yet even Bryan's own spokesmen knew the party must have a new leader if it was ever again to win a national election. This conviction was particularly true of urban, middle-class progressive Democrats and was even shared by Bryan himself. 31

The Republican party was split between the conservatism of President William Howard Taft supported by the Old Guard Republicans and the progressivism of Theodore Roosevelt supported by the insurgents in the party. Democratic hopes of profiting from this division were realized beyond their wildest expectations in the Congressional and gubernatorial elections of November 8, 1910. It was a virtual Democratic landslide throughout all sections of the nation except the Pacific Coast. For the first time since 1892, the House of Representatives went Democratic, while enough new Democratic senators combined with insurgent

Republicans to control the Senate. In addition, Democratic governors were elected in traditionally Republican states like Massachusetts, New York, New Jersey, Ohio, and Indiana. The victory was so sweeping that the party was recognized as a potent threat to Republican supremacy. 32

The Democratic party was not yet a united force and the issues that brought it into office were hardly new, but it was evident that Bryan's day had passed. Energies were now turned to discover a new leader that would bring the party to victory in the national elections of 1912. When Bryan announced that he was not in the running for a fourth nomination, all observers agreed that events during the next year and a half would determine the question of leadership. The Democratic preconvention campaign of 1911 and 1912 became no ordinary pre-election contest, rather an all-out struggle for control of the Democratic party.

Woodrow Wilson, who had made an extraordinarily brilliant campaign for the governorship of New Jersey, quickly emerged as the most distinguished claimant. "No man in the history of American politics had such a spectacular and rapid rise to political prominence." In one session of the legislature, his dynamic leadership moved New Jersey from one of the most illegoverned states to one of the most progressive. The nation's attention was turned to this man who passed through the hesitant legislature a real program of progressive reform without the old political devices, making no threats, promising no rewards.

There is little doubt that Woodrow Wilson wanted national leadership of the Democratic party. A small group of hopeful president-makers gathered around him in the spring of 1911 and began an organized campaign for his nomination. Whatever reasons for power and greatness lay behind Wilson's desire for leadership, there also existed deep inside a highly ideal desire to serve his nation and the people. In a letter to Mary A. Hulbert, a friend of the Wilson family, he set down his vision of the Presidency, a vision of complete dedication and service.

It's an awful thing to be President of the United States. It means giving up nearly everything that one holds dear. When a man enters the White House, he might as well say, "all hope abandon, ye who enter here." The presidency becomes a barrier between a man and his wife, between a man and his children. He is no longer his own master — he is a slave to the job. He may indulge no longer in the luxury of free action or even free speech.

In spite of what I said to you, I do want to be President and I will tell you why: I want this country to have a President who will do certain things. There are men who could do these things better than I can. Of that I am sure; but the question is, would they do them? I cannot have any positive assurance that the man who becomes President will do, or even attempt to do, the things which I want to see done. But I am sure that I will at least try to the utmost to do them.

In the fall of 1911, Wilson's New Jersey legislative successes were terminated when a state election returned a Republican majority to the legislature and continued the power of the Smith Democratic machine in Essex County -- the organization that was responsible for his gubernatorial nomination in 1910. By this time, however, Wilson was in command of the statewide Democratic organization, and, just as important to his ambitions, he had acquired a national reputation as a liberal and

anti-machine governor. 35 As at Princeton in 1909, when powerful opponents threatened his career, Wilson turned to another field of success, this time to national politics.

That same autumn. Wilson was introduced into Democratic national politics, as he had been in New Jersey, by Colonel George Harvey, and was supported by the contributions of two wealthy New York capitalists, August Belmont and Thomas Fortune Ryan. 36. Wilson campaigned strenuously in every section of the nation before the end of the prenomination campaign. down the country he went, pleading for support and setting forth his philosophy and program. As the campaign expanded, so did the liberalism of his speeches and his inclination to separate himself from the conservative editors and corporate magnates who originally fired his political ambitions and financed him on the way. Wilson requested that Colonel Harvey diminish his public support because it was hurting him in the West. On the one hand this gave further evidence to professional politicians in the Democratic party that here was a man who would not obey the first law of the game: repay all debts and favors. On the other hand, it helped to convince many doubting liberal Democrats that Wilson was one of their own, especially after Bryan commented that somewhere, somehow, along the road Wilson was traveling, "Saul had become Paul." 37 By the spring of 1912, the affinity between Wilson and the more liberal elements of the party was widely accepted.

The superficial success of Wilson's early preconvention campaign was shattered by the rise of Champ Clark, Speaker of the House of Representatives, as leading contestant for the Democratic nomination. Clark was an "old-time war horse" from Pike County, Missouri and had served in the House since the 1890's. He had accumulated a consistent progressive record over the years, but had never originated any legislation or taken leadership in any important movement. As Speaker of the House after March 1911, Clark hardly made any popular campaign for the nomination, while Wilson traveled tens of thousands of miles and made hundreds of speeches. Yet, when the Democratic presidential primaries were held and the state conventions met in the spring of 1912, one state after another went for the Speaker. Clark had inherited most of Bryan's followers in the Middle and Far West, and he had the strong support of William Randolph The influence of the Hearst newspapers on his behalf in states like Massachusetts, Illinois, and California was deci-Finally, Clark received the support of most of the timeserving Democratic politicians and the state organizations, and their support was the critical factor in his success. 38 Clark gathered some 436 delegates pledged to support his nomination at the national convention in June; Wilson could count at the most on 248.

When the national convention opened in Baltimore on June 25, 1912, it was the most critical time in the history of the Democratic party since 1896. Nothing less than control of the

party and also of the federal government was at stake. Clark was the choice of the moderates and northern professionals and clearly had the largest number of pledged delegates. Woodrow Wilson was the liberals' choice and largely the candidate of the non-professionals and non-officeholders in the party. He was also the most national candidate in respect to the fact that his support came from practically every section of the country. The hopes of the conservatives were Governor Judson Harmon of Ohio, an able, conservative reformer, and Oscar W. Underwood of Alabama, chairman of the House Ways and Means Committee and a man held high in party esteem. During the first nine ballots, the margins between the candidates varied little from the pattern of the first when Clark received 440 votes, Wilson 324, Harmon 148, and Underwood 1172.39 On the tenth ballot the boss of Tammany Hall, Charles F. Murphy, delivered New York's ninety votes to Clark. This was a signal for a landslide, for the Speaker now had 556 votes, more than a majority. Under the existing rules he needed two-thirds for the nomination, but not since 1844 had a Democrat, after obtaining a majority in a national convention, failed to win the necessary two-thirds.40

The expected landslide did not materialize, because the Wilson delegates stood absolutely firm and because the Wilson and Underwood managers agreed to stand solidly together. A long and grueling battle began in which Wilson's managers undermined Clark's strength. On the fourteenth ballot, Bryan came out

against Clark and voted for Wilson, but his action was no great help since most of the Bryan men were fanatically loyal to Realizing this, the Wilson leaders concentrated their efforts on the boss-controlled delegates and upon the Underwood This strategy slowly began to pay off. Thomas Taggart, Democratic boss of Indiana, startled the convention by casting twenty-nine votes for Wilson. The real breakthrough came on the forty-third ballot when Roger Sullivan, Illinois' Democratic boss, cast his state's fifty-eight votes for Wilson, giving him a majority of the convention vote. On the forty-sixth ballot the Underwood men withdrew their candidate's name and released their delegates' votes, throwing the convention in wild confu-Senator William J. Stone followed this action by releasing the Clark delegates, but announced that Missouri would cast her last vote for "old Champ Clark." The Harmon delegates were then released and Wilson received a total of 990 votes.41 What had seemed impossible a few days before was now a reality; one of the miracles of modern American politics had taken place. "Amid the wildest confusion and tumult of joy the governor of New Jersey, at 3:30 in the afternoon of July 2, was made the Democratic nominee for President of the United States."42

with Wilson's nomination, the control of the Democratic party was given to its progressive element. This was achieved without any open rupture or more than the usual dissension within the party itself. Wilson projected himself in his acceptance

speech as a progressive deeply concerned for the public welfare and aware that he must "satisfy the thought and conscience of a people deeply stirred by the conviction that they have come to a critical turning point in their moral and political development." He stated that the nation had entered a new day and that it was in the light of this new day that the Democratic party stood face to face -- but with what? The question was clearly answered:

Plainly not with questions of party, not with a contest for office, not with a petty struggle for advantage, Democrat against Republican, liberal against conservative, progressive against reactionary. With great questions of right and justice, rather -- questions of national development, of the development of character and of standards of action no less than of a better business system, more free, more equitable, more open to ordinary men, practicable to live under, tolerable to work under, or a better fiscal system whose taxes shall not come out of the pockets of the many to go into the pockets of the few, and within those intricacies special privilege may not so easily find covert. The forces of the Nation are asserting themselves against every form of special privilege and private control, and are seeking bigger things than they have ever heretofore achieved. They are sweeping away what is unrighteous in order to vindicate once more the essential rights of human life; and, what is very serious for us, they are looking to us for guidance, dis-interested guidance, at once honest and fearless. 44

Wilson proposed that they, the party, find guidance in the platform they adopted, a platform that was meant "to show that we know what the Nation is thinking about, what it is most concerned about, what it wishes corrected, and what it desires to see attained that is new and constructive and intended for its long future." In one important paragraph he summarized what two great things were to be attained:

One is to set up the rule of justice and of right in such matters as the tariff, the regulation of the trusts, and the prevention of monopoly, the adaption of our banking and currency laws to the various uses to which our people must put them, the treatment of those who do the daily labor in our factories and mines and throughout all our great industrial and commercial undertakings, and the political life of the people of the Philippines, for whom we hold governmental power in trust, for their service, not our own. The other, the additional duty, is the great task of protecting our people and our resources and of keeping open to the whole people the doors of opportunity through which they must, generation by generation, pass if they are to make conquest of their fortunes in health, in freedom, in peace, and in contentment. In the performance of this second great duty we are face to face with questions of conservation and of development, questions of forests and water powers and mines and waterways, of the building of an adequate merchant marine, and the opening of every highway and facility and the setting up of every safeguard needed by a great, industrious, expanding nation.

After setting down these many tasks, Wilson went into the generalities of how each could be part of a program of measures, of administrative and legislative acts. He knew this would be truly difficult, but he reaffirmed the Democratic party's dedication to service.

We are servants of the people, the whole people. The Nation has been unnecessarily, unreasonably, at war within itself. Interest has clashed with interest when there were common principles of right and of fair dealing which might and should have bound them all together, not as rivals, but as partners. As the servants of all, we are bound to undertake the great duty of accommodation and adjustment.

In closing his speech, Wilson pledged his personal dedication to a government unentangled,

a government that can not be used for private purposes, either in the field of business or in the field of politics; a government that will not tolerate the use of the organization of a great party to serve the personal aims and ambitions of any individual, and that will not permit legislation to be employed to further any private

interest. It is a great conception, but I am free to serve it, as you also are. I could not have accepted a nomination which left me bound to any man or group of men. No man can be just who is not free; and no man who has to show favors ought to undertake the solemn responsibilities of government in any rank or post whatever, least of all in the supreme post of President of the United States.

He was now ready to "freely" seek the highest office of the land through a vigorous and demanding campaign.

The presidential campaign of 1912 formed a critical period in the career and life of Woodrow Wilson. Its significance did not derive merely from the successful outcome of the election, which was indicated, if not assured, by the schism of the Republican party between Taft and Roosevelt. Rather, the campaign was important because it brought Wilson to the formulation of a political philosophy more sharply etched and pointing further left than anything he had developed as professor at Princeton or as Governor of New Jersey. It also opened to him the opportunity, which he capitalized with energy and skill, of assuming the leadership not merely of the Democratic party but of the Progressive Movement itself, throughout the nation.

When the presidential contest started, Wilson found his chief opponent to be Theodore Roosevelt, like himself a progressive and an intellectual. Roosevelt, leading his insrgent followers, had walked out of the Republican convention in June when President Taft received renomination. Convinced he had been cheated out of the nomination by corrupt and reactionary politicians, Roosevelt was determined to run for President, even if it meant destroying the Republican party. In spite of the

unwillingness of most of the insurgent leaders to follow him, Roosevelt went ahead relentlessly with his plan to organize a third party. Meeting on August 6 in Chicago, the Progressive party nominated Roosevelt to head their ticket in one of the most remarkable political conventions the country had ever witnessed. Accepting the nomination, Roosevelt delivered his "Confession of Faith," a statement of social and economic principles that was a classic synthesis of the most advanced thought of the time. 49

During the summer and fall of 1912, the country witnessed the first serious three-cornered presidential contest since 1860. By the middle of August, however, it was obvious that Taft simply was not in the running. As early as July 22, the President wrote to his wife: "I think I might as well give up so far as being a candidate is concerned. There are so many people in the country who don't like me." Thus, from the moment of Wilson's acceptance of the nomination on August 7 to election day, November 5, Wilson, advocate of the New Freedom, and Roosevelt, champion of the New Nationalism, clashed head on, each bidding for the support of the vast majority of American voters who had cast aside the older conservatism represented by Taft.

In contrast to Roosevelt's well-defined program for reform, Wilson started his campaign with only a general commitment to the idea of social justice and a belief that federal power should only be used to sweep away special privileges and

artificial barriers for the development of individual energies. At first, Wilson centered mainly on the issue of the protective tariff. In his second speech of the campaign to members of the South Jersey Farmers' Association, he proclaimed that

my indictment against the tariff is that it represents special partnerships and does not represent the general interest. It is a long time since tariffs were made by men who even supposed that they were seeking to serve the general interest. . . .

Tariff measures are not measures for the merchant merely, and the manufacturer. The farmer pays just as big a proportion of the tariff duties as anybody else. Indeed sometimes when we are challenged to say who the consumer is as contrasted with the rpoducer, so far as the tariff is concerned, I am tempted to answer, "The farmer." Because he does not produce any of the things that get any material benefit from the tariff, and he consumes all of the things which are taxed under the tariff system.

Although the tariff was an issue, that remained a strong part of his campaign, Wilson realized this could not be its heart.

Searching for the central issue, Wilson met for the first time Louis D. Brandeis, one of the nation's leading lawyers, at Sea Girt, New Jersey on August 28. Brandeis was one of the chief spokesmen of the philosophy of regulated competition, unhampered enterprise, and economic freedom for the small businessman. The was an ardent progressive and authority on monopoly as well. The two men sat down to lunch and talked for two hours on industrial problems. When Wilson rose from the table, he was a staunch believer in the plan Brandeis had outlined to him for the destruction of monopoly by the regulation of competition. This proved to be the important crossroad in Wilson's campaign. Brandeis had clarified Wilson's thoughts and led him to believe "the most vital question confronting the American"

people was preservation of economic freedom in the United States."53 On this issue, Wilson was soon to become an aggressive campaigner who would openly cross swords with Roosevelt.

Five days later, in his Labor Day Speech at Buffalo, New York, Wilson advocated with great force this plan for the destruction of monopoly by the regulation of competition.

What has created these monopolies? Unregulated competition. It has permitted these men to do anything that they chose to do to squeeze their rivals out and to crush their rivals to the earth. We know the processes by which they have done these things. We can prevent those processes by remedial legislation, and that remedial legislation will so restrict the wrong use of competition that the right use of competition will destroy monopoly. In other words, ours is a program of liberty. . . . Ours is a program by which we find we know the wrongs that have been committed and we can stop these wrongs.

Roosevelt claimed in his speeches that great corporations were often the most efficient units of industrial organization. All that was necessary was to bring them under strict public control, by the close regulation of their activities by a powerful trade commission. Wilson replied in the Labor Day Speech:

Very well, then, what does this (Roosevelt's Progressive) platfrom propose to do? Break up the monopolies? Not at all. It proposes to legalize them. . . . It proposes that they shall be adopted and regulated. And that looks to me like a consummation of the partnership between monopoly and government. Because, when once the government regulates monopoly, then monopoly will have to see to it that it regulates the government. . . .

These monopolies that the government, it is proposed, should adopt are the men who made your independent action most difficult. They have made it most difficult that you should take care of yourselves; . . . The minute you are taken care of by the government you are wards, not independent men. And the minute they are legalized by the government, they are protégés and not monopolies. They are the guardians and you are the wards. . . . And I know that these monopolies are so many cars of juggernaut which are in our very sight being driven over men

in such ways as to crush their life out of them. And I don't look forward with pleasure to the time when the juggernauts are driven by commissioners of the United States. I am willing to license automobiles, but not juggernauts, because if a man ever dares take a joy ride in one of them, I would like to know what is to become of the rest of us; because the road isn't wide enough for us to get out of the way.

Wilson movingly closed the speech with this plea:

I do not know any other appeal, therefore, than this appeal to you as Americans, as men who constitute the bone and sinew of American citizenship and who, when you address yourselves to the discussion of public affairs, know what the realities are and are not deceived by the appearances. Let us get together and save the government of the United States.

Though the Democratic nominee did not attempt to give the details of his plan, and in fact did not mention its source, he did set forth its general principles in strong, eloquent language, arguing that the regulation of competition was the road to freedom, whereas Roosevelt's proposal to regulate monopoly would lead only to paternalism and special privilege. "It was a vigorous, forthright, and, in many respects, a significant speech." 57

Wilson continued to hit at Roosevelt's proposal again and again throughout the campaign. In a speech to the Woodrow Wilson's Working Men's League in New York City, he boldly stated:

It is amazing to me, nothing less than amazing, that any political party should propose to fix the present condition of things upon the people of the United States. And to propose to let things stand where they are, and merely have the government be a commission taking charge of them, is to remedy nothing; is to create no freedom; is to perpetuate and license the concentration of control.

In the first major speech of his first Western tour during the campaign, Wilson lashed out at Roosevelt's acceptance of

monopoly.

Now, the third party says these things (the trusts) have come to stay. Mind you, these are artificially built-up things, these things that can't maintain themselves in the market without monopoly, have come to stay, and the only thing the government can do, the only thing that the third party proposes should be done, is to set up a commission which is to regulate them.

He commented in Fall River, Massachusetts;

Mr. Roosevelt says that the trusts are a natural development of our economic system, that they are inevitable, that they have come to stay, that we must treat them just as we would the railroads, and accepting them regulate them, and then see to it that justice is done, particularly to the workingman, not by the law but through the regulated trusts.

As the campaign progressed, Wilson became more and more convinced that the struggle between the New Freedom and the New Nationalism was a struggle between two concepts of government so radically different that he prophesied slavery and enchainment for the people, if Roosevelt was elected. In his address at Sioux Falls, South Dakota, Wilson emphasized one proposition upon which the campaign turned.

I have repeated it very often already in other speeches and I am going to repeat it until I am sure everybody's heard it. That proposition is this: that monopoly is inevitable. That is what some of the people who want us to adopt a certain purpose maintain, and that is what I deny. If monopoly is inevitable, then the thing to do is for the government to take hold of monopoly and regulate it. If monopoly is not inevitable, then the thing for law to do is to break it up and prevent its forming again. I believe that monopoly can be broken up. If I didn't believe it, I would know that all the roads of free development were shut in this country.

He then offered his plan for regulation.

The alternative to regulating monopoly is to regulate competition: to say that to go into a community and sell below cost for no other purpose -- for it can't be

the purpose of profit -- for no other purpose than to squeeze out a competitor shall be an offense against the criminal law of the United States, and anybody who attempts it will have to answer at the bar of a criminal tribunal.

Pledged to this policy, Wilson promised in New Haven, Connecti-

that the policy of the Democratic party will so variegate and multiply the new undertakings in this country that there will be a wider market and a greater competition for labor, that the sun will come through the clouds, and there will no longer be lead in the skies and a burden intolerable to carry for the servants and creatures of some of the protected industries.

He emphasized that the answer to the power of monopoly was not the power of a commission but the power of law.

Therefore, we favor as much power as you choose, but power guided by knowledge, power extended in detail, not power given out in the lump of a commission set up as is proposed by the third party and unencumbered by the restrictions of law, to set up a "constructive regulation," as their platform calls it, of the trusts and monopoly. But we wish a law which takes its searchlight and casts its illuminating rays down the secret corridors of all the processes by which monopoly has been established and polices these corridors so that highway robbery is no longer committed on them, so that men are no longer way-laid upon them, so that the liberty of individuals to compete is no longer checked by the power of combinations stronger than any possible individual can be.

At a great Democratic rally at Washington Baseball Park in Indianapolis, Indiana, Wilson first applied to his program the name by which historians now know it -- the New Freedom.

He stirringly yet humbly said:

I tell you frankly, I am not interested even in the person who is the Democratic candidate for President. I am sorry for him because I believe he is going to be elected, and I believe that there will rest upon him the carrying out of these fundamental tasks. And there will be no greater burden in our generation than to organize the

forces of liberty in our time 6 in order to make conquest of a new freedom for America.

Wilson was convinced that, if the trusts and monopolies retained their oppressive power, then the economic freedom of America would be lost. He saw himself engaged in "a crusade against powers that have governed us, that have lamed our development, that have determined our lives, that have set us in a strait-jacket to do as they please." "This," he added in a great outburst, "is a second struggle for emancipation. . . . If America is not to have free enterprise, then she can have freedom of no sort whatever." Arthur S. Link in the first volume of his illuminating biography of Wilson summarizes the meaning of the New Freedom to Wilson personally.

It was Wilson's discovery that he was battling for the traditional American way of life, for a kind of economic democracy, and that this economic equality of opportunity was absolutely necessary for the preservation of political liberty that gave life and depth and meaning to the words "New Freedom."

Roosevelt thought the advocates of the New Freedom were agrarian reactionaries because they were basically unsympathetic toward the growth of the great economic units, the trusts, whose tremendous productivity would be the promise of American democracy. In theory, of course, the New Freedom grew out of the simple antitrust policies of nineteenth century agrarians. But, Wilson realized that the government must now abandon its old formulas, that it must now interfere in the economic life of the nation, not only to destroy privilege, but also to preserve economic competition. The result Wilson warned against

was that the government must not expand its own power until it, too, became a threat to the individual. 69

Wilson deeply believed in the individual, the "man on the make," the member of the urban middle class. He felt that the most gifted part of the nation, the rising workingman and the thrifty ambitious bourgeois, was being cramped and confined. In a speech at West Chester, Pennsylvania, Wilson clearly presented this belief.

This great middle class from which the energies of America have sprung is being crushed between the upper and nether millstone. There is a weight above them, a weight of concentrated capital and of organized control, against which they are throwing themselves in vain; and beneath them the great body of working people, the great majority of people in this country upon whom that control is directly exercised by the determination of the industries of the country and the determination of the share that the working people shall have in the industries of the country. that the originative part of America, the part of America that makes new enterprises, the part into which the ambitious and gifted workingman makes his way up, the class that saves, that plans, that organizes, that presently spreads its enterprises until they have a national scope and character -- that middle class is being more and more squeezed out by the processes which we call the processes of prosperity.

At Clarksburg, West Virginia, he pinpointed the problem of government for this "average man."

The average man has not been consulted, and his heart has begun to sink for fear he never will be consulted again. Therefore we have got to organize a government whose sympathies will be open to the whole body of the people of the United States. And we have got to organize a body of men who will consult as large a proportion of the people of the United States as possible before they act, because the great problem of government is to know what the average man is experiencing and is thinking about.

In listening to the voices of the middle class, Wilson knew what was on their mind. He believed that the New Freedom was the

responsive program that would look after these "men on the make" rather than the men who already made it.

Surrounding the regulation of competition were other issues of importance that Wilson spoke to throughout his campaign speeches. As at the beginning of the campaign, he continued his attack on the protective tariff. He stressed what would happen if the tariff was relieved.

why, if the protective tariff were relieved at a great many points, this is what would happen: that American industry would take on a new size and speed. There would be a bigger market for American labor than there is now. There would be a greater variety of enterprise than there is now, and the skill of American workmen would dominate the markets of all the globe. . . . We are hampering our industry at the very time that it is panting to be let free. If in these embarrassing circumstances we can occupy the position that we do now occupy by reason of our skill and enterprise in the markets of the world, how vastily improved would our position be if we were delivered from these trammels! American industry is now in a straitjacket, and some force is going to break that restraint.

The question of reforming the currency occupied his attention at the Hartman Theater in Columbus. Ohio. Wilson stated:

One of the things that makes the currency question most pressing and significant at this moment is that we are certain now, in my judgment, to remove some of the artificial obstacles to our prosperity in business. The minute you do that there is to be such an increase in the economic activity of America that this stubborn, stiff, antiquated currency system of ours can't stand the strain. You have got to make it elastic. You have got to change it, or else you can't stand your own prosperity. There won't be any means of carrying it.

Most importantly, Wilson addressed himself to human rights, the rights of the individual person which supercede any right of property or business. As he bluntly put it: "What I am interested in is having the government of the United States more

concerned about human rights than about property rights. Property is an instrument of humanity. Humanity isn't an instrument of property."

He spelled out these rights in his "policy of conservation."

There are the lives and fortunes of the citizens of the United States to be conserved. It (his policy of conservation) covers not only forest reservations and forest cultivation and the safeguarding of water powers and mines, but it includes pure food and the public health and the conditions of labor and all those things which government must see to minutely and courageously, if we are not to be sapped of our vitality and disappointed of our hopes. . . .

Then there is the matter of the regulation of the hours of labor, of the sanitation of factories, of the limitation of the hours of work for women and children, of the limitation of hours for men, . . All of these matters have to be treated by knowledge and pursued by a constancy of purpose which no special interests should be allowed to stand in the way of.

Wilson saw these rights based on justice and not on the benevolence of the federal government, in other words, not on the paternalism of Roosevelt's social reform.

Every one of the great schemes of social uplift which are now so much debated by noble people among us is based upon justice, not upon benevolence. It is based upon the right of men to breathe pure air, to live; upon the right of women to bear children and not be overburdened so that disease and breakdown will come upon them; upon the right of children to thrive and grow up and be strong; upon all those fundamental things which appeal, indeed, to our hearts, but which our minds conceive to be part of the fundamental justice of life.

All these issues were the threads that Wilson used throughout his campaign to bind together his wide program for reform and to clearly define his ideas for change to the people.

Wilson's campaign was a strenuous and demanding ordeal.

It covered six phases: the opening of the campaign from August

7 to August 29, the New York campaign from September 2 to September 12, the First Western Tour from September 16 to September 20, the Pennsylvania and New England Tour from September 23 to September 27, the Second Western Tour from October 3 to October 12, and the Last Phase from October 17 to November 4. He made over a hundred formal speeches as well as many informal speeches on the spot. Throughout the campaign, Wilson's style and method of presentation were literally extemporaneous, reflecting a well thought-out program and a lucid understanding of the issues in his own mind. In fact, the Speech of Acceptance on August 7 at Sea Girt, New Jersey was the only speech of the 1912 campaign that Wilson delivered by reading from a prepared text. 77 On the whole, Wilson's 1912 campaign speeches can best be summed up as general, masterly restatements of his views on the campaign issues.

November 5 brought election day itself. When the ballots were counted, Wilson secured a sweeping total of 435 electoral votes to Roosevelt's 88 and Taft's 8. However, the popular vote told a different story. Wilson received a total of 6,293,120 popular votes to Roosevelt's 4,119,582 and Taft's 3,485,082.78 Obviously, Wilson and his New Freedom was not the sweeping choice of the majority of voters. Yet, the election was an emphatic mandate for Progressivism considering the combined total of Wilson's and Roosevelt's popular votes. It clearly marked the culmination of more than twenty years of popular revolt against the state of affairs that seemed to

guarantee perpetual political and economic control to the privileged few. 79 Wilson, aware of the implications of the election, was ready to make progressive reform a reality, even if it might possibly mean the adaption or change of his own program.

On the evening of November 5, after his wife had personally brought him the news of his victory, Wilson addressed a large group of undergraduates outside his Princeton home. It was a fitting and humble epilogue to his successful 1912 campaign.

I believe very heartily that a great cause has triumphed; that the American people know what they want, they have the men and purposes to obtain it; but they can't get what they want through the activities of a single man or a single session of Congress or a single group of men. They must get it by a long, tedious effort, in which this generation will take an important part. . . .

I myself have no feeling of triumph tonight. I have a feeling of solemn responsibility. I know that a great task lies ahead of the men associated with me and ahead of myself. Therefore, I look upon you almost with the plea that you with your thoughts, your best purpose, your purest impulses, will stand behind me and support the generous men of the new administration. I feel as if I were standing among my younger comrades tonight. I thank you for the inspiration and exhilaration that I receive from your support.

What the results of the next four years would be, no man could foresee, but the Governor of New Jersey, soon to be President of the United States, had not forgotten his campaign promises to the people or ceased to dream of a new birth of economic, political, and social freedom for America.

Chapter Three

The First Term: 1913-1917

March 4, 1913 dawned with clear skies and an optimistic spirit throughout Washington. The bright day, some men thought. was a good omen for the future of the new Democratic administration. Before a throng of fifty thousand onlookers, Woodrow Wilson took the Presidential oath of office administered by Chief Justice Edward D. White to become the twenty-eighth President of the United States. Then, in a clear and resolute tone he began his inaugural address with the simple declaration: "My fellow citizens: There has been a change of government. It began two years ago, when the House of Representatives became Democratic by a decisive majority. It has now been completed." This change of government meant the nation had assessed the material gains and accomplishments it had achieved at "the cost of lives snuffed out, of energies overtaxed and broken, the fearful physical and spiritual cost to the men and women and children upon whom the dead weight and burden of it all has fallen pitilessly the years through."82 The nation had come to a sober second look at this terrible expense for success and through the new administration resolved to begin anew -- to reform the tariff laws and antiquated banking system, to deal with the present economic system and modify it, and to put the government at the service of humanity. This would be a task of

slow restoration, not of destruction; a task that would require wisdom, counsel, and above all justice. Wilson memorably concluded:

This is not a day of triumph; it is a day of dedication. Here muster, not the forces of party, but the forces of humanity. Men's hearts wait upon us; men's lives hang in the balance; men's hopes call upon us to say what we will do. Who shall live up to the great trust? Who dares fail to try? I summon all honest men, all patriotic, all forward-looking men, to my side. God helping me, I will not fail them, if they will but counsel and sustain me!

Wilson's great advantage for a successful beginning was the Congress elected in 1912. Due to the Republican split, the Democrats had solid majorities in both the Senate and the House for the first time since the Civil War. ⁸⁴ Given no serious divisions in the party ranks, Wilson had the opportunity to pass a comprehensive legislative program that would make his New Freedom a reality. He wasted little time in putting into action his new administration and his proposals for reform.

The first item on Wilson's legislative agenda was the revision of the protective tariff system. Since 1861, the Republican party had erected an elaborate structure of high privileged protection for American manufacturers, farmers, and producers of raw materials. The need for tariff reform moved Wilson to make this issue second only to the regulation of big business during his presidential campaign. Immediately after his inauguration, Wilson called Congress into special session for April 7 to begin work on the tariff reform. On April 8, he went dramatically in person before Congress to urge an end to

the system of high tariff protection. Not since John Adams had a president addressed Congress in person, but Wilson, aware of the pitfalls of tariff reform, wanted to emphasize the seriousness of his purpose and also to achieve from the start a close working relationship with the legislative branch. In his short address, he stated:

We must abolish everything that bears even the semblance of privilege or of any kind of artificial advantage, and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. . . The object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

Wilson followed up his tariff message with a series of personal conferences with congressional leaders both at the White House and in the President's Room at the Capitol.

On April 22, Oscar W. Underwood, chairman of the House Ways and Means Committee, presented the bill bearing his name to the House of Representatives. Competent observers agreed that it was the most honest tariff measure that had been proposed since 1861. Tt aimed only at striking down the special advantages that the protectionist policy had conferred upon American manufacturers. After a debate conducted under strict rule, the House approved the Underwood bill on May 8 by a vote of 281 to 139. This easy victory only pointed up the dangers that now confronted Wilson. Twice before, during debates over tariff reform in 1894 and 1909, the Senate had wrecked the promising efforts of the administration in power. Wilson was

determined not to let this happen again.

Doubt soon began to appear among Democratic Senators from the West and the South who were concerned about the "interests" of their constituents, especially when Wilson refused to change the provisions for free sugar and free wool in the tariff bill. Washington was soon flooded with spokesmen of the cane sugar planters, beet sugar growers and refiners, citrus fruit growers, sheep ranchers, cotton textile manufacturers, shoe manufacturers and a hundred other special interests, who were profoundly alarmed by the Underwood bill. They began to work hard at changing their Senators' minds. Wilson became angry and disturbed at the extraordinary exertions being made by the lobbyists for alterations of the tariff bill in their favor. In a bold, unprecedented act, he appealed to the American public against the activities of business lobbyists, activities of the sort which had crippled all previous attempts at tariff revision. He released the following statement to the press on May 26, 1913.

I think that the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations of the Tariff bill. Washington has seldom seen so numerous, so industrious or so insidious a lobby. The newspapers are being filled with paid advertisements calculated to mislead the judgment of public men not only, but also the public opinion of the country itself. There is every evidence that money without limit is being spent to sustain this lobby and to create an appearance of a pressure of opinion antagonistic to some of the chief items of the Tariff bill

It is of serious interest to the country that the people at large should have no lobby and be voiceless in these matters, while great bodies of astute men seek to create an artificial opinion and to overcome the interests of the public for their private profit. It is thoroughly worth the while of the people of this country to take knowledge of this matter. Only public opinion can check

and destroy it.

The Government in all its branches ought to be relieved from this intolerable burden and this constant interruption to the calm progress of debate. I know that in this I am speaking for the members of the two houses, who would rejoice as much as I to be released from this unbearable situation.

Subsequent investigations by a Semate judiciary subcommittee gave validity to Wilson's charges 90 and, after a crucial summer of debate, the Underwood bill passed the Senate on September 9 by a vote of forty-four to thirty-seven. 91 When news of the victory was immediately telephoned to the White House, Wilson exulted:

A fight for the people and for free business, which has lasted a long generation through, has at last been won, handsomely and completely. A leadership and a steadfastness in council have been shown in both houses of which the Democratic Party has reason to be very proud. There has been no weakness or confusion or drawing back. I am happy to have been connected with the Government of the nation at a time when such things could happen and to have worked in association with men who could do them.

Wilson had not exaggerated the meaning of the event. Instead of wreaking tariff reform, the Senate had effected an average reduction of some four percent in the House-passed tariff rates, bringing the measures general ad valorem rates to a level of approxiamately twenty-six percent as opposed to the more than forty percent average of the Paine-Aldrich Tariff of 1909.

When the President signed the Underwood Tariff Act on October 3, 1913, the first significant tariff reform since the Civil War was put into effect, designed to place American industry into genuine competition with European manufacturers. Moreover, it contained a provision for the first graduated income tax under

the new Sixteenth Amendment. Although the tax rates were low and exemptions high, a first step had been taken to democratize the nation's tax structure. 93 Wilson had won an important first victory for his progressive reform.

The President was fortunate that events turned out as they did, for he was already engaged in a more ambitious and difficult undertaking. It was his struggle to lead the Democratic party in reconstructing the nation's banking and currency system -- the second step in the New Freedom's campaign to destroy monopoly and unleash the economic energies of the American Bankers and businessmen, economists, and leaders of both parties agreed that the national banking system, which had been established during the Civil War, was about as badly adapted to the financial needs of a great industrial and commercial nation as any system could be. By 1913, it comprised some 7,000 individual banks operating under the general supervision of the Comptroller of the Currency. 94 It lacked any real coordination or effective method of mobilizing reserves in times of The money supply bore no necessary relation to the needs of business and industry. In short, the chief weakness of the banking system was the absence of any central banking agency.

Before his inauguration, Wilson met with Carter Glass, chairman of the House banking committee, to consider the banking bill. Glass outlined his plan for a decentralized, privately controlled reserve system with possibly twenty reserve banks. Wilson tentatively approved, but he asked Glass to draw up plans

for a general supervisory board to be the "capstone" of the system. When news of the proposal leaked out, the progressive wing of the Democratic party demanded outright governmental control over the reserve system. Wilson was shaken by this dissension, but the progressive element refused to stand by and see control of the banking structure given over to private hands, especially if this were done by a reform administration.

Robert L. Owen, chairman of the Senate banking committee, William G. McAdoo, Secretary of the Treasury, and William Jennings Bryan led the opposition, insisting that the Federal Reserve system and the Federal Reserve notes be the obligations of the United States government.

Wilson was strangely surprised and profoundly disturbed by the dimensions of this struggle. In June, he realized that he had to either intervene quickly and decisively or else abandon his role as leader. Clarifying his own position, Wilson realized he held two basic assumptions that he felt should govern banking and currency reform. First, he believed that the concentration of credit and money in Wall Street had reached the proportion of monopoly, and he saw the regional reserve concept as a means of destroying this "Money Trust." Second, after the early months of discussion on the banking issue, he believed that banking was so much a public business that the government must share with private bankers in making fundamental financial decisions. 95

Realizing he had to come to a final decision on the controversial issues of banker representation on the Federal Reserve Board and of liability for Federal Reserve currency, Wilson consulted Louis D. Brandeis, whose opinions on economic matters he respected above all others. On June 11, Brandeis came to the White House and the President laid the problems squarely before him. Brandeis frankly told Wilson:

The power to issue currency should be vested exclusively in Government officials, even when the currency is issued against commercial paper. The American people will not be content to have the discretion necessarily involved vested in a Board composed wholly or in part of bankers; for their judgment may be biased by private interests or affiliation. . . . The conflict between the policies of the Administration and the desires of the financiers and of big business, is an irreconcilable one. Concessions to the big business interests must in the end prove futile.

Fortified by Brandeis' advice, Wilson made up his mind that the progressives were right and Glass was wrong. On June 18, Wilson called Glass, McAdoo, and Owen to the White House and told them he would insist upon government control of the Federal Reserve Board, which would regulate and supervise twelve privately-managed Federal Reserve banks, and upon the issuance of Federal Reserve notes as the obligation of the government alone.

The President was now ready to bring the banking bill to the Congress. On June 23, he went again to the Capitol, this time to explain the administration's program for banking reform. Wilson told the joint session of the Congress:

We must have a currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of everyday transactions. . . . Our banking laws must mobilize reserves; must not permit the

concentration anywhere in a few hands of the monetary resources of the country. . . . And the control of the system of banking and of issue which our new laws are to set up must be public, not private, must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

Three days later Representative Glass and Senator Owen introduced identical bills in their respective banking committees.

During the long summer and autumn of 1913, Wilson and his advisors moved the bill through the crisis-filled maze of the House and Senate. To consolidate Democratic support behind the bill in the House, Wilson agreed to an amendment for the discounting by reserve banks of short-term agricultural paper. Satisfied with this concession and others, the House passed the bill on September 18 by a vote of 287 to 85. Moving to the Senate, the Glass-Owen bill met both conservative opposition and protest from the spokesmen of bankers and business groups. Gradually compromises were hammered out: the gold reserve backing the Federal Reserve notes was increased from thirty-thre to forty percent; a Federal Advisory Council consisting of representatives from regional banks was established to serve as a liaison between the Federal Reserve banks and the Federal Reserve Board; the Board was deprived of authority to directly set the discount rates of the reserve banks and was empowered only to veto changes in existing rates. 98 Progressive opinion went along with the changes effected during the Senate deliberations and was intent on demanding the bill's approval. measure passed the Senate on December 19 by a vote of fifty-four

to thirty-four. With the differences reconciled between the House and Senate bills, Wilson signed the Federal Reserve Act on December 23, handing the gold pens he had used to McAdoo, Glass, and Owen. As Arthur S. Link states in his biography of Wilson:

Beginning as a measure designed to strengthen private control over the reserve system and money supply and to serve only the needs of the business classes, the Federal Reserve bill had metamorphosed under progressive pressure into a measure that afforded substantial benefits to farmers and attempted, in the spirit of the New Freedom, to create a fine balance between private management and public supervision.

Eschewing utopian ambitions, the framers of the Federal Reserve Act had not attempted to reconstruct the American economy, banish poverty, redistribute wealth, or even prevent industrial depressions. They had sought merely to establish a workable reserve system, destroy the concentration of credit in Wall Street, and give the country an elastic currency suited to expanding business needs. Their measure was, therefore, a compromise between what the bankers wanted and what the most advanced progressives said the country needed.

Although Wilson gave priority to the adoption of the tariff and banking measures, the question of an antitrust program
to fulfill the promises of the Democratic platform of 1912
arose during the early months of the new administration and
remained persistently important until the program's completion
in the autumn of 1914. However, not until the middle of November 1913, when the Underwood bill was signed and the Federal
Reserve bill was safely on its way to passage in the Senate,
did Wilson begin to give any thought to details. On November 20,
he began a long series of conferences with Democratic leaders in
Congress, seeking their views and requesting their recommendations. By the middle of December most of the recommendations

were in, and it became evident that the progressives were split on the remedy for the regulation of big business. The main body of Democrats merely desired a clearer interpretation of the Sherman Act by defining precisely the prohibitions against restraints of trade and by outlawing interlocking directorates of all kinds. A minority of Democrats and practically all progressive Republicans wanted a powerful, independent trade commission armed with broad authority and capable of suppressing unfair competition. Wilson had to choose between what he called the "two ways open to us" -- to choose between the solution he offered in the 1912 campaign or the program Roosevelt had championed. He pondered the question over the Christmas holidays.

If there had been any doubt in his mind, Wilson quickly resolved it and decided to press ahead for legislation along New Freedom lines. Returning to Washington on January 13, he set to the task of getting the legislative machine in gear. He outlined his plan to Congressional leaders in a four hour conference the following day, and on January 20 he appeared before a joint session of Congress to explain his broad purposes to the country.

What we are proposing to do, therefore, is, happily, not to hamper or interfere with business as enlightened business men prefer to do it, or in any sense to put it under the ban. The antagonism between business and Government is over. We are now about to give expression to the best business judgment of America, to what we know to be the conscience and honor of the land. The Government and business men are ready to meet each other halfway in a common effort to square business methods with both public opinion and the law.

During the week following his address, Wilson and the Democratic leaders in Congress formulated a comprehensive program for presentation to the legislative body.

There was, first of all, the Clayton bill drawn up by Henry D. Clayton, chairman of the House judiciary committee, and introduced in the House on April 14, 1914.

It enumerated and outlawed a number of unfair trade practices, such as price-cutting to destroy competition, refusal to sell to responsible persons and firms, and so-called tying contracts; made owners and directors of businesses and corporations criminally responsible for civil violations of the antitrust laws; forbade corporations to acquire or hold the stock of other corporations, when the effect was to lessen competition; forbade interlocking directorates among the great banks in large cities, competing railroads, and banks, corporations, and railroads doing business among themselves; and gave the benefit of judgments rendered in antitrust suits begun by the government to private parties suing for damages under the Sherman law.

In the second place, there was an interstate trade commission, known as the Covington bill, introduced in the House on March 16, 1914.

. . . it created an independent bipartisan Interstate Trade Commission, which was empowered to investigate all business and corporate activities, to determine whether corporations had violated the antitrust laws, and to recommend procedures \$3 enable erring corporations to comply with the laws.

However, this was not the powerful administrative agency, able to take direct control of business affairs, like Roosevelt and many advanced progressives demanded. Rounding out the President's antitrust program was a measure known as the Rayburn bill introduced in the House on May 7. It gave the Interstate Commerce Commission authority over the issuance of new securities

by the railroads. 104 This, therefore, was the original New Freedom antitrust program in its entirety and essential simplicity. "It manifested almost perfectly the New Freedom faith in competition and free enterprise and its abhorrence of direct governmental participation in economic affairs. "105

In mid-April controversy broke out with the American Federation of Labor's demand for an amendment granting labor unions complete immunity from prosecution under antitrust laws. Wilson compromised by adding an amendment to the Clayton bill

providing for jury trials in cases of criminal contempt, circumscribing the issuance of injunctions in labor disputes, and declaring that neither farm nor labor unions should be considered as illegal combinations in restraint of trade when they lawfully sought to obtain legitimate objectives.

The labor leaders were not satisfied and threatened to join the Republicans in defeating the administration's antitrust program. Wilson would not budge; the labor congressmen and union officials had to accept the compromise. With the full support of the House Democrats, the Clayton, Covington, and Rayburn bills were approved by the House on June 5. Circumstances were changing, however, as the bills moved to the Senate. The Rayburn bill would die in the upper house, while the Clayton and Covington bills were to undergo dramatic amendment before their passage.

The House approval of the three bills marked the high tide of the New Freedom philosophy of reform -- the idea that all the circumstances required was clarification and strengthening of legislative prohibitions against restraint of trade. From this

time forward, new concepts advanced by powerful groups and spokesmen entered the scene; and in the end, Wilson approved an antitrust program that bore only a general resemblance to these original measures. The catalyst for change was the conviction that the Clayton and Covington bills provided a hopelessly unrealistic, unworkable, and even dangerous solution. viction was shared by the vast majority of businessmen, Rooseveltian Progressives, many progressive Republicans and Democrats and by a large majority of the thoughtful students of the antitrust problems like Brandeis, and Francis Newlands and Albert Cummins, the senior Democratic and Republican members of the Senate commerce committee. They argued that the mass of small businessmen trying to work out new concepts of regulation and controlled competition would be threatened by the Clayton bill's provision that provided a possible jail term for every violation of present antitrust laws. Also, they believed that it was impossible in statutory language to define all the possible restraints of trade. 107

Almost all the critics of the President's program agreed that the wise solution of the antitrust problem would be to abandon the effort to define restraints of trade and to establish a federal trade commission with full power to prevent monopoly and unfair competition, through direct supervision of the day-to-day activities of the business world. They condemned the Covington bill for establishing a weak commission and argued that "the surest safeguard against monopoly lay in creating an

administrative agency popularly controlled and powerful enough to confront the leaders of big business on equal terms. 108

Representative Raymond Stevens prepared a bill for a strong trade commission, drawn up by Brandeis and his associate George Rublee, and presented it to the House Committee on Interstate and Foreign Commerce, then considering the Covington bill.

Wilson was impressed by these criticisms and interested in the proposal for a strong trade commission, but for strategic reasons he refused to interfere until the House vote on the Clayton, Covington, and Rayburn bills. When this was accomplished, Wilson called Brandeis, Rublee, Stevens, and Senator Henry Hollis to the White House on June 10 to inform them that he had decided to incorporate the proposed Stevens bill as an amendment to the Covington bill. Wilson's conversion to the strong trade commission plan was the decisive event in the antitrust program. On June 12, the committee members incorporated the heart of the Stevens bill as Section 5 of the Covington bill, and reported the measure, now known as the Federal Trade Commission bill, to the Senate the following day.

The measure was a compromise, but it bore closer resemblance to the kind of legislation Roosevelt proposed in 1912 than to the weak Covington bill. It established an independent bipartisan Federal Trade Commission, appointed by the President with the consent of the Senate for seven-year terms, and endowed with sweeping powers. The heart of the new bill was Section 5 which empowered the commission "to investigate and prevent

unfair competition by the issuance of cease and desist orders, which would be enforced by the federal district courts."109

For the President there remained only to win the support of the main body of Senate Democrats and to steer the Federal Trade Commission bill to final passage without crippling amend-Conservative opposition was strong but Wilson succeeded in overcoming it and on August 5, the Senate passed the bill fifty-six to sixteen. On the same day, Wilson began his final campaign for the bill by politely demanding that the House members of the joint conference committee accept the Senate measure without important changes. The House members accepted the bill with one important concession that broadened the power of the courts to review the commission's decrees ordering a corporation to cease and desist from practicing unfair methods of competi-Thus, amended by the conference committee, the Federal Trade Commission bill was approved by the Senate on September 8, by the House on September 10, and was signed by the President on September 26, 1914. 110 Approved by the great majority of small businessmen, the measure was held by progressives of all political beliefs as the beginning of a new era in constructive federal regulation of economic life.

Meanwhile, having supported the strong trade commission plan, Wilson had seemed to lose interest in the Clayton bill, the cornerstone of his original antitrust program. Without his administrative guidance, it emerged from the Senate judiciary committee in mid-August with amendments that either completely

nullified or else gravely weakened many of its important provi-In the joint conference committee, the House members sions. were able to restore the prohibitions against restraint of trade; but the Senate members won the elimination of criminal penalties for civil violation of the antitrust laws. The effect of these qualifications in the main provisions of the Clayton bill was to leave the ultimate explanation of the Sherman Act's provisions to the courts, rather than to define that measure's prohibitions in precise statutory language, as Wilson originally intended. On October 5, the Senate passed the bill by a vote of thirty-five to twenty-four. Three days later the House secured passage by a vote of 245 to 52. Wilson, who had taken no part in the final struggle over the weakening of the measure, signed the Clayton bill without ceremony on October 15. Despite the crippling weaknesses, the labor provisions of the act apparently pleased the unions and some labor leaders tried to convince themselves that labor was at last freed from the restraints of the antitrust laws.

In the autumn of 1914, Wilson thought his program to effect a fundamental reorganization of American economic life was complete and that the Progressive Movement had fulfilled its mission. He wrote in a public letter to William G. McAdoo in November that the New Freedom program was consummated.

Ten or twelve years ago the country was torn and excited by an agitation which shook the very foundations of her political life, brought her business ideals into question, condemned her social standards, denied the honesty of her men of affairs, the integrity of her economic processes, the morality and good faith of many of the things which her law sustained.

Those who had power, whether in business or in politics, were almost universally looked upon with suspicion, and little attempt was made to distinguish the just from the unjust. . . . There was ominous antagonism between classes. Capitol and labor were in sharp conflict without prospect of accommodation between them. Interests harshly clashed which should have co-operated.

And so things stood until the Democrats came to power and the New Freedom legislation righted fundamental wrongs. The night-mare of the past years was over now and the future would be a time of cooperation, new understanding, and common purpose, "a time of healing because a time of just dealing and co-operation between men made equal before the law in fact as well as in name." 112

Advanced Progressives were puzzled by Wilson's remarkable letter. Herbert Croly, Progressive editor of the New Republic, critically wrote:

How can a man of his shrewd and masculine intelligence possibly delude himself into believing the extravagant claims which he makes on behalf of the Democratic legislative achievements. . .? How many sincere progressives follow him in believing that this legislation has made the future bright and clear with the promise of best things? Where will such leadership finally land the Democratic party and the Progressive movement?

. . . Mr. Wilson's sincerity is above suspicion, but he is a dangerous and unsound thinker upon contemporary political and social problems. He has not only, as he himself has said, 'a single-track mind,' but a mind which is fully convinced of the everlasting righteousness of its own performance and which surrounds this conviction with a halo of shimmering rhetoric. He deceives himself with these phrases, but he should not be allowed to deceive progressive popular opinion.

Croly, not Wilson, read correctly the future course of American political history. The New Freedom phase of Progressivism had ended in the autumn of 1914. Woodrow Wilson, the apostle of

laissez faire and the opponent of advanced social and economic reform by the federal government, had fulfilled his mission with a minimum of concessions to advanced concepts. But the future was still "clear and bright with promise" for the Progressive Movement. The process of reform was temporarily halted in 1914, only to be reactivated by 1916. And it was Wilson himself who would lead the American people forward in their progress for a more democratic social and economic order.

For an exhausting eighteen months, the President had fought hard to secure passage of the important measures he had proposed. A business recession in 1914 reinforced his feelings that enough had been done to clear the economic road, and combined with the pressures of the war in Europe, Wilson felt justified to announce his contentment with the reforms he had accomplished. He still believed his administration was not committed to the aid of special groups; progressivism for him was not reform measures to benefit the few. Yet, the clamor of ardent progressives for federal legislation to help the social needs of the country would not be silenced. The time was drawing near when the President would have to listen and respond to these pleas or face serious consequences both for himself and the Democratic party.

In 1915, there appeared a quiet sign of a change beginning in Woodrow Wilson, a change that would gradually allow him
to abandon his principled objections to an active, paternalistic
role for the government. For a year and a half, Congress had

been considering a bill sponsored by Senator Robert M. LaFollette to establish careful standards and severe safety requirements for American seamen. Complications had arisen when the London Naval Conference met in November 1913 and drafted a treaty imposing uniform and generally rigid safety requirements on the vessels of all maritime nations. The administration had to choose between ratifying the treaty unconditionally, thereby abandoning the much stronger seamen's bill, or ratifying the treaty with a reservation that would permit the bill's adoption. After months of controversy, Wilson yielded to the advice of the State and Commerce departments and, in December 1914, supported unconditional ratification. The Senate ratified the treaty, but, because of the strong forces in Congress behind the seamen's bill, it adopted a provision allowing for the consideration of the measure. On February 27, 1915, the upper house approved the conference committee's report of the seamen's bill.

Events moved swiftly to a final crisis. The President's advisors urged him to give the bill a pocket veto because it would require the renegotiation of twenty-two treaties with the maritime powers, cause endless confusion, and provoke serious trouble because of its provisions for the abolishment of imprisonment for desertion. Wilson was deeply troubled by the implications of the bill and was almost prepared to use his power of veto. However, on the evening of March 2, LaFollette and Andrew Furuseth, president of the International Seamen's Union and author of the seamen's bill, went to the White House

for a personal appeal to the President. Moved by their arguments and assured by LaFollette that Congress would give the State Department all the time needed to iron out the international complications, Wilson signed the LaFollette Seamen's Act on March 4, 1915. The act regulated the conditions of employment in the merchant marine, gave seamen the same basic rights as factory workers, abolished imprisonment for desertion when the ship was in safe harbor, and radically altered wage rates and minimum standards for food and living quarters. It also assured safety measures, a nine-hour day when in port, and the right of seamen to join a union. 115 In a personal note to Wilson, Furuseth wrote:

In signing the Seamen's Bill, you gave back to the seamen so far as the United States can do it, the ownership of their bodies, and thus wiped out the last bondage existing under the American flag. The soil of the United States will be holy ground henceforth to the world's seamen.

Wilson had definitely made a change, for in signing the LaFollette Seamen's Act, he obviously "conferred upon one sector of the citizenry a boon denied to others, a precedent sure to excite a clamor from other aggrieved groups." 117

1916 began in confusion as both major parties began to lay plans for the coming presidential election. The Republicans were slowly healing the rupture of four years before, yet they were more divided than their opponents on the great issues of the day. The Democrats themselves were rent by factionalism and conflict over policies, both domestic and foreign. Yet, all Democrats knew they could win only under Wilson's leadership

and that revolt would only ensure a Republican victory. In fact, Wilson and his party leaders realzed that the only hope for Democratic victory lay in converting the 42 percent of the popular vote received in 1912 into a majority in 1916, and that this could only be done by winning over the progressive elements in the nation.

The Democrats had to give convincing proof that they were an effective instrument of the reform that Progressives, independents, and agrarians wanted. These groups demanded the kind of program that Roosevelt had advanced in 1912 and called the New Nationalism -- a program that included national measures to stimulate business and protect underprivileged or disadvantaged The Wilsonian New Freedom groups like workers and farmers. program had to some degree satisfied progressive demands, yet Wilson and the majority of Democrats in Congress had drawn a stern line against national legislation to give special advantages to classes and groups. For example, they had refused to grant immunity to labor unions from prosecution for violating antitrust laws; they had refused to establish a federallyoperated system of rural credits; and they had failed to support a child labor bill. It was obvious that, if the Democrats were to persuade the progressive groups that they led a great national party that had struck the shackles of state rights and laissez faire dogma, then they would have to reverse their previous position and enact these and other reform measures. 118

It would be wrong to think that Wilson and his party abandoned old principles and embraced new ones only to retain political power. To begin with, general progressive objectives on the national level had been in ferment and flux since 1912, and all changes pointed in the direction of the New Nationalism. Even southern Democrats, the staunchest defenders of state rights and laissez faire economics, had shown a surprising willingness to adopt nationalistic solutions. Wilson, too, had moved with the changing tide. In 1913 and 1914, he had accepted far greater national control in the Federal Reserve System than he originally had planned, and he had chosen a quasi-Rooseveltian solution of the problem of the regulation of business in the Federal Trade Commission. Wilson was certainly committed to broad political principles, but not to particular details and In 1916, he was at a point of metamorphosis in his methods. thinking about legislative policy and the political situation only hastened the change. 119 Wilson was eager to build a great national party with strength in all sections, and obviously concluded that commitment to an advanced progressive program was the necessary first step. The President believed that the Democratic party offered the only hope of constructive, progressive change, and under his leadership a Democratic Congress enacted "the most sweeping and significant progressive legislation in the history of the country up to that time."120

The first important piece of legislation that clearly indicated Wilson's gradually-changing views was the rural

credits bill. Since 1912, responsible public leaders and economists recognized the need for legislative machinery to channel long-term credit to farmers more effectively and cheaply. Of course, controversy arose over the proper method. Farm leaders and their spokesmen in Congress wanted a system organized, underwritten, and administered by the federal government. Secretary of Agriculture David Houston and conservatives proposed a cooperative system organized and financed by private interests. Because of his convictions against special class legislation, the President twice blocked a measure for a federal rural credits system in 1914 and again in 1915.

In his Third Annual Message to Congress on December 7, 1915, Wilson gave no clue to his position. He merely stated:

I earnestly recommend in principle to your consideration; that we should put into early operation some provision for rural credits which will add to the extensive borrowing facilities already afforded the farmer by the Reserve Bank Act, adequate instrumentalities by which long credits may be obtained on land mortgages; . . .

Not knowing whether they would meet Presidential opposition, Senator Henry Hollis, Representative A. F. Lever, and other members of a joint congressional committee on rural credits hammered out a new bill during December 1915 and January 1916.

Completed in mid-January, the measure created a Federal Farm Loan Board of five members to organize and supervise at least twelve Federal Land Banks. These banks would lend money, obtained by sale of tax-exempt bonds, at a maximum interest rate of 5 percent to farmers organized in credit cooperatives called "national farm loan associations." These loans would be long

term and drawn against the security of the farmer's land. The most vital provisions of the bill were the ones for underwriting the system. First, each Land Bank should begin with a capital of \$500,000, and the federal government should purchase any stock not subscribed by private investors or corporations within ninety days after the stock had been offered for sale. Second, the federal Treasury should supply up to \$6,000,000 a year at 2 percent interest to the system if the sale of Land Bank bonds did not raise sufficient money. 122

It was an ingenious compromise between conflicting points of view. Progressives were pleased by the bill's provision for federal organization and control and its guarantee of federal money for adequate capitalization and operation. Conservatives approved the measure's encouragement to farmer's cooperatives and its provision for private purchase of the stocks and bonds of Land Banks.

Everything depended now on the President. Wilson knew that congressional leaders would accept nothing less than federal underwriting and control and that there would be no rural credits legislation unless he gave in. It was also clear that Midwestern farmers, attentively watching Capitol Hill, might well decide the outcome of the Presidential election. On January 28, 1916, Hollis and Lever went to the White House for the decisive conference with Wilson and Secretary Houston. Hollis explained the joint committee's bill; Houston repeated objections he had forcefully voiced several times before. After listening to both positions, Wilson gave his administrative blessing to the measure.

On May 4, after two weeks of sluggish debate, the Senate approved the bill by a vote of fifty-eight to five. The House slightly changed the measure by capitalizing Federal Land Banks at \$750,000 instead of \$500,000 and permitting loans against farm improvements as well as land. It passed the measure on May 15 by a vote of 295 to 10. The conference committee quickly worked out the differences, accepting the House's provisions. Wilson signed the Federal Farm Loan Act on July 17 at a White House ceremony attended by congressional leaders and representatives of all major farm organizations. 124 Two days later, the President appointed the members of the Federal Farm Loan Board, and the new rural credit system was in operation before election day. Meanwhile, he signed two other measures of special benefit to farmers. One was the Good Roads Act, approved on July 11, to assist the states in building highways in rural areas according to federal standards. The other was the Warehouse Act, approved on August 11, which permitted bonded warehouses to issue receipts against certain agricultural commodities, these receipts to be used as good collateral for loans at national banks. 125

The social justice movement was the next major area of progressive concern to be affected by Wilson's change in attitude and belief. At the Democratic National Convention held in St. Louis in June 1916, Wilson had received overwhelming support for renomination and inherited a platform dedicated to peace and progressive legislation. In July, advisors encouraged him to

obtain action on the child labor and federal workmen's compensation bills as real proof of the administration's commitment to progressive reform. Both bills, passed by the House, were now sidetracked in the Senate.

A child labor bill sponsored by Representative Edward Keating and Senator Robert Owen had passed the House of Representatives on February 2, 1916 by a significant majority of 337 to 46. The Keating-Owen bill forbade

the shipment in interstate commerce of products manufactured in whole or in part by children under fourteen, of the output of mines and quarries in which the labor of children under sixteen was involved, and of any products by children under sixteen working at night or more than eight hours a day.

It was reported favorably to the Senate interstate commerce committee, but then waylaid, mainly because the National Association of Manufacturers and state rights Southern senators opposed it as the beginning of broad federal regulation of hours and wages under the commerce clause of the Constitution. On July 12, Senator John Kern and Representative Daniel McGilliculdy obtained finally House approval of their bill for federal workmen's compensation by a commanding majority of 287 to 3. There was no active opposition to this measure in the Senate, for the Democrats had approved federal compensation in the platform adopted in St. Louis. It just seemed that the senators were too busy to consider it.

Wilson had never actively opposed the child labor bill.

He simply refused earlier to support it, presumably because he doubted its constitutionality and did not want to jeopardize

other legislation by promoting a measure that might provoke a long filibuster. He had shown no interest in the Kern-McGillicuddy bill either, apparently because he did not think that Congress would have time to put it through before adjournment. On July 17, Wilson received two letters -- one from Secretary of the Navy Josephus Daniels, the other from A. J. McKelway, secretary of the National Child Labor Committee -- urging him to push for passage of these two measures. Both men warned that failure of the child labor and federal compensation bills would cost the Democrats heavily in the campaign. Realizing the importance of the votes of social-justices progressives, Wilson decided to take personal action.

The following day Wilson went unannounced and accompanied by only two Secret Service men to the President's Room in the Capitol. There he summoned members of the Democratic senatorial steering committee and informed them that they had to put through the child labor and workmen's compensation bills. He noted that the Democrats had pledged their support to these issues in the St. Louis platform, and now they had to honor these pledges. The senators acted quickly. After a fierce debate but no filibuster, the Senate passed the Keating-Owen Child Labor bill on August 8 by a vote of fifty-two to twelve. On August 19, the Kern-McGillicuddy bill passed without difficulty. Wilson's decisive action had secured their passage, and he won words of approval from the Denver reformer, Ben B. Lindsey.

Your splendid attitude on this question and willingness to change your former position with the states rights Democrats to Federal or National control when it becomes clearly apparent that it is the best method to put an end to certain evils or advance certain rights should be sufficient proof to wavering Progressives that the Democratic Party is as willing as the Republican Party in proper cases to put the National welfare above state considerations.

Another major test of Wilson's administrative leadership in 1916 was the threat of a nationwide strike of railway workers. The crisis began when the presidents of the four brotherhoods of railway workers and the spokesmen of the railroad companies came to an impasse in early June over the brotherhoods' demands for an eight-hour day, with no punitive wage reductions, and time and a half for overtime work. On June 15, twenty railroad presidents and managers flatly rejected these demands and called for federal arbitration. The United States Board of Mediation met with the leaders in New York in early August and failed to bring agreement. When 94 percent of the nation's 400,000 engineers, firemen, conductors, and trainmen approved a general strike call, Wilson decided the time for decisive action had come. 130

On August 14, the President invited the brotherhood leaders and the railroad managers to separate meetings at the White House and reminded them of the grave consequences of a general strike. There would be serious suffering in the large cities, disruption of the nation's economic life, and a setting back of the program for defense preparation. Wilson listened to each group present its case, and then solemnly appealed for compromise

in the national interest. When both sides refused to budge, Wilson resolved to work out his own compromise and ask Congress to impose it if it was not accepted. The President's plan declared the workers' right to their demand for an eight-hour day, but stated they must abandon their demand for overtime pay. It also called for the appointment of a federal commission to study the entire railroad labor problem. After fierce discussion, the brotherhoods' chairmen voted to accept the compromise on August 18. Two days later, the railroad presidents denounced the President's plan. As a result of this action, the brotherhood leaders published an order calling a nationwide strike of 400,000 workers on September 4.

The President went before a joint session of Congress on August 29 asking them to provide legislation along the lines of his compromise and to grant him emergency powers if the strike took effect. Pressed for time, the Congressional leaders put together a brief bill calling for an eight-hour day and a commission of inquiry. Representative William C. Adamson, chairman of the interstate commerce committee, introduced the bill on August 31. The following day the House approved the Adamson bill by a vote of 239 to 56. On September 2, the measure passed the Senate by a vote of forty-three to twenty-eight. That evening the presidents of the brotherhoods sent messages to division chairmen rescinding the strike order, and the following morning Wilson signed the bill aware that Congress would again have to consider the matter in the next session. 131

Though it was not the best solution, it was the only one possible at the time to avert a catastrophic strike, and in this it succeeded.

The last major legislative measure that completed Wilson's progressive reform in 1916 was the Revenue Act. Passed by the House in July and by the Senate in September, it included the progressive demand for a more democratic tax policy. Although Wilson had no part in this section of the measure, the Congress enacted a federal tax policy based upon ability to pay. It was, admittedly, a sectional and class measure intended to appeal to farmers, workers, and the lower middle class. However, no nation at the time had imposed such heavy burdens on incomes and inheritances whereby the wealthy lost some of their immunity from taxation. 132 It was a real step forward for the infant federal income tax system.

The Revenue Act also embodied Wilson's proposal for a Federal Tariff Commission. It created a nonpartisan independent agency to advise on tariff policy, consisting of six members who served staggered twelve-year terms. Given sweeping investigatory powers and authority to put witnesses under oath, the Commission was instructed to report periodically to the President, the House Ways and Means Committee, and the finance committee of the Senate, and to make special investigations and reports when requested by these authorities. Sponsored and pressed by virtually the entire nonfinancial business community, the Tariff Commission demonstrated a reversal of historic Democratic policy.

by putting "the government at the service of American businessmen." 134

In November 1916, Woodrow Wilson defeated Charles Evan Hughes to win a second term as President of the United States. The victory was a narrow one. The final tabulation gave Wilson 9,129,606 popular and 277 electoral votes, and Hughes 8,538,221 popular and 254 electoral votes. For the President, however, it was a smashing personal triumph. He polled some 2,700,000 more votes than Bryan had in 1908, and, more importantly, some 2,830,000 more votes than he himself had polled in 1912. 135

By the end of the first term, Woodrow Wilson had succeeded in unifying the progressive elements of the nation behind him through a dynamic and flexible leadership of legislative reform.

Chapter Four

Success and Failure:
An Evaluation of Wilson's Progressive Reform

Evaluation of President Woodrow Wilson's first-term legislative program in light of his campaign promises made in 1912 is a challenging, yet clear task to undertake. The challenge lies in carefully appraising the reforms Wilson enacted without overestimating or underestimating their importance as the fulfillment of his spoken pledges. The clarity lies in the precise historical record and analysis of Wilson's speeches and legislative measures, enabling one to more easily attempt such an appraisal. This evaluation will consist of three interlocking first, a brief re-presentation of the campaign promises and the legislative acts that specifically fulfilled them; second, an assessment of the eventual success or failure of the legislative measures following their enactment; and third, an appraisal of Wilson himself as Presidential leader and Progressive reformer.

Woodrow Wilson stepped into the national political arena in the 1912 presidential campaign. In general, masterly restatements of his views on the campaign issues, the Democratic candidate carefully evolved a program entitled the New Freedom. This general program called for tariff revision, currency and banking reform, social rights, and the destruction of monopoly

by the regulation of competition. This last point was the heart of Wilson's New Freedom and his major weapon against Roosevelt's New Nationalism. Roosevelt proposed that the great corporations could be controlled by close regulation of their activities by a powerful trade commission. Wilson argued that monopoly had to be destroyed by remedial legislation which would bring about the right use of competition. He claimed the regulation of competition was the road to freedom, whereas Roosevelt's proposal to regulate monopoly would only bring paternalism and special privilege.

Wilson emphasized these issues constantly and poignantly throughout three months of formal addresses and informal speeches. He became a master spokesman in Progressive politics, "whose campaign speeches in 1912 provide us with a magnificently articulate expression of the whole impulse." At times during the campaign, as Wilson explained and defined his New Freedom reforms, there developed something of the air of the classroom, something of a distance between a teacher and his pupils. "And though some of his audience might have difficulty understanding the exact meaning of his precise and polished sentences, there was no mistaking their moral tone and the convictions of the man who uttered them." The Democratic candidate moved the people by his sincere rhetoric and, with their approval, won the presidential election.

The concepts set forth in Wilson's speeches were not mere rhetoric, for they were translated into legislation "with

remarkable success and fidelity during his first four years in office."138 In 1913, the President wasted little time in putting into action two of his major campaign promises. was the revision of the protective tariff system built up by the Republicans since 1861. After a public attack on lobbyists seeking favorable alterations in the tariff bill and the crucial months of Congressional debate, Wilson secured passage of the Underwood Tariff Act in September. The measure provided the first significant tariff reform since the Civil War and lowered general rates by more than 14 percent as compared to the Paine-Aldrich Tariff of 1909. The second pledge to be fulfilled was the currency and banking reform. Through the Federal Reserve Act passed in December, Wilson established a workable reserve system that destroyed the concentration of credit in Wall Street and gave the country an elastic currency suited to expanding business needs. Both measures had received direct leadership from the White House. Already Wilson was clearly demonstrating his dedication to the promises he had made.

1914 brought the completion of the New Freedom phase of Wilson's domestic reform. Through the Federal Trade Commission bill and the Clayton Act, Wilson inaugurated his plan to regulate big business. The establishment of the Federal Trade Commission was a departure from pure Wilsonian New Freedom philoseophy towards the kind of legislation Roosevelt proposed in 1912. Progressives like Louis D. Brandeis and George Rublee convinced the President that the wise solution of the antitrust problem

would be the establishment of a federal trade commission directly supervising the day-to-day activities of the business world. The Commission was endowed with sweeping powers, including the right to issue cease and desist orders against corporations practicing unfair methods of competition. In backing the strong trade commission plan, Wilson lost interest in the Clayton bill, the cornerstone of his original antitrust program. A weakened bill emerged from the Congress vaguely defining the restraints of trade and antitrust prohibitions that Wilson had so persistently demanded during his campaign. Together these two measures were to control big business and renew fair competition. Arthur S. Link indicates the full implications of Wilson's abandonment of his original antitrust program for the more advanced federal trade commission plan.

The President's failure to solve the antitrust problem by doctrinaire remedies had pointed up the essential inadequacy of the New Freedom approach for the solution of the complex economic and social problems that confronted the American people in the twentieth century. By abandoning his original measures and espousing an advanced progressive solution, Wilson and his Democratic leaders in Congress revealed greater ideological flexibility than they had heretofore shown. . . .

Wilson indicated the gradual change of his own personal beliefs and attitudes in 1915 with the passage of the LaFollette Seamen's Act. This measure established minimum living standards, strict safety requirements, and basic workmen's rights for American seamen. In signing the bill, the President gave to one specific group of Americans the just and reasonable demands they sought. He had set a precedent that would surely arouse other

aggrieved groups to seek their wants and needs. More importantly, Wilson had given sign of an interior change, a change that allowed him to abandon his principled objections to an active, paternalistic role for the government.

Aware of the important social needs of many groups of Americans and realizing the vital importance of the support of Progressives, independents, and agrarians in the upcoming presidential election, Wilson enacted sweeping and advanced reforms throughout the last year of his first term. The Federal Farm Loan Act provided long-term credit to farmers through a system of Federal Land Banks supported both by private interests and the government. The Keating-Owen bill set standards for child labor and forbade interstate commerce of products manufactured by children if these standards were not met. The Kern-McGillicuddy bill established federal workmen's compensation. Adamson Act insured an eight-hour day for railroad workers. The Revenue Act boosted the infant federal income tax system and created the Federal Tariff Commission. All these measures were significant steps far beyond the original philosophy of Wilson's New Freedom set in the 1912 campaign and demonstrated his flexible leadership of Progressive reform. By the autumn of 1916, the President had not only fulfilled the campaign promises of the New Freedom, but had also enacted almost every important plank in the Progressive platform of 1912. Wilson had clearly shown that the Democratic party was dedicated to the economic and social reforms of Progressivism and had profoundly altered

the future of American politics. 140

A careful appraisal of Wilson's legislative reform cannot be complete if one considers the fulfillment of campaign promises only as legislative acts successfully passed. Another step must be taken. One has to discover whether or not the legislative measures succeeded or failed following their enactment. Thus, the assessment of the eventual success or failure of Wilson's legislative reforms involves a consideration of short and long term effects.

Following Wilson's reelection in November 1916, events moved swiftly to push the United States into direct and complete involvement in the First World War. All the industrial, economic, political, and social energies of the nation were united in the war effort; all attention was focused on the tremendous conflict in Western Europe. The President and his administration, who had struggled to keep the nation out of war since its outbreak in 1914, now sought to lead the country with the same firm, moral leadership exhibited during the first term.

However, all this action occurred at the expense of further Progressive reform, the bright hope promised by Wilson's reelection. As Otis Graham states in his work on reform and war in early twentieth century America:

The progressive era by 1916 had brought an active, intervening government. Which groups this government would favor remained still a matter of pressure, luck, and politics. As much as Social Justice progressives complained about Wilson's capitulations to businessmen, it was clear from the way they voted in 1916 that the president was thought to have a leaning toward using government

for afflicting the comfortable and comforting the afflicted, all things being equal. In this they read his mind correctly, to his eternal credit. But a war he did not seek diverted Wilson from this phase of advanced progressivism toward another type of reform — the remaking of international relations. In the process — and it was a complicated process — most of the progressive hopes of 1916 were rudely disappointed.

Though the hopes of new reform were disappointed by America's involvement in the war, several first-term reforms suffered greatly as well. One measure affected by the First World War was the Underwood Tariff Act. No sooner had it gone into effect than it was rendered virtually inoperative by the disorganization of normal world trade following the war's outbreak. After the war ended, the Republican Warren Harding secured the presidential election and substantial upward tariff revision followed in 1922. 142 The Clayton Act also suffered from the European conflict. Passed on the eve of the war, it came into being just at a time when, in the interest of wartime production, antitrust activities were largely suspended. 143 Again, the postwar Republican administration had little incentive to enforce it.

Yet, even before the United States' direct involvement in the First World War, there had been disappointment in Wilson's antitrust program. Those who had hoped that the Federal Trade Commission would become an effective agency of regulation were bitterly disappointed in the first years following its enactment by Wilson's choice of commissioners, who were either ineffectual or primarily interested in making the Commission useful to business. 144 Louis D. Brandeis, who had helped to draft the

act creating the Federal Trade Commission, later correctly observed that Wilson had ruined the Commission by his choice of commissioners. "It was a stupid administration," he critically recalled. 145 Another weakness was that neither the Clayton Act nor the Federal Trade Commission included provisions aimed at circumventing the Supreme Court's extremely damaging approach to antitrust suits. Wilson made no attempt to launch a rigorous policy against the Court's actions, and only after wartime conditions had sent prices sky-high, did he expand the Antitrust Division to eighteen men. More recent experience shows that the most elementary policing of the economy requires a staff of well over ten times as many attorneys. 146 In trying to regulate and control big business and, at the same time, win the friendship of businessmen and bankers, the President achieved little.

In 1918, Wilson's social reform legislation received a critical blow when in the case, Hammer v. Dagenhart, the Supreme Court declared the Keating-Owen Child Labor Act unconstitutional. In a five to four decision, the Court invalidated the measure, which forbade interstate commerce of the products of child labor, on the grounds that it was not a regulation of commerce, but an attempt to regulate the conditions of manufacture, a matter reserved to the states. Justice Oliver Wendell Holmes, who cast one of the four dissenting votes, upheld the unqualified right of Congress to regulate interstate commerce, including the power to prohibit. Not until 1941 in the case, United States v. Darby, was this decision unanimously overruled when

the Supreme Court upheld the Fair Labor Standards Act passed in 1938. 147

Wilson met domestic failure from the forces of war, from a Supreme Court decision, and from his own misjudgment of men and situations. Despite these failures, and they were indeed considerable failures, he did achieve success -- success measured beyond his own lifetime, earning for him respect as a domestic reformer. Through the Federal Reserve Act, Wilson provided the nation with the first significant national stabilizers of its currency and banking system -- stabilizers like an elastic currency, flexible bank reserves, and centralized control over discount rates. As circumstances and shifting political opinions demanded, improvements were made in the measure enacted by Wilson in 1913, but the Federal Reserve System still remains the heart of the United States' banking structure. 148

As Arthur S. Link plainly states:

The creation of the Federal Reserve System was the crowning achievement of the first Wilson administration. The system was not created to prevent industrial depressions or banish poverty. The framers of the act hoped merely that it would provide the country with an absolutely sound yet elastic currency, establish machinery for mobilizing the entire banking reserves of the country in times of financial stringency, prevent the concentration of reserves and credits in New York City, and, finally, preserve private enterprise in banking on the local level while at the same time imposing a degree of public regulation. On the whole, they succeeded remarkably well.

Another important accomplishment was approval of the Adamson Act. Offered as the President's compromise to break the deadlock between the railroads and the brotherhoods and passed under the extreme pressure of a threatened railroad strike,

this act established an eight-hour day for railroad workers.

It set a precedent for an important labor demand to be sought after and gained by workers of all occupations. The New Republic defined the broader meaning of the Adamson Act.

Mr. Wilson has done what high statesmanship in a democracy must do: he has interpreted the demands, principles, and interests of group interests, and lifted them up into a national program. In a very real and accurate sense the President has made himself the spokesman of the whole people. He has not treated the demands of a special group as something to be ignored or stamped upon as the mere demagogue or tory would. He has integrated those demands with the larger and more persistent interests of the nation. He has shown how to turn an emergency to constructive purposes.

Through the Kern-McGillicuddy bill, Wilson enacted a measure that served as an important model for workmen's compensation. The LaFollette Seamen's Act had a strong impact on the maritime labor market, and its defenders held on to their measure through many hard battles with the powerful American shipping interests. Wilson established a needed system of long-term rural credits in the Federal Farm Loan Act and created the necessary structure, the Federal Land Banks, to handle these loans. It was this system that Franklin Roosevelt improved and greatly expanded in 1933 to help the nation's farmers back on their feet after the Depression. All these measures are lasting tributes to the President who secured and signed them.

The final consideration in this evaluation is an appraisal of Wilson himself as Presidential leader and Progressive reformer. Wilson played a vital, central role in all the domestic activities of those significant years from 1913 to 1917. Thus,

it becomes important to grasp the political change this man underwent, enabling him to actively seek and secure his Presidential reforms; to understand his ability to work with and control the Congress, through which he had to move his domestic measures; and to realize the effectiveness of his leadership as a reformer.

Prior to 1910, the political beliefs of Woodrow Wilson were marked by two distinct characteristics. First, he held a deliberate and reasoned philosophy of politics and social change, a philosophy conservative in nature and traditional in approach. Second and more important, he made room in this philosophy for change, for he possessed an openness to new ideas that even included reform as an organic principle possible in American society. 153 As Governor of New Jersey, he first saw the necessity for reform and discovered that the demands of the people could be successfully met in a Progressive program. He enacted important legislation on the state level that earned for him nationwide recognition as a liberal reformer. in the bright spotlight of the 1912 presidential campaign, Wilson opened even more to progressive ideas. At first, Roosevelt's warm appeal to social justice contrasted sharply with Wilson's early speeches that seemed cold. But, as the Democratic candidate gained momentum, as he began talking in general, glowing phrases of social righteousness and economic justice, many Progressives claimed him as their new leader. 154 White House, Wilson found warm approval for his first

legislative acts. When he discovered that further successes would demand a change in his ideas about federal government involvement, he was flexible enough to make that change. Finally, in 1916, when the social demands of the Progressives were heard loudly in Washington and political expediency called for further personal change, Wilson altered his beliefs to secure legislation that fulfilled the just demands of specific groups of Americans.

All the measures passed in the later years of the first term meant the broad extension of government authority over the nation and its citizens, something Wilson had ardently campaigned against in 1912. As Richard Hefner states:

Thus Wilson ultimately created the "big government" Roosevelt had urged, and in 1917-1918 a wartime demand for unlimited production gave a tremendous impetus to "big business" as well. Wilson had to a large degree met the Progressive challenge, but in doing so he had sacrificied much of his basic antipathy to the subordination of the individual to power of any kind, whether in business or in government.

Wilson was able to do this, not because he completely gave up his beliefs, but rather because he himself came to see these new concepts as developments out of the historic past of America he cherished so deeply. Richard Hofstadter explains:

At heart he was a sentimental traditionalist. One of the most striking things about his spirit was his urgent need to achieve a sense of belonging by affixing himself to a tradition, to a culture, to a historic body of institutions. . . . Even as a reformer, he held up for approval not so much the novel aspects of his work as its value in sustaining the organic continuity of the past.

"In Wilson one feels a genuine and pleasurable groping toward the new, and a coherent articulation of new and old." 157

Complementing his personal flexibility and openness were Wilson's firm leadership as President and his striking ability to work with Congress. Wilson's leadership in strengthening and extending presidential powers constitutes perhaps his most lasting contribution to American political practice. 158 When he entered the White House in 1913, Wilson was convinced that the President had all the power sufficient for effective leadership, if only he called forth and used this power inherent in the office. By 1916, his dynamic leadership had shown what strong executive power could accomplish and set the trend to be followed by his successors up to the present time. Commenting on the President's executive leadership from 1913 to 1917, Robert Wiebe states:

The executive beyond a doubt was now the focus of national government. Party leader and Congressional director, he held an authority no one could challenge, and people across the land looked to him for guidance. Even after 1914, as Wilson's interest often drifted from domestic affairs, almost every new reform had first to clear the White House before it could pass Congress. The mold of the modern executive was set. In times of weak Presidents, cabinet officers would have to divide the tasks, but beyond an occasional incident the initiative would never return to Congress.

A strong believer in party government as well, Wilson decided to work through and with his party in the Congress. For the first time in many years, the Executive formulated a complete legislative program and worked closely with Congressional committee chairmen in preparing it for consideration and in securing its passage. 160 Through joint, explanatory addresses to the House and the Senate, personal visits to

Capitol Hill, and frequent conferences with Congressional leaders at the White House and in the President's Room at the Capitol, Wilson introduced, sponsored, and guided his important reform legislation. To his advantage, of course, were the facts that, due to the Republican rupture, the Democrats held a significant majority in the House during the critical first two years; and that most of the Democrats in the Senate were able, responsible, and progressive men, as eager as Wilson to bring the administration success. Under these circumstances, Wilson's task was mainly one of uniting Congressional forces and encouraging the strong Democratic determination to make good. Professor Lindsay Rogers observed that the President "more than any of his predecessors has exerted an almost absolute authority over Congress." 161

As an Executive and Congressional leader, Wilson met success that deserves admiration and respect. It is necessary, however, to point out one element of Wilson's character that at times put a heavy strain on his administrative talents. This element was his temperament. Because he valued loyalty and flattery over hardheaded frankness and cold logic, he was an extraordinarily poor judge of men -- a clear example being his appointments to the Federal Trade Commission. Because he resented criticism, his advisors either told him what they thought he wanted to hear or else remained silent. Wilson was open to ideas and suggestions, if he himself recognized his own lack of knowledge of a particular issue. But, if he

held a strong position on the question, he often did not seek advice, unless he was confronted by pressures outside his administration indicating his position was wrong.

To complete this evaluation, a realization of Wilson's effectiveness as a Progressive reformer must be recognized. From the victory of the 1912 presidential election, Wilson emerged as a strong new leader. Although it was an open question whether his New Freedom would satisfy progressive demands, no one could deny that the Democratic party now had a leader of "resolution, ability, and boldness." The President-elect had no binding commitments to any important economic interests and would be embarrassed by no political bargains. Few presidents have entered office so completely free to serve the general interest. 163 But still the question remained: Would Wilson be the reformer the nation needed and the Progressives wanted?

As has been seen throughout this chapter, the question was answered with an affirmative. By the time of the 1916 presidential campaign, Wilson had brought the Progressive Movement to a climax by enacting the most significant progressive legislation the country had yet known. In his early reform legislation, he pointed out the real and serious deficiencies in the economic system and took the initiative in making improvements. In his antitrust legislation, he tried to stop the rise of big business and its oppression of the individual. Although he essentially failed here, there can be no denying

that the presence of hostile laws and the climate of opinion Wilson created had something to do with the fact that big business did eventually become respectable and respective of the workers' rights. 164 Finally, in his social reform legislation, he concretized the Progressive belief that the government "has a wider and pervasive responsibility for the welfare of its citizens, and for the poor and powerless among them." 165 Wilson effectively fulfilled the expectations of the Progressive Movement and stood as one of its most eloquent spokesmen and dedicated reformers.

Detroit: "I pity the man who in the year 1912 promises the people of the United States anything that he cannot give them." Through personal flexibility and active leadership, he went far beyond his campaign promises and in four years secured important reform legislation that changed the nation and the lives of its people. He came face to face with the challenge of domestic leadership, and with courage and strength, he reached out and accepted its responsibilities.

Footnotes

Chapter One

Richard Hofstadter, ed., The Progressive Movement, 1900-1915 (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1963), pp. 1-2.

²<u>Ibid</u>., p. 2.

Richard D. Hefner, A Documentary History of the United States (New York: The New American Library, 1965), p. 220.

¹George E. Mowry, "Election of 1912," in <u>History of American Presidential Elections</u>, 1789-1968, Vol. III, ed. by Arthur M. Schlesinger, jr. (New York: Chelsea House Publications, 1971), p. 2136.

5Hefner, Documentary History, p. 221.

Richard Hofstadter, The Age of Reform: From Bryan to F.D.R. (New York: Vintage Books, 1955), p. 5.

7<u>Ibid., pp. 5-6.</u>

8Hofstadter, ed., Progressive Movement, pp. 2-3.

A pronounced nationalist and an advocate of strong leadership, Progressive writer Herbert Croly believed in pursuing goals with firm Hamiltonian means, and his argument that the modern techniques of governmental organization must be accepted and vigorously used struck a note congenial to many intellectual Progressives. Croly had a direct influence on Theodore Roosevelt, an influence that carried over into the last two years of Woodrow Wilson's first term as President when he incorporated much of Roosevelt's New Nationalism into his own legislative program for reform.

10 Hofstadter, ed., <u>Progressive Movement</u>, pp. 4-5.

¹¹<u>Ibid</u>., p. 7.

12Donald Day, ed., <u>Woodrow Wilson's Own Story</u> (Boston: Little, Brown and Company, 1952), p. 7.

13Richard Hofstadter, The American Political Tradition (New York: Vintage Books, 1948), p. 238.

- 14Day, ed., Wilson's Own Story, p. 9.
- 15 Arthur S. Link, Wilson, Vol. I: The Road To The White House (Princeton, N. J.: Princeton University Press, 1947), pp. 7-8.
- 16 Woodrow Wilson to Ellen Axson, February 24, 1885, R. S. Baker, Woodrow Wilson, I, 170-171, quoted in Link, Road To The White House, p. 11.
- 17 Woodrow Wilson, Congressional Government: A Study in American Politics (Cleveland: The World Publishing Co., 1956), p. 53.
 - 18 Link, Road To The White House, pp. 13-14.
 - 19 Wilson, Congressional Government, p. 206.
- 20 E. M. Hugh-Jones, <u>Woodrow Wilson and American Liberalism</u> (London: English Universities Press LTD, 1947), pp. 10-11.
 - 21 Hofstadter, American Political Tradition, pp. 247-248.
- 22 Charles A. Madison, <u>Leaders and Liberals in 20th Century America</u> (New York: Frederick Ungar Publishing Co., 1961), p. 72.
 - 23Hofstadter, American Political Tradition, p. 248.
 - ²⁴Madison, <u>Leaders and Liberals</u>, pp. 75-78.
 - 25_{Hofstadter}, American Political Tradition, p. 251.
- 26 Trenton True American, September 16, 1910, quoted in Link, Road To The White House, p. 167.
 - 27_{Ibid}.
 - 28 Link, Road To The White House, p. 200.
- 29 Arthur S. Link, <u>Woodrow Wilson and the Progressive Era</u>, 1910-1917, The New American Nation Series (New York: Harper and Brothers, 1954), p. 10.
- 30 Galveston Daily News, January 11, 1912, quoted in Link, Wilson and the Progressive Era, p. 10.

Chapter Two

31 Link, Wilson and the Progressive Era, pp. 6-7.

```
32<u>Ibid.</u>, p. 7.
```

^{33&}lt;u>Ibid</u>., p. 8.

³⁴ Day, ed., Wilson's Own Story, p. 118.

³⁵Mowry, "Election of 1912," p. 2148.

^{36&}lt;u>Ibid</u>., pp. 2148-2149.

³⁷<u>Ibid.</u>, p. 2149.

³⁸ Link, Wilson and the Progressive Era, pp. 11-12.

³⁹Mowry, "Election of 1912," p. 2150.

⁴⁰ Link, Wilson and the Progressive Era, p. 13.

⁴¹ Link, Road To The White House, pp. 458-462.

^{42&}lt;u>Ibid.</u>, p. 462.

⁴³Woodrow Wilson, Speech of Acceptance delivered at Sea Girt, New Jersey, August 7, 1912, quoted in John Wells Davidson, ed., A Crossroad of Freedom: The 1912 Campaign Speeches of Woodrow Wilson (New Haven, Conn.: Yale University Press, 1956), p. 18. Hereinafter speeches are cited as W.W., Place of Speech, Date, and Page.

<u>Шіты</u>., р. 19.

⁴⁵ Ibid.

^{46 &}lt;u>Ibid.</u>, p. 20.

^{47 &}lt;u>Ibid</u>., p. 21.

^{48 &}lt;u>Ibid.</u>, p. 35.

⁴⁹Link, Wilson and the Progressive Era, pp. 15-16.

⁵⁰ William Howard Taft to Helen Taft, July 22, 1912, quoted in Henry F. Pringle, The Life and Times of William Howard Taft (Hamden, Conn.: Archon Books, 1964), p. 817.

⁵¹ W.W., Address at Washington Park, Gloucester, New Jersey, August 15, 1912, pp. 41-42.

⁵²Link, Wilson and the Progressive Era, p. 20.

^{53&}lt;sub>Ibid</sub>.

54w.W., Labor Day Speech at Buffalo, New York, September 2, 1912, p. 79.

⁵⁵<u>Ibid</u>., pp. 77-79.

⁵⁶<u>Ibid.</u>, p. 85.

⁵⁷Davidson, ed., Crossroads of Freedom, p. 72.

58 W.W., Address to the Woodrow Wilson Working Men's League, New York City, September 4, 1912, p. 111.

59W.W., Address at the Interstate Fair, Sioux City, Iowa, September 17, 1912, p. 162.

60W.W., Address at Fall River, Massachusetts, September 26, 1912, p. 277.

61 Link, Wilson and the Progressive Era, p. 21.

62W.W., Address at Sioux Falls, South Dakota, September 17, 1912, p. 168.

63<u>Ibid.</u>, p. 171.

64.W.W., Address delivered at New Haven, Connecticut, September 25, 1912, p. 263.

65<u>Ibid</u>., pp. 264-265.

66W.W., Speech delivered at the Washington Baseball Park, Indianapolis, Indiana, October 3, 1912, p. 325.

67W.W., Address in Denver, Colorado, October 7, 1912, pp. 374-375.

68 Link, Road To The White House, p. 515.

69Hefner, Documentary History, p. 226.

 $^{70}\text{W.W.}$, Speech delivered at West Chester, Pennsylvania, October 28, 1912, p. 483.

71W.W., Speech delivered at Clarksburg, West Virginia, October 18, 1912, pp. 447-448.

72W.W., Address delivered at the Tariff Exhibit of the Democratic National Committee, New York City, September 9, 1912, p. 119.

73W.W., Address delivered at the Hartman Theater, Columbus, Ohio, September 20, 1912, p. 217.

74W.W., Speech delivered at the Parade Grounds, Minneapolis, Minnesota, September 18, 1912, p. 190.

75W.W., Address delivered at New Haven, Connecticut, September 25, 1912, pp. 265-266.

76W.W., Address delivered at Tremont Temple, Boston, Massachusetts, September 27, 1912, pp. 294-295.

77Nineteen year-old Charles L. Swem traveled with Wilson throughout the campaign keeping a shorthand record of all his speeches and addresses. Swem developed such speed and efficiency in his work that he received national recognition and later in his life won two world championships in shorthand. Although most of the typewritten transcripts he made of Wilson's 1912 campaign speeches have been lost, his stenographic notes themselves have been preserved. It is from these notes that John Wells Davidson has collected together all of Wilson's campaign speeches in his work, A Crossroads of Freedom: The 1912 Campaign Speeches of Woodrow Wilson, from which the excerpts of Wilson's speeches in this thesis are quoted.

78 Mowry, "Election of 1912," p. 2163.

79Link, Wilson and the Progressive Era, p. 1.

80 Brooklyn Daily Eagle, November 6, 1912, quoted in Davidson, ed., Crossroads of Freedom, pp. 525-526.

Chapter Three

81 Ray Stannard Baker and William E. Dodd, eds., The New Democracy: Presidential Messages, Addresses, and other Papers (1913-1917), Book I, Volume II of The Public Papers of Woodrow Wilson (New York: Harper and Brothers, 1926), p. 1. Hereinafter cited as Baker and Dodd, The New Democracy, I, and Page.

82<u>Ibid.</u>, p. 2.

83<u>Ibid.</u>, pp. 5-6.

84By the 1912 elections, the count in the Senate stood at 51 Democrats, 44 Republicans, and 1 Progressive; in the House 291 Democrats, 127 Republicans, and 14 Progressives. Mowry, "Election of 1912," p. 2163.

85David E. Cronon, "Woodrow Wilson," in America's Ten Greatest Presidents, ed. by Morton Borden (Chicago: Rand McNally & Company, 1961), p. 215.

86 Baker and Dodd, The New Democracy, I, pp. 33-34.

- 87 Link, Wilson and the Progressive Era, p. 38.
- 88 Arthur S. Link, Wilson, Vol. II: The New Freedom (Princeton, N. J.: Princeton University Press, 1956), p. 181.
 - 89 Baker and Dodd, The New Democracy, I, p. 36.
- The Senate committee discovered that the beet sugar manufacturers had spent some \$5,000,000 during the past twenty years in a far-flung campaign to enlist newspapers, politicians, businessmen, bankers, and railroad executives in the fight against free sugar. It also exposed a second lobby financed by the Federal Sugar Refining Company, which had worked for years in behalf of free sugar and in close association with the Democratic leaders during the 1912 camapign. Link, The New Freedom, p. 190.
 - 91 <u>Ibid.</u>, p. 194.
- 92 New York Times, September 10, 1913, quoted in Link, The New Freedom, p. 194.
 - 93Cronon, "Woodrow Wilson," p. 216.
 - 94Link, The New Freedom, p. 199.
 - 95<u>Ibid.</u>, p. 211.
- 96 Louis D. Brandeis to Woodrow Wilson, June 14, 1913, Wilson Papers, embodying the substance of what Brandeis had told the President on June 11, 1913, quoted in Link, The New Freedom, p. 212.
 - 97Baker and Dodd, The New Democracy, I, pp. 39-40.
 - 98 Link, The New Freedom, p. 217.
 - ⁹⁹<u>Ibid</u>., p. 238.
 - 100 Link, Wilson and the Progressive Era, p. 67.
 - 101 Baker and Dodd, The New Democracy, I, p. 82.
 - 102Link, The New Freedom, p. 425.
 - 103<u>Ibid</u>., p. 426.
 - 104Ibid.
 - 105<u>Ibid</u>., p. 427.

- 106 Link, Wilson and the Progressive Era, p. 69.
- 107Link, The New Freedom, pp. 433-434.
- 108<u>Ibid</u>., p. 435.
- 109<u>Ibid.</u>, p. 439.
- 110 <u>Tbid</u>., pp. 440-442.
- 111 Woodrow Wilson to William G. McAdoo, November 17, 1914, New York Times, November 18, 1914, quoted in Link, The New Freedom, pp. 469-470.
 - 112_{Ibid.}, p. 470.
- 113 New Republic, I (November 21, 1914), 7, quoted in Link, The New Freedom, p. 471.
- 114 William Jennings Bryan to Woodrow Wilson, March 1, 1915, Wilson Papers, quoted in Link, The New Freedom, p. 272.
- 115 Thomas H. Johnson, The Oxford Companion to American History (New York: Oxford University Press, 1966), p. 458.
- 116 Andrew Furuseth to Woodrow Wilson, March 6, 1915, Wilson Papers, quoted in Link, The New Freedom, p. 273.
- 1170tis L. Graham, Jr., The Great Campaigns: Reform and War in America, 1900-1928, History of the American People Series (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1971), p. 49.
- 118 Arthur S. Link, Wilson, Vol. IV: Confusions and Crises, 1915-1916 (Princeton, N. J.: Princeton University Press, 1964), p. 322.
 - 119<u>Ibid.</u>, p. 323.
 - 120 Link, Wilson and the Progressive Era, pp. 224-225.
- 121 Fred L. Israel, ed., The State of the Union Messages of the Presidents, 1790-1966, Vol. III, 1905-1966 (New York: Chelsea House-Robert Hector Publishers, 1966), p. 2574.
 - 122 Link, Confusions and Crises, pp. 346-347.
 - 123<u>Ibid.</u>, p. 347.
 - 124<u>Ibid.</u>, pp. 347-349.
 - 125<u>Ibid</u>., p. 350.

- 126 New York Times, February 3, 1916, quoted in Arthur S. Link, Wilson, Vol. V: Campaigns for Progressivism and Peace, 1916-1917 (Princeton, N. J.: Princeton University Press, 1965), pp. 56-57.
 - 127 Link, Campaigns, p. 58.
 - 128 <u>Ibid.</u>, p. 59.
- 129 Ben B. Lindsey to Woodrow Wilson, August 9, 1916, Wilson Papers, quoted in Link, Campaigns, p. 60.
 - 130 Link, Wilson and the Progressive Era, p. 235.
 - 131 Link, Campaigns, pp. 85-91.
 - 132 <u>Ibid.</u>, pp. 64-65.
 - 133Link, Confusions and Crises, p. 344.
 - 134Link, Woodrow Wilson and the Progressive Era, p. 229.
- 135 Arthur S. Link and William M. Leary, Jr., "Election of 1916," in <u>History of American Presidential Elections</u>, 1789-1968, Vol. III, ed. by Arthur M. Schlesinger, jr. (New York: Chelsea House Publishers, 1971), p. 2269.

Chapter Four

- 136 Hofstadter, Age of Reform, p. 224.
- 137 Mowry, "Election of 1912," p. 2155.
- 138 Hofstadter, American Political Tradition, pp. 257-258.
- 139 Link, The New Freedom, p. 444.
- 140 Link, Wilson and the Progressive Era, pp. 229-230.
- 141 Graham, Jr., The Great Campaigns, pp. 50-51.
- 142Link, The New Freedom, p. 196.
- 143Hofstadter, ed., Progressive Movement, p. 14.
- 145 Ray Stannard Baker, interview with Louis D. Brandeis, March 23, 1929, Baker Collection, quoted in Link, Wilson and the Progressive Era, p. 74.

- 146 When the Antitrust Division was revived under Franklin D. Roosevelt in 1938, with the intention not of launching a frontal attack on consolidation, as Wilson had sought to do, but of policing price policies and competitive prices, it acquired a force of about 250 lawyers and economists. Today, the Securities and Exchange Commission needs a personnel of over 1,200 to carry out its work. Hofstadter, Age of Reform, p. 251.
 - 147 Johnson, Oxford Companion, p. 356.
 - 148 Cronon, "Woodrow Wilson," p. 217.
 - 149 Link, Wilson and the Progressive Era, p. 53.
- 150 New Republic, VIII (September 9, 1916), 130-131, quoted in Link, Campaigns, p. 92.
 - 151 Link, The New Freedom, pp. 273-274.
 - 152 Johnson, Oxford Companion, p. 287.
 - 153 Hofstadter, American Political Tradition, p. 245.
 - 154Link, Wilson and the Progressive Era, p. 22.
 - 155_{Hefner}, <u>Documentary History</u>, p. 276.
 - 156 Hofstadter, American Political Tradition, p. 241.
 - 157 <u>Ibid.</u>, p. 245.
 - 158 Link, Wilson and the Progressive Era, p. 34.
- 159 Robert H. Wiebe, The Search for Order, 1877-1920, The Making of America Series (New York: Hill and Wang, 1967), pp. 221-222.
 - 160 Link, Wilson and the Progressive Era, pp. 34-35.
 - 161 Hofstadter, American Political Tradition, p. 258.
 - 162Link, Wilson and the Progressive Era, p. 32.
 - 163 <u>Ibid.</u>, p. 24.
 - 164Hofstadter, Age of Reform, p. 255.
 - 165 Hofstadter, ed., Progressive Movement, p. 15.
- 166 W.W., Address at Detroit, Michigan, September 19, 1912, p. 212.

Bibliography

Primary Sources

- Baker, Ray Stannard, and Dodd, William E., eds. The New Democracy: Presidential Messages, Addresses, and Other

 Papers (1913-1917). Vol. II of The Public Papers of Woodrow Wilson. New York: Harper and Brothers, 1926.
- Davidson, John Wells, ed. A Crossroads of Freedom: The 1912

 Campaign Speeches of Woodrow Wilson. New Haven, Conn.:
 Yale University Press, 1956.
- Day, Donald, ed. Woodrow Wilson's Own Story. Boston: Little, Brown and Company, 1952.
- Israel, Fred L., ed. The State of the Union Messages of the Presidents, 1790-1966. 3 vols. New York: Chelsea House-Robert Hector Publishers, 1966.
- Wilson, Woodrow. Congressional Government: A Study in American Politics. Cleveland: The World Publishing Co., 1956.

Secondary Sources

- Cronon, David E. "Woodrow Wilson." America's Ten Greatest Presidents. Edited by Morton Borden. Chicago: Rand McNally & Company, 1961.
- Graham, Otis L., Jr. The Great Campaigns: Reform and War in America, 1900-1928. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1971.
- Hefner, Richard D. A Documentary History of the United States.

 New York: The New American Library, 1965.
- Hofstadter, Richard. The Age of Reform: From Bryan to F.D.R. New York: Vintage Books, 1955.
- . The American Political Tradition. New York: Vintage Books, 1948.
 - ______, ed. The Progressive Movement, 1900-1915.

 Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1963.

- Hugh-Jones, E. M. Woodrow Wilson and American Liberalism. London: English Universities Press LTD, 1947.
- Johnson, Thomas H. The Oxford Companion to American History.
 New York: Oxford University Press, 1966.
- Link, Arthur S. Wilson. Vol. I: Road To The White House.

 Princeton, N. J.: Princeton University Press, 1947.
- . Wilson. Vol. II: The New Freedom. Princeton,
 N. J.: Princeton University Press, 1956.
- . Wilson. Vol. IV: Confusions and Crises, 1915-1916. Princeton, N. J.: Princeton University Press, 1964.
 - . Wilson. Vol. V: Campaigns for Progressivism and Peace, 1916-1917. Princeton, N. J.: Princeton University Press, 1965.
 - . Woodrow Wilson and the Progressive Era, 1910-1917. The New American Nation Series. New York: Harper and Brothers, 1954.
- Link, Arthur S., and Leary, William M., Jr. "Election of 1916."

 History of American Presidential Elections, 1789-1968.

 Vol. III. Edited by Arthur M. Schlesinger, jr. New

 York: Chelsea House Publishers, 1971.
- Madison, Charles A. Leaders and Liberals in 20th Century

 America. New York: Frederick Ungar Publishing Co.,

 1961.
- Mann, Arthur, ed. The Progressive Era: Liberal Renaissance or Liberal Failure? American Problem Studies. New York: Holt, Rinehart and Winston, 1963.
- Mowry, George E. "Election of 1912." <u>History Of American</u> <u>Presidential Elections, 1789-1968.</u> Vol. III. Edited by Arthur M. Schlesinger, jr. New York: Chelsea House Publications, 1971.
- Pringle, Henry F. The Life and Times Of William Howard Taft. Hamden, Conn.: Archon Books, 1964.
- Wiebe, Robert H. The Search for Order, 1877-1920. The Making of America Series. New York: Hill and Wang, 1967.

