



## Chapter 18

# Progressivism on the National Stage

*How well did Presidents Roosevelt, Taft, and Wilson promote progressive goals in national policies?*

### 18.1 Introduction

On February 22, 1902, the rich financier J. P. Morgan went to the White House to see President Theodore Roosevelt. Morgan had a dispute to resolve with the president. Roosevelt had recently ordered the Justice Department to file a lawsuit against Northern Securities Company, of which Morgan was part owner, for antitrust violations.

Northern Securities was a holding company, a business that controls other companies by buying up a majority of their stock. Morgan and other businessmen had created this holding company to control the long-distance railroad lines from Chicago to California. By the time the Roosevelt administration filed suit against him, Morgan held a monopoly on rail service in the Northwest.

Morgan believed it would be easy for the two men to settle their differences. "If we have done anything wrong, send your man to my man and they can fix it up," he told Roosevelt. But Roosevelt disagreed. He didn't like it when big business treated government as an equal, or worse, as its servant. "That can't be done," he told Morgan. Two years later, in 1904, the Supreme Court ruled against Northern Securities.

"Trustbusting" was one of a number of progressive reforms enacted at the national level in the early 1900s. In addition to local and state issues, progressives were also concerned about problems in the country as a whole. Many of them believed that the national government no longer served the interests of all Americans. In an age when big business seemed all-powerful, many reformers felt the United States was abandoning its promise of freedom and opportunity for all. They wanted the government to play a stronger role in promoting democracy and solving national problems.

Three presidents—Theodore Roosevelt, William Howard Taft, and Woodrow Wilson—worked to advance the progressive reforms. Their efforts helped change how Americans thought, and continue to think, about the role of government.

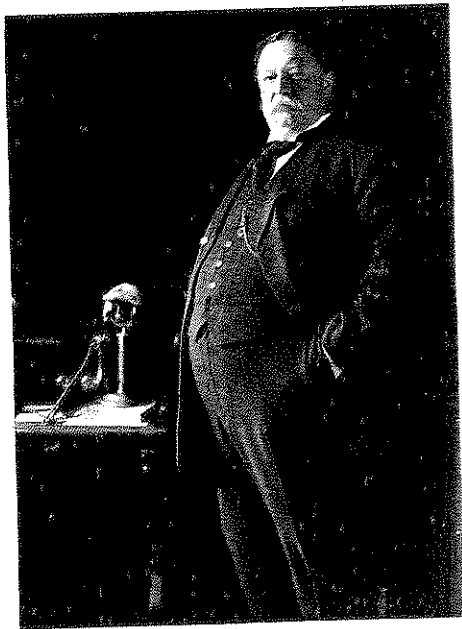


Theodore Roosevelt was the first progressive in the White House. He was a strong president who believed in using his position to influence the nation. During his two terms in office, he expanded presidential power.

## 18.2 Three Progressive Presidents



After overcoming childhood illnesses, Teddy Roosevelt led a vigorous life, which included a great love of the outdoors. As president, he put millions of acres of wilderness under government protection. Here he is shown in Yosemite National Park, which he visited in 1903.



William Howard Taft was the second progressive president. Although Taft backed reform, he lacked Roosevelt's political skill and lost the support of many progressives. He later became chief justice of the United States, the job he had wanted all along.

The framers of the Constitution wanted the president to have prestige but not too much power. Many feared what might happen if the chief executive became too powerful. As the presidency evolved during the Progressive Era, Americans began to change not only their ideas about what the national government should do, but also their views about how strong the president should be.

The three presidents of the Progressive Era—Roosevelt, Taft, and Wilson—held office between 1901 and 1921. Although differing in many ways, they shared a commitment to reform. They challenged the economic and political power of the industrial giants and worked to end government corruption. In the process, all three of these leaders expanded the power of the presidency.

**Theodore Roosevelt Promises a Square Deal** Theodore Roosevelt was vice president under President William McKinley and became president after McKinley was assassinated in 1901. At the age of 42, he was the youngest president in American history. Also known as Teddy or TR, he was a colorful character. He was short and stout with big teeth, and he had a passion for physical fitness. As a member of New York's state assembly in the 1890s, he was known for being impulsive, but he was a shrewd politician who knew how to get things done.

Roosevelt believed that businesses, workers, and consumers should all receive a "square deal"—fair and honest treatment. His program of reform, which became known as the **Square Deal**, focused on regulating big business and protecting workers and consumers.

Roosevelt believed the country needed a strong president. "I believe in power," he once said. But he thought that presidential power should be used to benefit all Americans. Describing himself as "the steward [caretaker] of public welfare," he asserted that a president should take any actions necessary for the common good, as long as the Constitution did not forbid them.

**Taft Continues Reforms** After Roosevelt served two terms, he supported William Howard Taft, a member of his cabinet and a former judge from Ohio, to succeed him in 1908. Roosevelt was confident that Taft would continue his reform program.

The two men could not have been more different. Roosevelt was outspoken and loved the limelight, while Taft was quiet and reserved. Whereas Roosevelt took bold actions, Taft was cautious. In short, Taft was a reluctant, lackluster campaigner. Nevertheless, Roosevelt's support helped him sail to victory.

As president, Taft continued reform efforts. He fought to limit the power of big corporations and added land to the national forest system. However, on other issues Taft parted company with progressive reformers. Progressives wanted lower tariffs on imported goods. Lower tariffs would make foreign products less expensive for American consumers. They would also increase competition, so that American producers would have to lower prices. Big business favored high tariffs. Taft had campaigned for president on a low-tariff platform, but in 1909 he agreed to sign the Payne-Aldrich Bill, which raised tariffs. This action tarnished Taft's record as a progressive.



**The Election of 1912** The presidential campaign of 1912 centered on progressive reform. Roosevelt believed that Taft had betrayed progressive ideals. For that reason, he decided to run for president again in 1912. When the Republicans chose Taft as their candidate, Roosevelt decided to run as the candidate of a **third party**, a political party outside the two-party system. Roosevelt's party was called the Progressive Party but was nicknamed the Bull Moose Party after he declared his readiness by exclaiming, "I feel as fit as a bull moose."

The 1912 election also featured two other candidates. Woodrow Wilson, a man of strong progressive ideals, represented the Democratic Party. Labor leader Eugene V. Debs, running on the socialist ticket, advocated more radical change, calling on voters to make "the working class the ruling class."

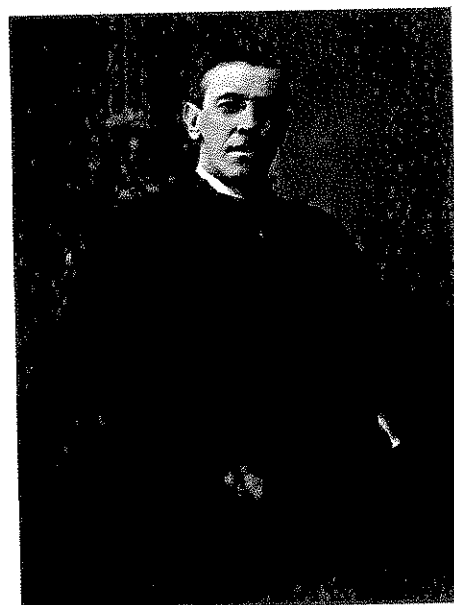
The split between Taft and Roosevelt helped Wilson win the 1912 election. Wilson received 42 percent of the popular vote. Roosevelt had 27.5 percent, and Taft had 23 percent. Debs was a distant fourth with 6 percent but received almost a million votes, a strong showing for the Socialist Party.

**Wilson Promises New Freedom** As governor of New Jersey, Wilson had supported progressive reforms to regulate big business and clean up machine politics. As president, this idealist and scholar set out to implement a national reform program that he called **New Freedom**. Wilson wanted to eliminate all trusts because he believed they were denying economic freedom to small businesses and ordinary citizens. He was unable to remove the trusts, but he did further limit their power.

Wilson pushed through other progressive reforms to give a greater voice to the average citizen, restrict corporate influence, and reduce corruption in the federal government. Among his most notable achievements were laws on banking and tariff reform and the creation of the Federal Trade Commission.

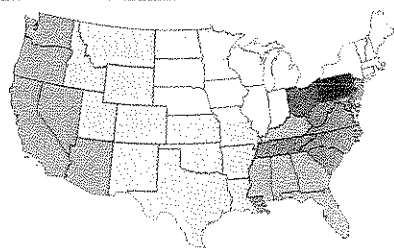
Wilson was the first president since George Washington to speak before Congress, introducing and lobbying for legislation. Like Roosevelt, he also tried to influence, and utilize, public opinion to further his reform goals.

In the 1912 election, Taft and Roosevelt divided the Republican vote. The result was victory for Woodrow Wilson, the Democrat. In this political cartoon, each candidate is represented by the animal that symbolizes his party.



Woodrow Wilson, the last progressive president, was a scholar and idealist. The president, he wrote in 1907, "is the only voice in national affairs. Let him once win the admiration and confidence of the country, and no other single force can withstand him, no combination of forces will easily overpower him."

### A Busted Trust



The Baby Standards

	Standard Oil of California
	Continental Oil Company
	Standard Oil of Indiana
	Standard Oil of Nebraska
	Pierce Petroleum
	Standard Oil of Kentucky
	Standard Oil of Louisiana
	Standard Oil of Ohio
	Standard Oil of New Jersey
	Atlantic Refining
	Standard Oil of New York

Trustbusting broke large monopolies into many smaller, competing companies. This map shows how the Standard Oil Trust was divided into smaller companies, nicknamed the Baby Standards, in 1911. Each of the new companies took over Standard Oil operations in its assigned region of the country. Standard Oil was one of the biggest trusts to be broken up by a progressive president.

## 18.3 Addressing the Effects of Industrialization

Rapid industrialization gave rise to a number of problems in American society, including unsafe products, environmental damage, and corruption in public life. The three progressives in the White House—Roosevelt, Taft, and Wilson—sought to correct these negative effects. As Roosevelt put it, “The man who holds that every human right is secondary to his profit must now give way to the advocate of human welfare.” The progressive presidents worked to reduce the harmful effects of industrialization, starting with the power of the trusts.

**Busting Trusts** Roosevelt began the progressive trustbusting movement. To regulate monopolies, he used the Sherman Antitrust Act. This law made illegal “every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce.” The law had been passed in 1890 but had been ineffective. Its language was vague, and enforcement was weak.

Roosevelt believed that government should regulate monopolies to make sure they operated for the good of the nation. Sometimes he had to break up trusts rather than regulate them. Such actions gained him a reputation as a trustbuster. However, he was not opposed to big business. “We do not wish to destroy corporations,” he said, “but we do wish to make them subserve the public good.”

In addition to breaking up J. P. Morgan’s Northern Securities Company, Roosevelt limited the power of railroads to set rates and stifle business competition. In 1906, he signed the Hepburn Act, which gave the federal government the authority to set maximum rail shipping rates.

Under Taft, the Justice Department brought 90 lawsuits against trusts—more than twice the number under Roosevelt. Taft supported a stricter interpretation of the Sherman Act. Roosevelt distinguished between good and bad trusts, trying to break up only trusts created specifically to squash competition. In contrast, Taft did not think a court could determine a trust’s motives, so he prosecuted any trusts that had the effect of limiting trade, regardless of intent.

Wilson took even stronger action by helping to push the Clayton Antitrust Act through Congress. Passed in 1914, the Clayton Act extended the power of the Sherman Act by laying out rules that made it harder for trusts to form and to squeeze out competition. For example, the law made it illegal for a company to lower prices in one market but not others to try to force out local competitors.

The Clayton Act also protected labor unions from antitrust regulation. Courts had ruled that unions could be prosecuted for restraining commerce under the Sherman Act, but the Clayton Act made unions exempt from antitrust laws. Congress also created the Federal Trade Commission in 1914 to enforce the Clayton Act’s provisions.

Progressives who wanted to eliminate trusts were displeased that the anti-trust reforms left many trusts intact. Meanwhile, pro-business conservatives thought that the government should not have interfered at all with businesses. Nevertheless, the moderate reforms that were typical of progressivism produced real benefits for society.

**Protecting Consumers and Workers** In addition to busting trusts, the progressive presidents tried to protect consumers. Two key laws were passed in 1906 during Roosevelt's presidency: the Meat Inspection Act and the Pure Food and Drug Act.

The Meat Inspection Act required the Department of Agriculture to inspect packaged meat. This law was a response to muckraker accounts of unsanitary meatpacking plants. For example, one passage in Upton Sinclair's novel *The Jungle* described how rats often became part of the ground meat: "The packers would put poisoned bread out for them; they would die, and then rats, bread, and meat would go into the hoppers together." Sinclair later said of reaction to his book, "I aimed at the nation's heart, but hit it in the stomach."

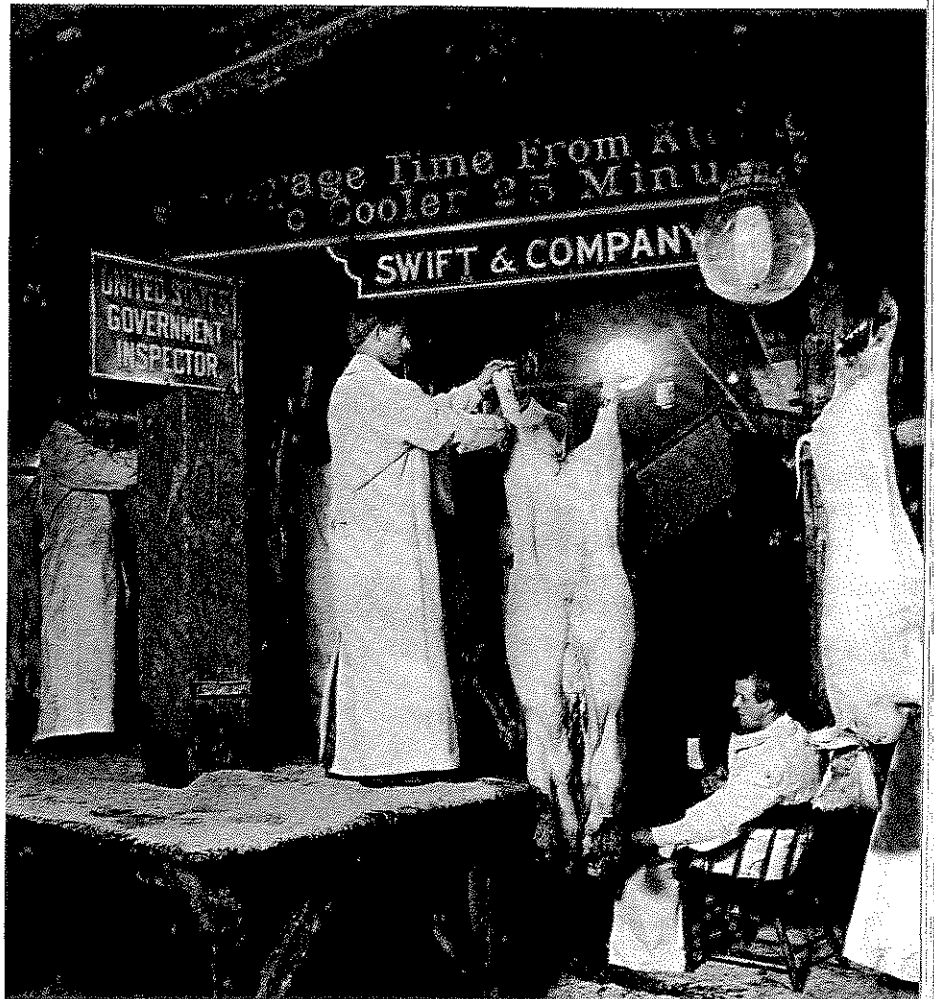
The Pure Food and Drug Act established a new agency, the Food and Drug Administration, to test and approve drugs before they went on the market. This law addressed the calls for the regulation of patent medicines. These non-prescription medicines often promised magical cures, but many contained little more than alcohol or opium.

Roosevelt also helped improve working conditions for coal miners. In 1902, he pressured coal mine owners and the striking United Mine Workers to submit to **arbitration**, a legal process in which a neutral outside party helps resolve a dispute. A government commission decided that the miners should have higher wages and shorter hours. However, it also declared that the owners did not have to recognize the union or hire only union workers. This arbitration pleased Roosevelt and many other progressives, who believed that government should be impartial in labor disputes and stronger than either big business or unions.

Taft and Wilson expanded worker protection. Under Taft, the Department of Labor established the Children's Bureau to "investigate and report upon all matters pertaining to the welfare of children." Wilson went further to push for a ban on child labor. In 1916, he signed the Keating-Owen Child Labor Act, which prohibited companies involved in interstate commerce from hiring workers under 14 years of age. Although the law protected fewer than 10 percent of children in the labor force, it set minimum protections and a precedent for future action.

Taft and Wilson also supported an eight-hour workday—at least for some workers. For years, companies had resisted this demand by unions. Under Taft, the eight-hour day became the rule for government employees. Wilson later helped secure the same benefit for railroad workers.

Congress passed the Meat Inspection Act in 1906 to ensure that meat was safe for consumers. This law was prompted by reports that meat was often tainted by rat droppings and even poison. Federal inspectors made regular visits to meatpacking plants to enforce the law.



**Protecting the Environment** Progressives also wanted to protect the natural environment. They saw how industry and urban growth had polluted the air and water and devastated the landscape. They believed that government should remedy these problems, but they sometimes disagreed on the solutions.

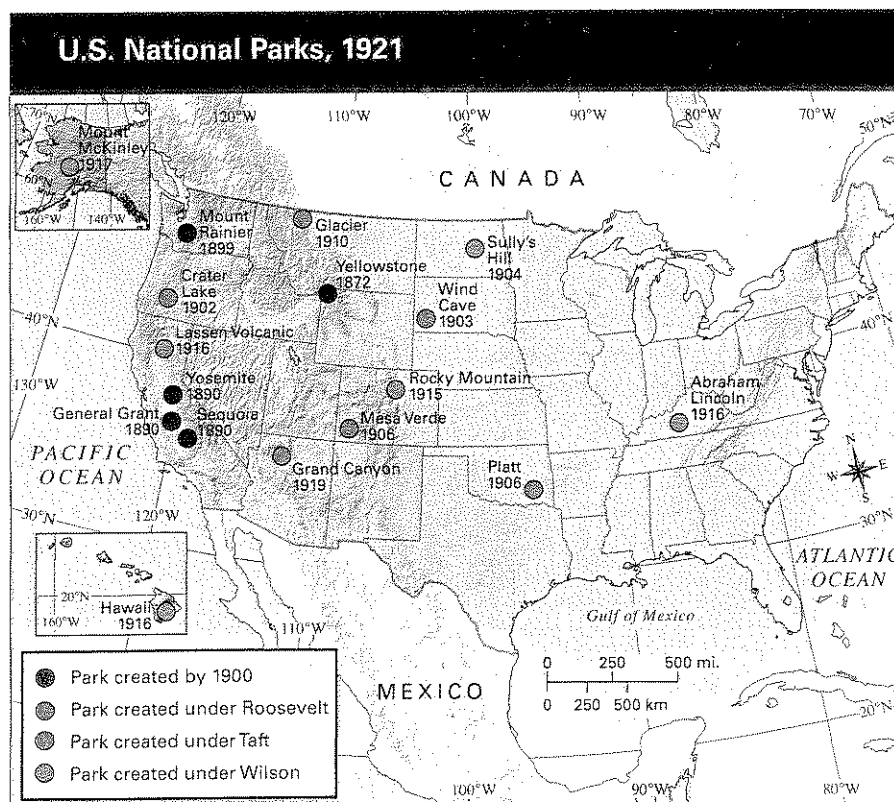
Some progressives supported **preservation**, the protection of wilderness lands from all forms of development. John Muir, a preservationist who co-founded the Sierra Club in 1892, believed that the government must preserve the environment. “Any fool can destroy trees,” he wrote. “God . . . cannot save them from fools—only Uncle Sam can do that.”

Other progressives supported **conservation**, the limited use of resources. Conservationists believed that government should take a middle position between preservation and exploitation. They wanted to preserve some wilderness while also allowing some use of natural resources.

The progressive presidents, especially Roosevelt, were sympathetic to the preservationist view. Roosevelt, a great outdoorsman, once commented, “We are prone to think of the resources of this country as inexhaustible. This is not so.” In practice, however, the government tended to favor the more moderate conservationist approach.

In 1905, Roosevelt backed the creation of the U.S. Forest Service. Its mission was to protect forests and other natural areas from excessive development. Roosevelt appointed Gifford Pinchot, a noted conservationist, to head the Forest Service. Like Roosevelt, Pinchot advocated a “wise use” policy of balancing the demands of economic development with the need to conserve the natural environment. Under Roosevelt, the federal government set aside nearly 150 million acres of national forests.

The national park system expanded under progressive leadership. This map shows the national parks established by the end of Wilson’s presidency. The first national park, Yellowstone, was established in 1872. The National Park Service was created in 1916, under Wilson, to manage and protect the park system.



Taft added 2.7 million acres to the National Wildlife Refuge System. However, he angered Roosevelt and many conservationists by firing Pinchot for criticizing the government’s sale of some wilderness areas in Wyoming, Montana, and Alaska.

In 1916, Wilson supported the creation of the National Park Service (NPS). Congress had founded the first national park, Yellowstone, in 1872. Later, more lands were set aside for national parks. The NPS was created to manage all these parks for preservation and public use. This mandate reflected a shift in preservationist thinking. Preservationists no longer argued that all wilderness areas should be left untouched. Instead, they accepted the idea that tourism, and thus economic development, could help protect the natural landscape.

## 18.4 Reforming the National Government

Progressives also sought to reform the federal government and its policies. They favored a range of financial reforms that would improve government funding and the banking system. They also worked for constitutional reforms, including the direct election of senators, a ban on alcohol, and women's suffrage.

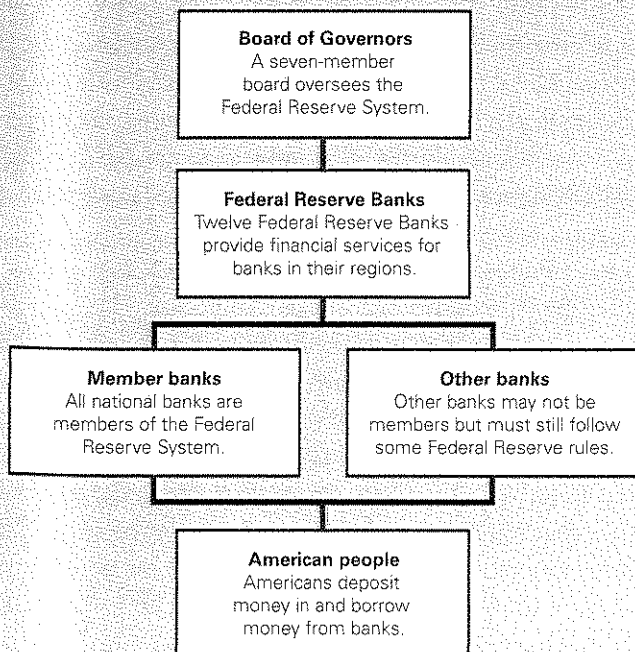
**Reforming the Banking System** Progressives also wanted government to stabilize the banking system. Since the early 1800s, the nation had been shaken by financial panics, periods when people withdrew their money from banks after losing confidence in the economy. Panics caused banks and businesses to collapse and sometimes triggered economic depressions.

Taft urged Congress to reform the banking system, but Americans differed over the proper solution. Progressives wanted government control over the system, while business leaders favored private control. In 1913, Wilson backed a proposal for a government-controlled but decentralized banking system. Congress responded by passing the Federal Reserve Act in 1913.

The Federal Reserve Act divides the country into 12 regions, each with a Federal Reserve Bank. Together, these banks and their operating rules make up the **Federal Reserve System**, or central bank of the United States. Under this system, private banks remain independent but agree to operate under the rules of the Federal Reserve System, which is also called the Federal Reserve or "the Fed." The Fed offers a safety net to private banks by lending them money if they are short of funds. It also sets monetary policy to regulate the amount of money in circulation, including setting interest rates and regulating how much banks can lend. The Fed has made the financial system much more stable.

The Federal Reserve Act, passed in 1913, established 12 regional banks around the country. These banks can loan money to private banks and thus help to stabilize the banking system.

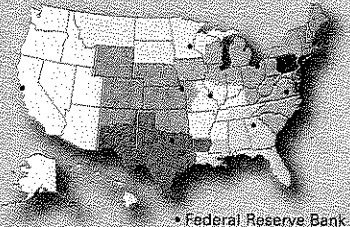
### The Federal Reserve System



### The Fed Sets Monetary Policy by . . .

**Setting Reserve Requirements**  
Reserve requirements are the amount of money that member banks must keep on deposit. The more money a bank has to keep on deposit, the less money it has to lend to businesses and consumers.

**Controlling Interest Rates**  
The Federal Reserve charges interest on the money it lends to member banks. The higher the interest rate charged by the Fed, the higher the interest rates member banks charge for loans.



### Buying and Selling Bonds

The Federal Reserve buys and sells government bonds to control the amount of money in circulation. A bond is a certificate promising to pay back borrowed money at a fixed time. When the Fed buys bonds, the money paid goes into circulation. When it sells bonds, the money borrowed comes out of circulation.



**Establishing Women's Suffrage** Women had been trying to win the right to vote since before the Civil War. Many temperance activists also supported women's suffrage. They argued that women were more moral than men and that women's involvement would help cleanse the corrupt world of politics.

Like prohibition, the struggle for women's suffrage was a grassroots effort that succeeded without much presidential support. Roosevelt was sympathetic but did not push for the cause until his 1912 campaign. After the nation entered World War I, leading suffragists such as Carrie Chapman Catt emphasized that giving women the right to vote would help them carry out their duties on the home front. Wilson eventually accepted their arguments. He urged Congress to propose an amendment to give women the right to vote as "a vitally necessary war measure." Meanwhile, 26 states had petitioned Congress to propose it.

In 1919, Congress proposed the amendment by decisive votes in both the House and Senate. The **Nineteenth Amendment** was ratified in 1920. It declared that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of sex."



Suffragists, women who sought voting rights, faced many obstacles, including threats and harassment from angry men. However, women won the vote through ratification of the Nineteenth Amendment in 1920.

## Summary

**Three progressive presidents—Theodore Roosevelt, William Howard Taft, and Woodrow Wilson—held office from 1901 to 1921, during the Progressive Era. Their goals and styles of leadership differed, but they all worked to bring about reforms on the national level.**

**Three distinct leaders** Despite their varying leadership styles, the progressive presidents believed in using government to improve society. In carrying out reform programs, such as Roosevelt's Square Deal and Wilson's New Freedom, they increased the power of the presidency.

**Addressing the effects of industrialization** Reformers passed laws to break up monopolies and help workers. They tried to protect consumers through such laws as the Pure Food and Drug Act. They also tried to preserve the environment by conserving resources.

**Sixteenth Amendment** This amendment established a federal income tax, which progressives favored as a means to fund government programs. Congress made the tax a graduated income tax, which placed a heavier tax burden on the wealthy.

**Seventeenth Amendment** This amendment established the direct election of U.S. senators, another progressive goal. It replaced the election of senators by state legislatures.

**Federal Reserve System** Congress set up the Federal Reserve to bring stability to the banking system and prevent financial panics. The Fed, which consists of 12 federal banks, lends money to private banks and sets policies that govern interest rates and the amount of money in circulation.

**Eighteenth Amendment** This amendment established prohibition, or a ban on alcohol. Many progressives believed that alcohol consumption was a serious social ill.

**Nineteenth Amendment** This amendment guaranteed women the right to vote. This was an important progressive goal designed to advance democratic rights.