**Chapter 18, Section 4: The Wilson Years**

**I. The Election of 1912** *(pages 566–567)*

**A.** Republican conservatives supported William Taft in the election of 1912. Most Republican progressives supported Theodore Roosevelt. Taft gained the Republican nomination.

**B.** Roosevelt ran as an independent for the **Progressive Party.** In the end, the contest came down to the two progressives: Roosevelt and Democratic candidate Woodrow Wilson. As governor of New Jersey, Wilson had made his state a model of Progressive reform.

**C.** Roosevelt’s **New Nationalism** was a complete line of reforms that favored legislation to protect women and children in the workforce and workers’ compensation for those injured on the job. He also wanted a federal trade commission to regulate industry.

**D.** Wilson’s plan, the **New Freedom,** supported free enterprise and criticized Roosevelt for a program that Wilson felt supported monopolies.

**E.** Roosevelt and Taft split the Republican vote, giving Wilson the Electoral College win. It was the first time since 1892 that a Democrat had been president of the United States.

**Discussion Question**

Why did Roosevelt decide to run for president as an independent? *(Roosevelt decided to run as an independent when it became clear that Taft’s delegates controlled the Republican nomination.)*

**II. Regulating the Economy** *(pages 567–569)*

**A.** During Wilson’s eight years as president, he issued reforms that affected tariffs, the banking system, the trusts, and workers’ rights.

**B.** In 1913 the **Underwood Tariff** reduced the average tariff on imported goods to about half of what it had been in the 1890s. An important part of the Underwood Tariff was the provision for levying an **income tax,** or a direct tax on the earnings of individuals and corporations.

**C.** There had not been a central bank since the 1830s, when economic depressions had caused small banks to close, wiping out customers’ savings. Wilson supported the Federal Reserve system where the banks would have to keep some of their deposits in a reserve to protect customers’ money.

**D.** In 1914 Wilson asked Congress to create the **Federal Trade Commission** (FTC) to monitor American business. The FTC investigated companies and issued “cease and desist” orders against companies involved in **unfair trade practices.** Progressives in Congress responded by passing the **Clayton Antitrust Act** that put a ban on tying agreements and price discrimination.

**Discussion Question**

What made the Federal Reserve Act so significant? *(The system could fight inflation by raising interest rates and stimulate the economy during a recession by lowering interest rates.)*

**III. Federal Aid and Social Welfare** *(pages 569–570)*

**A.** Wilson stopped supporting reforms, believing that his New Freedom program was complete. After a shaky congressional election in 1914, Wilson began to support reforms again.

**B.** In 1916 Wilson signed the Keating-Owen Child Labor Act, which prohibited children under the age of 14 from working in factories. He also signed the Adamson Act, which established an eight-hour workday for railroad workers. He approved the Federal Farm Loan Act, which provided farmers with long-term loans at low interest rates.

**Discussion Question**

Why did Wilson begin supporting reforms once again? *(The congressional election of 1914 left the Democrats with major losses. Many progressives were returning to the Republican Party. Wilson knew he could not rely on a split opposition when he ran for re-election.)*

**IV. The Legacy of Progressivism** *(page 570)*

**A.** By the end of the Progressive era, Americans looked to the government to play an active role in regulating the economy and solving social problems.

**B.** In 1905 African American leaders met to demand full political rights and responsibilities and an end to racial discrimination for African Americans. In 1909 the **National** **Association for the Advancement of Colored People** (NAACP) was founded.