

US History Progressive Politicians

Learning Target:

I can analyze how Woodrow Wilson's New Freedom reforms impacted big business, trade, banking, and labor.

6. Woodrow Wilson's New Freedom Reforms

First progressive act in office –

- Created the secretary of labor in his cabinet that went to a labor leader

“New Freedom” Reforms of Wilson:

1. Tariffs:

- First priority as president was to lower tariffs
- Big business was Wilson's main enemy on lowering tariffs
- President Wilson pleaded in person to both houses of congress (very unusual)
- Business lobbyists were very powerful and wealthy
- Wilson criticized the lobbyists large amounts of spending

-Underwood Tariff of 1913 –

- Lowered tariffs to lowest point in 50 years

-Graduated Income Tax –

- Introduced to offset revenues lost by lowering the tariff
- Levied a 1% tax on single persons over \$3,000 and married couples over \$4,000

2. Banking:

- No central fund for banks to borrow on in times of panic to prevent collapse
- Conservatives wanted more control to nation's private banks while Progressives wanted the government to run the system

-Federal Act of 1913 –

- Combined above two views
- Created a three-tier banking system
 - Tier 1 – Federal Reserve Board – group appointed by the president to run the system
 - Tier 2 – 12 Federal Reserve Banks under both public and private control – served banks rather individuals
 - Tier 3 – Private Banks – Could borrow from Federal Reserve Banks at interest rates set by the Board

- System greatly helped farmers with lower interest rates

3. Big Business:

-Main goal was to limit the power of monopolies over small business

-Clayton Antitrust Act (1914) –

-Clarified and extended the Sherman Antitrust Act
-Clearly stated what corporations could not do

-Example – Could not sell goods below cost to drive competitors out of business. Could not buy competitors stocks to create a monopoly.

-Act passed as a watered down version but still very influential
-American Federation of Labor praised it

-Federal Trade Commission –

-FTC authorized to investigate corporations
-Could issue cease and desist orders if unfair or fraudulent practices were happening such as mislabeled products

4. Labor:

-Wilson often supported legislation to aid the working people

-Federal Farm Loan Act (1916) –

-Set up 12 federal farm-loan banks with \$750,000 to distribute to needy farmers

-Adamson Act (1916) –

-Reduced railroad workers' workday from 10 to 8 hours
-Passed to prevent a disastrous strike that seemed inevitable

-Federal Workmen's Compensation Act –

-Provided benefits to federal workers injured on the job

-Keating-Owen Child Labor Act –

-Outlawed the interstate sale of products produced by child labor
-Declared unconstitutional by Supreme Court because it restricted commerce instead of outlawing child labor.
-Child labor reform came very slow for Wilson and other Progressives