1. Introduction
   a. Woodrow Wilson, a militant progressive, was the outstanding reformist leader the Democratic party needed going into the election of 1912.
      i. He entered politics in 1910 when New Jersey bosses, needing a respectable “front” candidate for the governorship, offered him the nomination.
      ii. Wilson waged a reform campaign in which he attacked the “predatory” trusts and promised to return state government to the people.
      iii. Once in office, Wilson revealed irresistible reforming zeal, burning eloquence, superb powers of leadership, and a refreshing habit of appealing over the heads of the scheming bosses to the people.
      iv. Now a figure of national prominence, Wilson was being widely mentioned for the presidency.

2. The “Bull Moose” Campaign of 1912
   a. In 1912, Wilson received the nomination from the Democrats, as well as a strong progressive platform to run on.
      i. New Freedom, as the platform was named, included calls for a stronger antitrust legislation, banking reform, and tariff reductions.
   b. Angered by his recent loss on the Republican ticket to Taft, Roosevelt thrust himself to the front as a third-party candidate.
      i. Led by progressives in the women’s movements such as Jane Addams, Roosevelt was nominated as the third party candidate.
      ii. Roosevelt boasted that he felt “as strong as a bull moose,” and the bull moose took its place with the donkey and elephant in the election.
      iii. By dividing the Republican vote, Roosevelt and Taft guaranteed a Democratic victory.
   c. The overshadowing question of the 1912 campaign was which of the two varieties of progressivism would prevail – Roosevelt’s New Nationalism or Wilson’s New Freedom.
      i. Both men favored a more active government role in economic and social affairs, but disagreed sharply over specific strategies:
         1. Roosevelt preached the theories spun out by the progressive thinker Herbert Croly in his book The Promise of American Life (1910).
            a. Both Roosevelt and Croly favored a continued consolidation of trusts and labor unions, paralleled by the growth of powerful regulatory agencies in Washington.
            b. Roosevelt and his “bull moosers” also campaigned for woman suffrage and a broad program of social welfare, including minimum wage laws and “socialistic” social insurance.
         2. Wilson’s New Freedom, by contrast, favored small enterprise, entrepreneurship, and the free functioning of unregulated and unmonopolized markets.
            a. Democrats shunned social-welfare proposals and pinned their economic faith on competition.
b. Wilson was not about regulation but fragmentation of the big industrial combines, chiefly by means of the antitrust laws.

3. Woodrow Wilson: A Minority President
   a. Wilson only gained 41 percent of the popular vote in the election, but won handily.
   b. Progressivism, rather than Wilson was the runaway winner.

4. Wilson: The Idealist in Politics
   a. Woodrow Wilson was the second Democratic president since 1861.
      i. Born in Virginia shortly before the Civil War, and raised in Georgia and the Carolina’s, Wilson sympathized with the Confederacy’s gallant attempt to win its independence.
         1. This sentiment partly inspired his ideal of self-determination for people of other countries.
         2. Brought up in the traditions of Jeffersonian democracy, Wilson hared Jefferson’s faith in the masses – if they were properly informed.
      ii. Wilson was the son of a Presbyterian minister, and later used the presidential pulpit to preach his inspirational political sermons.
         1. He relied not on dramatic effect, but more on sincerity and moral appeal.
      iii. Wilson was a profound student of government and believed the chief executive should play a dynamic role.
         1. He was convinced Congress could not function properly unless the president got out in front and provided leadership.
            a. He enjoyed great success in appealing over the heads of legislators to the sovereign people.
   b. Wilson, although very intellectual, suffered from serious defects of personality.
      i. He could be cold and standoffish in public.
      ii. He loved humanity in the mass rather than the individual in person.
      iii. His intellectual background caused him to feel most at home with scholars, rather than politicians.
      iv. His sense of moral righteousness was such that he often found compromise difficult.
         1. When convinced that he was right, Wilson would break before he would bend, unlike the pragmatic Roosevelt.

5. Wilson Tackles the Tariff
   a. The new president called for an all-out assault on what he called “the triple wall of privilege”: the tariff, the banks and the trusts.
      i. He tackled the tariff first, summoning Congress into special session in 1913.
         1. He delivered his presidential message in person before a joint session of Congress, something that had not been done since before Jefferson’s day.
      ii. The House swiftly passed the Underwood Tariff, which provided for a substantial reduction of rates.
         1. This new tariff substantially reduced import fees.
         2. It also was a landmark in tax legislation.
a. Under authority granted by the recently ratified 16th Amendment, Congress enacted a graduated income tax.

6. Wilson Battles the Bankers
   a. The country’s financial structure revealed glaring defects.
      i. Most seriously was the inelasticity of the currency.
         1. Banking reserves were heavily concentrated in New York and a handful of other large cities and could not be mobilized in times of financial stress into areas that were badly pinched.
         2. Democratic banking reformers heeded the finding of a house committee which traced the problem of the money crisis into the hidden vaults of American banking and business.
            a. President Wilson’s confidant, progressive-minded Massachusetts attorney Louis D. Brandeis, further fanned the flames of reform with his book Other People’s Money and How the Bankers Use It (1914).
   b. In June 1913, the President delivered a plea to Congress for sweeping reform of the banking system.
      i. He endorsed Democratic proposals for a decentralized bank in government hands, as opposed to Republican demands for a huge private bank with fifteen branches.
   c. In 1913, Wilson signed the most important piece of economic legislation between the Civil War and the New Deal.
      i. The Federal Reserve Act created the new Federal Reserve Board, appointed by the president, which oversaw a nationwide system of twelve regional reserve districts, each with its own central bank.
          1. The board was also empowered to issue paper money – “Federal Reserve Notes” – backed by commercial paper.
             a. Thus, the amount of money in circulation could be swiftly increased as needed for the legitimate requirements of business.

7. The President Tames the Trusts
   a. Wilson then pushed toward taming the trusts. In 1914 he went before Congress in a personal appearance, which responded with the Federal Trade Commission Act of 1914.
      i. The new law empowered a presidentially appointed commission to turn a searchlight on industries engaged in interstate commerce.
      ii. The commissioners were expected to crush monopoly at the source by rooting out unfair trade practices, including unlawful competition, false advertising, mislabeling, adulteration, and bribery.
   b. Monopoly was further cut by the Clayton Anti-Trust Act of 1914.
      i. It lengthened the Sherman’s Act list of business practices that were deemed objectionable, including price discrimination and interlocking directorates, (whereby the same individuals served as directors of supposedly competing firms), an end often achieved through holding companies.
      ii. It also conferred long overdue benefits on labor.
1. The Clayton Act sought to exempt labor and agricultural organizations from anti-trust prosecution, while explicitly legalizing strikes and peaceful picketing.
   a. However, conservative judges in later years would overturn these rulings and continue to clip the wings of the union movement.

8. Wilsonian Progressivism at High Tide
   a. Standing at the peak of his powers at the head of the progressive forces, Wilson pressed ahead with further reforms.
      i. The Federal Farm Loan Act of 1916 made credit available to farmers at low rates of interest.
      ii. The Warehouse Act of 1916 authorized loans on the security of staple crops.
      iii. Other laws provided for highway construction and the establishment of agricultural extension work in the state colleges.
   b. Wilson further helped the workers with the Workingmen’s Compensation Act of 1916.
      i. This Act granted assistance to federal civil-service employees during periods of disability.
      ii. In the same year the president approved an act restricting child labor on products flowing into interstate commerce, thought the Supreme Court soon invalidated the law.
   c. The Adamson Act of 1916 established an eight-hour workday for all employees on trains in interstate commerce, with extra pay for overtime.
   d. Wilson angered businessmen and bigots but endeared himself to progressives when in 1916 he nominated Louis D. Brandeis – the first Jew to be called to the high bench.
      i. Yet even Wilson’s progressivism had its limits, and it clearly stopped short of better treatment for blacks.
         1. The southern bred Wilson actually presided over accelerated segregation in the federal bureaucracy.
         2. When a delegation of black leaders personally protested to him, he virtually froze them out of office.
   e. Wilson’s election in 1912 had been something of a fluke, owing largely to the Taft-Roosevelt split in the Republican ranks.
      i. To remain in office, he would have to woo the bull moose voters into the Democratic fold.

9. New Directions in Foreign Policy
   a. Wilson hated imperialism, therefore was repelled by TR’s big stickism.
      i. He was suspicious of Wall Street and detested the dollar diplomacy of Taft.
   b. In his first week in office, Wilson declared war on dollar diplomacy.
      i. He proclaimed that the government would no longer offer special support to American investors in Latin America and China.
   c. Similarly, in early 1914 Wilson persuaded Congress to repeal the Panama Canal Tolls Act of 1912, which had exempted American coastwise shipping from tolls and thereby provoked sharp protests from Britain.
   d. He further showed his anti-imperialism by signing the Jones Act in 1916, which granted to the Philippines territorial status and promised independence as soon as a “stable government
e. Political turmoil in Haiti soon forced Wilson to detour from his anti-imperialistic words.
   i. In 1914-15, and outraged populace literally tore to pieces the brutal Haitian president.
      1. Wilson reluctantly dispatched marines to protect American lives and property, and remained for 19 years, making Haiti a protectorate.
   ii. In 1916, he concluded a treaty with Haiti providing for U.S. supervision of finances and the police.
   iii. In the same year he sent the marines to quell riots in the Dominican republic.
   iv. In 1917, Wilson purchased from Denmark the Virgin Islands in the West Indies, tightening the grip of Uncle Sam in the Caribbean.
   v. Even with these actions, Wilson’s approach to foreign policy was more moralistic rather than imperialistic.

10. Moralistic Diplomacy in Mexico
   a. There was still conflict with Mexico.
      i. For years they had been sorely exploited by foreign investors in oil, railroads, and mines.
      ii. By 1913 American capitalists had sunk about a billion dollars into the underdeveloped country.
         1. But, if Mexico the country was rich, the Mexicans were poor.
            a. Fed up, they finally revolted.
      iii. Their revolution took an ugly turn in early 1913, when a group supported by President Taft’s ambassador to Mexico, murdered the popular new revolutionary president and installed Victoriana Huerta in the president’s chair.
         1. All of this sparked a massive migration of Mexicans to the U.S.
   b. The revolutionary bloodshed also troubled American lives and property in Mexico.
      i. Americans cried for intervention, among those being the prominent and influential chain newspaper publisher William Randolph Hearst.
         1. But, once again, President Wilson strove as best he could to steer a moral course in Mexico, refusing to practice the dollar diplomacy of his predecessors.
            a. He fired an aggressive ambassador, imposed an arms embargo, and refused to recognize officially the murderous government of Huerta.
               i. “I am going to teach the South American republics to elect good men,” Wilson declared.
               ii. He put his munitions where his mouth was in 1914, when he allowed American weapons to reach Huerta’s principal rivals, Venustiano Carranza and Francisco (Pancho) Villa.
   c. The Mexican revolution erupted at the Atlantic seaport of Tampico in April 1914, when a small party of American sailors was arrested.
      i. The Mexicans promptly released the captives and apologized, but refused the demand for a salute of twenty-one guns.
      ii. Wilson, stubbornly determined to eliminate Huerta, asked Congress for authority to use force against Mexico.
         1. Before Congress could act, Wilson ordered the navy to seize the Mexican port of Veracruz to thwart the arrival of a German steamer
carrying Huerta-bound guns and ammunition, marking President Wilson's first direct use of military forces in revolutionary Mexico.

iii. Just as war seemed inevitable, Wilson was rescued by an offer of mediation from Argentina, Brazil and Chile.
   1. Huerta collapsed in July 1914 under pressure from within and without.
      a. He was succeeded by his arch rival Carranza, who was still resentful of Wilson’s military meddling.
      b. The Tampico Incident did not set well for the future of the U.S. – Mexican relations.
   d. “Pancho Villa” meanwhile stole the spotlight.
      i. He emerged as the chief rival of Carranza, whom Wilson now reluctantly supported.
      ii. Villa and his men ruthlessly hauled sixteen young American mining engineers off a train traveling through northern Mexico and killed them.
      iii. A month later Villa and his followers, hoping to provoke a war between Wilson and Carranza, blazed across the border into Columbus, New Mexico, and murdered another nineteen Americans.
   iv. General John (Black Jack) Pershing, a veteran of Cuba and the Philippine campaigns, was ordered to break up the bandits.
      1. He hastily organized a force of several thousand mounted troops and penetrated deep into Mexico.
      2. They clashed with Carranza’s forces and mauled the Villistas, but missed capturing Villa himself.
      3. As the threat of war with Germany loomed, the invading army was withdrawn in January 1917.

11. Thunder Across the Sea
   a. An explosive chain reaction followed the killing of the heir to the throne of Austria-Hungary by a Serb patriot, sparking the outraged Vienna government, backed by Germany to present a stern ultimatum to Serbia.
      i. Serbia, backed by Russia, refused to bend.
      ii. The Russian Tsar began to mobilize his huge war machine, challenging Germany in the East.
      iii. Meanwhile, France confronted Germany in the West.
         1. Alarmed, the Germanys struck suddenly at France through Belgium.
         2. Great Britain, its coastline threatened by Germany’s assault on Belgium, was sucked into the conflict on the side of France.
   b. Almost overnight, Europe was locked in a fight to the death.
      i. On one side were the Central Powers: Germany and Austria-Hungary, and later Turkey and Bulgaria.
      ii. On the other were the Allies: principally France, Britain and Russia, and later Japan and Italy.

12. A Precarious Neutrality
   a. President Wilson strongly urged Americans to be neutral in thought as well as deed, but this proved difficult.
      i. Both sides wooed the U.S., the great neutral in the west.
1. The British enjoyed the benefit of close culturally, linguistic and economic ties with America, and had the added advantage of controlling most of the transatlantic cables.
   a. Their censors sheared away war stories harmful to the Allies and drenched the United States with tales of German bestiality.
2. The Germans and Austro-Hungarians counted on the natural sympathies of their transplanted countrymen in America.
   a. Most however were grateful to be so distant from the fray.
   
   b. Most Americans were anti-German from the outset.
      i. Kaiser Wilhelm II seemed the embodiment of arrogant autocracy.
      ii. Germans and Austrian agents further tarnished the image of the Central Powers in Americans eyes when they resorted to violence in American factories and ports.
   
   c. Most Americans however, earnestly wanted to stay out of the war.

13. America Earns Blood Money
   a. When Europe trod headlong into war in 1914, British and French war orders soon pulled American industry out of hard times and onto a peak of war-born prosperity.
      i. Part of this was financed by American bankers, notably the Wall Street firm of J.P. Morgan, which eventually advanced the Allies an enormous sum of 2.3 billion during the period of American neutrality.
   b. The Central powers protested this trade, but this did not violate the international neutrality laws.
      i. Germany was technically free to trade with the United States, but was prevented from doing so by the British navy.
         1. Trade between Germany and America had to move across the Atlantic, and the British controlled the sea lanes, and blockaded the path with mines and ships across the North Sea, the gateway to German ports.
   c. In retaliation for the British blockade, Germany announced a submarine war area around the British Isles.
      i. The submarine was a weapon so new that existing international law could not be made to fit it.
      ii. The submarines posed a threat to the U.S. as long as Wilson insisted on maintaining neutrality.
   d. Berlin officials declared that they would try not to sink neutral shipping, but they warned that mistakes would probably occur.
      i. Wilson would now take a calculated risk and continue to trade, while hoping that no high-seas incident would force his hand to grasp the sword of war.
         1. He warned Germany that they would be held accountable for any attacks on American vessels.
   e. The German submarines (known as U-boats, from the German word undersea boat, began their deadly work.
      i. In the first months of 1915, they sank nearly ninety ships in the war zone.
      ii. Then the British passenger liner Lusitania was torpedoed and sank of the coast of Ireland.
         1. The Lusitania was carrying forty two hundred cases of small arms ammunition, a fact the Germans used to justify the sinking.
         2. But Americans were angered at this “mass murder” and “piracy.”
a. The Eastern U.S. now wanted to fight, but Wilson would not lead a disunited nation into war.
b. Instead, he attempted to bring the German warlords under control.
   1. Wilson made some diplomatic progress. Germans agreed not to sink unarmed and unresisting passenger ships without warning.
c. This pledge appeared to be violated in March 1916, when the Germans torpedoed a French passenger steamer, the Sussex.
d. Wilson informed the Germans that unless they renounced the inhuman practice of sinking passenger ships without warning, he would break diplomatic relations, an almost certain prelude to war.
e. Germany reluctantly agreed, but said the U.S. would have to persuade the Allies to modify what Berlin regarded as their illegal blockade.
   i. America could not do this.

   a. Roosevelt refused to run again and split the Republican ticket.
   b. Charles Evans Hughes, a Supreme Court Justice, ran on the Republican ticket, which condemned the Democratic tariff, assaults on trusts, and Wilson’s wishy-washiness in dealing with Mexico and Germany.
   c. Wilson won the presidency, as Americans felt he would keep the country out of war.