

**WILSON'S
“NEW FREEDOM”**

WOODROW WILSON IS ELECTED IN 1912...

**POWER IS TRANSFERRED FROM THE
REPUBLICANS TO THE DEMOCRATS**



**WILSON (A PROGRESSIVE) SETS AN
AGENDA TO CONTINUE REFORMS**



**WILSON FOCUSES ON FINANCIAL &
ECONOMIC REFORMS**



AND SO...

WOODROW WILSON



WILSON'S LEGACY

AN INTELLIGENT REFORMER,
FATHER OF MODERN
FINANCIAL SYSTEM

WILSON grew up in the South during
the Civil War & Reconstruction

He served as president of
Princeton University, Gov. of NJ

His Political Philosophy

BREAK UP POWER OF TARIFFS, TRUSTS,
FINANCIAL ELITE & GRANT GREATER
FREEDOM TO COMMON AMERICAN

LET'S ANALYZE...

WILSON'S

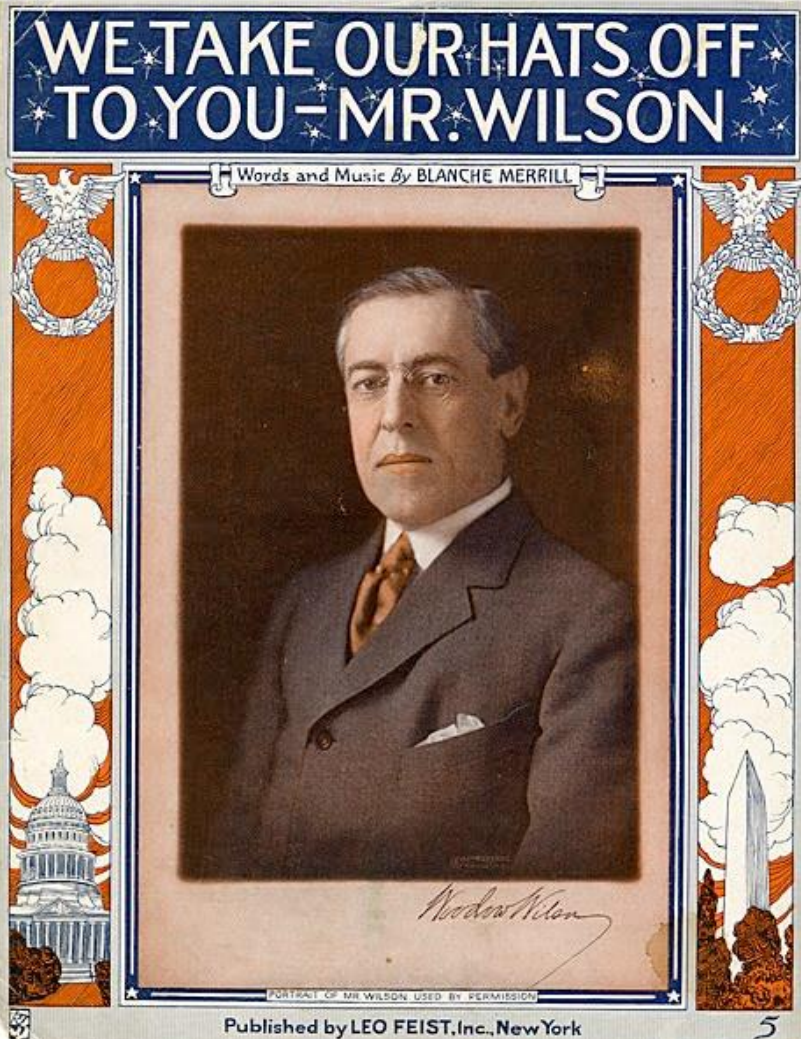
FINANCIAL

REFORMS

FINANCIAL

REFORMS

A NEW TAX SYSTEM



WILSON lobbied Congress hard to **lower tariffs** that Taft had raised

WILSON **won the fight**, and Congress passed the **Underwood Act** in 1913
WILSON USED THE **BULLY PULPIT**, URGED
VOTERS TO MONITOR THEIR REPS. VOTES

To make up for **lost revenue**, WILSON proposed a **graduated income tax**
THIS PROGRESSIVE TAX SYSTEM WOULD TAX
HIGHER INCOMES MORE, LOWER = LESS

1913 - The **SIXTEENTH AMENDMENT**
IS signed, sets up **income tax system**



UNITED STATES

Internal
Revenue
Service
Building

Walkers
♿ →

NEXT UP...

WILSON'S

ECONOMIC

REFORMS

ECONOMIC

REFORMS

PRESIDENT'S SIGNATURE ENACTS CURRENCY LAW

Wilson Declares It the First of Series of Constructive Acts to Aid Business.



Makes Speech to Group of Democratic Leaders.

Conference Report Adopted in Senate by Vote of 43 to 26.

Banks All Over the Country Hasten to Enter New System.

WILSON SEES DAWN NEW ERA IN BUS

Aims to Make Prosperity Have Unimpeded Mome



FEDERAL RESERVE SYSTEM

The **banking system** & **monetary systems** were in need to overhaul

1913 - **FEDERAL RESERVE ACT** signed

ESTABLISHED A NATIONAL BANKING SYSTEM

US IS BROKEN INTO 12 BANK DISTRICTS EACH DISTRICT HAS A REGIONAL FED

BANK REG. FED BANKS ISSUED \$\$\$, LOANS TO TROUBLED BANKS, PREVENTING FAILURES THE FED CAN ALSO CONTROL INTEREST RATES TO MAKE LOANS EASIER/HARDER

The Fed is **still** our banking system!



LET'S ANALYZE...

WILSON'S

REGULATORY REFORMS

REGULATORY

REFORMS

REGULATING TRUSTS & BUSINESS

WILSON **continued** the regulation of
business & trusts **like TR & Taft**

1914 - **FEDERAL TRADE COMMISSION**

an antitrust agency, is created

THE **FTC** IS A "WATCHDOG" AGENCY

IT HAD POWER TO **INVESTIGATE FIRMS** FOR
EVIDENCE OF **REGULATION VIOLATIONS**

REQUIRED REPORTS OF COMPLIANCE FROM
FIRMS, **COULD SUE BUSINESSES** IN COURT

FTC still monitors business **today!**

IT'S POWER INCLUDES **APPROVING MERGERS**

ONLY IF THEY ARE HEALTHY FOR MARKETS

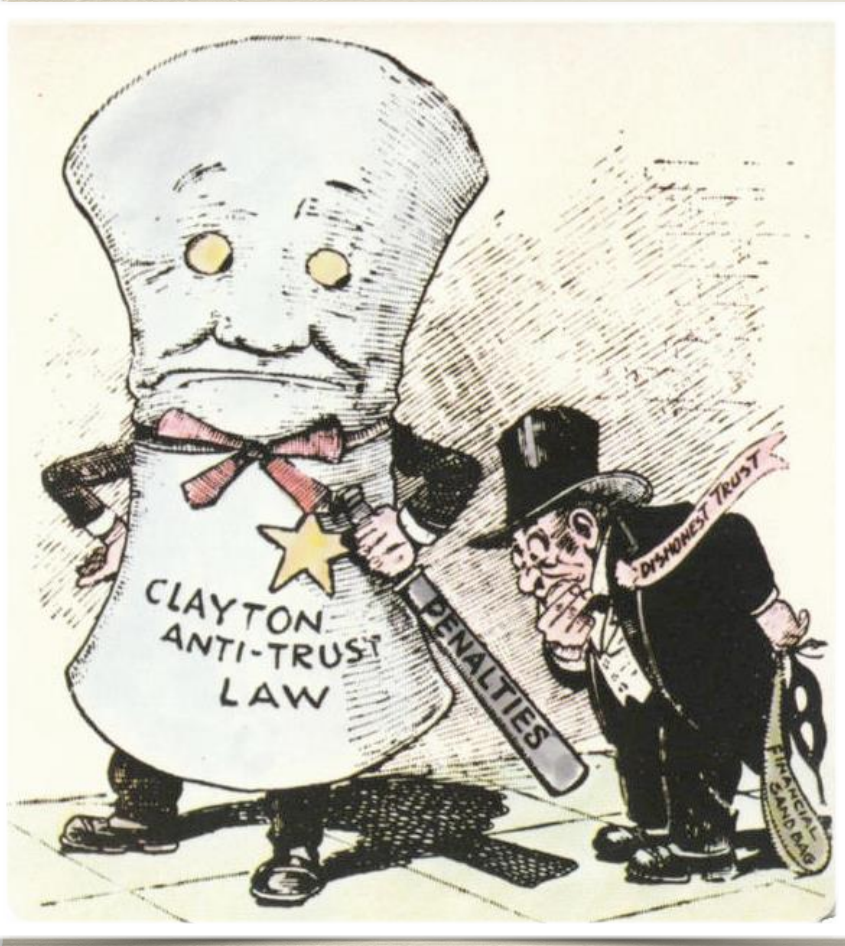




UNITED STATES

FEDERAL
TRADE
COMMISSION
BUILDING

CLAYTON ANTITRUST ACT



Undoubtedly, the **biggest antitrust Law** of the Progressive era!

SIGNED INTO LAW IN 1914

MAJOR PROVISIONS

Strengthened the **Sherman Antitrust Act**

Prohibited firms from **buying stock** of competitors **if it led to a monopoly**

Affirmed labor unions **had right to exist** and **couldn't be sued** as trusts themselves

Strikes and other labor strategies were **protected by law**

Samuel Gompers called the Act the "**Magna Carta**" of labor!

**LASTLY, LET'S LOOK AT
WILSON'S**

LIGGEST FAILURE

LIGGEST FAILURE

AFRICAN AMERICAN CIVIL RIGHTS



WILSON, a Southerner, **did nothing** to help blacks. Like TR & Taft **HE CAMPAIGNED FOR BLACK VOTES BY PLEDGING EQUALITY, ANTI-LYNCHING LAWS**

Once in office, he **backtracked!**

EXAMPLES

Refused to stop the re-segregation of the Capitol & DC offices after 50 years

Opposed every anti-lynching law that was put to a vote, citing states' rights

Appointed segregationists to fed. positions

PROGRESSIVISM DIES

As **WORLD WAR I** broke out in **EUROPE** in **1914**, **momentum** for progressive reform **died OUT**

3 FACTORS THAT ENDED THE PROGRESSIVE ERA

AMERICANS CONCENTRATED ON **REMAINING NEUTRAL**

WILSON & CONGRESS FOCUSED ON **FOREIGN POLICY**

AMERICAN INDUSTRY GEARED UP TO MAKE **WAR GOODS**

CLOSURE

WRITE THREE THINGS YOU
LEARNED TODAY ABOUT:

- 1) WILSON'S Tax REFORMS
- 2) The Federal Reserve and FTC
- 3) The Clayton Antitrust Act