

2 Taft and Wilson as Progressives

TERMS & NAMES

William Howard Taft

Sixteenth Amendment

Seventeenth Amendment

Clayton Antitrust Act

Federal Reserve Act

MAIN IDEA

Progressive reforms continued under William Howard Taft and Woodrow Wilson.

WHY IT MATTERS NOW

Constitutional amendments passed during this time affect Americans today.

ONE AMERICAN'S STORY

During the Progressive Era, many Americans became disturbed by the problems caused by capitalism. Some even turned to socialism. This is a system in which business and industry are totally controlled by the state. Labor leader Eugene V. Debs became a socialist while serving time in prison for his role in a labor strike. In 1894, as head of the American Railway Union, Debs supported a strike by the workers who made railroad cars. When the federal government broke up the strike, Debs defied the courts. He was sent to prison for six months.

In the 1908 presidential election, Debs ran as the Socialist Party candidate. In his campaign, he urged American workers to consider what competition was like in a capitalist system.

A VOICE FROM THE PAST

Competition was natural enough at one time, but do you think you are competing today? . . . Against whom? Against Rockefeller? About as I would if I had a wheelbarrow and competed with the Santa Fe [railroad] from here to Kansas City.

Eugene V. Debs, quoted in *The Annals of America*



The forceful speeches of Eugene V. Debs attracted large audiences.

Debs made a decent showing in the election, winning more than 420,000 votes. However, the Republican candidate Taft did better and was elected.

Taft and Progressivism

In the 1908 election, Debs ran against Republican **William Howard Taft** and Democrat William Jennings Bryan. Neither Debs nor Bryan stood much of a chance against Taft. He was Roosevelt's handpicked successor. Roosevelt's popularity swayed many people to vote for Taft, who promised to follow Roosevelt's progressive policies.

Taft continued Roosevelt's attack on trusts. During his four years in office, Taft pursued almost twice as many antitrust suits as Roosevelt had in nearly eight years in office. But Taft received less credit for his progressivism because he became allied with conservative Republicans rather

than Roosevelt's progressive Republicans. Nevertheless, Taft did move forward with progressive reforms. His reforms addressed the progressive goals of democracy, social welfare, and economic reform. Two of the major progressive achievements under President Taft were constitutional amendments.

Two Progressive Amendments

The **Sixteenth Amendment** was passed in 1909 and ratified in 1913. It gave Congress the power to create income taxes. The Constitution previously did not allow direct taxes on an individual's income. This amendment was intended to provide a means of spreading the cost of running the government among more people. The income tax soon became the main source of federal revenue.

Economics *in* History

Types of Taxes

The Sixteenth Amendment, ratified in 1913, made it constitutional for the federal government to have an income tax. Congress quickly passed an income tax law the same year. The income tax provides revenue to the federal government by taxing profits and earnings. In a graduated income tax, larger incomes are taxed at higher rates than smaller incomes. The income tax is only one of several taxes that governments use to raise money.



INCOME TAXES

1. **Individual:** You pay a percentage of what you earn at work or from investments. Under the payroll deduction plan, income taxes are deducted (taken out) from your wages or salary before you get your paycheck.
2. **Corporate:** Corporations pay a percentage of their profits in income tax.



PROPERTY TAXES

People pay taxes on property they own, such as land or a house. Property taxes are often used to support public services such as schools.



SALES TAXES

Sales tax is imposed on the retail price of merchandise and collected by the retailer. For example, when you buy a pair of jeans, you pay sales tax, which will be listed on your receipt.



ESTATE TAXES

This tax is charged against the value of the property of a person who has died. It is also called the "death tax" because it is collected from the dead person's estate before the estate is passed on to the heirs.

TYPES OF TAXES

CONNECT TO HISTORY

1. **Making Inferences** How might a corporate income tax fit the goals of the Progressive Era?



See Skillbuilder Handbook, page R12.

CONNECT TO TODAY

2. **Drawing Conclusions** Some states that have a sales tax do not charge that tax on the purchase of goods like food or clothing. Why do you think they make an exception for these purchases?

For more about taxes . . .



RESEARCH LINKS
CLASSZONE.COM

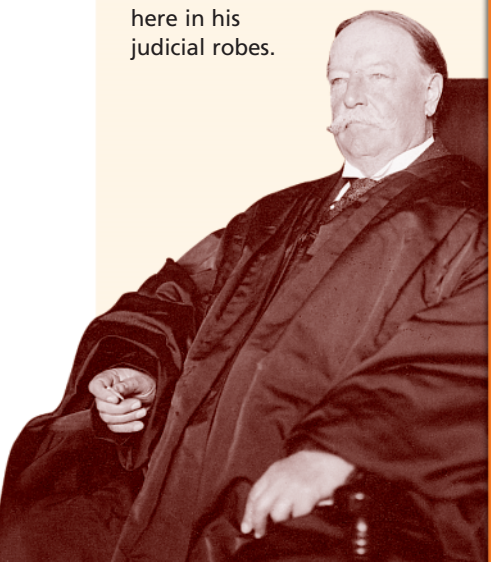
STRANGE but True

FROM PRESIDENT TO CHIEF JUSTICE

William Howard Taft was the only man in American history to serve first as president and then as chief justice of the U.S. Supreme Court. He had always wanted to be a Supreme Court justice. Even his mother said, "I do not want my son to be President. His is a judicial mind and he loves the law."

Taft was unhappy as president. When he left office, he said: "I'm glad to be going. This is the loneliest place in the world." Eight years later, in 1921, President Warren G. Harding appointed Taft to the Supreme Court.

Taft is shown here in his judicial robes.



The **Seventeenth Amendment** was ratified in 1913. It provided for the direct election of U.S. senators by voters in each state. Formerly, state legislatures had chosen U.S. senators. Under this system, many senators obtained their positions through corrupt bargains. Because of this, the Senate was called the "Millionaires' Club." The Seventeenth Amendment gave people a more direct voice in the government.

The Election of 1912

Taft achieved a number of progressive reforms. However, a deep split developed between him and progressive leaders in the Republican Party. Still, with the support of conservative Republicans, Taft won the party's nomination as its presidential candidate in 1912.

However, many progressive Republicans supported Theodore Roosevelt. He had entered the race and formed the Progressive Party, also known as the Bull Moose Party.

The Democrats chose Governor Woodrow Wilson of New Jersey as their presidential candidate. Eugene Debs again entered the race as the Socialist candidate. With the Republicans deeply divided, Wilson won the election.

The Wilson Presidency

As president, Wilson established a progressive record. Wilson believed that "bigness" itself was dangerous. He wanted the government to use its powers to break up monopolies—groups that sought complete control over an industry. He also wanted the government to help workers in their struggles against business owners.

At Wilson's urging, Congress passed the **Clayton Antitrust Act** of 1914. The new law laid down rules forbidding business practices that lessened competition. A

business, for example, could no longer buy the stock of a competitor. The Clayton Act gave the government more power to regulate trusts. In addition, the Clayton Act was also pro labor:

1. It said labor unions and farm organizations could merge and expand.
2. It limited the ability of the courts to force workers to end strikes.
3. It legalized such labor tactics as strikes, picketing, and boycotts.

During Wilson's two terms, reforms to the nation's financial system occurred. In 1913, the **Federal Reserve Act** was passed. This improved the nation's monetary and banking system. The law created the modern banking system, which resembles a pyramid. At the top is the Federal Reserve Board, which is appointed by the president. Next are 12 Federal Reserve Banks for different regions of the country. These are "bankers'

Reading History

A. Drawing Conclusions Why are the Sixteenth and Seventeenth amendments considered progressive?

Vocabulary

boycott: an attempt to pressure a business by refusing to buy a product or use a service

banks.” They serve the bottom level—the member banks.

The Federal Reserve Act created a more flexible currency system by allowing banks to control the money supply. To raise money, for example, the Federal Reserve Board, or “Fed,” lowers the interest rate that it charges member banks. These banks then borrow more from the Fed and thus have more money to lend to people and businesses.



President Wilson throws out a baseball at the opening game of the 1916 season.

ReadingHistory

B. Summarizing
What were some of Wilson’s achievements as a progressive president?

Wilson did no more to advance civil rights for African Americans than Roosevelt did. In fact, Wilson approved the segregation, or separation, of African-American and white employees in the federal government. Throughout the Progressive Era, presidents Roosevelt, Taft, and Wilson did not actively promote civil rights for African Americans.

The Eighteenth Amendment

Another amendment passed during the Progressive Era was the Eighteenth Amendment. This is also called the Prohibition Amendment. During Wilson’s administration, supporters of prohibition gained strength. Reformers thought an alcohol ban would reduce poverty. They argued that liquor added to unemployment and violence. Business leaders saw that alcohol made workers less efficient. Finally, in 1917, Congress passed a constitutional amendment. The Eighteenth Amendment prohibited the manufacture and sale of alcoholic beverages. The states ratified the amendment in 1919.

In the next section, you will read about the most important amendment of the era—the Nineteenth Amendment, which gave women the vote.

Section 2 Assessment

1. Terms & Names

Explain the significance of:

- William Howard Taft
- Sixteenth Amendment
- Seventeenth Amendment
- Clayton Antitrust Act
- Federal Reserve Act

2. Taking Notes

Complete the chart to review some of the major reforms of both the Taft and Wilson administrations.

Law	Description
Sixteenth Amendment	
Clayton Antitrust Act	
Federal Reserve Act	

3. Main Ideas

- What caused the Republican Party to split in 1912?
- What were the major progressive accomplishments of Wilson’s presidency?
- What did the Federal Reserve Act do?

4. Critical Thinking

Making Inferences Why did progressive presidents do little to advance civil rights for African Americans?

THINK ABOUT

- the goals of progressivism
- the groups of people that progressivism aimed to help

ACTIVITY OPTIONS

LANGUAGE ARTS TECHNOLOGY

Research one of the people mentioned in this section. Then write the **script** for the first 10 minutes of his documentary or design his **Web page**.