

# Reform and a new era

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## The reform impulse

The presidential election of 1900 gave the American people a chance to pass judgment on the Republican administration of President McKinley, especially its foreign policy. Meeting at Philadelphia, the Republicans expressed jubilation over the successful outcome of the war with Spain, the restoration of prosperity, and the effort to obtain new markets through the Open Door policy. McKinley easily defeated his opponent, once again William Jennings Bryan. But the president did not live to enjoy his victory. In September 1901, while attending an exposition in Buffalo, New York, he was shot down by an assassin, the third president to be assassinated since the Civil War.

Theodore Roosevelt, McKinley's vice president, assumed the presidency. Roosevelt's accession coincided with a new epoch in American political life and international relations. The continent was peopled; the frontier was disappearing. A small, formerly struggling republic had become a world power. The country's political foundations had endured the vicissitudes of foreign and civil war, the tides of prosperity and depression. Immense strides had been made in agriculture and industry. Free public education had been largely realized and a free press maintained. The ideal of religious freedom had been sustained. The influence of big business was now more firmly entrenched than ever, however, and local and municipal government often was in the hands of corrupt politicians.

In response to the excesses of 19th-century capitalism and political corruption, a reform movement arose called "progressivism," which gave American politics and thought its special character from approximately 1890 until the American entry into World War I in 1917. The Progressives had diverse objectives. In general, however, they saw themselves as engaged in a democratic crusade against the abuses of urban political bosses and the corrupt "robber barons" of big business. Their goals were greater democracy and social justice, honest government, more effective regulation of business, and a revived commitment to public service. They believed that expanding the scope of government would ensure the progress of U.S. society and the welfare of its citizens.

The years 1902 to 1908 marked the era of greatest reform activity, as writers and journalists strongly protested practices and principles inherited from the 18th-century rural

republic that were proving inadequate for a 20th-century urban state. Years before, in 1873, the celebrated author Mark Twain had exposed American society to critical scrutiny in *The Gilded Age*. Now, trenchant articles dealing with trusts, high finance, impure foods, and abusive railroad practices began to appear in the daily newspapers and in such popular magazines as McClure's and Collier's. Their authors, such as the journalist Ida M. Tarbell, who crusaded against the Standard Oil Trust, became known as "muckrakers."

In his sensational novel, *The Jungle*, Upton Sinclair exposed unsanitary conditions in the great Chicago meat-packing houses and condemned the grip of the beef trust on the nation's meat supply. Theodore Dreiser, in his novels *The Financier* and *The Titan*, made it easy for laymen to understand the machinations of big business. Frank Norris's *The Octopus* assailed amoral railroad management; his *The Pit* depicted secret manipulations on the Chicago grain market. Lincoln Steffens's *The Shame of the Cities* bared local political corruption. This "literature of exposure" roused people to action.

The hammering impact of uncompromising writers and an increasingly aroused public spurred political leaders to take practical measures. Many states enacted laws to improve the conditions under which people lived and worked. At the urging of such prominent social critics as Jane Addams, child labor laws were strengthened and new ones adopted, raising age limits, shortening work hours, restricting night work, and requiring school attendance.

## Roosevelt's reforms

By the early 20th century, most of the larger cities and more than half the states had established an eight-hour day on public works. Equally important were the workman's compensation laws, which made employers legally responsible for injuries sustained by employees at work. New revenue laws were also enacted, which, by taxing inheritances, incomes, and the property or earnings of corporations, sought to place the burden of government on those best able to pay.

It was clear to many people – notably President Theodore Roosevelt and Progressive leaders in the Congress (foremost among them Wisconsin Senator Robert LaFollette) – that most of the problems reformers were concerned about could be solved only if dealt with on a national scale. Roosevelt declared his determination to give all the American people a "Square Deal."

During his first term, he initiated a policy of increased government supervision through the enforcement of antitrust laws. With his backing, Congress passed the Elkins Act (1903), which greatly restricted the railroad practice of giving rebates to favored shippers. The act made published rates the lawful standard, and shippers equally liable with railroads for rebates. Meanwhile, Congress had created a new Cabinet Department of Commerce and Labor, which included a Bureau of Corporations empowered to investigate the affairs of large business aggregations.

Roosevelt won acclaim as a "trust-buster," but his actual attitude toward big business was complex. Economic concentration, he believed, was inevitable. Some trusts were "good," some "bad." The task of government was to make reasonable distinctions. When, for example, the Bureau of Corporations discovered in 1907 that the American Sugar Refining Company had evaded import duties, subsequent legal actions recovered more

than \$4 million and convicted several company officials. The Standard Oil Company was indicted for receiving secret rebates from the Chicago and Alton Railroad, convicted, and fined a staggering \$29 million.

Roosevelt's striking personality and his trust-busting activities captured the imagination of the ordinary individual; approval of his progressive measures cut across party lines. In addition, the abounding prosperity of the country at this time led people to feel satisfied with the party in office. He won an easy victory in the 1904 presidential election.

Emboldened by a sweeping electoral triumph, Roosevelt called for stronger railroad regulation. In June 1906 Congress passed the Hepburn Act. It gave the Interstate Commerce Commission real authority in regulating rates, extended the commission's jurisdiction, and forced the railroads to surrender their interlocking interests in steamship lines and coal companies.

Other congressional measures carried the principle of federal control still further. The Pure Food and Drug Act of 1906 prohibited the use of any "deleterious drug, chemical, or preservative" in prepared medicines and foods. The Meat Inspection Act of the same year mandated federal inspection of all meat-packing establishments engaged in interstate commerce.

Conservation of the nation's natural resources, managed development of the public domain, and the reclamation of wide stretches of neglected land were among the other major achievements of the Roosevelt era. Roosevelt and his aides were more than conservationists, but given the helter-skelter exploitation of public resources that had preceded them, conservation loomed large on their agenda. Whereas his predecessors had set aside 18,800,000 hectares of timberland for preservation and parks, Roosevelt increased the area to 59,200,000 hectares. They also began systematic efforts to prevent forest fires and to re-timber denuded tracts.

## Taft and Wilson

Roosevelt's popularity was at its peak as the campaign of 1908 neared, but he was unwilling to break the tradition by which no president had held office for more than two terms. Instead, he supported William Howard Taft, who had served under him as governor of the Philippines and secretary of war. Taft, pledging to continue Roosevelt's programs, defeated Bryan, who was running for the third and last time.

The new president continued the prosecution of trusts with less discrimination than Roosevelt, further strengthened the Interstate Commerce Commission, established a postal savings bank and a parcel post system, expanded the civil service, and sponsored the enactment of two amendments to the Constitution, both adopted in 1913.

The 16th Amendment, ratified just before Taft left office, authorized a federal income tax; the 17th Amendment, approved a few months later, mandated the direct election of senators by the people, instead of state legislatures. Yet balanced against these progressive measures was Taft's acceptance of a new tariff with higher protective schedules; his opposition to the entry of the state of Arizona into the Union because of its liberal constitution; and his growing reliance on the conservative wing of his party.

By 1910 Taft's party was bitterly divided. Democrats gained control of Congress in the midterm elections. Two years later, Woodrow Wilson, the Democratic, progressive governor of the state of New Jersey, campaigned against Taft, the Republican candidate – and also against Roosevelt who ran as the candidate of a new Progressive Party. Wilson, in a spirited campaign, defeated both rivals.

During his first term, Wilson secured one of the most notable legislative programs in American history. The first task was tariff revision. "The tariff duties must be altered," Wilson said. "We must abolish everything that bears any semblance of privilege." The Underwood Tariff, signed on October 3, 1913, provided substantial rate reductions on imported raw materials and foodstuffs, cotton and woolen goods, iron and steel; it removed the duties from more than a hundred other items. Although the act retained many protective features, it was a genuine attempt to lower the cost of living. To compensate for lost revenues, it established a modest income tax.

The second item on the Democratic program was a long overdue, thorough reorganization of the ramshackle banking and currency system. "Control," said Wilson, "must be public, not private, must be vested in the government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative."

The Federal Reserve Act of December 23, 1913, was Wilson's most enduring legislative accomplishment. Conservatives had favored establishment of one powerful central bank. The new act, in line with the Democratic Party's Jeffersonian sentiments, divided the country into 12 districts, with a Federal Reserve Bank in each, all supervised by a national Federal Reserve Board with limited authority to set interest rates. The act assured greater flexibility in the money supply and made provision for issuing federal-reserve notes to meet business demands. Greater centralization of the system would come in the 1930s.

The next important task was trust regulation and investigation of corporate abuses. Congress authorized a Federal Trade Commission to issue orders prohibiting "unfair methods of competition" by business concerns in interstate trade. The Clayton Antitrust Act forbade many corporate practices that had thus far escaped specific condemnation: interlocking directorates, price discrimination among purchasers, use of the injunction in labor disputes, and ownership by one corporation of stock in similar enterprises.

Farmers and other workers were not forgotten. The Smith-Lever Act of 1914 established an "extension system" of county agents to assist farming throughout the country. Subsequent acts made credit available to farmers at low rates of interest. The Seamen's Act of 1915 improved living and working conditions on board ships. The Federal Workingman's Compensation Act in 1916 authorized allowances to civil service employees for disabilities incurred at work and established a model for private enterprise. The Adamson Act of the same year established an eight-hour day for railroad labor.

This record of achievement won Wilson a firm place in American history as one of the nation's foremost progressive reformers. However, his domestic reputation would soon be overshadowed by his record as a wartime president who led his country to victory but could not hold the support of his people for the peace that followed.

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