

A Conversation on Woodrow Wilson's Domestic Policies

Jane Harman:

Good afternoon. We need to -- oh, there we go. Good afternoon, everyone. Please take your seats. I see some repeaters in the audience. As many of you know, this is now the fourth event of five that we are hosting to celebrate the centennial of Woodrow Wilson's inauguration as president in 1913. We had a dinner last night at Wilson House, which included an interview with the Chairman of the House Foreign Affairs Committee, Ed Royce, an enormously amusing appearance -- cameo appearance by David Rubenstein, who not only read an imaginary letter from Woodrow Wilson, but also discussed his interest in panda bears. Long story.

[laughter]

We then had a lunch at the State Department today, which included a riveting interview between Chris Matthews and Scott Berg. Scott is the author of the upcoming biography of Woodrow Wilson. And, Scott, if you're still in the audience -- are you in the audience? I want my cut. I keep shilling for this book. And then we just had a very interesting conversation about Wilson's foreign policy record, which was moderated by Anne-Marie Slaughter, who many of you know headed the Woodrow Wilson School -- that's not the same as the Woodrow Wilson Center -- at Princeton. Is a lawyer and a PhD who is head of a policy planning shop at the State Department until recently, and soon will become the head of a -- one of our frenemy think tanks in New York and Washington. And now we have our second panel, which is assessing President Wilson's legacy, this time on domestic policy.

President Wilson believed that the Federal Reserve System was one of his greatest achievements. He said, quote, "I cannot say with what deep emotions of gratitude I feel to have had a part in completing a work which I believe will be of lasting benefit to the business of the country." No one is better positioned -- certainly, I don't believe -- to assess Wilson's achievement than Alan Greenspan, unquestionably the most -- and I'm totally objective -- the most distinguished central banker of his generation, or perhaps any generation. Dr. Greenspan chaired the Fed from 1987 to 2006, following a long and distinguished career as

an adviser on economic and financial matters. He also served as Chairman of the Council of Economic Advisers under President Gerald Ford.

It could have been different. He could have been a musician. He played clarinet and saxophone along with Stan Getz and Woody Herman. And by the way, his power wife and my dear friend, Andrea Mitchell, almost became a musician, too. Alan, who was known for his oracular predictions, once said, quote, "I guess I should warn you. If I turn out to be particularly clear, you've probably misunderstood what I said."

[laughter]

Perhaps today he will make an exception for us. Following Chairman Greenspan's keynote, Aspen Institute CEO Walter Isaacson -- the legendary and only -- will moderate a panel with two scholars, Elisabeth Griffith, an American historian and author and former head of the Madeira School; and David Levering Lewis, a professor of history at NYU. Alan Greenspan will join that panel.

Walter, as everyone should know -- certainly anyone in this audience -- was Chairman and CEO of CNN, managing editor of Time Magazine, and for the last decade has been the powerhouse president and CEO of the Aspen Institute. Again, I'm totally objective. I serve on the board. But the rise of the Aspen Institute during Walter's tenure is just an extraordinary and beautiful thing to watch. Walter's also a historian and author in his own right. His most recent work, which all you should have read, is a biography of Steve Jobs. It was an international sensation. And he has also written books about many others, including Henry Kissinger, Ben Franklin, and Einstein, other modest figures, along with Steve Jobs.

Please welcome Chairman Greenspan, and the panel will immediately follow his remarks.

[applause]

Alan Greenspan:

With an introduction like that, I'd just as soon sit down and listen to more of it. Thank you.

[laughter]

It's fairly obvious to most scholars that the Federal Reserve Act was the most important piece of legislation for the ongoing productiveness of the American society that he did during his two terms. And what I'd like to do is to just carry you through some of the politics that occurred and the process by which that was done, because central banking in the United States has always been an intensely political issue. And it looks, during the year -- lead-up to the Federal Reserve Act's signing in 1913 -- coming up, obviously, to the 100th anniversary -- as all such political operations are, and indeed, if it sounds terribly contemporaneous, it always has been, over the years. And many things don't change. And to a certain extent, American politics doesn't change, especially in this area.

Central banking has been a problem politically for a very long period of time, going back originally to our founding fathers, who addressed the issue very poorly, because Jefferson and Hamilton couldn't agree on whether or not the Constitution allowed a central bank. Hamilton won that argument. In 1791 we had our first central bank, and we had a second central bank in 1860, which, of course, many of you may remember -- I was very young at the time --

[laughter]

-- Andrew Jackson vetoed the second bank's reauthorization. And as a consequence of that, we had no central banking in the United States between 1835 and 1913. I hate to admit to this fact, but the economy did rather well.

[laughter]

In fact, a great deal about the American economy was extraordinary. The basic issue, I think, that we really ought to focus on is that there's a history to where we came from and where we were going. And what triggered, really, the Federal Reserve Act, aside from a whole series of events, was the crisis of 1907. In 1907, we had an extraordinary financial collapse. And JP Morgan, who was still -- was then a major figure in the financial world -- essentially acted as a central bank by himself. And what we saw in the process was his -- in one wonderful little episode -- where he got all of the bankers in one room at the Morgan Library, up on 36th Street in Manhattan, and locked the door and threw away the key until they found

some way to solve a particular problem, of which individual banks that particular consortium of bankers was going to help. And what went on as a consequence of that was a great deal of discussion about the issue of Morgan and what he had done previously. And then somebody asked the question, "What are we going to do when Morgan's gone?" And more than anything else, I think that essentially moved the -- moved up the agenda, because the problems that existed in financial markets were not new. I mean, we could have gone on quite a good deal of time without a central bank. The functions were being taken over essentially by the U.S. Treasury, and while obviously there were problems, they weren't immense.

But after the '07 Crisis, we had what was called the Aldrich-Vreeland Bill, which didn't do very much and pretty much was abandoned. And then came the two events of 1912, which essentially changed the whole system around. One was the reemphasis of what was so crucial to all central banking in the United States. That has always been the rural, agricultural interests from the south and especially the far west, against the money center operators in New York. I mean, the terminology is slightly different. You'd hear the words "money trust" and the like, but you could very readily create the same -- you can get a little dictionary of what they called various things back then, and realize what they're talking about is precisely the same types of arguments we have today. And the result of that was that there were real pressures that were going on when Wilson was president-elect in 2012. And the thing that the --

Female Speaker:
[inaudible].

Alan Greenspan:
Okay.

[laughter]

I'm always willing to listen to criticism.

[laughter]

And in any event, Wilson was -- well, when Wilson became president-elect, the issue of -- the central banking issue had ripened to a point where something was ready to go.

And what had done that was early in 2012 the so-called Pujo hearings occurred, which was a raking-over of the banking system and the money trusts and Wall Street in terminology which you would find embarrassing today, as being extreme.

And it is remarkable how we survived in those periods, but the politics that we have today are tame by comparison, but they're the same politics. Now, it's not anymore the issue of the rural versus the urban, or at least basically various different branches that were going on for generations. Now it's gotten down basically to conservatives and liberals, but the issues are fundamentally the same. What happened in 1913 was that the Pujo hearings turned the whole structure of public opinion around and Wilson, getting elected at that particular point, was all set up to try to do some reform in the system. And I regret to say that what went on is just a litany of what one would see today. The leading -- there was the progressives versus the conservatives. The progressives were led by Bryan -- William Jennings Bryan. And the quality of the conversation was brutal. If you get some of the transcripts, they really talked in language -- you wouldn't want to really get to where know too much about.

But Bryan, as you know, ran for the presidency in 1996, 2000, and I think 2008 and became extraordinarily famous for his so-called Cross of Gold speech at the convention in 1996 and was the -- a verbal leader of that whole movement. And essentially probably got Wilson the nomination in 2012 by going -- throwing his votes to Wilson. And when Wilson became president, he appointed him Secretary of State. And so he had a clout within the administration. Regrettably, Bryan knew nothing about banking. But that in no way stopped him. And as a consequence of that, there were fortunately other people around who were -- either -- I say, the Wilson entourage. Basically it was -- Congressman Carter Glass was a Congressman from Virginia who was really quite knowledgeable and quite good at the Senate and the House Banking Committee. And then H. Willis, who was an academic, who really probably wrote most of the Federal Reserve Act sort of a surrogate for everybody else. There's a lot of representation within the Federal Reserve, you see. H. Parker Willis out there -- this, that, and the other thing. And he's one of those people who nobody's heard of but probably had more to do with what the ultimate act was.

In any event, I'm taking a lot more time than I anticipated, because it's a more interesting story and I like to hear it myself.

[laughter]

In any event, the -- Glass and Willis together wrote a draft of a Federal Reserve Act and presented it to the president-elect, who looked at it, liked it, and said, "All we need to add to this thing is a Federal Reserve Board." And I appreciated that, because that's where I was when -- for 18 years. The ultimate end of it was that there was -- you would think, at that particular point, that it should be easy for a very -- what was then a very popular president to carry through and get this legislation. He had just done considerably well on the tariff legislation of 1912. I'm sorry, 1913. And he was sure that it was a shoe-on. It wasn't that easy.

It turned out that he did get a very large vote in the House. And then he went to the Senate, and the Senate had a few curmudgeons who -- allegedly who -- Democratic, I guess, Tea Party types. In other words, the Tea Party now is the on the conservative side. The Tea Party back then were from the Democrats. And three of the eight -- three of the seven Democrats on the Senate Banking Committee were really opposed to the bill, and they, in conjunction with the Republicans in the Senate Committee, decided to hold hearings at this fairly late stage in the discussions of everything that had been going on. And it really stretched things out to a point where the bill was almost lost because towards the -- I think it was October or thereabouts -- no, I think it was probably later than that, but there was a close vote -- well, first of all, the Senate committee voted out what was called the Vanderlit [spelled phonetically] Bill, which was quite different from the bill that the president was supporting. And, indeed, when it went to the floor for actual -- a vote, compared to the Wilson bill, Wilson's bill only won by three votes -- 44 to 41, as I recall. And, fortunately, it was 54-44, I think, in final Senate passage.

And eventually -- fairly quickly, I must say, at that particular point the conference committee came up with what we now call the Federal Reserve Act. And, indeed, the President at 6 p.m. on December the 23rd, 1913 signed the

bill. And I would say that most of the people who have been involved in American policies in one form or another have always considered that the shining achievement of Wilson during his two terms in office on the domestic side. You remember, he was also involved with the Clayton Antitrust Act and Fair Trade -- a fair trade act, a lot of other things, but the Federal Reserve Act was, in his judgment, I think -- I mean, in Wilson's judgment, it's an important piece of legislation, domestically, as he signed.

Let me stop there. I'm certain I've already run well over my time. So, I apologize.

[applause]

Walter Isaacson:

Thank you very much, Dr. Greenspan. And if you'll have a seat, in a few moments we'll ask you some questions. You worked for Woodrow Wilson, right? You were in his administration, right? I want to --

[laughter]

Alan Greenspan:

I was just slightly too young to vote. I'm sorry.

[laughter]

Walter Isaacson:

I'm Walter Isaacson. Our next speaker is Betsy Griffith, who you've heard a little about. But she's a wonderful, wonderful biographer in her own right. "The Life of Elizabeth Cady Stanton." May be better known in this zip code as her 22 years being the headmistress of the Madeira School, but I really want to thank her and also thank Jane for helping us kick off with a notion of suffragettes, equal rights. So important. And it's really important to put that in perspective. So, if I may turn it right over to you, Betsy, so we can get moving. I thank you so much.

Elisabeth Griffith:

I want to add thanks to Jane and the Wilson Center to put suffrage and black rights on this paean of a program to Wilson, because his record in those regards is less sterling.

On August 26th, 1920, Wilson's Third Secretary of State, Bainbridge Colby, certified ratification of the 19th Amendment without ceremony or cameras. It took 72 years and three generations of leadership to defeat segregationists, the liquor lobby, urban bosses, Catholics, and conservatives. Every vote cast in favor of suffrage to achieve two-thirds of the House and the Senate and three-quarters of the state legislatures was cast by a man. The star of that second generation was Carrie Chapman Catt, born in 1859 on the frontier. She was a shrewd negotiator. At the start of her second marriage, she negotiated for six months off a year to do suffrage work. In 1916 --

[laughter]

-- she negotiated when she took over presidency of the National American Woman Suffrage Association -- two million women -- but she only took the job if she got complete control of the budget and the board. Alice Paul led the third generation. Born in New Jersey in 1885, with multiple advanced degrees and settlement house experience in London, she imported the aggressive advocacy tactics of the British suffragists when she established NAWSA's Congressional Committee in Washington in 1912.

Neither Catt nor Paul was present when Secretary Colby made suffrage official. He did not want to be in the same room with two rival leaders who detested each other. That afternoon, President and Mrs. Wilson received Mrs. Catt. Ms. Paul was not invited. Debate about who deserves credit remains fierce among academic partisans. Catt for her political savvy. Paul for her PR genius. Wilson rarely is mentioned.

In 18 major biographies of Wilson, published between 1921 and 2003, totaling more than 5,000 pages, there are 48 sentences about suffrage. So Wilson is not widely credited with the largest expansion of the franchise in American history, bringing in 26 million American voters.

Born in 1856, Wilson exhibited the biases of his region and generation. He disapproved unsexed females, disdained working women, dismissed his Bryn Mawr students, and detested female orators. But in his personal life, he was a charming, lusty ladies' man. His political adviser, Colonel House, had never seen a man more dependent on women's companionship. His first wife, Ellen Axson, was an

intellectual and she was the first First Lady with a political agenda, advocating passage of the Alley Bill, before she died in August 1914. Rather than take a stand contrary to her husband, she remained silent on suffrage, but all three Wilson daughters supported the amendment.

Wilson's second wife, the woman he referred to as his "perfect playmate", Edith Bolling Galt -- another southerner -- let it be known that she did not support suffrage, but she was not actively anti.

So, by 1912 many states allowed women to vote for school board or municipal suffrage and six allowed presidential suffrage. In the national election, Republicans and Democrats remained silent on suffrage. Progressives were in favor. But Wilson still claimed the majority of states in which women could vote, claiming he was uninformed of the topic. Events would not allow him to plead ignorance much longer, because his arrival in Washington for his inauguration in March was overshadowed by 8,000 black and white women wearing white dresses, purple and gold sashes, or their academic gowns, marching down Pennsylvania Avenue. The parade was Alice Paul's first PR triumph.

Sensitive to regional and racial politics throughout his first term, Wilson asserted that suffrage was a matter of states' rights. Traveling to New Jersey to vote when it had its own referendum in 1950, Wilson said, "I believe the time has come to extend the privilege and responsibility to women of the state, but I vote only upon my private conviction. I believe suffrage should be settled by the state and not national government, that in no circumstances should it become a party question." It was Paul who wanted to hold the party in power, the Democrats, responsible for suffrage action or inaction.

Wilson's second term would be pivotal. By 1917, Catt led the National Women's -- NAWSA. Paul led the Women's Party. Europe was at war and Wilson was barely reelected against Republican Charles Evans Hughes, who did affair a federal amendment. But because Wilson kept us out of war, he won the votes of the women in the 10 states -- 10 of the 12 states in which they could vote.

After Wilson asked Congress to declare war, Catt immediately offered NAWSA's full support and pledged not to press for suffrage for the moment. In contrast, Ms. Paul

launched her White House pickets. Women carried banners pointing out the inconsistencies between the president's war rhetoric and his suffrage stance. "Mr. President, how long must women wait for liberty? Make America safe for democracy for women."

Wilson's initial response was courteous indifference. He tipped his hat. But by the time the banners were addressing him as Kaiser Wilson, there were riots. Arrested for disrupting traffic, the picketers, including Paul, were sentenced to 60 days in an Occoquan workhouse, resulting in hunger strikes and forced-feeding. In total, 218 women from 26 states were arrested and 97 were imprisoned.

Wilson did not order the arrest, but he did not stop the mistreatment. Catt used his animus for Paul to cement their alliance, commending him for his serene handling of the picketing crisis. Whether due to Catt's persuasion, Paul's picketing, or women's war work, the climate changed. During 1917, suffrage referendums succeeded in seven states, including New York, where it passed with 100,000-vote margin.

Finally, in January 1918, Wilson endorsed a federal amendment. He very frankly and earnestly advocated a vote as an act of right and justice for women of the country and the world. For the first time ever, the House of Representatives passed its resolution. But the Senate stalled. Desperate, Catt asked the president to address the chamber. And in a speech he wrote on his own typewriter, Wilson made his case on October 1st, 1918. "I had assumed the Senate would concur in the amendment, because no disputable principle is involved. Both of our national parties are explicitly pledged to equality of suffrage. We have made partners of women in this war. Shall we admit them only to a partnership of suffering and sacrifice and not a partnership of right and privilege?" But his eloquence made no difference. The bill went down by two votes. NAWSA swung into action, defeated two anti Senators, but the midterm elections were disastrous for Wilson. The Democrats lost their majority in both houses.

Despite the armistice, the country was exhausted by war, by shortages, by the flu epidemic. German surrender shifted Wilson's focus to Europe. His health had already begun to deteriorate when he cabled both houses from Paris in May

1919, urging passage. The House acted immediately and affirmatively. The Senate concurred and sent suffrage to the states.

By June 1920, suffrage was stalled at 35 of the 36 states needed, leaving only Delaware, which refused to act, and 12 southern holdouts. Although impaired by his stroke, the president, more likely private secretary Joseph Tumulty, sent a telegram very earnestly asking the governor of Tennessee to convene a special session. That session opened in August, and Mrs. Cat, who came with an overnight bag in July and stayed for six weeks, recalled that the legislatures were reeling around Nashville in a state of advanced intoxication. The upper House sobered enough to pass the amendment, and then, on August 18th, 24-year-old Republican Harry Burn, wearing the red rose boutonniere of the antis, changed his vote because his mother asked him to.

[laughter]

A single vote secured the 19th Amendment for American women. So how do we assess Wilson's role? He did more than any other president, but that's a low standard.

[laughter]

Unlike Harry Burn, he never put his political career or his life on the line. Burn was chased out of the chamber; had to escape along a ledge and crawl into the attic.

[laughter]

Over a six-year period, Wilson's position evolved from ignorance, to opposition, to state action, to affirmative support for a federal amendment. He overcame his generational, regional, racial, procedural objections. But he was a reluctant reformer, responding when prodded rather than ever taking the lead. He resisted Paul's pressure tactics, but accepted Cat's counsel and directly influenced several votes.

Some scholars believe that Wilson changed his position because his attitude toward women changed, that he could finally reconcile women and politics with their traditional domestic roles. Since Wilson was always in the company of smart, capable women, a more likely explanation is the

political reality of women voters. Practical politics prompted his new principles. As Wilson would explain to the governor of Alabama, "My judgment is based on the highest considerations of both justice and expediency."

By the time Wilson converted, suffrage might have passed without his support. Nothing he did after January 1918 was successful. But no matter how reluctantly, belatedly, self-servingly, or ineffectively, Woodrow Wilson became a woman suffrage man.

In October 1920, President and Mrs. Wilson voted absentee. It would be the only time Edith Wilson voted since she was a resident of the district. Mrs. Catt converted NAWSA into the League Of Women Voters. She hired Justice Hughes to defend the amendment against court challenges brought by the southern states. Eventually, the holdout states would ratify suffrage; the last, Mississippi, in 1984.

Paul continued to lead the women's party and proposed the Equal Rights Amendment, which she returned to Seneca Falls to introduce on the 75th anniversary of the first women's rights convention. Cat's League Of Women Voters opposed the equal rights amendment through its congressional passage in 1972.

Paul's 1977 funeral, a procession at the national cathedral led by a female military color guard, passed the crypts of President and Mrs. Wilson. Paul's final picket.

Walter Isaacson:
Thank you very much.

[applause]

Before we move on to David, let me ask you one question. I want to keep on schedule -- I see my friend Scott Berg, and I think I remember from Scott's book that he, in 1913, addressed both houses of Congress in order to push his legislative agenda. First president to do that since John Adams, at the time. And you talked about him batting it on his typewriter for the 1918 speech. Can you sort of expand that into what role a president can play and maybe even with nowadays a president might think of playing to actually to get legislation passed?

Elisabeth Griffith:

Panelists earlier today talked about the power of rhetoric; you spoke about it at lunch. This use of language -- you heard it in the two things I quoted of Wilson. He's a powerful speaker, and when he uses that for whatever cause he's supporting, the cause gains at least legitimacy and credibility, if it doesn't persuade enough of the anti voters. Wilson was dealing with the southern bloc. He had to work around them. And it's really only because women got enough votes in enough places to scare everybody who wasn't in the southern bloc to think that they were going to have to deal with women voters in their constituencies. And that moves Wilson, because he wants to protect the Democratic Party and make sure those women don't defect to the Republicans.

But Wilson has a -- I mean, the last thing Elizabeth Cady Stanton ever did was write to Teddy Roosevelt, asking him to put suffrage in his State of the Union in 1902. So the power of presidential words can make an enormous difference. I wish Wilson had used more of them on behalf of women, and used them earlier.

Walter Isaacson:

Well, thank you very much. We'll move on to -- we'll get back to questions in a minute. But let me move on to my friend David, and we should congratulate you because this week or this month is your official retirement, which means you'll still be writing but you're going to retire from NYU, right? Where you're a university professor?

David Levering Lewis:

No committees and no students.

[laughter]

Walter Isaacson:

Well, half of that is good. We won't go into which half.

[laughter]

But, anyway, those of you who know David, he's the -- a university professor at NYU, taught at Harvard, won the Pulitzer Prize twice, both times for biographies of WEB Du Bois, the first and the second volume of that magisterial biography. But also lesser known is that you're a comparative history. I think you started off with the Dreyfus Affair, was that right? When you wrote about

France? And I think comparative history has helped inform all of your work. And so I'll ask you to not only talk about race, but compare and contrast with what we just heard, because I think you have quoted -- you once said of Wilson, on race, very similar things that we just heard about him -- about the suffragettes, which is that he was reluctant and deficient, even though okay by the end. Is that about right?

David Levering Lewis:

I'm not so sure about the end.

Walter Isaacson:

Oh.

David Levering Lewis:

But the deficiencies were certainly there. Seven minutes for race relations, which is about the attention that Woodrow Wilson gave it, I would have to say.

[laughter]

Woodrow Wilson's authoritative biographer, at least for the moment, John Milton Cooper, offers this doleful judgment of his subject's civil rights records: "This was perhaps Woodrow Wilson's greatest tragedy," says Cooper. "The North Star, by which he steered on his life spiritual and intellectual journey, may have prevented him from reaching his full stature as a moral leader and rendering still finer service to his nation and the world." And yet, on the eve of Wilson's inauguration, an unprecedentedly large percentage of African American voters believed that the president-elect would honor the campaign promise made to their race. Had he not authorized Campaign Manager William McAdoo to transmit to AME Bishop, Alexander Walters, newspaper publisher Monroe Trotter, NAACP official WEB Du Bois, and second generation abolitionist and press lord, Oswald Garrison Villard, the following uplifting commitment for public release? Wilson guaranteed that as President Negro Americans could count on him, quote, 'To see justice done in every matter, and not mere grudging justice but justice executed with liberality and cordial good feeling.'

When Candidate Wilson authorized these encouragements in October 1912, the winning calculus appeared to justify unlikely combinations, much of the African American leadership class considered President Taft's administration

an unmitigated disaster. For the first time, the 1912 GOP platform was silent on the 14th and 15th Amendments. Du Bois had voted socialist in 1908, but he, Trotter, Bishop, Walters, and other like-minded independents concluded that the declining fortunes of their people made support of the third party out of the question in 1912. Suddenly, it appeared that the darkness might lift somewhat with the unexpected schism within the Republican Party. As Theodore Roosevelt's insurgent progressives prepared to assemble in Chicago, Du Bois and others had discerned an unexpected opening for a broad platform of votes for Negroes and industrial democracy. From the NAACP's Manhattan headquarters, Jane Addams, Joel Spingarn, Henry Moskowitz, and Lillian Wald went forth from Veezy Street [spelled phonetically] with the plank Du Bois drafted for adoption at the Bull Moose Convention. But the guilt-stricken dismay of Jane Addams, who seconded Roosevelt's nomination, there was to be no acknowledgement of the Negro plank with which she had been entrusted. At the end of the day, the nominee, busily courting the lily white southern delegates, approved the denial of convention seats to most of the African American delegates and instructed the platform committee to ignore the Du Bois plank.

It was in this unsatisfactory mix of options that a critical leadership segment decided to gamble on Woodrow Wilson's democrats as a viable alternative. The electoral math of the three-way competition was expected to result in a narrow margin for the victor, and Wilson's advisors anticipated that, with the popular Roosevelt appealing to the South, the Democrats would need every spare vote to win. One-hundred-thousand prospected black votes was a prospect that induced the Democratic candidate to commit to a written pledge. "Wilson's personality gives us hope," Du Bois psychologized in his enthusiastic crisis endorsement of Wilson. "He will not be our friend, but he will not advance the cause of oligarchy in the South. He will not dismiss black men wholesale from office. And he will remember that the Negro in the United States has a right to be heard and considered."

Unfortunately, as events quickly revealed, Du Bois and the civil rights leadership were sadly mistaken in their electoral math and in their Wilsonian optimism. Wilson had not needed any black votes to win. Two million more votes had gone to him than to the second-place Roosevelt. The

first southerner since Zachary Taylor and the first Democrat since Grover Cleveland entered the White House.

When Du Bois addressed his open letter to Woodrow Wilson nine months later, he reiterated his conviction that a vote for Wilson was not a vote for white supremacy, but Du Bois was compelled to state, "Sir, that every enemy of the negro race is greatly encouraged, that every man who dreams of making the negro race a group of menials and pariahs is alert and hopeful." In his fine new book, "Racism in the Nation's Service," Professor Eric Yellin makes vivid the toll on African American middle-class mobility after two years of Wilsonian racial cleansing of the federal bureaucracy, all of it justified in the name meritocratic progressivism and reasonable policies designed to mitigate occupational friction. "The goal of Wilsonian discrimination," says Yellin, "was not just racial separation, but the limitation of black people to a controlled and exploitable class of laborers." It was a deliberate subversion of a small but growing class of African American middle-class professionals. Cabinet officers, the majority southern, proceeded to purge federal workspaces of African American civil servants shortly after Wilson's inauguration. William H. Lewis, Attorney General of the -- for New England, was its first casualty. In the well of the House and Senate, southern lawmakers raged against the presence of 19,000 African Americans on the federal payroll, called for the segregation of African Americans in public parks, facilities, and transportation in the District of Columbia, the elimination of commissions for non-whites in the armed services, and for the exclusion from the United States of all immigrants of African descent.

Yellin discovers the existence of the curious National Democratic Fair Play Association, NDFPA, which channeled one of the first reverse discrimination arguments in American history by blaming the GOP for the relative absence of white southerners in the federal bureaucracy. The salient question asked by fair-minded Americans, white and black, was the extent of presidential complicity, for many of Wilson's defenders truly believed the cerebral president to be unaware of the scope and ferocity of his cabinet officers' actions.

In November 1913, Press Secretary Joseph Tumulty had arranged a 35-minute audience during which Monroe Trotter,

Ida B. Wells-Barnett, and several other Negro spokespersons presented the president with a petition signed by 20,000 persons in 36 states protesting racial segregation. Racial conditions deteriorated badly, however, marked by a lynching spike during the administration's first months. When out of patience, Monroe Trotter and his National Independent Political League cohort returned to the White House on November 12, 1914. The president was in the worst possible mental state over the death of his first wife. Trotter bluntly stated that he and his associates came to make their grievances understood. As Williams -- as Wilson explained that segregation was not intended to injure or humiliate the colored federal clerks, but to avoid friction, Trotter interrupted to say that African Americans were not wards of the government and that federal segregation had accelerated drastically under the president.

"Your manner offends me," Wilson snapped. "You are the only American citizen that has ever come into this office who has talked to me with a background of passion that was evident." A furious exchange and verbal expulsion of the delegation followed, with the president saying afterward that he had lost his temper and played the fool.

Press Secretary Tumulty was struck dumb when Trotter held a press conference on the White House steps, reenacting the debate through verbatim quotes. The question of the president's complicity was thought by many of the fair-minded to have been answered.

A few weeks before his distressing encounter with Monroe Trotter, Woodrow Wilson viewed D.W. Griffith's cinematic extravaganza, "The Birth of a Nation," in company with Thomas Dickson, the president's Johns Hopkins classmate and author of "The Klansmen," the novel from which the negrophobic film was adapted. Wilson is alleged to have explained that "The Birth of a Nation" was like writing history with lightning, adding that it was all so terribly true, a plausible judgment, given Griffith's advertisement that his film is based on Wilson's history of the American people.

Wilson's biographer doubts that the president praised Griffith's film, but John Milton Cooper concedes that he took no meaningful steps to counter the widespread belief that he had endorsed the film enthusiastically.

In 1912, Wilson had become president without needing the 100,000 black votes he thought it essential to bargain for. Yet even though his lamentable record made another pledge to Bishop Walters unthinkable, the president appears to have calculated, in 1916, that word even of a secondhand apology might garner a few thousand critical ballots in an electoral dead heat with Republican Charles Evans Hughes. In a personal letter from the president's secretary, dated October 17, that was -- that told Du Bois that, although in some cases his endeavors had been defeated, the president wished Du Bois to know that he had tried to live up to his pledges to the negro and a vow that must have seemed a pathetic rationalization.

Woodrow Wilson went to bed on November 5th unsure whether he would still be president the next day. Less than 4,000 ballots tossed California's 13 electoral votes to Wilson in one of the closest presidential contests in American history. It is safe to assume that few, if any, of those California ballots were cast by negro voters. What Woodrow Wilson may have sincerely wanted to do to mitigate the thorough racism of his party's southern wing is too mired in controversy to venture a secure judgment call. It is a virtual certainty, however, that he would have failed to effect a significant improvement in race policy had he tried to do so.

Wilson's civil rights dilemma after 1912 anticipated that of another progressive democratic chief executive after 1932. Challenged to honor the social democratic ideals of his administration, Franklin Roosevelt explained with unwonted frankness to NAACP head Walter White that any significant address of the so-called Negro problem would risk ending whatever further New Deal achievements he hoped to bring from captious congressional reactionaries. Nor did Woodrow Wilson have an Eleanor to play the part of mollifier-in-chief to the abused and the underserved. In truth, Wilson's civil rights ideas are irrelevant to the objective reality of Wilsonian race relations, perceived today as the cruel opposite side of Wilsonian idealism, a phase in our national experience properly characterized as the nadir of civil rights.

[applause]

Walter Isaacson:

Wow. Thank you, David. We're running a tiny bit late, so I'm just going to ask one question and then open it up so that the rest of you can ask questions. I'm going to ask questions of each of the panel, somewhat political, which is do you think that his resistance on race was because of what he believed inside or because of political calculations? Obviously both, but --

David Levering Lewis:

Obviously both. And with Scott Berg in the audience, I will be instructed in an attempt to respond to that. I think, yes, a bit of both. Wilson was genteel. Wilson hated coarseness and it bothered him terribly that the south misbehaved in ways that lost it credit on the national agora. But Wilson believed in slow and careful, deliberate change in this matter. In fact, as a true progressive, it's not surprising that Wilson responded in ways to the racial problem as he did. The progressives were a curious paradox of reformers, efficiency experts, the consequence of which was that progressivism was often the enemy of democracy in its remoteness from the people. And the African American Wilson viewed as part of a problem that had to be solved in terms of Brandeisian reorganization and restructuring. Now that's much too kind a formulation of Woodrow Wilson's view of race, but I think that certainly was part of it.

The other is that he comes into office at just the moment when everything is going to change and he must now be seen as a man who could not have seen that. That is, the great migration of African Americans begins with his election, almost, and very shortly there will have been a nationalization of a problem that had been perceived to be exclusively regional and Southern. And as people began moving to the great crucibles of the north, frictions in his second term became really quite turbulent. And Wilson's response was I think one of trying to keep up and astonished by the complexity of things. You get that from Tumulty and you get that from many in his inner circle.

Walter Isaacson:

Betsy, on the politics question, do you think Catt's and Paul's tactics could work today?

Elisabeth Griffith:

I think the power of voters, and both when those African

Americans moved to northern cities, that's going to change the votes of some of those members of Congress. When women are enfranchised in almost 18 states prior to suffrage, that makes a difference in the people who are representing those constituencies. So the empowerment of women that both Catt and Paul worked for. Catt was really -- Catt's someone we would -- everybody in this room would respect because she's a vote-counter. She knew the tally in the Senate before the vote in 1918. She had it down to the two votes they lost by. She knew that was the margin, who they would be. But this taking it to the street I think makes a difference, because it creates public sentiment. People who hated the idea of suffrage were so offended by the treatment of the women these excessive sentences for basically blocking traffic, 60 days in a workhouse, was pretty dramatic.

Walter Isaacson:

David, do you -- I'll go back to it, but do you think that the blacks should've taken to the street back then?

David Levering Lewis:

Well, so they did, as a result of the horrendous -- I describe it as pogrom of east St. Louis in 1917 and Wilson's unresponsiveness, James Weldon Johnson brought a petition to the White House. He and Wilson spoke. And Johnson was a man of great cosmopolitan en verdure and he left and he said, "You know, I think better of Wilson as a man, but he's also a hypocrite." And the result of unresponsiveness to that and to other issues, lynching in particular, produced the great silent parade down Madison Avenue in New York in 1917, with the pennant saying, "Mr. President, your hands have blood on them. Save democracy in the United States if you're going to take us to war."

Walter Isaacson:

And, Betsy, I didn't want to cut you off, I just wanted to get his view on that point.

Elisabeth Griffith:

Well, I think some of these most controversial issues need both the insiders who can do the vote-counting and the congressional lobbying and need the outside public pressure to keep the issue in the public eye. The risk of the outside pressure is you can annoy a lot of people. So -- and Catt and Paul annoyed a lot of people, principally the President.

[laughter]

His response to his African American petitioners was exactly the same as when the women called him. He was frigid and difficult and offended by their insufficient deference to the President when they would lobby him.

Walter Isaacson:

I'll leave the audience to read your book on King to figure out how it changed then. Dr. Greenspan, on politics, I don't know when Mr. Dooley was supposed to have said it, especially since he was a fictional character, but I assume it was around that time when he said the Supreme Court follows the election returns. Can you give me some examples of when the Fed had to follow the election returns and politics entered into Fed deliberations?

Alan Greenspan:

No, because it's not clear to me that they existed. The one thing about the about the Federal Reserve --

Walter Isaacson:

Pull the mic up just a little, if you would, sir.

Alan Greenspan:

I know of no instance in which politics in the direct sense in which we're talking about on these crucial social issues actually entered into the deliberations of the Federal Open Market Committee and hence on the vote. A lot -- that doesn't mean that politics was irrelevant. Indeed, the Federal Reserve deals with it all the time in the sense that the Federal Open Market Committee by law will issue various decisions which cannot be overturned by any other federal agency, and so the issue is to what extent do you get any political pressures indirectly on the issue of the votes? And we did see quite a number of occasions in which individual Senators or Congressmen would bring forward a bill to, for example, change the voting majorities with respect to the presidents of the Federal Reserve and Banks and their participation on the Federal Open Market Committee. And that fundamentally would threaten the structure of the Federal Reserve. But in the end none, to my knowledge, actually really materialized. And you have to go inside the actual meetings of the FOMC to realize the general judgment that there is no real political agenda.

There's one extraordinary example in which the Chairman of the House Banking Committee was very much concerned about whether or not the FOMC was playing politics. And the reason the issue came up was that there was a telephone conference call at a very crucial time in deliberations with respect to politics which he, and I won't mention his name, actually believed that this was a call in which conspiratorial things were going on.

Walter Isaacson:
When was this?

Alan Greenspan:
I don't want to say, but it's a while back. In the event, we let him and his counsel -- actually his counsel and the opponent counsel hear the tapes. That was the last we heard of that. And then I got a note from the opposition, who said, "You know, that was an extraordinary thing we just listened to. It ought to be played before high school students on public affairs to see how the government should work." That was the last I heard of that. And it is the case if people really want to see what the politics are in the Federal Reserve, fall asleep with the transcripts. You will, but maybe you'll get enough of them to get the feel of it before --

Walter Isaacson:
And the transcripts of the FOMC are released, what --

Alan Greenspan:
Five years after the --

Walter Isaacson:
Five years after. Professor Lewis said just a moment ago that progressivism, correctly, he says, was actually anti-democratic in its many ways. And, of course, the ultimate progressivism is the Federal Reserve law. Was that anti-democratic? Was that a good thing to be anti-democratic, or maybe should there be just a tiny bit more insertion of politics, since this is our money and our country?

Alan Greenspan:
Well, that -- it's an ongoing dispute and I think it'll continue on for all of us who debate these issues.

David Levering Lewis:
Goes back to Jackson, doesn't it?

[laughter]

Alan Greenspan:
You know, in --

Walter Isaacson:
Jefferson.

Alan Greenspan:
The point is, if you really get involved in this, none of us are in favor of democracy as a pure form, because that means that legally 51 percent can annihilate the remaining 49 percent. What our system's done so extraordinarily well is sit the 10 amendments to the Constitution in a place which prevented the -- as John Adams said -- the issue of -- the tyranny of the majority. And what we've got is the appropriate balance between protection of individual rights, but on all public issues we insist upon majority ruling.

Walter Isaacson:
Except for the money supply.

Alan Greenspan:
Except for the money supply.

[laughter]

Walter Isaacson:
Let me open it up before we -- if I may. Question -- just -- yes, sir. Right -- stand up, if you would, or raise your hand, or scratch your nose and I'll pretend this is the first year of law school and call on you. Any comments, questions? Scott [spelled phonetically]. Okay --

Female Speaker:
I have a question for David, unless Scott -- I defer.

Scott Berg:
No, no. I was just -- I love going [inaudible]. Thanks. I was just going to add --

Walter Isaacson:
Scott Berg, for those on camera who can't quite see his face.

[laughter]

Scott Berg:

Just one interesting note. When Alice Paul and her sister were thrown into Occoquan and it was written about in the papers the next day, and over the next series of days over, you know, just all the atrocities, the forced feeding, everything you spoke of, the most horrendous aspect of what the women were subjected to, according to several newspaper accounts that I read, was that these women were incarcerated with Negro women. And that was sort of the ultimate.

Elisabeth Griffith:

I had not seen a record of that.

David Levering Lewis:

And -- well, that's interesting, because that memorable march of the women soon as -- soon after -- or at the time of his inauguration, there was a dispute about the positioning of African American suffragettes. Would they be at the head of the queue? Should they be in the caboose? And, of course, Ida Wells-Barnett solved that problem by simply leading the whole gang. But race is simply permeable in all of this activity.

Male Speaker:

Yeah.

Elisabeth Griffith:

A little bit more on both of those. On the subject of the march, the forces that were trying to influence the Congress, including the solid south, were sensitive about race issues, but they knew they had African American members of almost every chapter of the -- of their suffrage organizations, and many other organizations were represented: the Women's Christian Temperance Union, Women's Colleges, African American -- black colleges, black sororities were marching. So you could have segregated groups, you could have Ida Wells-Barnett, who was asked not to march with the Illinois group, stands on the curb and then walks right to the front of the line. And you have groups that said, "You can't tell us what to do. We have a mixed membership. We're marching." So women were playing out the same kind of issues.

I haven't heard the story about the imprisonment. The more questionable issue about the imprisonment is whether Wilson sent a representative to cut a deal. It's very hard to -- there's only one source that suggests this outcome: that Wilson sent a gentleman to the prison to meet with Paul and to promise that if she would call off the pickets, he would have her released, they would pull suffrage up as soon as the January lame duck session came into effect. And it is true that Paul got out before her 60 days were out, that the picketing slowed down, and that that's when Wilson, in January 18, the day after the 14 points, goes to the Congress and asks for the women's vote.

Walter Isaacson:

David, how much do you think the women's movement back then aligned and felt common cause with the movement for African American rights, or how much do you think they were just totally separate and even opposed in some points?

David Levering Lewis:

Well, and I am not authoritative on the history of women's suffrage, but it's certainly true that the tension between African Americans and the women's movement went back to Frederick Douglass' famous remark about the necessity to privilege men and male suffrage and that women should simply wait. And they were never -- Douglass was never forgiven. And so it rather tainted the civil rights movement. And white women taking umbrage to that generationally, occasionally were prepared to make bargains with the white South about the vote.

Walter Isaacson:

But I think -- to what extent did the Suffragettes feel that, in fighting for the vote for themselves, they should fight for voting rights access for African Americans?

Elisabeth Griffith:

I want to add to David's answer --

Walter Isaacson:

Yeah.

Elisabeth Griffith:

-- and come to yours, but I do have to say -- you have to say Suffragists, Walter, because Suffragettes --

Walter Isaacson:

Oh, sorry.

Elisabeth Griffith:

-- was the mean thing to say. Suffragettes was like --

Walter Isaacson:

Mean?

Elisabeth Griffith:

Mean. It was like saying "libbers" as opposed to feminists. There was a plus and minus --

Walter Isaacson:

Well I'm very sorry. I did not know -- I'm glad to have learned something today.

Elisabeth Griffith:

So Suffragist is the appropriately respectful term.

Walter Isaacson:

And when did Suffragette go out of --

Elisabeth Griffith:

Suffragette was used during this period to damn the women.

Walter Isaacson:

Right. Oh.

Elisabeth Griffith:

And Suffragist was the language that they used themselves.

David Levering Lewis:

Since Betty Friedan I think it's not been acceptable.

[laughs]

Elisabeth Griffith:

One of the things which is really impressive about the pro-suffrage coalition is the -- and was represented in that 1913 march, was the alliances that the women made. They had labor union women, they had settlement house women, they had African American women, they had Women's Christian Temperance women, they had women who necessarily didn't like each other, but they knew that getting the vote would advance their cause, so African American women were glad to have the vote for their agenda. That alliance breaks up in 1920, and it's very hard to pull it together again. It

does not come together around the Equal Rights Amendment, as an example.

Walter Isaacson:
Wow.

Elisabeth Griffith::
They aren't able to coalesce again.

David Levering Lewis:
So it's Title VII, which through the back door, and a curious gesture by a courtly Virginia Congressman, who introduced the word "sex" into the writing up of the mockup of the bill, the Civil Rights Bill. No discrimination on the basis of all sorts of things. And he said, "And sex, gentleman." And they all laughed. They said, "You've got to be kidding." But it stuck. There was a great pause. The civil rights leadership thought, "My goodness, we're going to -- this is a smart way of scuttling the bill."

Walter Isaacson:
Was that intended that way?

David Levering Lewis:
Actually, it's complicated because -- help me out -- his -- he --

Elisabeth Griffith:
Complicated. It's complicated.

David Levering Lewis:
What's his name?

Elisabeth Griffith:
Howard Smith.

David Levering Lewis:
Howard Smith. The good Howard Smith's wife made sure that he was sincere, although he was also a racist.

Elisabeth Griffith:
And Martha Griffiths thought he was sincere, and she would've been a good judge.

David Levering Lewis:
Yeah, she would've.

Elisabeth Griffith:

But everybody else thought it would lead to his defeat. And then once the EOC is open, the first women through the door are white women stewardesses who are being discriminated against in their workplace. Lots of interweaving.

Walter Isaacson:

We have lots of questions. So please identify yourself. Yeah. And --

Michael Kazin:

I'm Michael Kazin, of course. I was on the first panel. One quick correction for one of the things that Dr. Greenspan said, and then a question. William James Bryan actually was lobby for the Federal Reserve Act, the final act, even though he didn't agree with it in the beginning. But he was essential in getting it through, getting some of his Bryanite Southern Democrats to support it in the end. But the question is --

Alan Greenspan:

I didn't mean to imply that. I know he did.

Michael Kazin:

Okay. The question is, one of the things that is most important about Wilson, of course, is his religiosity. We've talked about that before, earlier panel, and, you know, it's obvious to anybody that knows anything about him. I wonder, from both point of view, both in terms of the suffrage movement and black freedom struggle, to what extent do you think his Presbyterian moralism, you know, had an impact on the position he took, had no impact on it? To what degree did he try to rationalize things in terms of his very, you know, very strong evangelical beliefs?

David Levering Lewis:

I think on race he was, in fact, close to being tortured about it. I'm thinking especially of the bad faith he felt that he was guilty of in a conference with Oswald Garrison Villard, one of his big backers, immediately after the inauguration. Wilson -- Villard believed that Wilson had appraised from Wilson the commitment to establish a race commission, a race relations commission. And they meet for lunch and Wilson says, "I grieve to tell you that I cannot do this. I would like to do it, but this problem is so complicated, and I feel adrift over it." And there are

many instances of Wilson really privately saying to intimates that this is a great problem -- rather Jeffersonian, I suppose, in the sense that he recognizes the enormity of a problem, that he's not culturally equipped to deal with it, and -- enough said, because I don't want to psychologize --

Walter Isaacson:
Yeah.

Elisabeth Griffith:
And you go back to the 1836 Presbyterian Schism, where the, during abolition, Protestant churches split, because abolition -- slavery -- is slavery a sin? Or are you going to support a slaveholding system? As -- Davidson College is founded a result of that schism, his first university. So, it's -- so you could be Christian and a segregationist and a racist at the same time, but you could feel guilty about it on account of all of that.

[laughter]

I don't think Wilson ever felt guilty about women.

[laughter]

Walter Isaacson:
I think, more specifically though, it's a Presbyterian form of moralism. Did that play in, do you think? No. Okay.

Elisabeth Griffith:
I don't know enough to answer.

Walter Isaacson:
Yes, sir. And please identify yourself. I'm having trouble with the lights in my eyes, so I can't see.

Male Speaker:
Thank you. Tom Koyu [spelled phonetically], West China [unintelligible] New Agency. My question is for Chairman Greenspan. And I think this question is not related directly to today's topic, but has something to do with that, because today eight Senators -- six Democrats, two Republicans -- introduced the currency bill in the Senate to punish the currency manipulator. Do you think these kinds of domestic legislation is an appropriate approach to dealing with the currency issue and to push China to raise

the R&B [spelled phonetically] rate more quickly? What's the appropriate -- thank you.

Alan Greenspan:

I spent really a good deal of my time on that particular piece of legislation, which I always considered to be inappropriate. But what the legislation was was that the Secretary of the Treasury had to certify that there -- that China was not manipulating its currency. Now, the point at issue was is that, first of all, that should not be an issue. And it came under such a statute. But also there's no question that China was manipulating its currency or it could not have accumulated over \$3 trillion in reserved assets. The only way that you basically achieve that is by basically having a currency which is somewhat out of line.

Now, I think that is a problem, but it's certainly nothing that should be legislated against. I mean, China has -- in my view, has the right to do that. And, indeed, I think it's probably been very helpful, from their point of view. If we don't like it, we can object and take counteraction, but the type of legislation that particular concern comes from I think is inappropriate.

Walter Isaacson:

Why is that, though, inappropriate? Meaning you don't think it's legal for them to that?

Alan Greenspan:

No. I think it's perfectly legal. I just don't think it's good policy, as such.

Walter Isaacson:

Good question? Yes, sir?

Maurice Jackson:

Maurice Jackson, Georgetown University, and former Woodrow Wilson fellow. My question has to do I think with the link between the foreign policy and the -- and this policy. Professor Manela told us a moment ago that in 1914 American soldiers went into Haiti, and of course they stayed 19 years under Wilson. But a couple years later, black soldiers wanted to go to World War I, and they were denied their rights in many cases, but then they went and fought heroically and received a medal in France but didn't receive any medals here. And then the same year, DuBois wants to create a Pan-African Congress, but the delegates

aren't allowed to go because they can't get passports. And then the same year soldiers come home from World War I, and they have these race riots, but they -- the race riots, because white's so -- whites are resentful that they think that blacks have gotten something. So, I would like for Professor Vegis [spelled phonetically] -- Professor Lewis -
-

Walter Isaacson:
Lewis, yeah.

Maurice Jackson:
-- I'm sorry -- Professor David Levering Lewis to sort of link this foreign policy in with this national policy.

Walter Isaacson:
That's a very good question. Professor Lewis?

David Levering Lewis:
Yeah. Well -- and it's a very complicated one. Well, I suppose the problem was that those people who were fighting for democracy abroad saw no particular link with democracy domestically, or that they feared that the results of exposure abroad to a reasonably tolerant racial environment would play havoc with the status quo in the South. And, as you point out, so it did, as there were eruptions from South Carolina across the country as the black troops returned, and the Red Summer of 1919 was a consequence of that. What is the connection between the two things? That on the one hand the bodies of blacks were needed for the war effort, and so you had the extraordinary phenomenon of black troops leading French forces quite valorously and being appropriately honored with the Croix de Guerre. But you had, on the other hand, at the end of the war, all the participating units of the Allies marching down the Champs-Elysees to great applause and tribute. The one exception was the exclusion of all black American troops. They were not permitted. And so the inscriptions on the various monuments are somewhat deficient in acknowledging that role.

But, of course, the established Plessy-versus-Ferguson world was one in which subordination required subordination, and that tension results finally in a efficacious and more robust civil rights movement in the 20s and in the 30s as a result of what the war to save the world for democracy was supposed to mean. But it takes

time. It's messy. And I might say that Wilson's position on the Pan-African movement was rather uncomprehending. However, Colonel House was quite facilitating in getting DuBois to the context that made the first Pan-African Congress, held in Paris under DuBois's chairmanship in 1919, possible. Of course, it's also true that Clemenceau promoted it in order to stick his finger in Wilson's eye, as of course you know --

Walter Isaacson:

How about -- how was Colonel House on race?

David Levering Lewis:

Curiously cosmopolitan about it, I'd say.

Elisabeth Griffith:

He was also pro-suffrage.

Walter Isaacson:

Right. That's -- further questions? Let me -- yes, sir.

Elisabeth Griffith:

May I ask a quick question?

Walter Isaacson:

Yes. You may ask a quick question. Then we have this gentlemen here, and then we have three minutes, so quick.

Elisabeth Griffith:

I just want to ask David -- and Scott maybe, too -- is it apocryphal that Wilson takes -- the White House mess is closed and he takes Mrs. Wilson to the Department of the Treasury and is eating in an integrated mess and decides that that's not appropriate for his wife.

David Levering Lewis:

Oh, dear. I don't know. Scott?

Walter Isaacson:

Scott, do you know? I've not heard --

Male Speaker:

[inaudible] --

Walter Isaacson:

-- you've not heard it?

Male Speaker:
-- came down, I guess.

David Levering Lewis:
It's not too late.

[laughter]

Male Speaker:
It's a story that's [unintelligible].

Elisabeth Griffith:
Right.

Walter Isaacson:
Yeah.

Male Speaker:
But I've never seen its source.

Elisabeth Griffith:
Okay. Neither have I.

Walter Isaacson:
And there's so many. I mean, let's all say -- that is, historians up here -- that it's astonishing how many stories get out, they're especially in the Internet, now in quotes, that you just spend so much time trying to get source and you can never say -- no, it just -- you just have no evidence of that, though.

Male Speaker:
Mike Bandeuse [spelled phonetically] in the Woodrow Wilson Center. Dr. Greenspan, this is the centennial of the Federal Reserve Act. I guess the question for you is has the Federal Reserve outlived its usefulness as it was created? Should it be reformed? Should it be abolished?

Alan Greenspan:
Well, I think the -- strangely it's to the contrary. When the Federal Reserve Act was put in place, it was a hodgepodge of compromises, but the system gradually adjusted to the -- whatever imbalances were involved in those structural differences. And eventually it worked in the new structure. It was significantly altered in the 1935 Banking Act, in which a number of the Federal Open Market Committee was fundamentally structured. And power

effectively was moved from the Federal Reserve Bank in New York to Washington. But it is remarkable how consistent, over the years, the system has worked. And there has been remarkably few endeavors to revise it, which is rare for something which was put together in such a hodgepodge fashion. And I didn't take the time to go through some of the politics of what really went on, but it was pretty rough. And as I said in my remarks, basically the Act came within three votes in the Senate of losing. So that instead of deteriorating from the position that it originally showed up as when it was basically signed into law, if anything it's increased, because the alternatives to a federal reserve system of any significant difference from what we now have is really not appealing in the slightest.

Walter Isaacson:

How much did Wilson know about economics?

Alan Greenspan:

Very little.

[laughter]

Walter Isaacson:

But he had good instincts, or not?

Alan Greenspan:

Well, I don't know that. You can't tell when -- what he did do is he did -- as I mentioned in my earlier remarks, did essentially look to Carter Glass, who -- although as a politician was quite knowledgeable -- and on major economic issues to Louis Brandeis. And the basic problem he had is he just had no background, but he had sufficient judgment as to whom in the academic environment one would call on. But the problem that we have to this day is that how the world works is not altogether clear, outside of subatomic particles.

[laughter]

Walter Isaacson:

And even then it's sometimes random. Dr. Greenspan, Betsy, David -- or Alan, Betsy, David, thank you very much.

[applause]

Walter Isaacson:
Great.

[end of transcript]