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# MINE MORE COAL



## PRESIDENT WILSON DEMANDS COAL TO WIN THE WAR

"The existing scarcity of coal is creating a grave danger—in fact the most serious which confronts us—and calls for prompt and vigorous action on the part of both operators and miners. ★ ★ ★

"The only worker who deserves the condemnation of his community is the one who fails to give his best in this crisis; not the one who accepts deferred classification and works regularly and diligently to increase the coal output.

"A great task is to be performed.

"The operators and their staffs alone can not do it; but both parties, working hand in hand with a grim determination to rid the country of its greatest obstacle to winning the war, can do it.

"It is with full confidence that I call upon you to assume the burden of producing an ample supply of coal."

### WOODROW WILSON.

UNITED STATES FUEL ADMINISTRATION

# The Wilsonians As War Managers: Coal and the 1917-18 Winter Crisis

JAMES P. JOHNSON

Most historians have praised Woodrow Wilson's war administration for its achievements. The War Industries Board maintained civilian control over military procurement and systematized a network of industrial committees while streamlining America's war purchases. The Food Administration, besides doubling the production of pork and increasing the output of wheat, launched a vast food conservation drive. The Fuel Administration, responsible for wartime energy policies, held down coal prices and developed a zone system that prevented cross hauling of coal. The Railroad Administration, after initial failings, succeeded in coordinating the railroads. The War Finance Corporation, by overseeing large government loans, helped raise the billions war required. The Selective Service, responsible for expanding the armed forces, proved itself, as did the United States Employment Service, which directed nearly four million people to jobs. The labor agencies developed a body of labor law and settled most industrial disputes without strife. The chief criticism of the Committee on Public Information has been that it did its job too well. Of the major agencies, only the United States Shipping Board, its component Emer-

gency Fleet Corporation, and the Army Aircraft Production Division failed to produce their material in time for use.<sup>1</sup>

Early evaluations of the war administration emerged from the self-serving accounts of the bureaucrats themselves. A decade and a half later, Franklin D. Roosevelt's use of similar techniques and programs and the same people to fight the Great Depression enhanced the

<sup>1</sup> The following portray the Wilsonians as successful managers: Jeannette P. Nichols, *Twentieth Century America: A History* (New York, 1942); Frederick L. Paxson, *America At War*, vol. 1, *American Democracy and the World War* (Boston, 1939); George Soule, *Prosperity Decade: From War to Depression, 1917-1929*, vol. 3, *Economic History of the United States*, ed. Henry David et al. (New York, 1947); Joseph Dorfman, *The Economic Mind in American Civilization*, 5 vols. (New York, 1946-59); Arthur S. Link, ed., *The Impact of World War I*, in *Interpretations of American History*, ed. John Higham and Bradford Perkins (New York, 1969); Samuel Eliot Morison, Henry Steele Commager, and William E. Leuchtenburg, *The Growth of the American Republic*, 2 vols. (New York, 1969); Leuchtenburg, *The Perils of Prosperity 1914-1932* (Chicago, 1958); Leuchtenburg, "The New Deal and the Analogue of War," in *Change and Continuity in Twentieth Century America*, ed. John Braeman et al. (New York, 1964), pp. 81-144; Henry Bamford Parkes and Vincent P. Carosso, *Recent America: A History*, 2 vols. (New York, 1963); Harry J. Carmen, Harold C. Syrett, and Bernard W. Wishy, *A History of the American People* (New York, 1961), vol. 2; Richard N. Current, T. Harry Williams, and Frank Freidel, *American History: A Survey* (New York, 1961); John M. Blum et al., *The National Experience: A History of the United States* (New York, 1977); Robert Wiebe, *The Search for Order, 1877-1920*, in *The Making of*

reputation of the war bureaucracies.<sup>2</sup> Still later, when the United States entered the Second World War, new mobilizers remembered the achievements of the Wilsonians.<sup>3</sup>

Although their techniques and programs have been praised by historians and emulated by later generations, the Wilsonian mobilizers made some important mistakes. Hardly a better example can be found than the series of blunders that led to wartime Fuel Administrator Harry A. Garfield's order of January 17, 1918.<sup>4</sup> To relieve rail congestion at eastern ports and to alleviate a national fuel and railroad crisis, Garfield commanded American manufacturers east of the Mississippi to cease operations for fifteen days. Few historians have told the story; fewer have gauged its implications.<sup>5</sup>

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*America*, ed. David Donald (New York, 1967); David Trask, ed., *World War I at Home: Readings on American Life, 1914-1920*, in *Problems in American History*, ed. Loren Baritz (New York, 1970); Foster Rhea Dulles, *The United States Since 1865* (Ann Arbor, 1971); and John A. Garraty, *The American Nation* (New York, 1975), vol. 2.

Works more critical of the Wilsonians have begun to appear: Melvin Urofsky, *Big Steel and the Wilson Administration: A Study in Business-Government Relations* (Columbus, Ohio, 1969); James Weinstein, *The Corporate Ideal in the Liberal State: 1900-1918* (Boston, 1968); Otis Graham, *The Great Campaigns: Reform and War in America, 1900-1928* (Englewood Cliffs, 1971); Robert A. Cuff, *The War Industries Board: Business-Government Relations During World War I* (Baltimore, 1973); and Bernard Bailyn et al., *The Great Republic* (Lexington, Mass., 1977).

<sup>2</sup> Leuchtenburg, "Analogue of War"; Gerald D. Nash, "Franklin D. Roosevelt and Labor: The World War I Origins of Early New Deal Policy," *Labor History* 1 (Winter 1960): 39-52; Gerald D. Nash, "Experiments in Industrial Mobilizations: W.I.B. and N.R.A.," *Mid America* 45 (Jan. 1963): 157-174.

<sup>3</sup> Bernard M. Baruch, *American Industry in the War: A Report of the War Industries Board* (New York, 1941); Richard Polenberg, *War and Society: The United States, 1941-1945*, in *Critical Periods of History*, ed. Robert D. Cross and Paul K. Conkin (Philadelphia, 1972).

<sup>4</sup> For an account of the human suffering caused by the Garfield order, see James P. Johnson, "The Fuel Crisis, Largely Forgotten, of World War I," *Smithsonian* (Dec. 1976): 64-71. U. S. Fuel Administration, *Regulation Providing for More Adequate Supply of Fuel*. Publication no. 17 (Washington, 1918); *Commercial and Financial Chronicle* 106 (Jan. 19, 1918): 248-249.

<sup>5</sup> The following either omit mention of the order or note only that the fuel administrator imposed "fuelless days" or that he closed down "nonessential industries" for a brief period. None hint at the enormity of the act or criticize the administration for allowing coal supplies to drop to the point where Garfield felt it necessary to resort to such extreme measures. Some blame the shortage solely on transportation snarls. Dulles, *United States Since 1865*; Carmen et al., *History of the American People*; Morison et al., *Growth of the American Republic*; Mark Sullivan, *Our Times* (New York, 1933), vol. 5; Current et al., *American History: A Survey*; Harvey Wish,

In large part, the Wilsonians created the crisis Garfield's order was intended to resolve. By zealously attacking monopolistic restraints on trade in the summer of 1917, the Wilson administration destroyed a potentially cooperative relationship with the coal industry and retarded coal output for several months, creating a serious shortage. Administrators also failed to coordinate priorities in railroad shipments until the railroads became so snarled that they could not move coal where it was needed. The severe winter of 1917-18 exacerbated the mistakes in policy; hundreds of ships were stranded on the East Coast when they were unable to sail for lack of coal. Rather than simply deny coal to nonessential industries and focus on untangling the railroads or producing more coal, Garfield decided to shut down all industries and thereby stop the manufacture and thus the movement of any commodities except coal. Although the weather and railroad congestion brought the crisis to a head, Garfield's order was a draconian answer to a problem the administration itself had created.<sup>6</sup>

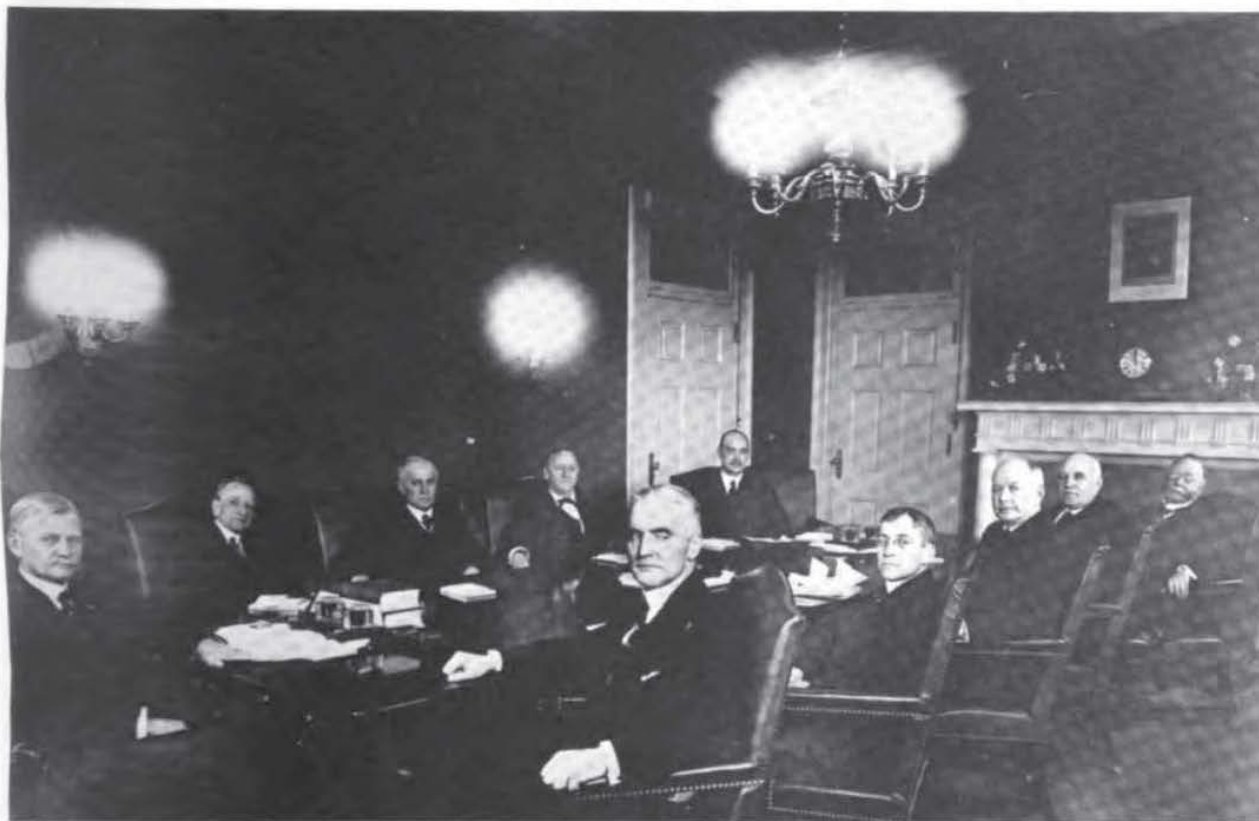
The errors of the Wilsonians sprang from their self-righteousness, their overzealous antitrust policy, and their refusal to accept the basic economic realities of the highly competitive bituminous coal industry. Bituminous coal operators had tried for fifty years to sta-

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*Contemporary America: The National Scene Since 1900* (New York, 1966); Parkes and Carosso, *Recent America*; Blum et al., *National Experience*; Samuel E. Morison, *The Oxford History of the American People* (New York, 1965); Garraty, *American Nation*; Arthur S. Link and William B. Catton, *American Epoch: A History of the United States Since 1900* (New York, 1974); William E. Leuchtenburg, ed., *The Unfinished Century: America Since 1900* (Boston, 1973); Dexter Perkins and Glynndon G. Van Deusen, *The United States of America: A History*, 2 vols. (New York, 1962); David A. Shannon, *Twentieth Century America: The United States Since the 1890's* (Chicago, 1963); Frank Friedel, *America in the Twentieth Century* (New York, 1960); John D. Hicks, George E. Mowry, and Robert E. Burke, *The American Nation* (Boston, 1972); and Ernest R. May, *War, Boom, and Bust*, vol. 10, *The Life History of the United States*, ed. H.D. Graff (New York, 1963).

The following are full, accurate accounts: Preston William Slosson, *The Great Crusade and After, 1914-1928* (New York, 1930), pp. 56-57; Ernest W. Young, *The Wilson Administration and the Great War* (Boston, 1922), chap. 3; and Seward Livermore, *Politics Is Adjourned: Woodrow Wilson and the War Congress, 1916-1918* (Middletown, Conn., 1966), pp. 88-104.

<sup>6</sup> Because the basic misunderstandings in the historical literature about the Fuel Administration's price fixing and the fuel crisis of 1917-18 cannot be explained until the chronology has been established, I will discuss this later.



Wilson's cabinet, early in 1919. Around the table, clockwise, are Vice President Marshall, Carter N. Glass (who succeeded McAdoo), Thomas H. Gregory, Josephus Daniels, David F. Houston, William C. Redfield, Franklin K. Lane, Albert S. Burleson, Newton D. Baker, and Frank L. Polk.

bilize their fragmented industry, but all attempts had failed. In 1915 Wilson himself listened while a delegation of Illinois and Indiana operators pleaded for legal authority to create sales agencies and open-price associations to balance supply and demand for their coal. Wilson and the Federal Trade Commission rejected their proposals.<sup>7</sup> In 1916 Congress, some members of which understood the industry's problems, petitioned the FTC to analyze and

<sup>7</sup> James Callbreath to Woodrow Wilson, Apr. 1, 1915, Wilson to Callbreath, Apr. 26, 1915, reel 292, Woodrow Wilson Papers, Library of Congress; Carl Scholz, president, American Mining Congress, to Callbreath, n.d., Scholz to Joseph E. Davies, chairman, FTC, Mar. 25, 1915, Callbreath to Wilson, Apr. 21, 1915, Scholz to Franklin K. Lane, secretary of the interior, May 15, 1915, all in file 8508-10-1-1, Records of the Federal Trade Commission, Record Group 122, National Archives (hereinafter cited as RG \_\_\_\_, NA); Sidney A. Hale to F. E. Berquist, Nov. 14, 1935, in Division I, Reports, Consolidated Files on Industries Governed by Approved Codes (bituminous coal), Records of the National Recovery Administration, RG 9, NA; Robert A. Wiebe, *Businessmen and Reform: A Study of the Progressive Movement* (Cambridge, 1962), p. 84; *Coal Age* 3 (Apr. 17, 1913): 571-572; *ibid.* 7 (May 8, 1915): 806-807; *ibid.* (May 20, 1915): 866-867.

report on the unsound, unprofitable financial conditions in the coal industry.<sup>8</sup> Wilson and his chief advisers, however, distrusted the operators and saw them as conspirators bent on restraining trade.

In America, the production of bituminous coal—in contrast to that of anthracite coal, which was controlled by the Pennsylvania railroads—had consistently suffered from fierce price competition, inefficient and wasteful mining techniques, incompetent leadership, and the inability of the operators to develop trade associations or other instruments to control prices. Elastic supply and short-term demand kept prices from rising. Diversity of product, geographical separation, high labor costs, inability to store the product, seasonal demand, and the economic power of large buyers, such as utilities and the railroads, prevented bituminous coal operators from establishing monopoly controls.<sup>9</sup>

<sup>8</sup> William Notz, "The World's Coal Situation During the War, II: The United States," *Journal of Political Economy* 26 (July 1918): 675; U. S. Federal Trade Commission, *Report of the Federal Trade Commission on Anthracite and Bituminous Coal* (Washington, 1917).

<sup>9</sup> Waldo E. Fisher and Charles M. James, *Minimum Price Fixing in the Bituminous Coal Industry* (Princeton, 1955), chap. 1; Reed Moyer, *Competition in the Midwestern Coal Industry* (Cambridge, 1964), pp. 96-99; Carroll Lawrence Christenson,

Hundreds of operators had indeed tried to stabilize their industry. Some worked to expand foreign markets. Others petitioned states for uniform laws on safety and accident compensation to equalize competitive conditions. For coals with unique burning characteristics, regional selling agencies succeeded briefly but then failed in most parts of the country. Mergers proved unsuccessful, as did appeals to the Interstate Commerce Commission to equalize transportation costs. In 1909 an attempt to create a nationwide trade association collapsed. Midwestern operators had even sought to create equal competitive conditions by agreeing to bargain with the United Mine Workers of America in 1898. Although they created the Central Competitive Field (Illinois, Indiana, Ohio, and western Pennsylvania), they could not convince Southern operators to go along with them and to bargain with the mine workers.<sup>10</sup>

Thus, until the war, efforts to organize the industry had been in vain. *Coal Age* argued that even the Midwestern operators showed "a lack of leadership and a state of incapacity which is little less than criminal," compared to the rest of the "commercial, financial, and manufacturing world [which] is replete with associations doing effective work for their respective lines of business in this country."<sup>11</sup>

The war's consuming demand for energy dramatically altered the industry's short-term position. Output mounted by nearly one-third between 1914 and 1917; extreme demand pressures boosted the average price from \$1.16 to \$2.30 per ton. Operators reopened less-efficient mines; retired miners returned to work; profits

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*Economic Redevelopment in Bituminous Coal* (Cambridge, 1962), pp. 220-221; Clair Wilcox, *Public Policies Toward Business* (Chicago, 1955), p. 466; Glen Lawhon Parker, *The Coal Industry: A Study in Social Control* (Washington, 1940), p. 24; Ralph Hillis Baker, *The National Bituminous Coal Commission* (Baltimore, 1941), p. 21; U. S. Temporary National Economic Committee, *Competition and Monopoly in American Industry*, by Clair Wilcox, TNEC Monograph no. 21 (Washington, 1940), p. 25; Walton Hamilton and Helen R. Wright, *The Case of Bituminous Coal* (New York, 1925), p. 42.

<sup>10</sup>William Graebner, "Great Expectations: The Search for Order in Bituminous Coal, 1890-1917," *Business History Review* 48 (Spring 1974): 49-73; William Graebner, *Coal Mining Safety in the Progressive Period* (Lexington, Ky., 1976); John L. Lewis, *The Miners Fight for American Standards* (Indianapolis, 1927), p. 27; Lloyd Ulman, *The Rise of the National Trade Union* (Cambridge, 1966), p. 30; Arthur E. Sufferin, *The Coal Miners' Struggle for Industrial Status* (New York, 1926), pp. 33-41; Wiebe, *Businessmen and Reform*, p. 161.

<sup>11</sup>*Coal Age* 8 (Sept. 18, 1915): 153.

increased; the industry seemed at last on the verge of taking its seat at the American economic banquet table.<sup>12</sup>

One danger, however, was just ahead. In the summer of 1917, spot prices for coal sold on the open market began to skyrocket. Such prices reflected panic buying and applied to only one-fourth to one-fifth of the industry's production. But they were highly visible and were quoted daily. While coal contracts for 1917-18 averaged almost \$2 per ton, open market prices more than doubled, and some were quoted as high as \$6 per ton.<sup>13</sup> Railroad car shortages caused some hysteria, and speculators and jobbers contributed their part in creating panic. To the antimonopoly mind, however, the increases smacked of a conspiracy by the "coal barons."<sup>14</sup>

One antimonopolist in the Wilson administration, Attorney General Thomas Gregory, had sought some months earlier to indict the producers of an exceptional West Virginia bituminous product known as "smokeless coal." Three days after the American entry into the Great War, the Justice Department got its indictments for price fixing against eight individuals and thirty-five corporate defendants of the Smokeless Coal Operators Association of West Virginia. Gregory was indignant that the smokeless coal sold by the members of the association had jumped to the "extortionate" level of \$3 per ton.<sup>15</sup> Others, similarly persuaded, soon influenced Wilson. Secretary of the Navy Josephus Daniels explored ways to buy coal at reduced prices for the navy. He was supported by Secretary of War Newton D.

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<sup>12</sup>Paul W. Garrett, "History of Government Control of Prices" in *History of Prices During the War*, ed. Wesley C. Mitchell (Washington, 1920), pp. 153-170; Federal Trade Commission, *Report on Anthracite and Bituminous* (Washington, 1917), p. 15; Charles Richard van Hise, *Conservation and Regulation in the United States During the World War* (Washington, 1917), p. 31; George Cushing, "Ending the Coal Dilemma," *Atlantic Monthly* 122 (Nov. 1918): 590.

<sup>13</sup>FTC, *Anthracite and Bituminous*, p. 15; van Hise, *Conservation and Regulation*, p. 31.

<sup>14</sup>U. S. Congress. Senate, Committee on Interstate Commerce, *Price Regulation of Coal and Other Commodities: Hearing on S. 2354 and S.J. Res. 77, 65th Cong., 1st sess., 1917*, pp. 55-56; Joseph Tumulty to Sen. Francis Newlands, Feb. 2, 1918, reel 308, Wilson Papers.

<sup>15</sup>*New York Times*, Apr. 10, June 28, July 7, 1917; Frank M. Swacker to G. Carrol Todd, assistant to the attorney general, Feb. 24, 1917, including "Memorandum Regarding Alleged Combination . . . in Bituminous Coal," Central Files, Classified Files, Correspondence, file no. 60-187-16. General Records of the Department of Justice, RG 60, NA.

# SAVE FUEL IN DAIRY PLANTS

## NEARLY ONE-HALF THE COAL CAN BE SAVED

### For Greatest Economy:

#### Keep Boilers Clean Both Inside and Out.

Scale reduces the boiler efficiency and endangers its safety. Soot is one of the best insulators known, even a thin layer results in a large loss of heat.

#### Cover Steam Piping, Uptakes and Breeching and Exposed Parts of Boiler.

An uncovered surface of 100 square feet will cause a loss, under average conditions, of about one ton of coal a month. A 2-inch thickness of 85 per cent magnesia covering will save 80 per cent of this loss.

#### Stop all Leaks—Steam, Water and Air.

With a steam pressure of 70 pounds, openings equivalent to 1,100 of a square inch will waste 43 pounds of steam an hour, a loss, under average conditions, of about one ton of coal a month.

Leakage of water from try cocks, blow-off valves, etc., under 70 pounds pressure, from openings aggregating 1,100 of a square inch, will cause a loss of about two tons of coal a month—plus the loss of water; this loss goes on continuously.

Heat loss due to air leaks is the most serious. Four times the required amount of air, which is not uncommon in dairy plants, will cause a fuel loss of 20 per cent.

#### Regulate Dampers to Load Requirements

Don't use half-pit dampers to control draft, but use the one in up-take or breeching. Set this damper to give required draft. Too much draft will cause loss through admitting excess air.

#### Cut Out Boilers Not Needed.

A boiler works most efficiently at normal load. Don't use two boilers if one will do the work.

#### Keep Even Pressure on Boiler.

Feeding a boiler reduces its efficiency. A fluctuating pressure of steam requires forcing the fire and a consequent loss in efficiency. An even pressure results in even firing, and hence higher efficiency.

#### Feed the Boiler Continuously.

If possible, deliver the boiler feed water continuously, thus minimizing the fluctuation in steam pressure; more even firing will result.

#### Utilize the Heat in Exhaust Steam.

In small plants nearly 90 per cent of the heat in live steam remains in the exhaust. This waste heat may be used for heating the boiler feed water, the wash water, for pasteurizing, and for heating the building. By using all the exhaust steam the capacity of the boiler is almost doubled, or the fuel consumed is reduced nearly one-half.

#### Systematize the Work and Reduce Time of Firing Boiler.

Average to do all work requiring heat and power in as short a time as possible. In many plants such work can be done in the forenoon, after which the boiler should be shut down. Plan operations to avoid heavy boiler loads. Pasteurizing causes a heavy load, so, while pasteurizing, do not use steam for other purposes. If pasteurizing is done with hot water, provide a storage heater, and store up heat for the purpose.

#### Don't Waste Hot Water.

Hot water is essential in dairy plants, but in many plants large quantities are needlessly wasted. In the average plant it takes about 10 pounds of coal to heat a barrel of wash water. By wasting a barrel of hot water daily about 200 pounds of coal a month is needlessly burned.

#### Operate Engine, Pumps and Motors at Most Efficient Load.

Engines, pumps and motors run most efficiently at normal load. Keep them running at as near full load as possible, and stop them when not in use.

#### Study Methods of Firing.

Improper firing is the cause of large fuel loss. Fire often and in small quantities. Spread evenly and see that all holes in the fuel bed are covered. Admit air over fuel bed for a short time, immediately after adding fresh fuel. Keep fires burning breakly at all times. About 10 pounds of coal is required for each horse-power capacity of boiler for raising steam. This quantity will be greatly increased if attention is not given to the fire during this time.

#### Keep Bearings Correctly Aligned and Lubricated.

Bearings and shafting when out of alignment consume a great deal more power than when correctly adjusted. Poorly lubricated bearings are also a source of power loss.

#### Keep Belts at Proper Tension and in Good Repair.

Belts that run slack lose power through excessive slipping. When too tight they cause increased friction in bearings and consequent loss of power.

## STUDY YOUR PLANT

# SAVE FUEL

For Further Information Write to the U. S. Department of Agriculture, Washington, D. C.

Baker and by Federal Trade Commissioner William B. Colver, who told Wilson that the coal operators had "at no time . . . as a class risen above the most sordid conception of their relation to the public and the nation and to the war emergency."<sup>16</sup>

A less influential member of the Wilson cabinet had a more sanguine view of the coal men and their role in the war economy. As the Council of National Defense liaison with the coal operators on the Committee on Coal Production formed in May 1917, Secretary of the Interior Franklin K. Lane worked closely with the operators. Coal executives dominated the fifteen-member CCP, created as part of the drive for business-government cooperation in the early months of the war, but the CCP included the first labor spokesmen in the war government and consumer spokesmen as well.<sup>17</sup> Summoned to help stimulate more coal production, free transportation bottlenecks, and speed the movement of coal, the CCP sparked the hope that increased production might force prices down. At the outset, Lane warned the committee: "It is a question of cooperation or compulsion; but instead of taking over the mines and the great industrial plants, we are asking you to serve on this fuel board."<sup>18</sup>

The CCP program increased production and, according to the director of the CND's Advisory Committee, Walter S. Gifford, brought "marked, definite results," but spot prices stubbornly failed to decline.<sup>19</sup> On June 19,

<sup>16</sup> E. David Cronon, ed., *The Cabinet Diaries of Josephus Daniels* (Lincoln, 1963), pp. 156-157, 169, 308; William B. Colver to Wilson, Aug. 16, 1917, Subject File, Fuel Administration, box 126, Harry A. Garfield Papers, Library of Congress.

<sup>17</sup> Cuff, *War Industries Board*, pp. 48, 57; Bernard M. Baruch, *Baruch: The Public Years* (New York, 1962), p. 36; *Coal Age* 11 (May 5, 1917): 782; *ibid.* (May 12, 1917): 817-818. On the membership of the CCP, see a form letter dated July 3, 1917, Subject File, Navy, Coal, Josephus Daniels Papers, Library of Congress; on the appointment of a labor representative, see United Mine Workers of America to Wilson, May 23, 1917, reel 292, Wilson Papers; *New Republic* 11 (June 9, 1917): 146. Lewis Lorwin noted that the appointment of labor representatives "was the first clear victory scored by labor in securing a voice upon a committee which was directly concerned with war production"; Lorwin, *American Federation of Labor*, p. 157; Cushing, "Ending the Coal Dilemma," p. 593.

<sup>18</sup> Testimony of Harry M. Taylor and Charles Moderwell, CCP members, in Senate Committee on Interstate Commerce, *Price Regulation*, pp. 85, 89; Lane quoted in *Coal Age* 11 (May 12, 1917): 835; *ibid.* (May 19, 1917): 867.

<sup>19</sup> Senate Committee on Interstate Commerce, *Price Regulation*, pp. 86-89.

1917, the FTC recommended that the government pool all coal production, buy the coal from the operators, and resell it on a cost-plus basis.<sup>20</sup> Progressives in Congress struggled for tighter federal control over the war economy—particularly price control. Ohio's Atlee Pomerene and Iowa's Albert B. Cummins each introduced proposals empowering the government to fix coal prices itself. And Secretary Daniels pressed the members of the CCP to lower coal prices.<sup>21</sup>

At the end of June 1917, the CCP summoned more than four hundred operators to Washington to discuss production, prices, and transportation. Threatened by government takeover or price fixing and encouraged by patriotic oratory about serving the nation, the operators agreed to discuss techniques by which prices might be lowered. Federal Trade Commissioner John F. Fort reminded the operators that the FTC was conducting a cost study as a prelude to government price fixing. Lane called on the operators to render sacrificial service. "Is there," he boomed to the massive gathering, "a man who will say to me, 'you can send your boy to France, while I stay here to coin his blood into dollars?'" Earlier, the leadership of the CCP had carefully avoided discussing operator-dominated price fixing, but in the excitement of the mass meeting, operators began to take up the subject themselves.<sup>22</sup>

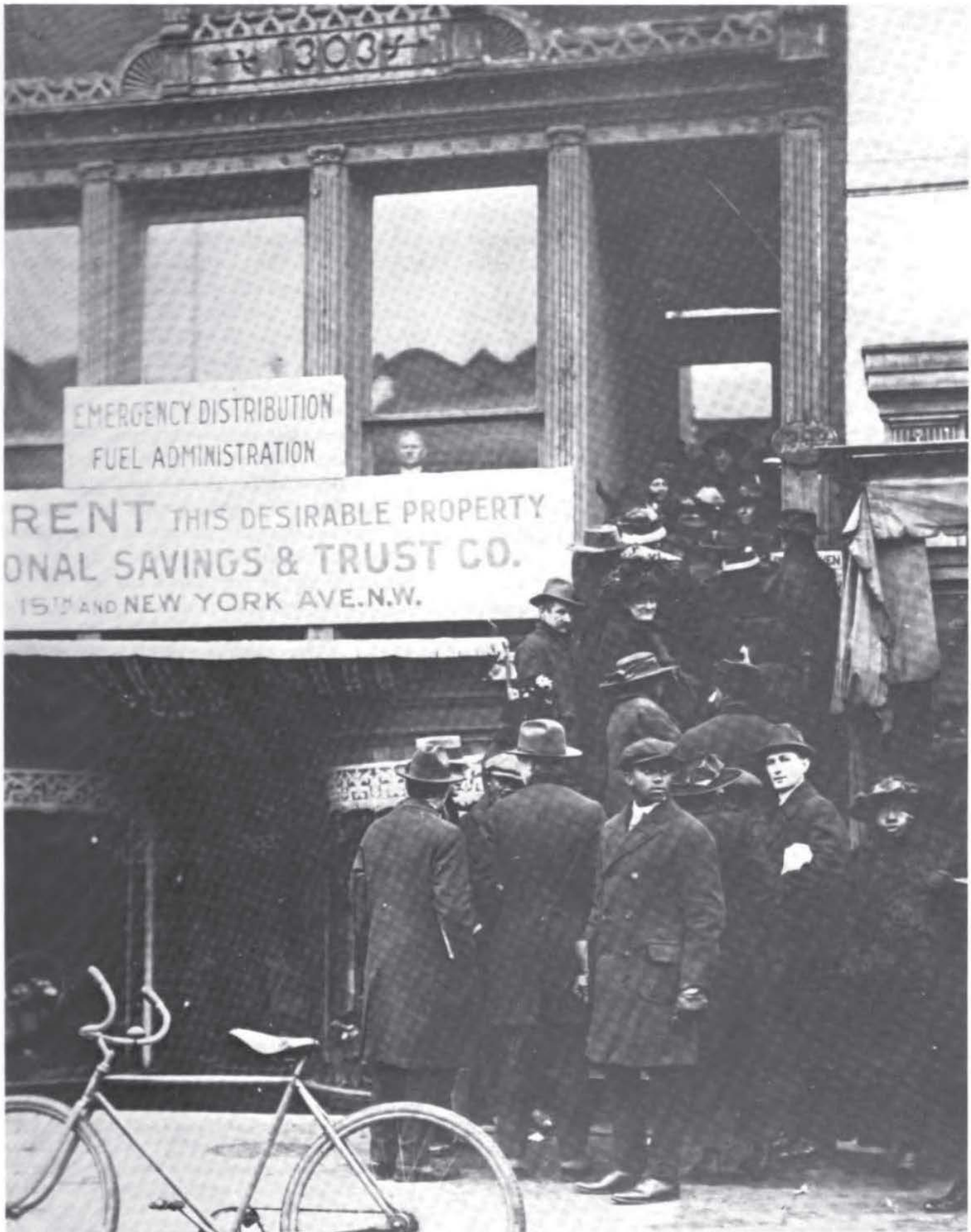
Believing that the administration desired collective action on their part to lower prices, the operators worked through regional dele-

<sup>20</sup> Walter S. Gifford to Newton D. Baker, May 26, 28, 1917, reel 238, Wilson Papers; *Anthracite and Bituminous*, pp. 13-20, *Coal Age* 11 (June 2, 1917): 947-949; *ibid.* (June 30, 1917): 1120; William J. Harris, chairman, FTC, to Wilson, Apr. 7, 1917; Wilson to Harris, Apr. 9, 1917, FTC member Franklin Fort to Wilson, May 3, 1917, reel 292, Wilson Papers.

<sup>21</sup> The proposals were summarized in Senate Committee on Interstate Commerce, *Price Regulation*, pp. 3-7. See also Cushing, "Ending the Coal Dilemma," p. 594; Daniels to Wilson, June 18, 1917, Wilson to Daniels, June 19, 1917, Special Correspondence, Woodrow Wilson, Daniels Papers; and *Coal Age* 11 (June 16, 1917): 1041. As part of his struggle to get the steel industry to lower its prices, Daniels threatened to have the government build its own armorplate factory. Urofsky, *Big Steel*, p. 121.

<sup>22</sup> Lane quoted in *New York Times*, June 27, 1917; Secretary Lane struck an idealistic note when he reminded the operators that they controlled "the fundamental industry" and that George Washington had been a businessman who staked his fortune in liberty's cause. The *Times* wrote that Fort promised the operators there would be no antitrust prosecution if they agreed to cooperate with government.





The Fuel Administration's office in downtown Manhattan.  
From the records of the United States Food Administration, 1918.

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gations to fix maximum prices.<sup>23</sup> Because the coal men expected the FTC cost study to furnish a more exact basis for determining the final maximum prices, the CCP's prices were intended to be tentative, pending completion of the FTC study. Pennsylvania mine-run coal was fixed at \$3 per ton; other fields had the usual differentials from that figure. Lane believed that the prices were a reduction of nearly \$2 per ton.<sup>24</sup> He seemed pleased with the result:

Gentlemen, this is a very novel proceeding. I think I am within the fact when I say that no such hearing or gathering as this has ever been held in the United States before, or perhaps in the world. You are, I hope, pioneers in a good movement. . . . You have said to the American people that within your power, exercising your judgment, protecting yourselves, you will not be oblivious to the rights of those whom you serve; you will, within your power, protect them. That is the spirit that makes for the success of our country. And if all the industries of the United States will have that same spirit, there will be no question as to our ability to mobilize the resources of this country and carry this war to a successful conclusion. . . . We are the greatest business Nation on earth, and therefore we must look to the businessmen of the country to lead our people in spirit. And I think that the word that comes out from this gathering will be an inspiration to the people of the country.<sup>25</sup>

Lane had no hint of the moral indignation other members of the Wilson administration would feel over this "inspired" action. But Gregory believed that accepting the operators' \$3 maximum would undermine the government's antitrust suit against the smokeless

operators.<sup>26</sup> Despite Fort's representation to Wilson that the \$3 price was necessary to insure production from marginal mines, the president sided with the attorney general. Wilson told Baker and Gregory that he "planned to repudiate publicly the price fixed." The president was also troubled that the operators' action under the Council of National Defense worked "at cross purposes" with the ongoing FTC study and possibly represented a higher price than the FTC would recommend. His mail was running against the price decided on by the operators, and he was angry. Secretary Baker tactfully protected Lane's ego by issuing a message attacking the CCP prices himself rather than allow the president to do it. Angered, Lane came close to resigning.<sup>27</sup>

Baker excoriated the CCP in a public letter to Walter S. Gifford, director of the Advisory Commission. He argued that the CND and its subdivisions had no legal power to fix prices. Further, on the basis of the data collected for the FTC study, he concluded that the \$3 price was "exorbitant, unjust, and oppressive."<sup>28</sup>

<sup>23</sup> Daniel R. Beaver, *Newton D. Baker and the American War Effort, 1917-1919* (Lincoln, 1966), p. 65. At the operators' request, R. Colton Lewis, representing the Department of Justice, was present at some of the CCP meetings, particularly those involved with creating the Tidewater Coal Exchange, a pooling system to supply the Northeast with coal. The Justice Department, however, carefully prohibited Lewis from endorsing the actions of the coal men. George Reed, secretary, CCP, to Todd, July 5, 1917, Todd to Reed, July 5, 1917, Central Files, Classified Subject File, Correspondence, file no. 60-187-16, RG 60, NA.

<sup>24</sup> Fort wrote Wilson the day after the conference, "We recognized when we were fixing these prices that they were high, but the motive was to increase production and throw a large amount of coal on the market as rapidly as possible [my italics], and then the matter of supply and demand will reduce the maximum tentative price." Fort to Wilson, June 30, 1917, in Ray Stannard Baker, *Woodrow Wilson. Life and Letters*, 8 vols. (Garden City, 1927-39), 7:137; Wilson quoted, *ibid.*, p. 138; Wilson to Baker, personal and confidential, June 29, 1917, box 4, Newton D. Baker Papers, Library of Congress. Secretary of the Navy Daniels believed that Lane had "without consultation permitted coal operators to fleece the government and the consumers"; Josephus Daniels, *The Wilson Era: Years of War and After, 1917-1923* (Chapel Hill, 1946), p. 144; in his *Diary*, June 29, 1917, p. 169, Daniels noted the president's anger; Lane to Robert Lansing, secretary of state, May 14, 1941, in Anne W. Lane and Louise H. Wall, eds., *The Letters of Franklin K. Lane, Personal and Political* (Boston, 1922), n. p.

<sup>25</sup> The Baker letter is in Garrett, *Governmental Control of Prices*, pp. 158-159. Wilson wrote Fort, July 2, 1917, that the operators should have confined themselves to trying to increase production (letter in Baker, *Woodrow Wilson*, 7: 140-141); William Willoughby, *Government Organization in War*

<sup>23</sup> Lane recalled, "When we were considering this question of fixing the price, the *question of production was the thing* [my italics] that entered into the problem most seriously. The coal output was recognized as at that time not to be sufficient to meet the current demands. The business interests of the country were perfectly willing to pay the price fixed at that time, and were paying a very much larger price and to them the question of getting coal was more important than the price [my italics]," Lane testimony, U. S. Congress, Senate, Committee on Manufactures, *Shortage of Coal: Hearings Before the Subcommittee of the Committee on Manufactures Pursuant to S. Res. 163, 65th Cong., 2d sess., 1918*, p. 854; *Coal Age* 11 (June 30, 1917): 1124; *ibid.* (July 7, 1917): 33; *New York Times*, June 28, 29, 1917; Cushing, "Ending the Coal Dilemma," p. 594.

<sup>24</sup> *Coal Age* 11 (July 7, 1917): 33, *New York Times*, June 29, 1917; Lane testimony, Senate Committee on Manufactures, *Shortage of Coal*, p. 538.

<sup>25</sup> Lane's address is reprinted in *Congressional Record*, 65th Cong., 1st sess., 1917, 55, pt. 5:5318.

Although a price slightly below \$3 might have gotten out the coal necessary for war production, Wilson, Baker, and Gregory sought a much lower one than that proposed by the operators. Indeed, how could one executive appointee endorse \$3 as a valid maximum price while another argued in court that the West Virginians had conspired to raise coal to \$3? But war had inflated all industrial prices.<sup>29</sup> The jury that finally heard the antitrust suit found the defendants not guilty on the grounds (expressed privately) that inflation, not conspiracy, had produced the smokeless coal increases.<sup>30</sup>

Baker's declaration, however, cued coal purchasers to postpone orders until the government forced prices down. April, May, June, and July were slow months for the industry. Yet under the impact of war demand and through the efforts of the CCP, the 1917 production for these months had averaged almost eight and a half million tons a month ahead of the same period in 1916, a gain of nearly 23 percent. August 1917 ran only four and a half million tons ahead of August 1916. In 1916, August's production topped July's by eight and one-half million tons, reflecting normal stockpiling for the winter months. But with the threat of government price fixing, coal production in August 1917 was less than one million tons ahead of July of that year. *Coal Age* reported a drastic drop in production in numerous coal-fields throughout the country. Francis S. Peabody, chairman of the CCP, bitterly predicted that the government's action would precipitate much suffering that winter.<sup>31</sup>

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*Time* (New York, 1919), p. 295; Frederick Palmer, *Newton D. Baker: America At War*, 2 vols. (New York, 1931), 1. 372-373; *New York Times*, July 1, 1917; Cuff, *War Industries Board*, pp. 105-106.

<sup>29</sup> Beaver, *Newton D. Baker*, p. 65; Baker, *Public Papers*, 7: 138; Wilson to Baker, June 29, 1917, box 4, Baker Papers; *New Republic* 11 (July 17, 1917): 258.

<sup>30</sup> *New York Times*, July 7, 13, 1917; John Lord O'Brian, special assistant to the attorney general, to Todd, Mar. 28, 1917, Robert P. Stephenson to Thomas Gregory, July 13, 1917, Todd to O'Brian, July 16, 1917, Isaac R. Oeland to Todd, July 17, 1917, Central Files, Classified Subject Files, Correspondence, file no. 60-187-16, RG 60, NA.

<sup>31</sup> See the *Coal Age* weekly market reports for July and August 1917; Francis S. Peabody to Walter S. Gifford, director, Council of National Defense, July 13, 1917, in Garrett, *Government Control of Prices*, p. 159. Richard Barry, George Cushing, and Ernest W. Young all blamed the later coal famine on the administration's decision to undermine the activities of the CCP; Barry, "Some Good in the Garfield Order," *New York Times Magazine*, Jan. 27, 1917, p. 3; Cushing, "Ending the Coal Dilemma," pp. 589-598; Young, *The Wilson*

In line with Baker's letter, Wilson next threw his support behind Pomerene's proposal to empower the government to fix prices for fuel. One senator excoriated the coal men as "plutocratic patriots" who "fill to plethora their lean coffers with ill-gotten gold." Another argued that the high prices must "convince almost anyone that there is some sort of trust existing between [sic] them." The Senate gave Wilson power over coal prices by a vote of seventy-two to twelve. The House-Senate conference retained the coal provisions, and Wilson signed the Lever Act on August 10, 1917.<sup>32</sup>

Ten days later, the president walked to the FTC offices and for three hours studied the cost sheets the commission had completed. He decided to fix prices at \$2 per ton. Uncertain that he had made the proper determination, he issued the order the following day.<sup>33</sup>

The operators protested. *Coal Age* asserted that the increased production under the CCP eventually would have lowered prices, and the *New York Times* criticized the "sweeping order" for perhaps setting prices below the levels required to draw out the needed war production. Although Wilson announced that his prices were merely provisional, September's output was 2.2 million tons less than August's. With the war industry devouring coal at unheard of levels, the production losses of late summer augured serious repercussions by the following December and January.<sup>34</sup>

Two days after his price order, Wilson announced that to head the Fuel Administration created under the Lever Act he had selected Harry A. Garfield, an old friend and academic colleague whom he had brought to Princeton as professor of politics in 1903. Like many of Wilson's war administrators, Garfield shared Wilson's idealism and sense of public duty.

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*Administration*, p. 41. See also "The Coal Crisis and Heatless Days," *Current History* 7 (Mar. 1918): 474. Most writers since have overlooked the connection between the summer dispute between the operators and the administration and the later cooperative phase under the Fuel Administration.

<sup>32</sup> Baker, *Wilson*, 7:121; *Congressional Record*, 65th Cong., 1st sess., 1917, 55, pt. 1:4684-4696, 5318-5362; *New York Times*, July 6, 14, 21, 22, 30, Aug. 11, 1917.

<sup>33</sup> Baker, *Wilson*, 7:226. The FTC tables on bituminous coal costs used by the president in determining prices are in Subject File, Fuel Administration, box 126, Garfield Papers; Wilson's statement and the original price lists are in *Coal Age* 12 (Aug. 25, 1917):321; and in reel 292, Wilson Papers; Wilson to Fort, Aug. 21, 1917, reel 308, *ibid.*

<sup>34</sup> *Coal Age* 12 (Sept. 1, 1917):n.p.; *New York Times*, Sept. 21, Oct. 8, 1917.

Son of a president, a graduate of Williams College, and with a law degree earned at Columbia University and All Soul's College, Oxford, Garfield—like Newton D. Baker—had already made his mark as a reform-minded civic leader. He had brief experience with a syndicate that had opened some coalfields in Ohio. He had also organized the Cleveland Trust Company and taught law at Western Reserve University. He left the law and his commercial endeavors to answer Wilson's call to Princeton and then went on to become president of Williams College. A man of exemplary character, Garfield still was not what the coal operators were looking for: someone with practical experience in the coal industry. The industry's journal offered the hope that "with proper technical guidance," Garfield would prove successful.<sup>35</sup>

Garfield employed Leonard A. Snead, a young coal sales manager, as chief of distribution. Though Snead worked some minor miracles in allocating coal, distribution problems mounted steadily. Other appointees, primarily trusted friends or men with legal backgrounds, did not help Garfield's relationship with industrialists. An off-the-cuff remark comparing the coal men with the robber barons of the Rhine also eroded his standing in the coal community. But Garfield mediated a labor-management dispute and got the two sides to sign the Washington Agreement of October 1917.<sup>36</sup> This forced the government to allow an across-the-board price increase of forty-five cents, an action that apparently has caused many historians to misunderstand the function of price fixing in the Fuel Administration.

<sup>35</sup> *Coal Age* 12 (Sept. 12, 1917):369, 376. See also Robert A. Cuff, "The Wilsonian Managers," unpublished manuscript, pp. 3-13; *National Cyclopaedia of American Biography* (New York, 1954), 33:154-155; and Garfield testimony in U. S. Congress, Senate, Committee on Manufactures, *Publication of Production and Profits in Coal, Hearings on S.4828*, 66th Cong., 3d sess., 1921, p. 1290. Unlike his brother, who remained loyal to the Republican Party which had placed their father in the White House, Harry Garfield had voted for Wilson in 1916. Herbert Hoover, *The Ordeal of Woodrow Wilson* (New York, 1958), p. 15.

<sup>36</sup> Interview with Leonard A. Snead, Feb. 7, 1974; Garfield to Daniels, Mar. 3, 1921, box 86, Garfield Papers; Fuel Administration, *Final Report of the United States Fuel Administrator, 1917-1919* (Washington, 1921), pp. 26, 242-243; *ibid.*, *Report of the Engineers' Committee* (Washington, 1919), pp. 1-5; Lewis Lorwin, *American Federation of Labor* (Washington, 1933), p. 184; Charles B. Fowler, *Collective Bargaining in the Bituminous Coal Industry* (New York, 1927), p. 79; *Coal Age* 12 (Sept. 29, Oct. 13, 27, 1917):539-541, 635, 637, 764; *New York Times*, Oct. 3, 17, 18, 21, 28, Nov. 3, 4, 7, 20, 1917.

During the life of the Fuel Administration, Garfield allowed other minor price increases in certain coalfields in order to stimulate production from marginal mines. He appointed an engineers' committee that studied hundreds of requests to increase the presidential prices of August 21. Because the committee deliberately tried to draw out the production of all but the most inefficient mines, the Fuel Administration was able to report after the war that it had raised prices high enough to insure full production. This account, while a factual description of the committee's work, involved only small, selective increases made after Wilson cut the CCP prices by one-third.

Between the summer of 1917 and the armistice, the Wilson administration kept prices below free market levels. In fact, the government's intervention that summer harmfully disrupted coal markets twice. First, following Baker's letter denouncing the CCP prices, coal men lost orders to customers who decided to wait for imposition of government prices. Then Wilson's August 21 prices reduced production in marginal mines. Only after these intrusions did the administration learn that it needed to allow selected upward revisions to restore production from marginal mines.

Unlike the Food Administration, which set minimum prices for wheat and pork to increase production, the Fuel Administration—created in response to a popular outcry over skyrocketing coal prices—imposed maximum prices. Yet the idea that the Wilsonians increased coal prices or followed the example of the Food Administration has carried the day in the textbooks.<sup>37</sup>

The Great Lakes storage docks of Chicago, Duluth, and Milwaukee, among others, lacked coal, and approaching winter made lake ship-

<sup>37</sup> For example, see Current et al., pp. 661-662: "The Lever Act which established the Food Administration also authorized a Fuel Administration, which fixed the price of coal high enough to bring submarginal coal mines into operation and increase bituminous coal production by about 50 per cent. *In spite of this increase* [my italics], the fuel shortage became so acute that the Fuel Administration had to order a series of coal holidays for eastern industries in the early months of 1918." John M. Blum, Robert E. Burke, Frank Freidel, John D. Hicks, William E. Leuchtenburg, Arthur S. Link, Ernest R. May, George E. Mowry, and George Soule (citations in notes 1 and 5 above) all portray the Wilson administration as having raised coal prices. In Bailyn et al., *The Great Republic*, p. 1022, John Thomas writes of "price supports" being given "to guarantee profits." Instead, the government held prices and profits down.

ments a high priority. Judge Robert S. Lovett, an old railroad hand whom Wilson had appointed priority commissioner, gave bituminous coal en route to the lakes top priority in August.<sup>38</sup> This solved the Midwest's problem temporarily but created another.

Ohioans who desperately needed coal fumed as coal heading for the lake ports moved out of their state. Hoarders caused further shortages. Fuel Administration agents discovered that one firm had secreted a million tons of coal in an out-of-the-way storage area. The Ohio shortage grew menacing. Citizens there tore up railroad tracks to prevent movement of coal to other areas. One adventurous mayor hijacked a train of coal, acting, as he explained, under the "law of humanity."<sup>39</sup>

Because many of the vessels that normally supplied New England had been commandeered for war service, residents there also began to find their coal bins empty. Garfield authorized the regional administrator, James Storrow, to distribute the coal according to need. Garfield eventually directed specific mines to consign the needed coal to New England daily to be resold by Storrow. A Tidewater Coal Exchange and a Lake Erie Bituminous Coal Exchange, organized originally by operators, expedited water shipment of coal to the lake ports and to New England. Despite these actions, the nation was growing short of coal, with winter closing in.<sup>40</sup>

Distribution to particular regions was complicated by a long-standing shortage of coal cars. Railroads had traditionally used open-top cars to win price reductions on coal and as part of trade negotiations between them and the coal operators. War shipments and troop movement destroyed all the old working relationships. As eastward movements greatly overbalanced westward, railroad traffic became congested in major gateways like Cincinnati, Chicago, and New York. Empty cars were not returned to the mines quickly enough. Lack of cars meant that production of some companies had to be cut by as much as 40 percent. The

<sup>38</sup> Willoughby, *Government Organization*, pp. 92-98; Notz, "World's Coal Situation," p. 684; Cuff, *War Industries Board*, pp. 119, 192-194; *Coal Age* 12 (Dec. 1, 1917):976.

<sup>39</sup> *New York Times*, Oct. 8, 19, 23, Nov. 14, Dec. 13, 14, 17, 1917; *Congressional Record*, 65th Cong., 2d sess., 1918, 56, pt. 1:914; Senate Committee on Manufactures, *Shortage of Coal*, pp. 69-70; van Hise, *Conservation and Regulation*, p. 158.

<sup>40</sup> Paxson, *America At War*, p. 72; Notz, "World's Coal Situation," p. 685.

Southern Ohio Coal Exchange claimed that between October 29 and December 22, 1917, their mines had lost more than half a million tons due to lack of cars.<sup>41</sup>

Garfield failed to resolve the problems of car supply and distribution. And Lovett's priority orders did not relieve congestion. Priorities became a tangle of mismanagement. Food Administrator Herbert Hoover battled Garfield for preferential shipment for food products. The *New Republic* blasted the priorities commission for "astonishing and scandalous" bungling of the coal distribution problem. A sweeping priority order issued December 8, 1917, that placed many items ahead of coal did not sit well with the coal industry. Garfield wrote Lovett on December 24, 1917, that "the needs of our householders are leading people to riotous outbreak in many quarters, nor is this to be wondered at when it is recalled that thousands of loaded cars are standing on our tracks while coal-bins are empty."<sup>42</sup>

Garfield was not exaggerating. The crisis in Ohio was a foretaste of the panic in the major eastern cities as mid-December brought the coldest winter in fifty years. Boston reported temperatures dropping to twenty degrees below zero; Albany, sixteen below. Snow blocked home delivery of coal, and ice clogged the harbors. For the first time for as long as anyone could remember, a man could now walk the five miles from Sandy Hook, New Jersey, to Staten Island, across frozen Raritan Bay.<sup>43</sup>

The bitter cold and accompanying coal shortage brought acute suffering to residents of New York. During the week of December 9-16, 263 New Yorkers died of pneumonia and 1,052 new cases were reported. By the thousands, the poor besieged the Fuel Administration office in downtown Manhattan for relief; representatives from the black community explained

<sup>41</sup> Garfield to Wilson, Nov. 26, 1917, Garfield to Robert S. Lovett, Dec. 24, 1917, box 92, Garfield Papers; *Coal Age* 13 (Jan. 5, 1918):10-12; Notz, "World's Coal Situation," pp. 678-683.

<sup>42</sup> *New York Times*, Dec. 1, 4, 1917; Cuff, *War Industries Board*, pp. 118-121; *New Republic* 13 (Dec. 8, 1917):141-142; Garfield to Lovett, Dec. 24, 1917, box 92, Garfield Papers. Seward Livermore has written that the coal shortage revealed the "serious lack of coordination" within the Wilson administration; *Politics Is Adjourned*, p. 69.

<sup>43</sup> *Railway Age* 64 (Jan. 18, 1918):154, 182-183; Livermore, *Politics Is Adjourned*, p. 69; "Situation Report," Dec. 31, 1917, reel 293, Wilson Papers; (New York) *Evening Post*, Jan. 1, 1918.

that fifty thousand blacks lacked fuel. The county fuel administrator instituted a red tag system for allocating coal. Early in January the *New York Evening Post* reported that "virtually every large coal yard is without coal." Nearby, in the Kill van Kull channel between Staten Island and New Jersey, thirty-two barges carrying five hundred tons of coal each were frozen solid in the ice.<sup>44</sup>

Other areas faced similar misery and panic. Schools in Stamford, Connecticut, closed for an additional three weeks at Christmas, and officials talked of ending the school year at the holiday. The Worcester, Massachusetts, fuel committee wired the president as follows: "Suffering, sickness and possible deaths imminent and inevitable unless change in system of supplying coal to our district is put into effect." In Detroit, a civic leader used his limousine to bring coal to the needy. Doctors there reported that patients with serious illnesses lacked fuel to warm their homes in subzero weather. When coal ran out, some Detroiters panicked and abandoned their homes for other shelter. One who remained in an unheated house froze to death.<sup>45</sup>

Cold compounded the railroad problem. Industrial and passenger use of the roads had mushroomed with war demand, putting serious strain on an underfinanced and undermaintained industry. Railroad workers had gone off to better-paying jobs in war industries. In December the rail congestion, the cold, and tangled priorities paralyzed the nation's rail system. Abruptly, on December 26, 1917, Wilson placed control of the industry in the hands of Secretary of the Treasury William Gibbs McAdoo, whom he made railroad administrator. Garfield supported the president's move.<sup>46</sup>

<sup>44</sup> (New York) *World*, Dec. 16, 1917; (New York) *Evening Post*, Dec. 17, 28, 1917, Jan. 3, 1918.

<sup>45</sup> Final report of Thomas Russell, district fuel administrator, in Fuel Administration, *Report of the Administrative Division*, p. 43; Worcester, Mass., Fuel Committee to Wilson, Dec. 30, 1917, reel 293, Wilson Papers; Homer Warren to Thomas I. Ansattell, Dec. 14, 1919, Joseph H. Hathaway, Highland Park, Mich., health officer, to Highland Park Chief of Police Seymour, Dec. 14, 1917, reel 292, *ibid.*; *Literary Digest* (Jan. 5, 1919), p. 18.

<sup>46</sup> McAdoo to Wilson, Dec. 6, 15, 1917, box 523, William Gibbs McAdoo Papers, Library of Congress; *Coal Age* 12 (Nov. 24, 1917):1058; K. Austin Kerr, *American Railroad Politics, 1914-1920: Rates, Wages and Efficiency* (Pittsburgh, 1968), pp. 27-28, 48, 64-72; K. A. Kerr, "Decision for Federal Control: Wilson, McAdoo, and the Railroads, 1917" *Journal of*

Although McAdoo immediately made shipping coal the first order of business, the crisis deepened. Too much production had been lost in earlier months; car movements remained uncoordinated. The nation's major industrial regions were now without fuel.<sup>47</sup>

On January 5 winds of fifty-five miles an hour brought the first of two massive storms to the Midwest. A fifteen-inch snowfall blocked railroad terminals, cancelling train schedules in Chicago. Six days later a second blizzard hit, halting freight service over the weekend. McAdoo's assistant in charge of eastern lines telegraphed him that the combination of freezing weather and snow was "worse than anything in the history of the railroads in the Central West."<sup>48</sup>

The new storms, added to the problems of the congestion at eastern docks, created an emergency. While McAdoo believed that an improvement in the weather would soon obviate his coal priority order, he admitted that shipments of war material were piling up at the eastern ports and therefore ordered trucks and drayage pooled to speed unloading. He declared the week of January 14 to be "Freight Moving Week" and got the navy to send a battleship to Baltimore harbor to break through the three-foot-thick ice there and lead out fifteen loaded ships and barges. Ships in New York harbor and elsewhere could not sail to Europe for lack of coal. Although miles of coal-laden trains stood outside the port cities, railroad tieups kept them from filling the ships' bunkers.<sup>49</sup>

*American History* 54 (Dec. 1967):550-560; Soule, *Prosperity Decade*, pp. 34-35; Garfield to Wilson, Nov. 26, 1917, with "memorandum concerning the production of coal," box 92, Garfield Papers. See also I. L. Sharfman, *The American Railroad Problem* (New York, 1921), pp. 94-99; William I. Cunningham, *American Railroads: Government Control and Reconstruction Policies* (Chicago, 1922), pp. 28-32; Aaron A. Godfrey, *Government Operation of the Railroads: Its Necessity, Success, and Consequences, 1918-1920* (Austin, 1974), pp. 4-23, chap. 5, pp. 70-79; Walker D. Hines, *War History of American Railroads* (New Haven, 1928), pp. 12-21; and Albro Martin, *Enterprise Denied* (New York, 1971). Martin argues that an anti-industry stance by the government allowed the railroads to decline between 1887 and the war. Under the Railroad Administration, ICC regulations were suspended.

<sup>47</sup> Baker, *Wilson*, 7:437; *New York Times*, Dec. 28, 1917, Jan. 1, 20, 1917; Notz, "World's Coal Situation," pp. 682-683.

<sup>48</sup> *Railway Age* 64 (Jan. 18, 1918):154-155; *Coal Age* 13 (Jan. 5, 1918):10-11.

<sup>49</sup> *Railway Age* 64 (Jan. 11, 1918):115-116, 125-126. McAdoo told newsmen that the problems of moving freight haunted him around the clock. He told of dreaming that he was single-

At this point Garfield seized the initiative. Although the problem was largely one of transportation, Garfield dispatched Pierrepont Noyes, his director of conservation, to Boston and New York to meet with Fuel Administration officials there. Noyes reported to his boss on January 16 that extreme measures were called for.<sup>50</sup>

While the crisis of the port cities worsened, Garfield conferred with eastern fuel officials. Newspapers reported that plans were being made to deny fuel to nonessential industries. Officials discussed whether to establish "fuelless" Mondays.<sup>51</sup> Frantic groups of the poor pushed past police and guards to raid coal cars and coal sheds. One writer compared such scenes in Philadelphia to the Petrograd riots of March 1917. Factories in Cleveland closed to save electric power for street cars and private homes. In New York shipowners feared that the stranded vessels might catch fire at dockside. The *Evening Post* editorialized on January 14: "If there were a German submarine blockade of the port, the situation would hardly be more trying." On the fifteenth the *Evening Post's* headline declared, "Railroad Congestion At Its Worst To-Day." Over one hundred ships could not sail for lack of fuel.<sup>52</sup>

Garfield had slowly come around to his plan of shutting down entire industries and imposing "fuelless" days. He reasoned that only by stopping the manufacture of items being shipped would the railroad yards be cleared. Rather than allow numerous complaints and disputes about nonessential versus essential industries to delay the program, the fuel administrator decided to shut down all manufacturing plants for five days—thus putting all "on an equal footing." In addition, he denied fuel to all but a few select institutions over a series of Mondays. He believed that the crisis demanded pulling a 50-car train of coal with a rope around his waist; *ibid.*, p. 125. A *New York World* (Jan. 17, 1918) cartoon showed an executive worried about the coal situation. Second man: "But I thought you said you owned a coal mine." Executive: "I do, but I ain't got no railroad."

<sup>50</sup> Fuel Administration, *Final Report*, pp. 32-33; Garfield to Daniels, Mar. 3, 1921, box 86, Garfield Papers; *Congressional Record*, 65th Cong., 2d sess., 1918, 56, pt. 1:913-914; A. B. Daniels, president, American Papers and Pulp Association, to Wilson, Jan. 16, 1918, reel 293, Wilson Papers; *New York Times*, *World*, *Evening Post*, Jan. 16, 1918.

<sup>51</sup> (New York) *Evening Post*, Jan. 15, 16, 1918; (New York) *Herald*, Jan. 16, 1918.

<sup>52</sup> *Survey* 39 (Jan. 19, 1918):449-450; (New York) *World*, Jan. 5, 1918; (New York) *Evening Post*, Jan. 14, 15, 1918.

served decisive action and that a railroad embargo alone would not be "efficacious."<sup>53</sup>

On January 16 Garfield met with Secretary of War Baker and told him of the great industrial shutdown he was about to impose. Surprised, Baker told him that it "would loose a whirlwind," but he agreed to arrange a secret meeting with Wilson later that afternoon. At the White House, Baker, Secretary of the Navy Daniels, and the president heard Garfield out. Minor changes in the order to protect fuel supplies for the navy and other sections of the war program were implemented, and Garfield left with the concurrence of those present. Wilson suggested that the fuel administrator clear the measure with McAdoo. He did and rushed back to his office to announce his decision before the press got on to the story. Because his legal department could not get a copy of the order ready for release in time, Garfield issued an abstract and hurried to keep a dinner engagement with the Hoovers.<sup>54</sup>

On the seventeenth, the Congress and the Executive Branch locked horns. Wilson's congressional opponents tried to block the order. Garfield met with a group of senators that afternoon to remove their doubts but was not successful. One senator remarked, "I rather think that a million German soldiers turned loose in this country would not create the havoc that this order will create if enforced." Gilbert Hitchcock of Nebraska, Wilson's most outspoken foe, got Senate acceptance of a resolution delaying implementation of the order for five days by a vote of fifty-seven to nineteen. The House passed a resolution expressing its regret over Garfield's "summary action" and asked Wilson to reconsider. Aware that the Senate was about to act, Garfield signed the formal order shortly before six o'clock. The Senate messenger bearing the resolution reached him only minutes afterward.<sup>55</sup>

<sup>53</sup> Fuel Administration, *Final Report*, pp. 31-33; (New York) *World*, Jan. 19, 20, 1918.

<sup>54</sup> Baker, *Wilson*, 7:475; Garfield to the vice president of the Senate, Jan. 18, 1918, box 93, Garfield Papers; Baker to Garfield, Mar. 31, 1922, *ibid.*; Garfield to Daniels, Mar. 3, 1917, box 92, *ibid.*; *Congressional Record*, 65th Cong., 2d sess., 1918, 56, pt. 1:912-936, 997-1004; Joseph P. Tumulty, *Woodrow Wilson As I Knew Him* (Garden City, 1921), pp. 360-363; *New York Times*, Jan. 18, 1918; Fuel Administration, *Final Report*, pp. 32-33.

<sup>55</sup> *Congressional Record*, 65th Cong., 2d sess., 1918, 56, pt. 1:912-936, 997-1004. Republicans voted 28 to 3 in favor, Democrats 22 to 16.

Some newspapers tried to look on the positive side of the order by arguing that it would not have been issued "unless it were felt to be absolutely necessary," but most of the press agreed with Congress. The *New York Times* called it "unnecessarily harmful and destructive." The *New York World*, normally sympathetic to the administration, wrote that at a dollar a year, Garfield was apparently worth it. It called the order the "greatest disaster that has befallen the United States in this war" and believed it "worthy of a Bolshevik Government." The *Boston Globe* wrote, "Picture the Germans charging across No Man's Land at you with bayonets fixed and blood in their eyes, and imagine your feelings if you were behind a machine gun and were ordered not to fire a shot for five days—to save ammunition." The *New York Tribune* concluded that the "Fuel Administration has lost its head." In Providence, the *Journal* said that the act "bears every evidence of panic-stricken incompetency." The *New Republic* asserted that Garfield had "infirm judgment."<sup>56</sup>

Public officials and leading citizens alike decried the edict. The National Association of Manufacturers blasted it as a "calamity." New York Governor Charles S. Whitman said that the decision was "unnecessary and unwise" and refused to close his state's banks as Garfield requested.<sup>57</sup> House Speaker Champ Clark opposed it. Outspoken anti-Wilsonian Sen. George E. Chamberlain had a field day. In an address to the National Security League he charged that the "Military Establishment of America has fallen down."<sup>58</sup> Former Attorney General George Wickersham demanded an

<sup>56</sup> Newspaper opinion is summarized in *Literary Digest* (Jan. 26, 1918), pp. 6-8. Livemore summarized press coverage: "All [newspapers] agreed that a schoolboy would have shown better judgment than to close down industry when only more work could win the war"; *Politics Is Adjourned*, p. 87. Frank Cobb, editor of the *World* and an old friend of the president, told him, "The whole of New York, both rich and poor, is seething in protest. The whole psychology of it is disastrous. It is demoralizing the whole country"; Cobb to Wilson, dictation of telephone message, Jan. 17, 1918, reel 292, Wilson Papers. See also Daniels, *Wilson Era*, pp. 241-242, and *Outlook* 118 (Jan. 30, 1918), n.p.

<sup>57</sup> Whitman quoted in *New York Times*, Jan. 18, 1918.

<sup>58</sup> Chamberlain was only one who used this crisis to argue that the Wilson administration had failed to prosecute the war efficiently. Cuff, *War Industries Board*, pp. 136-137; Paxson, *America At War*, pp. 215-216; Fuel Administration, *Final Report*, pp. 13-14.

"entire reorganization of our affairs that will put competent men at the head of our war-work." One Southern fuel administrator sabotaged the plan.

Once the public knew that Wilson backed Garfield, opposition weakened, and the five-day ban on manufacturing and the Monday ban on all commercial fuel use went into effect on the eighteenth. By then Garfield had permitted about one thousand exemptions, but he had angered thousands more with denials. In the New York area half a million industrial workers stayed home for the five days, and hundreds of thousands more were idle on "heatless" Monday, as stores were closed. Managers of the New York Stock Exchange determined to stay open without heat; traders wore overcoats and heavy sweaters on the floor; office assistants at the exchange worked by candlelight. Barflies kept warm in unheated bars by their own techniques. New York's unlighted streets seemed to one observer like the Sahara between moons.<sup>59</sup>

Although many celebrated the "Garfield days" by attending the extra matinee shows and movies scheduled on Mondays, a million and a half individuals lost wages. Garfield's plea that employers maintain the normal weekly wages failed to convince them. An estimate made for the Baltimore and Ohio Railroad showed that New Yorkers lost over \$350 million in wages, Chicagoans \$313 million, and Philadelphians \$138 million. This calculation set production losses at \$1 billion for New York, \$313 million for Chicago, and \$333 million for Philadelphia. The totals for eighteen major cities came to \$4.3 billion. Estimates of losses to New York by the New York Board of Trade were in the same range as those of the B & O.<sup>60</sup>

A leading coal journal estimated that the shutdown had saved 3,456,000 tons of coal. Measured against lost wages and production in the eighteen major cities, the cost per ton was \$1,256.94. Even if the total loss in wages and production were scaled down to \$1 billion, the cost per ton was \$289.35. Most critics focused on this aspect of the issue. Garfield replied, "To estimate the value or harm of the order by the dollars' worth of merchandise unmanufactured

<sup>59</sup> *Railway Age* 64 (Jan. 25, 1918): 198; (New York) *Evening Post*, Jan. 18, 1918; *New York American*; (New York) *World*; (New York) *Herald*; *New York Times*, Jan. 22, 1918.

<sup>60</sup> (New York) *World*, Jan. 19-22, 1918; *Economic World* 15 (Feb. 23, 1918): 267; *New York Times*, Jan. 19, 1918.



and unsold and the number of men thrown out of employment temporarily is to fail to understand the crisis."<sup>61</sup>

His point, of course, was that the purpose of the order was not to conserve coal but to open rail connections to port cities to bunker the ships to carry "to the Allies the food and war supplies they vitally need." He argued later that his order had facilitated the movement of 480 ships, including 369 carrying munitions and other war supplies. Neither Garfield nor his spokesman George Creel, who conducted a propaganda drive on his behalf, ever supplied lists of ships and sailings, however.<sup>62</sup> Normally, New York longshoremen coaled twelve ships per day. Over the five-day shutdown, they pushed the average to 15.4 per day, a notable, but not spectacular, increase. Eastern railroad tieups eased somewhat after the order, but not significantly.<sup>63</sup>

Although Garfield's few champions tried to insinuate that his detractors were unpatriotic, his critics were correct: the shutdown order was an unnecessarily radical measure. For the results accomplished, the costs were unconscionably high. *Coal Age* wrote that an extensive railroad embargo on materials other than coal would have broken the railroad congestion. Although McAdoo had moved coal to top priority, he apparently was unwilling to embargo other commodities. Garfield never criticized McAdoo directly but wrote later that many in the administration saw the approaching crisis but "hesitated to assume responsibility." As railroad administrator, McAdoo had been in office barely three weeks.<sup>64</sup>

<sup>61</sup> The *Black Diamond*, quoted in *Literary Digest* (Mar. 2, 1918), p. 18. Senator Smith of Michigan estimated that the 6 tons of coal saved in his home city of Grand Rapids cost \$22,000; *Coal Age* 13 (Feb. 9, 1918):293. The *New York Times*, Feb. 17, 1918, estimated that each dollar's worth of coal saved cost \$9 in wages and \$23 in production.

<sup>62</sup> Fuel Administration, *Final Report*, p. 33; George Creel, "The Case for Mr. Garfield," *Independent* 93 (Mar. 19, 1918): 408-409.

<sup>63</sup> The *New York Times* (Jan. 23, 1918) tabulated the number of ships coaled, cars on the railroads above normal, and tons of coal at New York tidewater ports from January 13 to 22. Since Garfield requested that McAdoo issue an embargo on general freight except fuel and food, clearly he was disappointed with the results of his order. McAdoo ordered the embargo on January 23. *Railway Age* 64 (Jan. 25, 1918):200.

<sup>64</sup> Creel, "Case for Mr. Garfield," pp. 408-409; *New York Times*, Mar. 2, 1918; *Coal Age* 13 (Feb. 9, 1918):273; Fuel Administration, *Final Report*, p. 32.

To focus on the excesses of the order itself, however, is to shift attention from the administration's blunders of the late summer. Wilson's stopping the price-stabilizing efforts of the Committee on Coal Production caused orders to drop and production to slow. The Committee on Coal Production, which had marshalled the support of the coal community to greater productivity and better distribution, was disgraced. Because the coal men had been encouraged by Secretary Lane to agree on prices, they felt they had been misled and abused. The CCP collapsed. Then Wilson's imposition of the \$2 limit priced marginal producers out of business. During the war, Garfield rectified this error by allowing increases for many fields, but the damage had been done. In part to salvage an antitrust action, the Wilson administration destroyed a worthwhile attempt at wartime business-government cooperation.

Warmer weather and the continuing effect of the railroad embargoes gradually eased the crisis. In the second week of February, Garfield suspended the heatless Mondays, noting that there were still six weeks of winter left. McAdoo maintained the priority for moving coal on the railroads to good effect. In February he and Garfield implemented the zoning system for coal advocated by former CCP head Francis Peabody. This cut down cross hauls and thus provided the industry with more railroad cars. Production increased, reaching new records every month until the armistice.<sup>65</sup>

This crisis of 1917-18 led the industry and government to cooperate in a relationship that helped produce stockpiles of coal for the next winter. Here, I believe, lies the debacle's chief significance. As Albro Martin and others have noted, progressivism had an archaic, backward-looking side.<sup>66</sup> Wilson, Newton Baker, and Garfield—along with like-minded congressmen and large parts of the public—were so intent on fighting the mythical "coal trust" that they at first refused to accept the coal operators as partners in mobilizing the industry for war. Disrupting the CCP price-fixing negotiations drove the coal operators away from the early operations of the Fuel Administration and kept them from dominating the war bureaucracy as

<sup>65</sup> *Commercial and Financial Chronicle* 106 (Feb. 16, 1918):661.

<sup>66</sup> Martin, *Enterprise Denied*; Richard Hofstadter, *The Age of Reform: From Bryan to F.D.R.* (New York, 1954).

other industrialists did. But this "progressive" victory came at the cost of a coal shortage.

Once the fuel administrator brought industrialists into the distribution division in the late winter and early spring of 1918 and used their experience to coordinate production and distribution, both halves of the fuel program improved. But Garfield never permitted the coal men to occupy any significant, policy-making role in the Fuel Administration. The Wilsonians' handling of the nation's coal problems during the war thus marks a definite exception to the conventional wisdom both about how businessmen dominated war agencies and about the achievements of the Wilsonians as mobilizers. They failed the nation as war managers in the summer of 1917 when they at-

tacked the very businessmen whose talents and services the government needed, thus laying the foundation for the fuel crisis of 1917-18.<sup>67</sup> □

<sup>67</sup> Since the coal industry failed to stabilize itself before the war, it fits well into Gabriel Kolko's generalizations concerning failure of the merger movement. The coal operators also fit Kolko's stereotype of businessmen seeking to use government to rationalize their particular industry. But the coal men's rebuff by the administration in the summer of 1917 defies Kolko's generalization "That the continuation of the dominant role of business men-of-power in new government posts will mean that the war organization will be managed in a manner favorable to the needs of business goes without saying." Coal operators never dominated the Fuel Administration. Gabriel Kolko, *Main Currents in Modern American History* (New York, 1976), p. 18. Kolko mistakenly wrote that "an oil engineer and entrepreneur ran the Fuel Administration." Mark Requa, chief of the Oil Division, might have been so described, but not Harry Garfield.

