

**The United States Food Administration During World War I:
The Rise of Activist Government Through Food Control During Mobilization for
Total War**

by

Neil O. Buschman

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Approved by

Mark Sheftall, Chair, Assistant Professor of History
Tiffany Sippial, Associate Professor of History
David C. Carter, Associate Professor of History

Abstract

Although the United States Food Administration officially existed for less than twenty-four months, it left an ineffaceable mark on the economic, political, and social fabric of the nation. The unprecedented powers contained in the Food Control Act resulted in absolute control of major facets of the food production and distribution system. As Food Administrator, Herbert Hoover played a central role in the consequent transformation of a significant portion of the national economy from a free-market based system to one dominated by the federal government.

For a variety of reasons, historical accounts consistently understated the long-term impacts associated with this remarkable agency. Moreover, as the first national Food Administrator, Hoover was much more than a benign manager of a decentralized organization or a simple catalyst for change, but instead served as a powerful change agent that helped release the genie of activist government from its bottle; an act that proved irreversible as the Food Administration left an indelible and enduring mark on the nation.

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Introduction

The United States Food Administration officially existed for less than twenty-four months and yet its legacy included momentous impacts to the political, social, and economic landscape of the nation, along with a profound influence on peace negotiations and international affairs. For understandable reasons, the vast majority of historical studies of this remarkable independent agency are intertwined with the career of Herbert Hoover, its powerful and enigmatic leader. As a result, reviews of the Food Administration most often faded into the background of a much larger narrative that culminated with an examination of Hoover’s fateful collision with the Great Depression. This scholarly pattern resulted in a template that oversimplified the actions and policies of the Food Administration and understated its long-term influences, which included important insights on Hoover when he enjoyed immense power, influence, and independence.

In his memoirs Hoover stated that: “This agency represented the first assumption by the American Government of great economic powers.”¹ He also claimed that the Food Administration “avoided evil consequences to American life by the voluntary character of our staff and the building of our control measures through cooperation of the trades together with the quick dissolution of them after the war.”² These statements alone provoke a closer and more focused examination of the agency since it seems improbable that an unprecedented concentration of “great economic powers” would leave little or no

¹ Herbert Hoover, *The Memoirs of Herbert Hoover: Years of Adventure, 1874-1920* (New York: The MacMillan Company, 1951), 271.

² *Ibid.*

imprint on the social, political, and economic fabric of the nation. Moreover, Hoover's claims and intimations that massive economic changes occurred through willing cooperation with the trades are simply inaccurate. The national Food Administrator and his key officials leveraged all of the powerful tools provided by the Lever Food Control Act to force a rapid transformation of the entire food industry from a market based system to one dominated by the federal government. This massive intervention heralded the era of activist government and energized a variety of interest groups eager to shape policies, regulations, and outcomes in their favor.

During World War I food represented a commodity of immense strategic value to the civilian and military leaders of combatant nations. Herbert Hoover noted that the Allied naval blockade emerged as one of the "major strategies of the war" through an attempt to starve Germany and her allies into submission.³ It soon became apparent, however, that the blockade included significant political and humanitarian consequences such as food shortages in German occupied territories. As a result, Hoover, who opposed the blockade on humanitarian grounds, assumed the leadership role of the Commission for the Relief of Belgium (CRB), which was created to facilitate the flow of essential foodstuffs to entrapped civilian populations. But intentionally starving an enemy also included the risk of a response in kind, which the Germans provided in the form of submarine warfare aimed at merchant vessels supplying the Allied nations. This German reaction proved significant in several respects. Ironically, it exposed a key weakness of the primary contention that justified the naval blockade of the Central Powers. Due to a variety of political, economic, and social reasons, agricultural production in England had

³ Ibid., 257.

steadily decreased to the point where food imports were essential by the start of War World I. In short, England had developed into the workshop of the world and exchanged manufactured goods for food and other critical commodities.⁴ Furthermore, Germany represented a major trading partner prior to hostilities and therefore provided essential foodstuffs, such as sugar, to the English market. As a result, the naval blockade essentially represented a grand strategic gamble based on the proposition that Germany was much more vulnerable to isolation from traditional trading partners. To ensure this was a winning bet, England would rely on her navy and merchant fleets to guarantee the free flow of commerce. Additionally, “neutral” trading partners needed to respect the blockade and deliver adequate provisions for the Allied armed forces and civilian populations. It was clear that the vast agricultural production of the United States would necessarily play a great role toward the success of such a strategy.

Despite strong objections from the United States, the Germans escalated submarine attacks on merchant shipping to the point that included an order that decreed: “From February 1, 1917, onward every merchantman met within the restricted zone is to be attacked without warning.”⁵ In the first three weeks of February, Germany sank forty ships belonging to neutral nations.⁶ The days of neutral status for the United States were clearly numbered as the unrepentant German government promised more of the same. Tensions continued to mount until President Woodrow Wilson, despite campaign promises otherwise, successfully sought support from Congress for a formal declaration of war in April 1917.

⁴ Avner Offer, *The First World War: An Agrarian Interpretation* (Oxford: Clarendon Press, 1989), 3.

⁵ Justin D. Doenecke, *Nothing Less Than War: A New History of America's Entry into World War I* (Lexington: University of Kentucky Press, 2011), 239.

⁶ *Ibid.*, 257.

Against this backdrop, Wilson sought counsel to address the challenges associated with wartime food production and distribution. The President and his advisors concluded bold action and exemplary leadership were necessary to meet the extraordinary challenges that lay ahead. Wilson's closest advisor, Colonel House, focused his search efforts on Herbert Hoover to lead such an effort in the United States due to his success and visibility as Director of the Commission for the Relief of Belgium. He sought input on Hoover from the United States Ambassador to England, Walter Hines Page, and received a glowing endorsement that included the following passage: "He's a simple, modest, energetic man who began his career in California and will end it in Heaven."⁷ Page's recommendation validated the public reputation of Hoover as a great humanitarian who possessed exceptional organizational skills and enjoyed international respect. Despite the fact that Hoover was a Republican, President Wilson had found his man.

But Hoover's acquiescence to serve came with non-negotiable stipulations that included absolute power and independence from traditional Washington bureaucracy. This precondition posed more than a slight dilemma since the Secretary of Agriculture, David F. Houston, could certainly expect an active role in significant wartime food production and policy decisions. Nonetheless, Colonel House informed Wilson in blunt terms that "unless Houston does give him full control I am afraid he will be unwilling to undertake the job, for he is the kind of man that has to have complete control in order to do the thing well."⁸ Although Ambassador Page described Hoover as a simple and modest man, his personality traits and management philosophy included a strong bias for

⁷ Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (Boston: Little, Brown and Company, 1975), 44.

⁸ E.M. House, *The Intimate Papers of Colonel House*, vol. III (Cambridge, Massachusetts: The Riverside Press, 1928), 16.

action, coupled with impatience for those too timid or small minded to act accordingly. In this regard he could be quite aggressive in the pursuit of actions deemed necessary to achieve goals. President Wilson heeded Colonel House's advice and promised Hoover the independence he demanded as a condition of employment. After a brief and unsuccessful internecine struggle, Secretary Houston "agreed" to such an arrangement and quietly faded into the background for the duration of the war.

Historical accounts consistently describe the United States Food Administration as a decentralized organization, which stands largely as an unchallenged conclusion supported by the fact that no formal organizational chart existed for the agency. Its official historian and former staff member, William Mullendore, set the stage by identifying as a basic tenet of Hoover's management philosophy a tendency to centralize ideas but decentralize execution.⁹ But this nuanced description is misleading since the track record of the agency undoubtedly reflected Hoover's boundless energy, belief system, and force of will at all levels. Hoover insisted on absolute control for a reason and was willing to fight for it. He flatly rejected any suggestion of an oversight board or panel that might interfere with his fast paced decision making style. Furthermore, he did not wilt in the face of stiff Senate and House resistance that included concerns by one Senator that the powers being sought exceeded those of the "Emperor of Germany" and therefore represented dangerous possibilities.¹⁰ In the end, Hoover prevailed against all challenges to his bid for total control and authority as demonstrated by the passage of the Lever Act, or Food Control Act, on 10 August 1917. Such a struggle did not reflect plans

⁹ William Clinton Mullendore, *History of the United States Food Administration, 1917-1919* (Stanford: Stanford University Press, 1941), 70.

¹⁰ George H. Nash, *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (New York: W.W. Norton & Company, 1996), 23.

to oversee a decentralized or laissez faire organization. Instead it highlighted a desire to centralize authority and minimize outside interference or oversight. It also directly reflected the personality and management style of an aggressive leader who did not tolerate interference or resistance.

The key to understanding the nature and character of the Food Administration includes an appreciation of the background of its leader. Herbert Hoover was born in Iowa and became an orphan at the age of ten. He was subsequently sent to live with relatives in Oregon and worked hard under the stern guidance of his uncle, Dr. John Minthorn, but was not a happy child. He resented the heavy workload and stark discipline imposed by Dr. Minthorn and developed a yearning for personal independence.¹¹ The hard working youth paid enough attention to his studies to capitalize on an opportunity to attend Stanford University in Palo Alto, California. The newly created university included free admission at the time and accepted the aspiring student on the condition that he attend a summer program to bolster academic deficiencies.¹² This experience initiated a lifelong bond with the university, which manifested itself through a strong network of Stanford alumni and faculty that proved crucial during Hoover's CRB and Food Administration years. Following graduation from Stanford, Hoover travelled the world as a mining engineer for Bewick, Moreing, and Company, a British firm with operations in Europe, Africa, China, and Russia. Hoover operated throughout these locations and earned a reputation as an energetic and brilliant mining engineer. In 1908 he formed his own mining consulting firm and continued to live and work outside the United States. By his fortieth birthday in 1914 he

¹¹ William E. Leuchtenburg, *Herbert Hoover* (New York: Henry Holt and Company, 2009), 5.

¹² Lawrence E. Gelfand, ed., *Herbert Hoover: The Great War and its Aftermath, 1914-23* (Iowa City: University of Iowa Press, 1974), 4.

was a wealthy man looking for a change of direction and the outbreak of war provided such an opportunity. Hoover's wealth afforded him the opportunity to volunteer his services without compensation at the CRB and subsequently the United States Food Administration. He was well known within key circles of power and influence in England, which facilitated his transition to wartime relief efforts. In addition, his world travels provided contacts and insights that translated directly to efforts to negotiate terms with belligerent governments for food importation into German occupied Belgium.

It is difficult to overstate the positive impact of Hoover's CRB years on his reputation. This large-scale humanitarian relief effort was well publicized throughout Europe and the United States. The name Hoover became synonymous with compassion, competence, and resilience in the face of huge challenges. A true humanitarian, Hoover became emotional when describing relief efforts directed at suffering civilians, particularly children deprived of essential nutrients.¹³ But as a portent of things to follow, he also demonstrated a pattern of aggressive behavior that included impatience with red tape, committees, and virtually anyone that stood in his way. He carefully selected key staff based on experience, competence, affluence, philosophy, and loyalty. These like-minded individuals evolved into an inner circle that greatly respected their leader and referred to him simply as "the Chief." Their success and affluence allowed them to also work as volunteers, which added to the positive public perception of altruism of the highest order. Additionally, Hoover oversaw an ambitious and carefully crafted public relations effort that was ahead of its time from a political perspective. This stratagem included the recruitment of media heavyweights such as Will Irvin of the

¹³ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 23.

Saturday Evening Post and Ben S. Allen of the Associated Press to craft and distribute a steady stream of press releases for public consumption.¹⁴ This relentless outreach effort completely overshadowed any difficulties encountered with CRB administration, which included a harsh assessment by Brand Whitlock, the United States Ambassador to Belgium. Whitlock claimed that Hoover's poor interpersonal skills and directness rubbed key Belgian government officials the wrong way, which led to charges that Hoover was leveraging the CRB for personal political gain.¹⁵ Such bickering remained invisible to the American public who developed a profound respect for Hoover as a competent director of a noble humanitarian effort. As a result, Hoover enjoyed an impeccable reputation as he transited the Atlantic Ocean to accept Woodrow Wilson's offer to lead food production and distribution efforts in the United States.

The formal creation of the United States Food Administration in August 1917 included profound social and economic impacts. The Food Control Act granted the new agency immense powers to act independently of the Department of Agriculture to control food production and distribution during wartime. As head of the agency, Herbert Hoover reported directly to President Wilson, which served to centralize and streamline the decision making process and enhance his status and power base. Consequently, he was given wide legal and policy latitude to rapidly replace a free market system with one that included extensive regulations and direct government control of significant portions of the food industry. Hoover made these significant and substantive changes with remarkable speed. Seemingly overnight, years of steady economic evolution were replaced with federal government control skillfully presented as temporary and voluntary

¹⁴ Craig Lloyd, *Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management, 1912-1932*, (Columbus, Ohio: Ohio State University Press, 1972) 39.

¹⁵ Gelfand, *Herbert Hoover: The Great War and its Aftermath*, 7.

arrangements that ensured fairness to farmers, processors, distributors, retailers, consumers, and the Allies. Under this carefully crafted scenario, the federal government took necessary actions to protect producers and consumers from speculators and middlemen who took advantage of wartime conditions to enhance profits at the expense of their fellow citizens and the overall war effort. This charge validated the popular perception of speculators as greedy individuals who manipulated markets to their advantage. It also represented one of the key elements that constituted the *raison d'être* for the new and powerful agency.

These stunningly swift and substantial economic changes reflected the method of operations demonstrated by Hoover and his close associates during their CRB years. Having won the internal Washington D.C. taffy pull for power and control, senior Food Administration officials enjoyed the freedom to operate as an independent agency that implemented profound changes to the American economic model. Despite this rapid transition to a centrally controlled economy, historians generally glossed over this period and accepted the record provided by former Food Administration staffers and economists. Furthermore, since Hoover continued highly touted food relief efforts in Europe following the war and subsequently served as Secretary of Commerce until becoming the president that presided over the Great Depression, the Food Administration years became wedged between events deemed more noteworthy. In short, one of the most profound economic events in the nation's history merged with a failed presidency and simply overshadowed the two years spent as Food Administrator. As a result, with few exceptions, studies on Hoover and the World War I period tended to downplay the impact of the Food Administration. But Hoover lived to the age of ninety and never faded from

public life. He slowly but surely reconstructed his reputation and became very much involved in food relief efforts following World War II.¹⁶ A reexamination of his entire record over the course of a long lifetime followed, but most reviews continued to oversimplify the years spent with the Food Administration.

Hoover's aggressive public affairs program continued following his years with the Food Administration. One of his close associates, William Clinton Mullendore, authored a study touted as the official history of the Food Administration. Although Mullendore completed this book in 1921, Stanford University Press published the first edition twenty years later, during a period of active reputation reconstruction. Another close associate, Frank M. Surface, authored two official accounts of the Food Administration years and one that focused on the European food relief efforts.¹⁷ Similarly, former Food Administration economists published studies and articles that supported wartime food control actions.¹⁸ Herbert Hoover added to the collection through four volumes of memoirs that included extensive coverage of the war years. One historian noted the cumulative result of these efforts was that much of the story comes "from the man himself."¹⁹ This astute observation helps explain the historical treatment of the Food Administration in that it largely reflects the input provided by Hoover and his associates.

¹⁶ Susan Estrabrook Kennedy, "Herbert Hoover and the Two Great Food Crusades of the 1940's." In *Understanding Herbert Hoover*, edited by Lee Nash (Stanford, California: Hoover Institution Press, 1987), 95.

¹⁷ Frank Surface prepared official accounts to counter intense post-war criticism directed at Herbert Hoover for decisions made while Food Administrator. These include Frank M. Surface, *American Pork Production in the World War*, (Chicago: A.W. Shaw Company, 1926), 189, and *The Grain Trade During the World War*, (New York: The MacMillan Company, 1928).

¹⁸ Such reviews appeared as books and articles in respected professional journals such as *The Quarterly Journal of Economics*, *The American Economic Review*, and *The Journal of Political Economy*. See for example Joshua Bernhardt, *Government Control of the Sugar Industry in the United States*, (New York: The MacMillan Company, 1920), and F.W. Taussig, "Price-Fixing As Seen By A Price Fixer," *The Quarterly Journal of Economics* 33, no. 2 (February 1919): 205-241.

¹⁹ Offer, *The First World War: An Agrarian Perspective*, 377.

Consequently, the standard historical interpretation posits that the Food Administration was necessary for the war effort, interrupted the free market system for only a concise period of time, achieved acceptance and compliance through appeals to patriotism, volunteerism and inclusiveness, and ended its interference at the earliest possible moment with no lasting impacts or damage to the overall economy of citizen-government relationship. Many historians concluded that the Food Administration was an unequivocal success in that adequate food was available for the domestic markets of the United States and Allied nations, as well as their armed forces, all without major scandals and follow-on Congressional investigations.²⁰ Overall these accounts describe a relatively benign and decentralized organization that relied on the voluntary acceptance of reasonable wartime policies to ensure an adequate supply of reasonably priced food and feed products.

The most extensive treatment of Hoover's years as Food Administrator can be found in George Nash's *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (1996), in which he provides a more thorough examination of the complex interactions that comprised the reality of extensive food control policies. Nash acknowledged the scope of Hoover's overarching scheme, but concluded that the government did not abolish the free market entirely, but instead entered the free market for a concise period of time in order to prevent its collapse during wartime.²¹ In doing so, Nash fully accepted the Food Administration assertion that speculators caused rapid food price inflation, which justified drastic government action. According to Nash, Hoover used this market

²⁰ See for example, Witold S. Sworakowski, "Herbert Hoover, Launching the American Food Administration, 1917," In *Herbert Hoover: The Great War and Its Aftermath, 1914-23*, edited by Lawrence E. Galfand (Iowa City: University of Iowa Press, 1979), 40.

²¹ George H. Nash, *The Life of Herbert Hoover: Master of Emergencies*, 33.

reality to justify a rapid transition to socialism in order to save the free market system during emergency conditions.²²

The standard historical interpretations, as well as Nash's more complete and complex observations, suffer from significant flaws, shortfalls and oversights. First and foremost, simplistic descriptions of Food Administration actions and policies are not feasible. For example, claims of voluntary and willing acceptance of significant federal intervention are at best one-dimensional in their ready acceptance of propaganda created by government officials. Secondly, while historians readily accepted the government-generated premise that rapid wartime food price inflation was the result of greed on the part of speculators and middlemen, those charges are simply inaccurate or at best incomplete. Instead, a careful examination of the demands placed on the worldwide food production and distribution system demonstrates the complex mixture of events that led to price escalation and fears of runaway inflation. Finally, despite the strategic significance of food during the war, very few studies focus on the Food Administration and instead include it as part of a study centered on Herbert Hoover, Woodrow Wilson, or a larger review of World War I. As a result, most provide broad or cursory overviews that oversimplify its methods of operation and understate its true nature, impact, and legacy.

A careful examination of the Food Administration reveals a complex and messy reality. While senior officials of the agency were undoubtedly patriotic, they nonetheless knowingly exaggerated the impact of speculators to justify actions that resulted in direct government control of a significant portion of the United States economy. In doing so

²² Ibid., 34.

they essentially replaced the free-market system with one dominated by federal government officials. Resistance to these actions was significant and met with a swift and overwhelming response, bolstered by the support garnered through an aggressive public affairs program and positive media relationships. As a result, “voluntary” compliance represented the only feasible choice for businessmen facing such powerful and determined forces. Furthermore, actions of this magnitude left a significant legacy, since the status quo ante was simply impossible following such large-scale government intervention; especially since the drastic interruption of normal market forces left a post-war mess in the form of food surpluses and deflating prices. Such a mess revealed the existence of a wartime conditioning that created expectations of ongoing federal oversight and arbitration to ensure “fair” treatment, which inexorably altered the citizen-government relationship. The genie of activist and interventionist government had been released from its bottle and would never return.

Chapter 1:
THE GRAND EXPERIMENT

Herbert Hoover was riding high when he arrived in New York on 3 May 1917 onboard the S.S. *Philadelphia* to oversee food production and distribution in the United States. His years as Director of the Commission for the Relief of Belgium (CRB) were a resounding success by virtually any measurement. In the space of two and a half years, the financially successful mining engineer transformed himself into a man respected as a great humanitarian, organizational genius, and diplomat extraordinaire. It was a remarkable transition for a man who lacked political, diplomatic, or military experience and by all accounts possessed very poor interpersonal skills. However, despite his outstanding reputation and many good works, Hoover consistently demonstrated negative personality traits that rubbed many powerful people the wrong way. He was usually awkward in public and did not look people in the eyes when speaking directly to them, but instead stared at his desk or shoes when making a comment.¹ He was also all business and often impatient and painfully blunt, which resulted in hard feelings on the part of some senior Belgian officials despite his many good works.

Although on the surface he seemed a political neophyte, Hoover nonetheless insisted on absolute control of an independent agency empowered to control a major portion of the national economy. To achieve these ends he fully leveraged a formidable and well-connected public affairs staff to vilify opponents and place the blame for food inflation squarely on the shoulders of commodity exchanges and market speculators. The

¹ George H. Nash, *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (New York: W.W. Norton & company, 1996), 409.

aggressive media campaign proved successful and Hoover overcame all opposition and assumed control of the Food Administration in a remarkably short period of time. In doing so, he maneuvered the nation onto uncharted waters that included a rapid transition to a new economic model made possible by an unprecedented level of power concentrated in a single agency of the federal government, led by an indomitable and hardnosed individual.

The future of the Food Administration was far from settled as Hoover travelled by train to Washington D.C. on 4 May for meetings with officials at the Department of Agriculture and the President. Hoover's arrival came as a surprise to no one and positions had been carefully staked out over the course of several months in anticipation of a power struggle. The country was mobilizing for war and since reputations and careers were at stake, no one wanted to be on the outside looking in. On the surface it would seem that a political novice who spent the vast majority of the past twenty years outside the country would not stand a chance against the powerful networks of Washington insiders arrayed against him. But despite his lack of experience and poor interpersonal skills, Hoover had prepped the political battle space quite well.

Hoover possessed several key strengths and capitalized on them. His talent as a mining engineer was undeniable as demonstrated by the successful development of a large-scale zinc mine in Burma under conditions so arduous that others deemed it a non-feasible project.² He was also an excellent judge of talent and character and selected extremely capable people to serve as senior staffers of the CRB. These key associates saw something in their boss that others missed due to his lack of social skills. They

² Ibid., 439.

dubbed him “the Chief” and became true believers in the righteousness of his quest to deliver food to the occupied regions of Belgium and Northern France. This inner circle provided unconditional loyalty to their leader and aggressively pursued the goals of the CRB, while simultaneously promoting and protecting their Chief, who seemed destined for greatness. Hoover also recognized the power and importance of public opinion and recruited media experts to broadcast the story of the CRB to a worldwide audience. In this respect he was ahead of his time in that the proactive CRB public affairs staff carefully managed the media cycle through a steady flow of positive press releases. In military terms, his staff operated well inside the media decision cycle and in doing so controlled the flow of information and fostered positive relationships that would pay dividends for years to come. In the age of television Hoover’s social awkwardness may very well have limited his political potential, but in the era of print media his staff successfully managed this shortcoming.

In 1915 Hoover utilized his connections with the general manager of the Associated Press, Melville Stone, to successfully neutralize efforts by Senator Henry Cabot Lodge to place limitations on his efforts in Belgium due to potential violations of the Logan Act, which prohibited negotiations between private citizens and foreign governments.³ He subsequently built on this powerful partnership to recruit prominent media talent that included Will Irvin of the *Saturday Evening Post*, Ben Allen of the Associated Press, William A.M. Goode, a former editor of the London *Standard* and *Daily Mail*, and George Barr Baker, a former newspaperman and magazine editor. Baker

³ Craig Lloyd, *Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management, 1912-1932* (Columbus, Ohio: Ohio State University Press, 1972), 41.

would remain with Hoover through his presidential years.⁴ This roster was clearly an experienced, competent, and formidable media team that easily overwhelmed the opposition of a powerful Senator in 1915 and subsequently enhanced the sophistication of its public relations apparatus over the next four years. From May 1917 through the end of the war, this organization prepared nearly 1900 press releases in an effort to transmit the Food Administration version of events.⁵ For those that looked beneath the surface, it was clear that Hoover would arrive in Washington well prepared to achieve his goals.

Hoover's first task was to overcome internal Wilson administration resistance to his bid for independence and complete control. While Wilson's closest advisor, Colonel House, clearly understood Hoover's demands in this respect, the Secretary of Agriculture, David F. Houston, did not intend to simply step aside and watch from the sidelines.

While the official accounts of the Food Administration, along with numerous independent historical accounts, describe a collegial effort to reach a mutually acceptable arrangement, the process was in fact messy and adversarial. President Wilson created The Council of National Defense to coordinate mobilization for the war effort and in April Secretary Houston convinced council members to approve a press release that minimized Hoover's status as an advisor on food related issues.⁶ According to Houston's plan, a committee would study the options for food production and distribution policies and forward recommendations to the Department of Agriculture.

Hoover's savvy media staff sidestepped Houston's maneuvers with press releases that described him as the future national food controller. In the meantime, Hoover went

⁴ Ibid., 44.

⁵ Ibid., 47.

⁶ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 7.

straight to the top with his demands for complete control of an independent agency free of bureaucratic red tape and oversight committees. He also made the rounds in the House and Senate to make his case for dramatic action and consolidated power. While Hoover aggressively pursued his vision, favorable articles in the *New York Times* and other prominent media outlets helped his cause immensely. By the middle of May the struggle was over. In less than two weeks a sitting Department head was relegated to the backbench for the course of the war. On May 19 President Wilson and Herbert Hoover released coordinated statements to the press that announced the formulation of a program for food control.⁷ Herbert Hoover would lead this effort.

The significance of this rapid victory cannot be overstated. Although an intense struggle with members of the House and Senate still remained, President Wilson's 19 May press release announced the creation of an independent agency to control a significant portion of the national economy. In addition, the head of this entity would report directly to the President. While the President created other wartime panels and boards, which included the War Industries Board, War Trade Board, various transportation boards, and the Central Bureau of Statistics, none enjoyed the complete level of independence and control as that achieved by the Food Administration. Furthermore, the Department of Labor, along with other major departments, retained control of their traditional areas of responsibility.⁸

It is important to take a step back and examine the significant events and experiences that helped shape this outcome. Hoover's savvy media staff undoubtedly

⁷ William Clinton Mullendore, *History of the Food Administration, 1917-1919* (Stanford: Stanford University Press, 1941), 51.

⁸ Robert D. Cuff, "Herbert Hoover, the Ideology of Volunteerism and War Organization During the Great War." In *Herbert Hoover: The Great War and its Aftermath, 1914-23*, edited by Lawrence E. Gelfand, (Iowa City: University of Iowa Press, 1979), 26.

deserves great credit for this victory and would go on to create the “Food Will Win the War” campaign that became the foundational message to garner public support for Food Administration policies and conservation efforts. But to Hoover this catchphrase represented much more than a slogan. His written and oral statements reflected his experiences in wartime Europe providing assistance to starving civilians, while the conflict devolved into the bloody stalemate of trench warfare that claimed five million combat deaths by the spring of 1917.⁹ He had personally witnessed the impact of food shortages on the morale and efficiency of civilians and believed that while well-fed allies would outlast a poorly nourished German population, the reverse of this equation was also true. In other words, while an abundance of food could help win the war, shortages would surely lead to defeat and potentially spark revolutions in England, France, and Italy. On more than one occasion, Hoover bluntly stated his conviction that food shortages represented the primary catalyst for the revolution in Russia. This sentiment is reflected in his memoirs where he made the case that food riots in every major city in Russia led directly to the Communist takeover.¹⁰ He further asserted that Russia possessed adequate food resources, but failed to control and distribute them properly due to the “incompetence of their food administration.”¹¹ In Hoover’s mind, hungry Russians flocked to the banners and promises of revolutionaries, while uneaten food rotted as a result of poor administrative and distribution systems.

A plethora of wartime newspaper articles in the United States bolstered Hoover’s case. A striking feature of these accounts is the sheer number of food centric stories,

⁹ David M. Kennedy, *Over Here: The First World War and American Society* (New York: Oxford University Press, 1982), 3.

¹⁰ Herbert Hoover, *The Memoirs of Herbert Hoover: Years of Adventure, 1874-1920* (New York: The MacMillan Company, 1951), 248.

¹¹ *Ibid.*

along with the prominent placement of the articles. The *New York Times* placed many of these accounts on the front page, above the fold, with a dramatic headline. Food concerns and shortages in Europe dominated the news cycle in the early stages of the war, along with Hoover's humanitarian quest with the CRB. Accounts of food riots in both neutral and belligerent nations became commonplace and provided the impression of widespread civil unrest and discontent. In 1916 food prices began to rise at an alarming rate in the United States and articles began to appear that reflected significant domestic unrest and discontent. In October 1916 several newspaper accounts described milk strikes in New York and Cleveland by producers in an attempt to achieve higher prices to compensate for the cost of feed grain.¹² Inquiries and accusations followed as illustrated by charges made by state and city food commissioners, as well as a District Attorney, of price gouging by the New York Dairymen's League. The head of the League, R.D. Cooper, denied the allegations and instead affixed blame on dealers who purchased milk from the producers.¹³

These mounting tensions were not constrained to the dairy industry. In early 1917 a series of spontaneous outbursts occurred in the food markets in New York City, led by women frustrated with high prices and accusations of price gouging. These events spread to other major cities and rapidly escalated in scale, violence, and impact. On February 22, full-scale food riots occurred on the same day in New York, Boston, and Philadelphia. These were clearly no longer spontaneous or isolated events and besieged state and local authorities scrambled for solutions. All major newspapers provided coverage of the food riots and reflected concern over the growing scope of civil unrest.

¹² "The Milk Strike," *New York Times*, October 4, 1916.

¹³ "Denies Dairymen Make Big Profits," *New York Times*, October 4, 1916.

A *New York Times* front-page article reported on a large riot in a poultry market by women frustrated by higher prices and noted that the creation of a “food dictator” by the state government represented the probable outcome.¹⁴ It further indicated the Governor was focused on the food problem to the exclusion of all other state business. A front-page article the next day reported the passage of a city government resolution to purchase and sell food under emergency conditions.¹⁵ The *Washington Post* noted that mobs attacked butcher shops and destroyed pushcarts in New York City, while thousands of women paraded in Philadelphia and upset food displays and carts.¹⁶ Another article noted that police reserves suppressed a riot of approximately 800 women in Boston, who sacked a grocery store following the passage of a resolution under the auspices of the West End Mothers’ Club that barred social workers from their homes unless they provided potatoes, eggs, and sugar instead of advice.¹⁷ A *Chicago Tribune* article suggested the existence of a food riot “plot” and further noted numerous arrests on the second day of civil unrest.¹⁸ Other articles sought explanations for the riots that included accusations of hoarding, speculation, price gouging, and even sabotage. Another account indicated that at the federal level, the House and Senate conducted debates on the food riots. The debates highlighted the fact that participants in the riots came from working families whose wages were unable to keep pace with the rising food prices.

¹⁴ “Food Seizure By Commission Governor’s Plan.” *New York Times*, February 23, 1917.

¹⁵ “City Seeks Power to Deal in Food.” *New York Times*, February 24, 1917.

¹⁶ “Attack Food Buyers,” *Washington Post*, February 23, 1917.

¹⁷ “Boston Women in Riot,” *Boston Daily Globe*, February 22, 1917.

¹⁸ “Food Riot ‘Plot’ Being Trailed; Relief Sought,” *Chicago Tribune*, February 23, 1917.

Significantly, one U.S. Senator observed that the riots highlighted the gulf between rich and poor.¹⁹

These tensions reflected the societal pressures and passions of the wartime period. Over three thousand industrial strikes occurred in the first six months following the official entrance of the United States into the war.²⁰ The most immediate cause of this labor unrest was attributed to inflation, but calls for “industrial democracy” also emerged as a key demand. In response, the Wilson administration created a plethora of labor related agencies such as the War Labor Conference Board and the National War Labor Board, designed to relieve tensions through pragmatic actions such as the arbitration of disputes as well as the symbolism associated with a proactive and concerned federal government. By the time of Hoover’s arrival in New York, government representatives at all levels were scrambling for options to appear responsive in an effort to quell the growing fears of widespread civil unrest and class conflict.

Hoover was mindful of this backdrop when he arrived in Washington as demonstrated by a public statement that indicated one of major impacts of the war included “its drift toward social disruption.”²¹ This domestic unrest bolstered his argument for bold action in the form of a powerful and independent food agency that joined its industrial board counterparts in a massive effort to calm tensions and redirect energies toward support of the war effort. And yet despite Hoover’s relatively easy victory over Secretary Houston and the President’s strong support, significant opposition remained in the House and Senate. Senators Henry Cabot Lodge of Massachusetts, Asle

¹⁹ “House and Senate Debate Food Riots,” *New York Times*, February 22, 1917.

²⁰ Joseph A. McCartin, *Labor’s Great War: The Struggle for Industrial Democracy and the Origins of Modern American Labor Relations, 1912-1921* (Chapel Hill: University of North Carolina Press, 1997), 39.

²¹ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 247.

J. Gronna of North Dakota, James C. Reed of Missouri, and Representatives George Young of North Dakota and J. Hampton Moore of Pennsylvania emerged as powerful and vocal opponents to the consolidation of immense power in one agency led by a relatively unknown individual.²² But events at the Chicago Board of Trade shifted the debate inexorably toward the Hoover and Wilson camp. On May 8 the Department of Agriculture released the official estimates for the winter wheat harvest that reflected an extremely poor crop.²³ Three days later, the price for No. 2 Red Winter wheat rose to \$3.45 per bushel, which represented an increase of forty-four percent in a one-month span.²⁴ In response to government pressure and adverse public opinion, the Chicago Board of Trade suspended operations on May futures contracts and directed the settlement of all accounts at prices set by a committee.²⁵

The market clearly reacted to the Department of Agriculture's announcement of a disappointing winter crop and the rapid escalation of the cost of wheat invariably translated to higher retail prices for bread and other grain products. The poor harvest also meant higher prices for the lower grade grains utilized for livestock feed, which in turn raised the costs of production for meat and dairy products. Furthermore, since domestic food riots occurred in major cities when wheat sold at much lower levels, it is easy to understand concerns about additional civil unrest, especially during a period of rising demand on the part of the Allies to support the war effort. The Chairman of the House

²² Francis William O'Brien, ed., *The Hoover-Wilson Wartime Correspondence, September 24, 1915, to November 11, 1918* (Ames, Iowa: Iowa State University Press, 1974), 69.

²³ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 19.

²⁴ Frank M. Surface, *The Grain Trade During the World War: Being a History of The Food Administration Grain Corporation and The United States Grain Corporation* (New York: The MacMillan Company, 1928), 27.

²⁵ Wilfred Eldred, "The Wheat and Flour Trade Under Food Administration Control," *The Quarterly Journal of Economics* 33, no.1 (November 1918): 5.

Committee on Agriculture, Representative Asbury F. Lever, emerged as a key ally of Hoover and the administration via the authorship of a bill on food control that bore his name.²⁶ While this bill was under consideration, Hoover's public relations team seized this opportunity in the form of an information offensive directed at public opinion and support for the Chief. On May 12 the *New York Times* published an editorial that fully supported President Wilson's plans for food control and mentioned Hoover as a potential candidate to lead the effort.²⁷ Just five days later the paper reported that the Lever bill proposed a new agency to oversee food production and distribution and named Hoover as Wilson's top choice to oversee the effort.²⁸ A plethora of editorials followed in the *New York World*, *Minneapolis Tribune*, *Topeka Capital*, and the *New York Evening Mail* that supported passage of the proposed food bill.²⁹

Hoover and Wilson recognized that momentum was on their side and decided on immediate action. Although the Lever Food Control Act did not become law until 10 August, Hoover assumed the duties of Food Administrator in May. This brazen move infuriated Senator Reed who launched an aggressive offensive against Hoover and the proposed Lever bill. Reed's opposition included verbal attacks that steadily became more vitriolic and personal. He publicly insinuated that Hoover's interests and loyalty tilted heavily toward the British, since he spent most of the prior twenty years working outside the United States as a mining engineer. Through such statements he inferred the inappropriateness of the consolidation of enormous power and economic clout in the hands of a nonresident. He also leveled the charge that the CRB had purposely

²⁶ Surface, *The Grain Trade During The World War*, 7.

²⁷ "The Food Question, *New York Times*, May 12, 1917.

²⁸ "Hoover Will Head New Board, *New York Times*, May 17, 1917.

²⁹ Maxcy Robson Dickson, *The Food Front in World War I* (Washington D.C: American Council on Public Affairs, 1944), 17.

manipulated the price of grains and in doing so caused many of the problems that Hoover pledged to fix.³⁰ This attack included the accusation that Hoover and his CRB associates purchased, sold, and repurchased food items on the open market in a cycle that repeated itself to the extent necessary to drive down the international price of grain. As a result, Reed asserted that Hoover emerged as “chief gambler of the food and wheat pits of America.”³¹ This latter charge backfired as many Senators expressed outrage in the form of public statements of support for Hoover’s CRB leadership and expertise in food administration. Reed had unwittingly stepped into a minefield in a political no man’s land as Hoover’s savvy public affairs staff skillfully shifted the discourse to an examination of market speculators.

But Reed was not content to stop there as he openly defended speculators through claims that they were not at fault for the rapid escalation of grain prices on the Chicago exchange. Instead he charged that Hoover made reckless and irresponsible statements, such as the warning that “this country was going to starve to death,” that served to unsettle the markets and scare the general population.³² Reed contended that the combination of fear mongering and CRB market manipulation represented the root causes of hoarding and price spikes.

Hoover’s defenders pounced on this opportunity since the general public, along with farmers, held speculators in low esteem and blamed them for the rising prices that led to the February food riots. In this respect, speculators represented the perfect bogeyman for nervous government officials scrambling for ways to reassure the public

³⁰ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 60.

³¹ *Ibid.*

³² *Ibid.*, 49.

that the food problem could be fixed. As a result, the demonization of commodity exchanges, speculators, and middlemen served as a primary talking point for supporters of the proposed food control bill that offered to replace normal market machinations with direct and indirect government controls. Farmers' organization such as the American Society of Equity and the Farmers Non-Partisan League of North Dakota seized the opportunity to provide testimony before Congress that reflected open animosity toward grain exchanges and speculators. The Governor of North Dakota, during Senate testimony in May, described speculators and futures traders as the "gamblers" in the grain market.³³ These sentiments reflected the fact that many farmers despised the grain exchanges and the trading in futures and therefore supported plans to stop or severely restrict such operations.³⁴

A large percentage of the public believed that middlemen and speculators were able to exploit producers and consumers due to the absence of governmental controls that existed in Europe. Hoover's team shaped and leveraged this public opinion as they sought support for broad and powerful controls over the alleged sources of the problems. A plethora of newspaper articles placed the blame for rising food prices squarely on speculators and middlemen.³⁵ Without expounding on the purposes and roles of speculation, middlemen, dealers, or exchanges, Hoover argued that it was necessary for the government to have "complete power" over the distributors of food products."³⁶ Interestingly, the proposed law included a distinction between the positive and negative aspects of exchanges and speculators through a contrast of the "many useful services to

³³ William M. Duffus, "Government Control of the Wheat Trade in the United States," *The American Economic Review* 8, no. 1 (March 1918): 76.

³⁴ *Ibid.*, 65.

³⁵ "Blame Food Speculators, *New York Times*, February 23, 1917.

³⁶ Duffus, "Government Control of the Wheat Trade in the United States," 81.

legitimate businesses” and the times that “some of them may be employed for purely speculative purposes,” which left them susceptible to manipulation.³⁷ Along this vein, Secretary Houston was quite circumspect during testimony before the House Committee on Agriculture when he acknowledged that while speculation could indeed be an influential factor that leads to higher prices, he would “like to have more facts, fuller knowledge, before expressing a final opinion.”³⁸ Despite this call for further study of the issue by the Secretary of Agriculture, speculators had already been tried and convicted in the court of public opinion, a verdict aided and abetted by Herbert Hoover’s official statements and aggressive public affairs staff.

There is no doubt that Hoover and senior Food Administration officials claimed that repair of the economic damage inflicted by out of control speculation in the food markets represented one of the key elements that justified the creation of their independent agency.³⁹ In addition, numerous articles in professional journals and media outlets noted that the “general sentiment of the country is overwhelmingly against organized speculation.”⁴⁰ Some of these articles noted that this strong belief persisted even though the average citizen understood very little about the purpose and advantages associated with such activity, but instead the “consuming classes are inclined to attribute a large part of the cost of living to speculation on the organized exchanges, while the farmer is firmly convinced that they absorb a large part of his profit.”⁴¹ With this in mind, it is easy to understand why Senator Reed’s attempt to vilify Hoover and defend

³⁷ House Committee on Agriculture, *Production and Conservation of Food Supplies, Hearing Before the Committee on Agriculture*, 65th Congress, 1st sess., 1917, 385.

³⁸ Duffus, “Government Control of the Wheat Trade in the United States,” 82.

³⁹ Surface, *The Grain Trade During The War*, 3.

⁴⁰ Lewis Cecil Gray, “Price-Fixing Policies of the Food Administration,” *The American Economic Review* 8, no. 1 (March 1919): 266.

⁴¹ *Ibid.*

speculators backfired. The charges made by Hoover and other senior officials validated the public perception of speculators as greedy moneygrubbers, and as unnecessary links in the production and distribution chain. Perhaps Senator Phelan of California said it best while defending Hoover against the CRB marker manipulation charges, when he stated there was no need to defend an attempt “to force down the mounting prices which heartless speculation had sought to impose even upon a charity fund.”⁴² In the face of such emotion, Senator Reed joined Secretary Houston as little more than a speed bump en route passage of the Lever Act.

Historians also largely accepted this rationale for the creation of the Food Administration. The official accounts prepared by William Mullendore and Frank Surface left little doubt in regard to the damage caused by the commodity exchanges and speculators. Hoover himself acknowledged that a primary purpose of the Food Administration entailed a reduction in speculation and profiteering.⁴³ In media interviews he highlighted the problems associated with rampant hoarding and speculation.⁴⁴ Historians further noted that the call for centralization and control of food distribution, including exports, was justified to “put an end to the devious work of speculators on the commodities markets.”⁴⁵ As a result, a standard portrayal of speculators emerged that depicted them as avaricious opportunists, eager to leverage a wartime surge in demand for personal gains through the hoarding of foodstuffs in anticipation of a bidding war by Allied and neutral nations. For the most part this

⁴² Nash: *The Life of Herbert Hoover: Years of Adventure*, 61.

⁴³ Mullendore, *History of the Food Administration*, 7.

⁴⁴ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 18.

⁴⁵ Witold S. Sworakowski, “Herbert Hoover, Launching the American Food Administration, 1917.” In *Herbert Hoover: The Great War and its Aftermath*, edited by Lawrence E. Gelfand, (Iowa City, University of Iowa Press, 1979), 52.

simplistic summary has withstood the test of time, along with the portrayal of Senator Reed as a reactionary demagogue who badly miscalculated the public mood when he publicly defended speculators and normal market forces. A close review of production statistics, however, reveals significant flaws in this assessment.

A variety of factors impact the production levels of wheat in any given year, which ranges from weather, disease, and insects to anticipated demand and prices. From 1909-1913 the United States produced a relatively stable annual harvest of wheat that averaged 667 million bushels, with a yield of 635 million bushels in the lowest production year compared to 763 million on the high end of the scale. An upward surge occurred with the 1914 crop in the form of 891 million bushels, which represented not only the largest crop ever produced in the United States, but also approximately twenty-five percent of the total of worldwide wheat production.⁴⁶ Despite the size of this record crop, the acres utilized for wheat production in 1915 grew thirteen percent from 53.5 million acres to 60.4 million acres. This large planting resulted in a yield of 1.026 billion bushels, which shattered the one-year-old record and exceeded domestic consumption requirements by sixty-six percent. In addition, this unprecedented domestic wheat harvest was part of a worldwide record setting crop. As a result, the price of wheat dropped in 1915, despite the disruptive forces associated with the massive and destructive war that raged in much of Europe. Contrary to standard accounts and interpretations, market forces clearly anticipated a wartime rise of demand for wheat as demonstrated by the high levels of acreage devoted to the crop. In addition, favorable weather conditions contributed to the worldwide bumper crop and excess yield.

⁴⁶ Benjamin H. Hibbard, *Preliminary Economic Studies of the War: Effects of the Great War Upon Agriculture in the United States and Great Britain* (New York: Oxford University Press, 1919), 7.

Conditions changed dramatically, however, in the 1916 crop year. As a result of the excess supply of wheat, the level of acreage devoted to the crop declined to 52 million acres, slightly less than the 1914 planting level. Overall, poor weather conditions resulted in a reduced domestic harvest of 639 million bushels; roughly the size of the lowest yield from the 1909-1913 pre-war years and barely enough to cover anticipated domestic demand.⁴⁷ Severe winter weather resulted in the destruction of much of the winter wheat sown in the fall of 1916, which led directly to the May price spikes on the Chicago exchange following the grim assessment by the Department of Agriculture.⁴⁸ In 1916, approximately 530 million bushels were necessary to meet the anticipated domestic consumption requirements in the United States and an additional 87 million bushels were needed to produce seed for the following crop year, which left only 19 million bushels for export.⁴⁹ To make matters worse, poor weather conditions adversely impacted other major wheat producing regions such as Argentina, which reported a crop failure and subsequently instituted an embargo in March on all wheat exports.⁵⁰ This announcement surprised and shocked senior British government officials.⁵¹ To make matters worse, the 1916 winter wheat harvest also failed in France and England.⁵²

The importance of wheat during World War I cannot be understated. A Food Administration study concluded that breadstuffs represented between fifty-five and sixty-five percent of total Allied food consumption, compared to thirty percent in the United

⁴⁷ Ibid., 24.

⁴⁸ Duffus, "Government Control of the Wheat Trade," 66.

⁴⁹ Hibbard, *Preliminary Economic Studies of the War*, 24.

⁵⁰ "Argentina Stops Export," *The Brisbane Courier*, March 30, 1917.

⁵¹ Philip Dehne, "Britains Global War and Argentine Neutrality." In *Caught in the Middle: Neutrals, Neutrality and the First World War*, edited by Johan Den Hertog and Samuel F. Kruizonga, (Amsterdam: Amsterdam University Press, 2011), 76.

⁵² Mullendore, *History of the Food Administration*, 47.

States.⁵³ This demand for wheat translated to an estimated annual Allied import requirement of 600 million bushels.⁵⁴ The major wheat producing nations of the world included Russia, Argentina, Australia, Canada, India, and the United States. The crop in Russia was isolated by war and revolution and therefore essentially removed from the international market. Wheat was available in Australia and India, but the long ocean transits tied up increasingly scarce shipping resources required for munitions and other war supplies. In addition, German U-boats were taking a toll on Allied merchant hulls. This combination left the United States and Canada as the primary sources of supply for wheat and other grains since Argentina shut down its export market. As previously noted, the total wheat harvest in the United States for the 1916 crop year barely covered domestic requirements. The total Canadian wheat harvest entailed 234 million bushels, hardly enough to meet Allied requirements. On the surface this situation would seem impossible and yet the Allies did in fact receive adequate quantities of wheat. It is necessary to examine how this was possible to fully comprehend the political and policy dynamics at play during this period of intense public debate.

The Department of Agriculture tracked the production of wheat and other farm products reasonably closely, but did *not* maintain an accurate inventory of supplies on hand following the marketing and distribution of a crop year. This shortfall resulted in a fascinating dilemma in that the United States government really did not know the level of supplies on hand in the spring of 1917 and therefore could not accurately estimate the quantity available for export.⁵⁵ Therefore, despite the strong rhetoric employed by

⁵³ Ibid., 5.

⁵⁴ Surface, *The Grain Trade During the War*, 21.

⁵⁵ Hibbard, *Preliminary Economic Studies of the War*, 75.

Hoover and his associates to support their collective call to action, which included dire warnings of social disruption and potential starvation, the Administration simply could not provide a reasonable inventory estimate. A nation that routinely enjoyed agricultural surpluses had not perceived the need to maintain such statistics. Requirements for a nation-wide agricultural census were not in place until the spring of 1918.⁵⁶

Despite this statistical shortcoming, Hoover launched an energetic food conservation campaign in May, shortly after receiving the green light to proceed from the President despite the lack of legislative authority. The campaign had multiple goals, which included the solidification of public support for the war, suppression of domestic prices through diminished demand, the reduction of social disruptions through visible government action, and an increase of wheat available to the Allies. In addition, it served as a self-fulfilling prophecy for Hoover, who aggressively assumed the duties of Food Administrator while the Congressional debate on the subject still raged. Seemingly overnight, large numbers of women enlisted as Food Administration volunteers to bolster public support for such an effort. Even the most generous estimates of the impact from this campaign, however, cannot explain the large quantity of wheat available for export *above and beyond* that required for the domestic market despite a dismal harvest. From 1910-1914 (years ending on 30 June), the United States exported an average of 105 million bushels of wheat. This figure jumped to 332 million bushels exported from July 1, 1914, to July 1, 1915, and 243 million bushels for the same period in 1916-16.⁵⁷ These surplus bushels clearly came from the ample plantings and harvests of the 1914-1915 crop years. The nation's farmers, speculators, middlemen, jobbers, and grain dealers

⁵⁶ Ibid.

⁵⁷ Ibid., 31.

collectively anticipated a spike in wartime demand and produced record crops that provided enough wheat to overcome the shortfalls experienced in the 1916 crop year. Furthermore, the stored wheat had not been set aside solely for the purpose of hoarding in anticipation of higher prices, but instead represented the surplus *after* domestic and international demands were met. A very large planting followed the disappointing 1916 crop year, but once again poor weather and drought destroyed much of the crop and resulted in a second disappointing harvest that amounted to 637 million bushels. Once again, a harvest of this level barely met the demands of the domestic market and yet the United States managed to export 133 million bushels to the Allies.⁵⁸ The exported wheat clearly came from stockpiles from the 1914 and 1915 crop years.

Although speculators and middlemen had few defenders in the spring of 1917, it is clear that Senator Reed was more right than wrong when he stated that they did not represent the root of the problem in respect to price inflation. Quite to the contrary, the normal market machinations resulted in adequate supplies during two lean years impacted by the vagaries associated with weather. Furthermore, several other significant factors impacted the price of wheat, including the formal entrance of the United States into the war on 6 April 1917. The War Department and Navy Department subsequently commenced large-scale food procurements in an effort to stockpile adequate supplies for a massive influx of personnel.⁵⁹ In addition, Hoover's very public arrival on May 3 sent an unambiguous message to the markets that significant federal intervention was imminent. As previously noted, the subsequent political debate received intense press coverage and the rhetoric steadily escalated to dramatic levels as the opposing camps

⁵⁸ Surface, *The Grain Trade During the World War*, 22.

⁵⁹ Mullendore, *History of the Food Administration*, 22.

conducted a very public war of words. When Senator Reed charged that Hoover sought powers associated with an emperor or dictator, Hoover retorted that social disruption and starvation represented clear and present dangers that must be addressed. As the debate dragged on through the summer, some portions of the wheat and grain markets slowed down markedly due to uncertainty. Millers, for example, suspended large purchases due to fear of government intervention in the form of regulated prices at lower levels than the current market value.⁶⁰ This inaction resulted in a shutdown of flour production during a period of rising prices due to the poor worldwide harvest of 1916.

Julian Barnes, the future president of the United States Grain Corporation, indicated that suspension of activity at the Chicago Exchange under pressure or encouragement by government officials resulted in uncertainty that translated to the curtailment of business transactions and an insistence on higher margins to protect purchasers from government induced losses.⁶¹ Even Hoover admitted in a publicly released letter in July that the delay in the passage of the Food Control Act contributed greatly to higher prices since “every link in the distribution chain found it necessary to exact wider fluctuating prices when all normal safeguards were lost” due to uncertainty in market conditions and world trade.⁶² Ironically, a statement intended to place pressure on Congress for immediate passage of the bill also bolstered Reed’s argument that Hoover’s bombastic public pronouncements served as a primary driver for higher prices. Markets of any era hate uncertainty and demand higher prices to compensate for perceived risk. This maxim joined with the forces of supply and demand to drive prices higher during an

⁶⁰ Ibid., 125.

⁶¹ Surface, *The Grain Trade During the World War*, 40.

⁶² Mullendore, *History of the Food Administration*, 126.

anxious period when the markets recognized the imminent approach of unprecedented government intervention.

Wheat clearly represented the top priority of the fledgling Food Administration since it constituted a significant portion of daily dietary requirements and along with other grains served as a driving force of the price of meat and dairy products. Sugar also emerged as a “peculiarly indispensable” commodity that Hoover described as “a sort of binding material in which our cuisine so largely revolves.”⁶³ Sugar traded on the New York Coffee and Sugar Exchange and experienced significant upward price spikes in the spring and summer of 1917. From June 1 to August 7 the price increased twenty-eight percent from \$5.89 to \$7.52 per hundred pounds.⁶⁴ The reaction to the rising prices in New York was similar to that in the Chicago Exchange in the form of suspension of all trading on sugar futures. While fingers of blame pointed again toward speculators a close examination of the dynamics of the international sugar market offer a different perspective.

Prior to the outbreak of war, Europe produced approximately forty-five percent of the world’s supply of sugar. Of this total supply, Germany produced one-third, Russia one-fifth, and France one-tenth in the form of beet sugar.⁶⁵ The other major sugar producing areas of the world included the United States, Cuba, India, and Java. The war disrupted the distribution of the European crop for obvious reasons and sugar produced in Java required a long ocean transit during a period of intense competition for ocean going

⁶³ Joshua Bernhardt, *Government Control of the Sugar Industry in the United States: An Account of the Work of the United States Food Administration and the United States Sugar Equalization Board, Inc.* (New York: The MacMillan Company, 1920), vii.

⁶⁴ *Ibid.*, 8.

⁶⁵ Roy G. Blakely, “Sugar Prices and Distribution Under Food Control,” *The Quarterly Journal of Economics* 32, no. 4 (August 1918): 571.

merchant hulls. Since Cuba produced over twice as much sugar as that grown in the United States, Hawaii, the Caribbean, and South America combined, its crop became vital during the war years.

In February 1917 a significant insurrection commenced against Cuban President Menocal. The rebellion threatened the sugar cane harvest as well as the financial interests of United States businesses and investors that owned Cuban agricultural property, which included the Manati Sugar Company of New York, Atkins and Company, and the United Fruit Company. On February 18 the United States issued a strongly worded statement that indicated the insurrection represented an “unconstitutional act and will not be countenanced.” The statement further indicated that leaders of the rebellion would be held liable for injuries to foreign nationals and destruction of foreign property.⁶⁶ In addition, the USS *PETREL* deployed to Santiago to serve as a calming presence and symbol of United States determination to protect the sugar cane crop. The warning did not deter the revolutionary leaders, however, and businesses, sugar mills, and banks shut down due to a shortage of labor and fears of violence. On February 27, reports of systematic destruction of cane fields by rebel forces resulted in the deployment of United States Marines from the Guantanamo Naval Station to protect the crops and ostensibly prevent further loss of life.⁶⁷ As the insurrection persisted, the Cuban government joined the United States in a declaration of war on Germany, which assured further protection from rebel forces. On May 18 the State Department requested that the War Department deploy two regiments to Cuba to protect U.S. interests, which centered

⁶⁶ Leo J. Meyer, “The United States and the Cuban Revolution of 1917.” *The Hispanic American Historical Review* 10, no. 2 (May 1930): 148.

⁶⁷ *Ibid.*, 151.

on wartime sugar production. This deployment essentially ended the insurrection with the exception of isolated pockets of die-hard rebels.

It is clear from this review that speculators and middlemen did not represent the primary cause of the price hikes for sugar. The Cuban insurrection adversely impacted the 1917 harvest of sugar cane to the point that it required several thousand U.S. troops and a large naval presence to restore order and the normal production and distribution of the crop. Interestingly, the official history of the Food Administration does not mention the insurrection in the chapter devoted to the management of sugar despite its obvious impact on the price at the New York Coffee and Sugar Exchange. Another study prepared by the chief statistician for the U.S. Sugar Equalization Board includes a section that provides a brief summary of “political disturbances” that resulted in the dispatch of “an agent of the American Government” to cooperate with the Cuban Government in regard to measures necessary to protect the sugar cane supply.⁶⁸ The summary does not include any mention of ground troops or naval vessels, although the author does note that the disturbances resulted in a decline of 400,000 tons of sugar cane production. The official accounts purposefully omitted or downplayed the scale and impact of the insurrection on sugar production and distribution. These sanitized version of events demonstrate a notable characteristic of the post-war official and semi-official accounts of the Food Administration. While these studies contain vital facts and statistics, they also include carefully crafted passages that serve as a defense of policies, regulations, and aggressive market interventions.

⁶⁸ Bernhardt, *Government Control of the Sugar Industry in the United States*, 21.

When Hoover and his key staffers criticized market speculators they cast a very wide net that included virtually anyone that stood between the farmer and ultimate consumer. In its purest form, a futures contract represented a binding agreement between two parties on the price of an asset, such as grain, that would be delivered and officially purchased on a future date. As a result, the seller received a guaranteed price and the purchaser assumed the risk that the asset would increase in value above the agreed upon purchase amount. The Chicago Board of Trade created the first standardized futures contracts for grain in 1865 and in doing so initiated a standard practice that soon included other commodities.⁶⁹ This system provided capital and a system of nationwide distribution for agricultural production that eliminated artificial price differences between regions, along with a means of hedging intended to minimize the degree of price fluctuation by discounting future changes in conditions.⁷⁰

The dislike and distrust of speculators and exchanges on the part of many farmers, however, went well beyond futures trading in Chicago. A western grain farmer in 1917 had several choices for the disposition of his crops. For example, he could elect to transport it to the nearest grain elevator and sell it there, or ship it to a commission firm that would serve as his representative at one of the large markets. A third option entailed the retention of a portion of the crop in the hope of higher prices in the future. This latter option required adequate storage facilities and capital reserves, which made it impractical for many farmers since they required funds for mortgage payments, equipment maintenance, and the following year's crop.

⁶⁹ CME Group Company History, "Timeline of CME Achievements," CME Group, <http://www.cmegroup.com/company/history/timeline-of-events.html> (accessed March 21, 2103).

⁷⁰ Lewis Cecil Gray, "Price-Fixing Policies of the Food Administration," *The American Economic Review* 9, no. 1 (March 1919): 266.

The sales process at a grain elevator commenced with grading the quality of the grain. This highest quality grain received a No. 1 grade, which resulted in greater proceeds than lower numbered crops. Many farmers staunchly believed that this system, based primarily on the appearance and weight of the grain, was at best arbitrary and capricious. They further alleged that the grain they sold as No. 3 in quality would leave the facility at a higher grade for resale.⁷¹ A practice known as “dockage” represented another significant grievance, since it entailed a reduction in the total weight of the grain based on an estimated amount of impurities such as dirt. Most farmers considered the dockage system an unfair practice created solely to justify a further reduction in their proceeds. Farmers that shipped their harvest to commission houses faced a different system, but voiced similar complaints. After grading the crop, a commission agent would quickly sell the grain to a representative of a terminal elevator company. Farmers believed that these agents, who received fees to ensure the best price for producers, worked for firms that were subsidiaries of the larger terminal elevator companies and therefore protected the interests of their ultimate employers.⁷²

Similar to their grain-producing counterparts, livestock farmers believed the system was rigged against them since the largest meatpacking companies, collectively known as the “Big Five,” controlled virtually every aspect of the purchase and distribution system. In the fall of 1914 an outbreak of foot and mouth disease resulted in the suspension of the shipment of cattle for several months. When this embargo ended a glut of cattle entered the market and prices dropped markedly. Nonetheless, producers planned on large herds for 1915 in anticipation of wartime demand for beef exports, but

⁷¹ Robert L. Morlan, *Political Prairie Fire: The Nonpartisan League, 1915-1922* (Westport, Connecticut: Greenwood Press, 1955), 7.

⁷² *Ibid.*, 11.

the ultimate prices did not meet expectations, which exacerbated suspicions of collusion by the Big Five. These farmers also distrusted their commission firms since the large packing companies owned the livestock yards and therefore served as landlords to the producers' representatives. From the farmers' perspective this relationship placed the commission agents in a vulnerable position, since they needed to remain in the good graces of their landlords to remain in business.⁷³

The grain elevator operators, commission houses, and meatpackers naturally refuted these charges and pointed to the natural ebbs and flows of markets as the real source of price fluctuations. Since there are many dynamic factors that help determine the ultimate price of a commodity, it is difficult to pass a definitive judgment on these persistent disputes, since both sides articulated defensible arguments for their positions. A 1918 Federal Trade Commission (FTC) investigation on the meatpacking industry highlights this point. Although the investigation supported many of the producers' allegations, Food Administration officials offered a staunch defense of the standard practices of the packing industry and harshly criticized the content and methodology of the final FTC report.⁷⁴ The primary purpose of this summary, however, is not to choose between these factions, but rather to point out that Hoover and his public relations team purposefully hit a raw nerve when they launched their very public assaults on speculators and middlemen. The criticisms and charges leveled by senior federal officials were music to the ears of farmers eager to exact revenge on their long-term nemeses. For example, the Nonpartisan League cheered the calls by government officials to impose

⁷³ G.O. Virtue, "The Meat-Packing Investigation," *The Quarterly Journal of Economics* 34, no. 4 (August 1920): 648.

⁷⁴ Frank M. Surface, *American Pork Production in the World War: A Story of Stabilized Prices and of the Contribution of American Farmers to the Allied Cause and the Post-Armistice Famine* (Chicago: A.W. Shaw Company, 1926), 50.

strict controls on commodity speculation and considered the proposals vindication for their long held opposition to free markets, which apparently could not function properly in times of emergency.⁷⁵ Hoover played on these prejudices and resentments when he knowingly propagated specious or at best greatly exaggerated charges against speculators and middlemen to garner widespread support for drastic actions that essentially replaced the free-market system. The commodity exchanges, grain dealers, and sugar distributors could not control weather, insurrection, export embargoes, and large-scale military procurements, but they nonetheless received the wrath of their government for price spikes.

With strong media support and public sentiment on his side, Hoover had a strong wind at his back in the summer of 1917 and yet the proposed Lever bill still faced obstacles in Congress. The “dry” lobby considered the proposed food control legislation a serendipitous opportunity to impose Prohibition through the control of grain products. This effort was serious enough to stall the legislation and resulted in a public appeal by President Wilson to the Anti-Saloon League and other dry groups for a compromise that fell short of total Prohibition.⁷⁶ As a result, the President and Prohibition advocates agreed to an amendment that banned the production of distilled liquor for the entire war. In addition, the amended bill language included authority to regulate the use of foodstuffs in the preparation of wines and beer up to and including complete elimination of wartime beer production.⁷⁷ But not all dry advocates considered this concession an elegant solution and the Chairman of the National Committee of the Prohibition Party

⁷⁵ Morlan, *Political Prairie Fire*, 112.

⁷⁶ Dickson, *The Food Front in World War I*, 20.

⁷⁷ Mullendore, *History of the Food Administration*, 108.

vehemently complained that as a result of the deal, Wilson “forfeited all rights to moral leadership.”⁷⁸

One final hurdle remained in the form of an effort to dilute Hoover’s power base by the creation of a food control board to include the Secretary of Agriculture and two presidential appointees. President Wilson reiterated his strong objection to this proposal via public statements and in doing so defeated the last resistance to Hoover’s demand for total control. On 10 August 1917, the President signed the legislation commonly referred to as the Lever Food Control Act or simply the Food Control or Lever Act, although the full title was “An Act To Provide Further for the National Security and Defense by Encouraging the Production, Conserving the Supply, and Controlling the Distribution of Food Products and Fuel.” In doing so, he conferred enormous power to a new and independent agency controlled by one man who enjoyed no oversight and reported directly to the President.

The language of the Lever Act reflected the heated debates and numerous compromises that preceded its passage in that it included an intriguing collage of direct and indirect power, along with sufficient vagueness to offer talented attorneys and staffers ample opportunities to push their authorities to the limit. Without question the most direct and significant power created by the Act dealt with the appropriation of \$150,000,000 for the newly minted Food Administration, of which \$50,000,000 represented the initial capitalization of the United States Grain Corporation, a government owned company empowered to control the wheat and grain markets. Total annual federal expenditures never exceeded \$742 million before the war and therefore

⁷⁸ Dickson, *The Food Front in World War I*, 20.

this appropriation equated to twenty percent of the highest pre-war fiscal year appropriated budget. These funds accompanied the authority to directly purchase, store, and sell wheat, flour, beans and potatoes. The Grain Corporation also borrowed an additional \$384 million to support its massive procurement program.⁷⁹ When added to the initial \$150 million appropriation, the total funds available to this government company represented an astonishing seventy-two percent of the highest pre-war federal budget. The powerful legal authority and huge capitalization resulted in the rapid nationalization of the entire grain industry.⁸⁰ The vilification of speculators represented a clear tactical victory as virtually overnight commodity exchanges, middlemen, grain elevator operators, warehousemen, and grain dealers learned that their respective functions were no longer required. The Food Administration acknowledged that the rapid federal takeover resulted in pain for many individuals in that they lost businesses built over the course of a lifetime. In return the Food Administration hosted a conference on 15 August 1917 attended by more than one hundred representatives of the grain and elevator trades and passed a resolution in honor of their personal and financial sacrifices.⁸¹

The Lever Act included other powerful authorities that will be examined in detail in later chapters. Of these, the ability to require federal licenses emerged as the most powerful tool available to government regulators in that it represented the ultimate trump card. Simply put, those that played by the rules enjoyed the privilege of a business license and those that did not faced a denial or revocation, which inevitably translated to

⁷⁹ Surface, *The Grain Trade During the World War*, 124.

⁸⁰ Russell Lord, *The Wallaces of Iowa* (Boston: Houghton Mifflin Company, 1947), 196.

⁸¹ Mullendore, *History of the Food Administration*, 132.

bankruptcy. Economists at the time noted that this requirement translated to autocratic authority through the ability to bring “recalcitrant persons to submission” through unlimited license authority.⁸² By 1 January 1919, the Food Administration had issued nearly 300,000 business licenses that covered everything from bakers and fishermen to near-beer manufacturers.⁸³ Following complaints by farmers on the cost of equipment and repairs, even dealers in farm implements had to obtain a federal license and in doing so acquiesced to federal price controls.⁸⁴

It is clear that on 10 August 1917, the nation set sail on an uncharted course of government food control. Frank Surface referred to it as an experiment in economics.⁸⁵ Many economists of the time used a similar description as they acknowledged that the Lever Act ran counter to conventional economic theory.⁸⁶ The *New York Herald* called it a “national socialist experiment,” a sentiment echoed by the *Literary Digest*.⁸⁷ In his memoirs, Hoover noted that the creation of the Food Administration represented the “first assumption by the American Government of great economic powers.”⁸⁸ Other contemporaries coined the phrase “war socialism” to describe unprecedented government control of industries and activities that included the telephone and telegraph industry, shipbuilding, and hundreds of manufacturing plants. None of these actions, however, rivaled the size and scope associated with complete control over the entire food production and distribution system. Simply put, Herbert Hoover obtained his primary

⁸² F.W. Taussig, “Price-Fixing As Seen by a Price-Fixer,” *The Quarterly Journal of Economics* 33, no. 2 (February 1919): 208.

⁸³ Mullendore, *History of the Food Administration*, 200.

⁸⁴ Hibbard, *Preliminary Economic Studies of the War*, 115.

⁸⁵ Surface, *The Grain Trade During the World War*, v.

⁸⁶ Duffus, “Government Control of the Wheat Trade,” 62.

⁸⁷ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 73.

⁸⁸ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 271.

objective as the Lever Act represented the most significant level of economic control ever granted to an agency or a President.⁸⁹ A grand national experiment was indeed underway.

⁸⁹ Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987), 136.

Chapter 2:

AGREEMENTS ONLY IN NAME

In the *History of the Food Administration*, William Mullendore indicated that certain powers in the Food Control Act were “unprecedented” and that “in general its language was broad and somewhat elastic.”¹ This is a remarkable understatement since key provisions of the legislation provided ample authority to coerce compliance in virtually every aspect of the food industry. The first section of the Act contained blunt language that empowered the government to ensure “an adequate supply and equitable distribution, and to facilitate the movement of foods, feeds, fuel including fuel oil and natural gas and fertilizer ingredients, tools, utensils, implements, machinery and equipment required for the actual production of foods, feeds, and fuel, hereafter in this Act called necessities; to prevent, locally or generally, scarcity, monopolization, hoarding, injurious speculation, manipulations, and private controls, affecting such supply, distribution, and movement; and to establish and maintain governmental control of such necessities during the war.” This statement clearly transmitted the intent to regulate and control the entire spectrum of food production and distribution that included fertilizers, feeds, and even equipment. Section 1 of the Act also provided the President with the authority to create any agency deemed necessary and enter into voluntary agreements or arrangements with any private or public enterprise. This combination represented one of the most powerful portions of the law in that it authorized the creation of an independent agency empowered to coordinate the formation of what amounted to

¹ William Clinton Mullendore, *History of the Food Administration, 1917-1919*, (Stanford: Stanford University Press, 1941), 60.

industry cartels through “voluntary” agreements or arrangements that controlled distribution and prices.

Other sections of the Act also provided powerful authorities and tools to ensure compliance. For example, Section 4 of the Food Act made it unlawful to hoard or participate in any wasteful practice and also forbid any actions that led to the purposeful restriction of supply or distribution, along with excessive prices for any necessity. Section 6 listed penalties up to and including imprisonment for the hoarding of supplies by a manufacturer or dealer in excess of reasonable supplies required for processing or resale. Section 7 authorized the seizure and redistribution of hoarded supplies or necessities. Section 11 provided a revolving fund for the direct purchase of wheat, flour, meal, beans, and potatoes. This section also authorized the federal government to sell these items at reasonable prices that could not be less than an established minimum price. Section 12 provided authority to the President to requisition and operate any packinghouse, pipeline, factory, or mine that produced necessities. Section 13 authorized the regulation or closure of any exchange or board of trade whenever deemed appropriate by the President. Section 14 established a guaranteed price for wheat for a period not to exceed eighteen months. The price covered the standard grades of wheat based on a price of \$2 per bushel of No. 1 Northern Spring.

This brief overview illustrates the enormous scope of the Food Control Act and authority provided to the Food Administration. There is one remaining section, however, that stands out because without doubt it provided the most powerful tool available to the Food Administrator to ensure compliance with all rules, regulations, and dictates. Section 5 provided the President and his Food Administrator with the authority to require

businesses to obtain federal licenses that covered importation, manufacture, storage, mining, or distribution of any “necessities.” Farmers and gardeners were exempt from this requirement, as were common carriers and retailers with gross sales less than \$100,000 per year. This single requirement provided enormous leverage to the Food Administration, since it could quite literally determine who could and could not conduct business based on loosely defined levels of compliance and cooperation. If an appeal to patriotism connoted the proverbial carrot to the business community in regard to support for Food Administration policies, this licensing requirement represented a very large stick held over their collective heads. Simply put, the federal government could eliminate resistance to food control policies through the denial or revocation of a business license. F.W. Taussig, an eminent Harvard economist who served on the U.S. Tariff Commission during the war, indicated that business representatives often accepted the terms and prices offered by the Food Administration “virtually under duress” and therefore such arrangements were “agreements only in name.”² Without a license a business could not operate and therefore would cease to exist. The only ingredient necessary to fully leverage the full potential of this authority was a Food Administrator with adequate resolve to utilize federal power to this extent. Shortly after passage of the Food Act, Herbert Hoover would prove more than up to the task.

President Wilson clearly set the tone when seeking a declaration of war through the warning that “if there should be disloyalty, it will be dealt with a firm hand of stern repression.”³ If that statement left any doubt, the proposed Espionage Act of 1917

² F.W. Taussig, “Price-Fixing As Seen by a Price-Fixer,” *The Quarterly Journal of Economics* 33, no. 2 (February 1919): 209.

³ John M. Cooper Jr., *Reconsidering Woodrow Wilson: Progressivism, Internationalism, War, and Peace*, (Baltimore: Johns Hopkins University Press, 2008), 190.

swiftly dispelled it, since Wilson further indicated that those who did not support the war surrendered their civil liberties. Through these statements the President clearly enunciated the ramifications for disloyalty during wartime and Hoover energetically accepted the role of loyal enforcer through the willingness to isolate and punish transgressors. Actions taken against Claus A. Spreckels, the head of the Federal Sugar Refining Company, demonstrate this point. During testimony before the Senate Committee on Agriculture in December 1917, Spreckels asserted that Hoover caused the sugar crisis through unnecessary meddling that unsettled the flow of sugar at market prices. In making this charge he supported Senator Reed's position; a sin that would not be forgotten or forgiven. On 1 March Hoover sent a letter to the President that excoriated Spreckels for being the sole resistor among the major U.S. sugar refiners to an agreement on terms for the purchase and distribution of Cuban sugar. Hoover indicated that Spreckels raised "one quibble after another" and requested that the President direct the War Trade Board and Shipping Board to revoke his transportation and importation licenses.⁴ In the letter, Hoover defended the actions of the Food Administration as necessary to prevent the collapse of Cuban sugar prices. On 5 March the President sent a short reply that included his concurrence with Hoover's recommendation. The letter also indicated that instructions to terminate the licenses were forwarded the same day.⁵ In the space of five days, Mr. Spreckels and the Federal Sugar Refining Company were cut off from the most important wartime source of supply of sugar through the authority provided in Section 5 of the Food Control Act.

⁴ Francis William O'Brien, ed., *The Hoover-Wilson Wartime Correspondence, September 24, 1914 to November 11, 1918*, (Ames, Iowa: Iowa State University Press, 1974), 158.

⁵ *Ibid.*, 161.

The action against Spreckels did much more than remove an irritant. It demonstrated the power conveyed by the Food Control Act, along with Hoover's resolve to fully leverage his authority and access to the President to squelch any serious opposition. In addition, the swift approval of significant punitive action against a major industry figure conveyed a clear message that Hoover enjoyed the full trust and support of the President. Other food industry leaders certainly took note of the highly visible adverse action taken against Spreckels and factored that result into dealings and negotiations with Food Administration officials. This outcome calls into question the real nature and character of the "voluntary" agreements and arrangements authorized by Section 1 of the Act, as well as the claims by Food Administration officials that industry leaders willingly acquiesced to government intervention to repair the wartime damage to normal market forces. It seems highly unlikely that a rational business leader would willingly follow in Spreckels' footsteps and join forces with Senator Reed to oppose government control of their portion of the food industry. In fact, Hoover bragged in his memoirs that in "exasperating" cases where processors or distributors did not get the message and accept the "re-orientation" of the economy, government lawyers quickly convinced their legal representatives of the futility of their arguments and positions.⁶ Furthermore, once reasonable and prudent business leaders accepted the inevitability of a greatly enlarged government role, they naturally sought an active role in shaping the specific arrangements, agreements, and regulations that impacted their livelihoods.⁷ To do otherwise left their fates and profit margins to others, which included competitors.

⁶ Herbert Hoover, *The Memoirs of Herbert Hoover: Years of Adventure, 1874-1920*, (New York: The MacMillan Company, 1951), 247.

⁷ Robert Higgs. *Crisis and Leviathan: Critical Episodes in the Growth of American Government*, (New York: Oxford University Press, 1987), 115.

Hoover had in effect created an environment in which only one option made sense; a series of collective agreements sanctioned by the Food Administration that included protection from prosecution for violations of the Anti-Trust Acts based on an Attorney General ruling that food cartels were legal if they operated within the parameters of a Food Administration agreement.⁸ Simply put, Hoover removed all options from the table but two; a “voluntary” arrangement that dictated virtually all aspects of business dealings in a commodity or public vilification and the loss of required business licenses.

The Hoover historiography is replete with references to his belief that individualism and volunteerism represented key elements of the American national character, as well as foundational elements of his personal core beliefs and governing philosophy. In general terms, many historians concluded that Hoover’s preference for volunteerism led directly to his miserable failure as President during the Great Depression. In short, when an economic crisis called for bold government action and intervention, Hoover relied on the naïve hypothesis that a system based on the voluntary actions of business and community associations could address the problems that accompanied massive unemployment and dislocation.⁹ In this context, volunteerism was presented as a relatively simple concept where individuals and organizations willingly coordinated collective action to alleviate societal problems and challenges. The federal government fulfilled the role of a facilitator, coordinator, and catalyst that encouraged collective volunteerism without overt control, involvement, or a significant investment of resources. This conceptual framework, however, does not comport with Hoover’s

⁸ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 247.

⁹ Some works that express this viewpoint are William E. Leuchtenburg, *Herbert Hoover*, (New York: Henry Holt and Company, 2009), 133-134; and Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive*, (Boston: Little, Brown and Company, 1975), 156.

leadership and actions during his tenure as Food Administrator. Quite to the contrary, Hoover clearly embraced an unprecedented level of activist government intertwined with a complex, nuanced, and peculiar system of volunteerism.

As Food Administrator, Hoover stressed a preference for a food management system that favored individuals in pursuit of voluntary action as opposed to one that resulted in “Prussianizing the country” in the form of “impersonal” boards to oversee and command the population.¹⁰ Frank Surface indicated that “Mr. Hoover many times reiterated his faith in and reliance upon voluntary service in a national emergency,” as well as his staunch faith in the “basic honesty and integrity” of the vast majority of business leaders who were fully able to “govern and control themselves in time of national need.”¹¹ Taken at face value, these statements align nicely with the historical interpretations that present Hoover’s vision of volunteerism in terms of associations acting outside of government control or intervention. Furthermore, Hoover published five cardinal principles for the Food Administration that reinforced this perception:

- First:* That the food problem is one of wise administration and not expressed by the word “dictator” or “controller but “food administrator.
- Second:* That this administration can be carried out largely through the coordination and regulation of the existing legitimate distributive agencies of the producers, distributors and consumers.
- Third:* The organization of the community for voluntary conservation of foodstuffs.
- Fourth:* That all important positions, so far as may be, shall be filled by volunteers.
- Fifth:* The independent responsibility of the Food Administration directly under the President, with the cooperation of the great and admirable organizations of the Department of Agriculture, the Department of Commerce, the Federal Trade Commission and the Railway executives.

¹⁰ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 241.

¹¹ Frank M. Surface, *The Grain Trade During the War* (New York: The MacMillan Company, 1928), 5.

These statements and principles represented a carefully crafted public affairs outreach intended to alleviate concerns about a Prussian-like food autocracy. Hoover and his team stressed the formation of a partnership based on volunteerism and a benign form of administration that appealed to the noble and loyal attributes inherent in the business community and general population. However, multiple forms of volunteerism emerged in Hoover's food management system and a careful examination reveals that in reality none operated independent of significant government influence, coercion, or outright control. It has already been demonstrated that the power associated with federal control of licenses left large and medium sized business concerns with no viable option other than full cooperation with Food Administration policies. Furthermore, the pragmatic decision to join in the development of policies and regulations provided the appearance of voluntary participation through a series of "War Committees" that developed price and distribution controls.¹² But it did not take long for Hoover and his senior staff to extend their authorities to ensure the compliance and cooperation of non-licensed entities and individuals.

The Food Administration did not possess the legal authority to fix prices at the retail level and over ninety-five percent of retail dealers had annual gross sales of less than \$100,000 and therefore did not require a license to conduct business.¹³ A review of newspaper accounts, however, reveals the existence of pressure tactics in the form of published price lists that informed consumers of appropriate charges for food products. If a customer noted a price above the "suggested" level, then he or she could report the violation to the local Food Administration representative or make a public complaint in a

¹² Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 246.

¹³ Mullendore, *History of the Food Administration*, 216.

newspaper. For example, the sister of a soldier in the 7th infantry initiated a report of overcharges for items her brother purchased that included a box of Uneeda biscuits, an orange, and a bottle of ginger ale.¹⁴ This published complaint led to the payment of a twenty-five dollar fine by the Hughes Brothers, who operated the retail store. The Food Administration allowed local authorities to negotiate such settlements, despite the lack of legal authority to do so, which often consisted of a donation to the Red Cross and a commitment to abide by published price lists in the future. Of note, the settlements facilitated by local and state authorities were not included in official Food Administration enforcement statistics. In addition, the public affairs staff prepared numerous press releases to put “the stamp of shame” on individuals and businesses that did not adhere to Food Administration mandates.¹⁵ William Mullendore noted that “the best policeman for the retailer was his fellow retailer,” since those that followed price guidelines did not appreciate counterparts that enjoyed a larger profit margin.¹⁶ In this sense, Food Administration officials utilized pressure tactics, resentment, and envy to achieve their price control goals.

When recalcitrant retailers did not succumb to these tactics, the Food Administration employed a less nuanced approach. These stubborn individuals certainly understood that they were not subject to license requirements and therefore remained exempt from direct legal and administrative authority. In response, Food Administration officials simply ordered their licensed suppliers to cease deliveries until further notice. Wholesalers, jobbers, and manufacturers readily complied with the wishes of Food

¹⁴ “Convict Retailers on Woman’s Charge,” *New York Times*, June 21, 1918.

¹⁵ Craig Lloyd, *Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management, 1912-1932* (Columbus, Ohio: Ohio State University Press, 1972), 47.

¹⁶ Mullendore, *History of the Food Administration*, 220.

Administration officials in order to retain their licenses and remain in good standing. The Food Administration justified this practice through the development of a set of general and special rules to formally regulate licensees. General Rule 17, for example, prohibited wholesalers or jobbers from conducting business with retailers in violation of Section 4 of the Food Control Act, which forbid “any unjust or unreasonable rate or charge, in handling or dealing in or with any necessaries.”¹⁷ The development of these rules highlights the aggressive approach utilized by the Food Administration to fully leverage the Lever Act to extend control to even expressly exempted entities such as the vast majority of retailers. Nonetheless, an official Food Administration pamphlet prepared for the retailers’ pledge campaign indicated that the program focused “upon cooperation rather than coercion.”¹⁸ Amazingly, despite ample evidence otherwise, Hoover and his loyal lieutenants insisted that they achieved price control at the retail level through a completely voluntary system. This was at best a peculiar form of volunteerism where businesses owners cooperated with an aggressive and activist government agency to avoid public embarrassment, boycotts, and outright quarantine from suppliers.

As previously noted, Section 5 of the Lever act exempted farmers from license requirements, while Section 14 established a minimum price for wheat. In addition, Section 13 provided the authority to close any exchange or board of trade; a result achieved shortly after passage of the legislation. Also, the creation of the United States Grain Corporation displaced numerous grain elevator operators, warehousemen, exporters, and dealers, since the government-operated company did not require or desire their services. On the surface, these actions appeared to mollify the majority of farmers

¹⁷ Ibid., 217.

¹⁸ Ibid., 221.

through legislation that addressed their primary interests and ambitions. For example, prior to passage of the Act, a Missouri farmer, Mr. Cowgill C. Blair, summarized concerns with over-production by stating that high prices always preceded low prices and therefore farmers were reluctant to gamble on sustained higher prices through increased production at the risk of excess inventory and debt.¹⁹ Mr. Blair further indicated that farmers were severely impacted by the crop failure of 1916, which resulted in excessive debt. In addition, producer organizations such as the Farmers Non-Partisan League and the American Society of Equity lobbied for suppression or control of the exchanges and direct government control of grain prices.

But the guaranteed minimum price per bushel of wheat coupled with the elimination and suppression of the major exchanges and middlemen did not in fact placate most farmers. Instead, while Hoover and senior Food Administration officials expected cooperation in the form of increased wheat production, they instead experienced resistance in the form of new complaints and appeals. For example, many farmers were outraged that while they operated under a fixed-price system, a cost-plus scheme applied to millers and the production of flour. The basic attributes of this cost-plus system entailed a government-controlled profit margin above all acceptable and provable fixed costs. This arrangement ensured a profit *and* protected less efficient producers from market risks. It additionally offered an opportunity to pad business expenses, such as salaries, which could be raised without impact to profit margins. Agricultural publications and organizations responded in outrage that the fixed-price system only

¹⁹ William M. Dufffus, "Government Control of the Wheat Trade in the United States," *The American Economic Review* 8, no.1 (March 1918): 70.

applied to farmers while millers were able to achieve more profit from the war.²⁰ In this sense, the suddenly activist federal government triggered a rapid shift in the perspective of many farmers after they seemingly achieved their primary goals. Instead of expressing satisfaction with guaranteed fixed prices for wheat, they instead voiced suspicions that Hoover stacked the senior Food Administration staff with wealthy businessmen who protected the interests of millers, manufacturers, and consumers at their expense. A very prominent agricultural publication, *Wallaces' Farmer*, charged that the Food Administration lacked farming expertise and therefore “squeezed” agricultural producers in favor of other interest groups.²¹ In an ironic twist, farmers shifted the focus of their distrust from speculators, middlemen, and exchanges to the activist federal government that displaced them. This phenomenon persisted for the duration of the war and manifested itself in the post-war period in the form of major agricultural associations, lobbying organizations, and formal political alliances.

The criticisms that appeared in *Wallaces' Farmer* represented an initial shot across the bow in what would evolve into a protracted struggle between Hoover and the Wallace family. Henry C. Wallace, and his son Henry A. Wallace, represented an influential Iowa farming family and became powerful advocates for agricultural producers through the publication of the *Wallaces' Farmer*, which was first published in 1898 and remains in existence today. Henry C. Wallace quickly recognized the threats and opportunities posed by the Food Administration and became suspicious of its powerful administrator, who was an unknown quantity despite his claim of Iowa roots.

²⁰ Robert L Morlan, *Political Prairie Fire: The Non-Partisan League, 1915-1922* (Westport, Connecticut: Greenwood Press, 1955), 141.

²¹ George H. Nash, *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (New York: W.W. Norton & Company, 1996), 287.

From the Wallace's perspective, Hoover represented a poseur who professed an affinity for farmers, but stacked his agency with representatives of powerful business interests. As a result, the Wallaces provided demonstrable resistance to Food Administration policies and launched a quest for a seat at the table where federal government representatives developed agricultural policies.

In addition to this fundamental distrust of Hoover and his senior staff, the minimum price for wheat resulted in another significant irony. The Food Administration sought two primary objectives through a guaranteed price. The first goal entailed the establishment of certainty so farmers could plant wheat with the assurance of a "fair" market price. This arrangement would theoretically encourage ample production *and* lead to the secondary goal of immediate distribution to the market since no middlemen, speculators, or dealers could purchase and store wheat in anticipation of higher prices. But this latter goal was not realized for several unanticipated reasons. First, the Food Administration completely miscalculated the impact associated with the establishment of a fixed price. Rather than the anticipated relief and gratitude, farmers instead voiced strong resentment over the guaranteed minimum price since it was actually less than that realized in the prior growing season.²² Furthermore, while the minimum price did offer certainty, it additionally removed the risk normally faced by farmers that prices could decrease. In response many farmers withheld a significant portion of the 1917 crop in the hope that prices would increase above the minimum guaranteed level. As a result, by

²² Wilfred Eldred, "The Wheat and Flour Trade Under Food Administration Control," *The Quarterly Journal of Economics* 33, no. 1 (November 1918): 25.

early September 1917 only 88 millions bushels of wheat were sent to market versus the same period average of 144 million bushels.²³

William Mullendore indicated that the marketing of wheat increased following the “urging of Food Administration officials and Grain Corporation agents as to the necessity, from the standpoint of national need, of keeping the wheat crop moving.”²⁴ But other factors played largely into the increased sales of harvested wheat. Farmers soon realized that the guaranteed *minimum* price actually translated to the establishment of a *maximum* fixed price in a system controlled by the government.²⁵ In other words, the minimum and maximum price were in reality one in the same as a result of the tremendous purchasing power of the Grain Corporation and the ability to dictate terms to licensed entities such as millers. In addition, Hoover facilitated a large loan to the cash strapped British government to purchase Canadian wheat in return for temporary access to a portion of the crop.²⁶ Hoover intended this action as a forcing mechanism to convince U.S. farmers to market their wheat. Furthermore, the Food Administration possessed the authority to requisition wheat supplies and did so in a few cases.²⁷ As a result, farmers eventually realized that only two options existed; grow and sell wheat at the established price or plant another crop under government controlled terms. Once again, the “voluntary” response described by Mullendore reflected the ability of the Food Administration to remove all viable options from the table but the one their officials sought to achieve.

²³ Ibid., 33.

²⁴ Mullendore, *History of the Food Administration*, 137.

²⁵ Lewis Cecil Gray, *The American Economic Review* 9, no. 1 (March 1919): 253.

²⁶ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 100.

²⁷ Mullendore, *History of the Food Administration*, 138.

A similar pattern of behavior emerged with pork producers. Pork served as the primary source of meat and fat for the war effort simply because production could be ramped up quickly. While the Food Control Act did not fix the price of pork as it did with wheat, the licensing provision of the legislation once again provided sufficient authority to control the market. The Food Administration successfully pursued “voluntary” agreements with meat packers to establish minimum hog prices to encourage increased production. If entities refused to abide by the price mandates, the War Trade Board refused to approve an export license. From the farmers’ perspective, the agreement included a price based on a very contentious calculation known as the 13-to-1 ratio. Simply put, the ratio represented a cost-plus contract based on an average cost of production developed by Henry A. Wallace, who assumed the role of chief statistician of the Food Administration hog price commission.²⁸ After reviewing many years of production data, Wallace concluded that on average it required thirteen bushels of corn to produce a 100-pound hog.²⁹ The Food Administration adopted this formula and subsequently all parties agreed on an arrangement where the sale price of hogs reflected a standard cost of production based this ratio.

It is not an exaggeration to state that the implementation of the 13-to-1 ratio prompted an outcry of epic proportions on the part of hog farmers that evolved into a decade long dispute that centered on the cost basis of corn. On 3 November 1917, the Chief of the Food Administration Meat Division, Joseph P. Cotton, issued a public statement that indicated that he will “try to stabilize the price so that the farmer can count on getting for each 100 pounds of pork ready for the market, thirteen times the average

²⁸ Russell Lord, *The Wallaces of Iowa* (Boston: Houghton Mifflin Company, 1947), 197.

²⁹ Frank M. Surface, *American Pork Production in the World War* (Chicago: A.W. Shaw Company, 1926), 37.

cost per bushel of corn fed into the hogs.”³⁰ Henry A. Wallace and his father, Henry C. Wallace, reacted negatively to this carefully prepared statement since it provided ample wiggle room in regard to the basis for the price of corn, despite the existence of Food Administration circulars that indicated the Chicago exchange rate determined the cost of feed.

Frank Surface and other Food Administration officials, including Hoover, maintained that the 13-to-1 agreement was “simply a guide” and reflected the price of corn on the farm, which differed significantly from the price of corn on the market.³¹ Surface’s book on wartime pork management and production, which serves as an official history of the Food Administration, defended this position while minimizing the reaction of the producers. For example, Surface’s study includes an oblique reference to “one farm journal” that made an attempt to “interpret this into a 13-to-1 ratio to each farmer at his railway station.”³² There is little doubt that *Wallaces’ Farmer* represented the farm journal cited by Surface. Of note, Henry C. Wallace served as Secretary of Agriculture under Presidents Harding and Coolidge.³³ It is interesting to consider that Hoover served as Secretary of Commerce from 1920-1928 and clashed with the senior Wallace over policy issues until his untimely death in 1924.³⁴ Henry A. Wallace would eventually serve as Secretary of Agriculture from 1933-1940 and Vice President from 1941-1945.

³⁰ Lord, *The Wallaces of Iowa*, 199.

³¹ Surface, *American Pork Production in the World War*, 37.

³² *Ibid.*, 189.

³³ Lord, *The Wallaces of Iowa*, 6.

³⁴ Hoover and Wallace clashed over numerous issues, which included the areas of responsibility for their respective departments, the role and value of agricultural marketing cooperatives supported by Hoover, and the proposed McNary-Haugen Farm Relief Act, intended to stabilize agricultural prices. See for example, William E. Leuchtenburg, *Herbert Hoover* (New York: Henry Holt and Company, 2009), 59; Russell Lord, *The Wallaces of Iowa* (Boston: Houghton Mifflin Company, 1947), 235; and Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (Boston: Little, Brown and Company, 1975), 103.

He missed becoming President by eighty-two days after Roosevelt replaced him with Truman for the 1944 presidential election. It is clear that Surface purposely downplayed the significance and impact of the opposition to the cost basis of the 13-to-1 formula.

The Wallaces' suspicions were on the mark as the Food Administration concluded that the cost of corn to the farmer, versus the Chicago exchange price, represented the appropriate baseline for the cost-plus arrangement until it was dropped altogether in October 1918.³⁵ From the Wallaces' perspective, this outcome represented a breach of trust that could not be repaired and both father and son embarked on a public crusade to discredit Hoover for deceitful practices detrimental to the interests of farmers. As in the case with other food commodities, however, the Food Administration enjoyed sufficient power and leverage to override even noteworthy opponents such as the Wallaces. As Professor Taussig noted, the government determined cost-plus calculus for pork represented another example of an agreement in name only. This experience convinced the Wallaces to develop a post-war strategy that enhanced the political clout of agricultural organizations in pursuit of parity with competing interest groups and influencers. Their prominent post-war public service represented only one facet of this strategy.

The treatment of licensed enterprises, unlicensed retailers, wheat farmers, and pork producers reflected the standard operating procedures of Hoover and the Food Administration. Specifically, shortly after passage of the Lever Act, a pattern of behavior emerged where government officials leveraged the direct authorities and loopholes of the legislation to force an end result in a manner that included the appearance of cooperation,

³⁵ Surface, *American Pork Production in the World War*, 71.

participation, and volunteerism, when in fact the final agreements were often accepted under duress after participants realized the Food Administration held all the cards. The competent and formidable Food Administration public affairs staff cleverly packaged all such arrangements as the result of willing collaboration and volunteerism and fed that story line to a cooperative and compliant press.³⁶ A 1918 essay that won the Pulitzer Prize in Journalism noted that the service performed by the press “was practically a partnership with Mr. Hoover.”³⁷ Hoover developed a powerful and loyal media team during his years with the Commission for the Relief of Belgium, which included Will Irvin of the *Saturday Evening Post*, Ben Allen of the Associated Press, William A.M. Goode, a former editor of the *London Standard* and *Daily Mail*, and George Baker, a former newspaperman and magazine editor. These experienced and well connected individuals provided Hoover with an advantage not enjoyed by his counterparts in government service. As a result, a media template emerged that portrayed Hoover as a masterful and benevolent facilitator who relied on a unique combination of American patriotism, cooperation, and volunteerism to achieve food production and conservation goals.

This imagery clearly fed into historical studies and helps explain the numerous accounts that describe Hoover’s seemingly naïve overreliance on volunteerism to address virtually any national problem or emergency, including the enormous challenges posed by the Great Depression. During his tenure as Food Administrator, however, Hoover demonstrated a consistent pattern of behavior whereby he eliminated all viable options

³⁶ Benjamin H. Hibbard, *Preliminary Economic Studies of the War: Effects of the Great War Upon Agricultural Production in the United States and Great Britain* (New York: Oxford University Press, 1919), 154.

³⁷ Minna Lewinson and Henry Beetle Hough, *A History of the Services Rendered to the Public by the American Press During the Year 1917* (New York: Columbia University Press, 1918), 15.

but one in the dogged pursuit of measures shrewdly packaged as voluntary agreements. In this sense, Hoover's peculiar form of volunteerism was anything but naïve and instead purposefully employed a symbolism over substance strategy since the federal government enjoyed ample leverage in any negotiations to achieve the desired objectives.

Without doubt, the "Food Will Win the War" conservation campaign became synonymous with large-scale volunteerism in the national psyche during World War I. The Food Administration distributed millions of posters, food guides and leaflets, food bulletins, pledge cards, home cards, window cards, fair price lists, signs, and advertisements. Conservation efforts abounded as demonstrated by wheatless and meatless days and meals, both at home and in restaurants and hotels. Food leaflets reinforced such efforts by providing menu and recipe suggestions aimed at food conservation and substitution.³⁸ Food Guides provided background information on the importance of the wartime food situation directed at teachers, pupils, and the general public.³⁹

The Food Administration enlisted the aid of numerous groups and associations to assist in spreading the word and reinforcing the tenets behind the campaign. In the age prior to television, churches, libraries, and civic associations played key roles in disseminating information and impacting public opinion. Women's organizations were a vital segment of this campaign for multiple reasons. First, Food Administration officials concluded that housewives controlled food purchasing and preparation for the majority of households. Next, organizations such as the National Housewives' League emerged as

³⁸ U.S. Food Administration. 1917. *United States Food Leaflet No. 7*. Prepared by the Food Administration in cooperation with the Department Of Agriculture. Washington, DC: Government Printing Office.

³⁹ U.S. Food Administration. 1918. *Food Guide for War Service at Home*. Prepared by the Food Administration in cooperation with the Department of Agriculture. Washington DC: Government Printing Office.

major forces following a series of successful boycotts and participation in the nationwide food protests. As a result, agency officials actively recruited their support in an effort to refocus energies from protests to support for the conservation program.

In some respects these efforts were highly successful. Libraries embraced their prominent role and librarians were recruited to coordinate the national information campaign.⁴⁰ The president of the National Housewives' League, Mrs. Julian Heath, accepted the honorary rank of Major-General for a campaign to recruit a regiment of one million women in an effort to place families on rations for the duration of the war as part of a "Save to Win" campaign. A poster created to accompany this campaign included an American Flag and a quote from President Wilson that indicated "every housewife who practices strict economy puts herself into the ranks of those who serve the nation."⁴¹ The National League for Woman's Service commenced operations on 27 January 1917 with the express purpose of training volunteers for government agencies. The organization included a Home Economics Division and an Agricultural Division to support Food Administration efforts.⁴² A Woman's Land Service also emerged in response to the food riots in 1917 and the reported shortage of farm labor. This effort evolved into the Woman's Land Army (WLA) that recruited and trained women for agricultural work. At first dismissed as a fashionable hobby for dilettantes, the organization persisted and developed self-sufficient units that achieved significant success in New York during the 1918 agricultural season.⁴³ Perhaps of even more significance to the Food

⁴⁰ Edith Guerrier, *We Pledged Allegiance: A Librarian's Intimate Story of the United States Food Administration* (Stanford: Stanford University Press, 1941), 3.

⁴¹ "The Housewives' Army for National Defense," *New York Times*, October 17, 1917.

⁴² 1918. *Annual Report for the National League for Woman's Service*. New York, 11.

⁴³ Elain Weiss, *Fruits of Victory, The Woman's Land Army of America in the Great War* (Washington DC: Potomac Books, 2008), 219.

Administration was the recognition and attention achieved by the WLA as reflected in magazine articles and several popular plays.⁴⁴

Over four million families enrolled in the Food Administration food economy program by November 1917.⁴⁵ Numerous hotels and restaurants also agreed to observe meatless and wheatless days as designated by the Food Administration.⁴⁶ Significantly, press coverage shifted from problems associated with food shortages to a supportive tone as reporters and editors avoided direct criticism of Food Administration efforts.⁴⁷ The ubiquitous conservation advertisements and messages resulted in a new national term: *Hooverize*, which even achieved an entry in *Webster's Dictionary*.⁴⁸ On the surface, the conservation campaign was an overwhelming success that enjoyed overwhelming public support. Undoubtedly, this highly touted and well-documented effort contributed to Hoover's reputation in regard to volunteerism.

Unfortunately, a closer examination reveals that on the whole the program was a flop. In 1914 a mild recession existed in the United States, but an economic recovery began shortly after the commencement of hostilities in Europe. By 1916 exports to Europe more than doubled and the unemployment rate shrank to five percent and the gross national product achieved a record high.⁴⁹ The wartime boom translated to more hours and higher wages for working families, which in turn resulted in higher levels of

⁴⁴ *Ibid.*, 91.

⁴⁵ "4,641,190 Families in Food Campaign," *New York Times*, November 3, 1917.

⁴⁶ "Philadelphia Shuns Meat," *New York Times*, November 21, 1917.

⁴⁷ Mullendore, *History of the Food Administration*, 84.

⁴⁸ Leuchtenburg, *Herbert Hoover*, 35.

⁴⁹ Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987), 124.

meat consumption despite the aggressive conservation campaign.⁵⁰ This was also the case with the intake of bread and other wheat based products.⁵¹ A *New York Times* article noted that the majority of Americans ignored the pleas for conservation and instead the working-class consumed more food than in the pre-war years.⁵² In 1917, for example, beef consumption rose eleven percent over the pre-war average.⁵³ In response, in January 1918 the Food Administration instituted requirements for the use of corn meal, barley, rye, and oatmeal as wheat substitutes by bakers in a one-to-four ratio for the production of white bread.⁵⁴ By the fall of 1918 Hoover approved a General Order that directed all restaurants to serve only bread and bakery products that contained a minimum of twenty-percent wheat substitutes. Despite the fact that the Food Administration had no direct jurisdiction over public eating establishments, the General Order threatened enforcement based on Section 4 of the Food Control Act, which forbid wasteful practices.⁵⁵

In the case of wheat, the Food Administration conservation program achieved positive results only after the imposition of the substitution rules.⁵⁶ No such rules were feasible for meat conservation and as a result the Food Administration focused on increased production of pork. It is important to note that Hoover possessed full awareness of this reality as demonstrated in multiple statements. In the spring of 1918, for example, he acknowledged that no “radical” or voluntary action could reduce

⁵⁰ Harvey A. Levenstein, *Revolution at the Table: The Transformation of the American Diet* (New York: Oxford University Press, 1988), 144.

⁵¹ Eldred, “The Wheat and Flour Trade Under Food Administration Control,” 67.

⁵² Nash, *Herbert Hoover: Master of Emergencies*, 240.

⁵³ Levenstein, *Revolution at the Table*, 145.

⁵⁴ Eldred, “The Wheat and Flour Trade Under Food Administration Control,” 68.

⁵⁵ Nash, *Herbert Hoover: Master of Emergencies*, 377.

⁵⁶ Eldred, “The Wheat and Flour Trade Under Food Administration Control,” 68.

working-class beef consumption and instead stated: “With the increase in wages in the industrial centers the natural tendency was to lay on the porterhouse and I rather sympathize with that attitude from a personal point of view but from a national point of view it is hard on us.”⁵⁷ In another public statement Hoover admitted that the meatless days campaign was ineffective since true conservation required cutbacks every day.⁵⁸ These statements make it apparent that Hoover fully appreciated the fact that the voluntary conservation program simply did not produce the desired results. In the case of wheat, a reduction in consumption occurred only after he approved a mandatory substitution scheme. It is therefore clear that this experience left Hoover with no illusions about human behavior in regard to voluntary compliance. As a result, he certainly realized that his programs succeeded only when ample leverage was available and failed when that was not the case.

In 1922 Hoover published a short work entitled *American Individualism*, which offers important personal, philosophical, and political insights on the heels of his Food Administration experience. In the book, Hoover stated that individualism required a “tempering principle” to prevent tyrannies, dominations, and injustices. Hoover described this principle as “progressive individualism” and indicated that “America has been steadily developing the ideals” that aligned with this philosophy.⁵⁹ Although he offered no specific definition for the term progressive individualism, the content of the essay makes it clear that the concept included a strong national government to achieve two primary objectives: “To curb the forces in business which would destroy equality of

⁵⁷ Levenstein, *Revolution at the Table*, 145.

⁵⁸ Nash, *Herbert Hoover: Master of Emergencies*, 293.

⁵⁹ Herbert Hoover, *American Individualism* (New York: Doubleday, Page & Company, 1922), 8.

opportunity and yet to maintain the initiative and creative faculties of our people are the twin objects we must attain.”⁶⁰ The twin objectives of Hoover’s vision for progressive individualism reflected his actions as Food Administrator, where he demonstrated a strong bias for an activist government that controlled private sector “forces” to ensure an equitable end result. In short, Hoover believed that government must regulate behaviors and activities that would otherwise dominate and in doing so shape an environment that encouraged cooperation amongst business organizations.⁶¹ In Hoover’s mind such cooperation did not translate to socialism, but instead reflected the abandonment of laissez faire principles in favor of a government that actively pursued social and economic justice.⁶² This is hardly the philosophic and political foundation of a man who relied on a pure form of volunteerism to achieve major national goals and objectives. Instead it reflected a preference for a strong central government empowered to shape, regulate, and control economic activities to ensure desired outcomes, which included “a fair division of the product.”⁶³

In later years, Hoover emerged as a strong critic of FDR and equated the New Deal with Fascism and Socialism.⁶⁴ In 1928 Hoover enjoyed widespread media support and won the presidential election easily with a 6.4 million vote margin over Al Smith. Four years later, however, he found himself widely attacked in the press and the subject of cruel humor in the media and key political circles.⁶⁵ He bitterly complained about

⁶⁰ Ibid., 54.

⁶¹ Ibid., 44.

⁶² Ibid., 10.

⁶³ Ibid., 11.

⁶⁴ Joan Hoff Wilson, “Herbert Hoover’s Progressive Response to the New Deal.” In *Three Progressives from Iowa*, edited by John N. Schacht (Iowa City: University of Iowa Press, 1980), 22.

⁶⁵ Craig Lloyd, *Aggressive Introvert*, 155.

press bias during the 1932 election campaign and following his defeat warned of the “total stifling of criticism” of New Deal policies.⁶⁶ This stunning reversal of fortune left Hoover in a post-political career no-man’s land that most certainly led to a dismal legacy despite a lifetime of achievement. As a result, Hoover lashed out at the man and policies that promised to rescue the nation from the clutches of the Great Depression.

This effort to salvage a reputation included perplexing and at times contradictory statements that obfuscated the record as Hoover attempted to reinvent himself as a champion of American individualism in staunch opposition to FDR’s statist policies. From a historiographical perspective, despite his track record as Food Administrator and philosophical musings in *American Individualism*, a portrayal of Hoover emerged as a limited government zealot that stubbornly deferred to a naïve reliance on volunteerism and localized actions to reverse the effects of the Great Depression.⁶⁷ But it is clear that Hoover emerged from the Food Administration with no such illusions about volunteerism and local control. Quite to the contrary, his actions as Food Administrator reflected a much more realistic approach that included an insistence on concentrated power and leverage to force appropriate end results. It is therefore simply not feasible to conclude that a massive philosophical transformation explains policy missteps during a massive economic crisis. Instead, Hoover found himself for the first time on the wrong end of media criticism and his carefully crafted image suffered a stunning reversal. Seemingly overnight the media transformed the image of the great humanitarian and engineer into a

⁶⁶ Ibid., 26.

⁶⁷ Some works that express this viewpoint are David Burner, *Herbert Hoover: A Public Life* (New York: Alfred A. Knopf, 1979), 282; Kendrick A. Clements, *Hoover, Conservation, and Consumerism: Engineering the Good Life* (Lawrence: University of Kansas Press, 2000), 207; William E. Leuchtenburg, *Herbert Hoover* (New York: Henry Holt and Company, 2009), 133; and Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (Boston: Little, Brown and Company, 1975), 156.

cold, callous, and stumbling technocrat unable to measure up to the challenges of the time. At a minimum, the relentless media condemnation that followed years of compliance, coupled with Hoover's desperate verbal assaults on New Deal policies, provides a partial explanation for the numerous misinterpretations of Hoover's governing philosophy in regard to volunteerism.

Chapter Three
“The Fetish of Food”

While the Food Administration eventually impacted virtually all aspects of domestic food production and distribution, it focused its primary efforts on the regulation and control of the markets for wheat, sugar, and pork to ensure adequate quantities of these basic food commodities for domestic consumption and export to the Allies. From a strategic perspective, Food Administration officials concentrated on these primary food commodities to ensure adequate sustenance for civilian populations and military personnel and simultaneously sustain morale at acceptable levels. In this context, it is simply impossible to understate the importance of wheat in this formula. In Senate testimony in June 1917, Hoover indicated that “bread is the fetish of food” among the “lower classes” of Europe and went on to quote the mayor of Paris as saying “they had four days’ bread supply in the city of Paris, and if they did not get it on the fifth day the war would be over.”¹

Pork represented the most efficient source of meat and fat since motivated producers could achieve significant increases in supply in a much shorter time span than that required for beef production. Additionally, Food Administration officials determined that sugar served as an essential source of energy and a vital element of morale for domestic populations, especially in the United States and United Kingdom, which represented the largest domestic markets for sugar. For these reasons, Hoover and his staff decided to concentrate efforts on these basic commodities and minimize

¹ William M. Duffus, “Government Control of the Wheat Trade in the United States,” *The American Economic Review* 8, no.1 (March 1918): 85.

involvement in other elements of the food industry, such as dairy production. But this overarching strategy quickly became untenable once competing interest groups calculated the threats and opportunities posed by direct federal intervention. For example, the unremitting pressure exerted by rival dairy industry factions highlights the persistent mission creep experienced by the Food Administration.

The Allied governments fully realized that their respective working classes expected bread at reasonable prices and the failure to fulfill that demand risked significant discontent and social unrest that would adversely impact the war effort. William Mullendore, a senior Food Administration official and agency historian, noted that neutral nations offered an interesting dilemma since they required food products from a humanitarian perspective, but also “were largely free to export their own production to the enemy and, directly or indirectly, to import United States supplies for themselves.”² For that reason, the agency developed food production and export policies designed to meet the needs of the Allied nations without damage to the domestic market or regard for the needs of neutral nations. While the nature of the regulatory regime placed on these three primary food commodities differed due to the content of the Lever Act, the direct and indirect controls utilized by the Food Administration shared important characteristics that resulted in complete government dominance of the markets.

Virtually all accounts of the Food Administration concluded that shipping constraints forced the Allied nations to rely on the United States and Canada for wheat supplies, but the reality of the wartime marketplace was more complex than suggested by that straightforward postulate. For example, the war significantly impacted the economic

² Mullendore, *History of the Food Administration* (Stanford: Stanford University Press, 1941), 5.

balance of power between Great Britain and Argentina, which stubbornly maintained neutral status throughout the war. In the prewar years Argentina represented the most important Latin American nation from the British economic perspective in terms of trade and foreign investment.³ The historians Peter Cain and Anthony Hopkins referred to the British economic penetration in Argentina as “informal imperialism,” which denoted a position as the dominant partner.⁴ But by 1914 Argentina represented an undeniably vital source of food for Great Britain, a relationship that was amplified by the war. Furthermore, the cost of the war steadily eroded the British economic position of strength to the point where loans and credits were necessary for large food procurements. This financial reality altered the economic balance of power between the two nations since the British required Argentinian food *and* credit to support the war effort. In 1916 the Argentine electorate selected Hipolito Yrigoyen as president, a radical who did not hesitate to capitalize on this leverage, as demonstrated by the abrupt announcement of an export embargo following the poor 1916 harvest.⁵ This move made it clear that Yrigoyen fully intended to use food as a negotiating tool to alter the balance of power between the two nations. For this reason, along with the need for loans and credits, the British turned to the United States as their primary creditor and supplier of wheat.

In 1916 the United Kingdom, France, and Italy signed a Wheat Executive Agreement to coordinate purchases of cereals and flour and coordinate shipping

³ Philip Dehne, “Britain’s Global War and Argentine Neutrality.” In *Caught in the Middle: Neutrals, Neutrality, and the First World War*, edited by Johan Den Hertog and Samuel Kruzinga (Amsterdam: University of Amsterdam Press, 2011), 68.

⁴ Ibid.

⁵ Ibid., 78.

resources.⁶ In addition, the Wheat Executive incorporated the Wheat Export Company in New York to execute all Allied purchases in the United States. This concentrated purchasing power represented a significant driving force in the creation of the Food Administration in order to control and manage exports, and therefore prices, of wheat and other grains. In response, the Espionage Act of 1917 provided absolute power to the President to control exports at his discretion for the course of the war. It is important to note that this legislation and authority preceded the Lever Food Control Act and therefore provided the Administration with ample authority to control a primary source of concern in the form of bidding wars that created the environment for wartime speculation at the expense of domestic consumers.⁷ Nonetheless, Hoover pressed his demands for full control in the form of an independent agency that possessed the ability to control exports *and* the domestic market.

As previously noted, the Lever Act authorized the creation and capitalization of the Food Administration Grain Corporation, a government owned and operated entity empowered to directly purchase, store, and sell wheat, flour, beans, and potatoes. The legislation included an appropriation of \$150,000,000, which included an initial capitalization of \$50,000,000 for the Grain Corporation. In addition, this government corporation also borrowed \$384,000,000 to support its massive procurement program, which increased its total operating funds to an astounding seventy-two percent of the highest pre-war federal budget.⁸ Hoover selected Julius H. Barnes, a prominent businessman in the grain export industry, to serve as the president of the Grain

⁶ Frank Surface, *The Grain Trade During the World War* (New York: The MacMillan Company, 1928), 30.

⁷ Mullendore, *History of the Food Administration*, 126.

⁸ Surface, *The Grain Trade During the War*, 124.

Corporation in a non-pay status. With the large capitalization, grain market expertise, and power to control exports via licenses, the Grain Corporation gained control of the wheat market in the United States shortly after its inception. But as previously noted, the Food Administration needed to flex its impressive muscles to bring all parties to heel.

The Chicago Board of Trade ceased all futures trading in wheat on August 25, 1917, just fifteen days following the passage of the Food Control Act.⁹ This action proved to be the easiest part of the federal takeover of the grain market since the exchange operators realized that public sentiment was simply not on their side. On the other hand, farmers resented the fixed minimum price of wheat established by the legislation since millers operated under a cost-plus system that offered the opportunity for greater profits. In response to the unexpected resistance from farmers, Hoover made a stunning public declaration that the price of wheat would have fallen *below* the minimum guaranteed price of \$2.00 per bushel if not for government control of the market.¹⁰ He made such a claim despite the months of dire warnings about the imminent danger posed by excessive speculation and hyperinflation caused by entities withholding products in anticipation of higher prices. This statement illustrates a significant standard Hoover operating procedure in that it addresses a particular problem without regard to its contradictory nature. Another example of such a dynamic occurred during a Senate agricultural committee hearing when a Food Administration official, E.L. Burke, admitted that Hoover purposefully misled farmers in a public statement that indicated that he had no plans to regulate prices other than wheat and pork.¹¹ This once again illustrates

⁹ George H. Nash, *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (New York: W.W. Norton & Company, 1996), 82.

¹⁰ *Ibid.*, 98.

¹¹ *Ibid.*, 295

the value of a compliant press that with very few exceptions, such as *Wallaces' Farmer*, dutifully ignored the obvious dichotomies between these claims and the actual Food Administration actions and policies. As a result, farmers soon realized that holding out for a better deal was not a viable option since the Food Administration controlled the entire wheat market and enjoyed media support for its policies. For the Food Administration, however, millers and their cost-plus contracts emerged as a more intractable challenge.

The cost-plus agreement provided a guaranteed profit of twenty-five cents per barrel of flour and fifty cents per ton of mill feed after the calculation of a cost baseline.¹² In blunt terms, this arrangement provided ample opportunities to pad expenses and in doing so raised the baseline for allowable profit calculations. To guard against this temptation, the Food Administration Milling Division established an auditing department in New York to review required monthly reports for irregularities.¹³ While the official histories of the Food Administration acknowledged irregularities in the monthly reports, they downplayed the size and scope of deception and outright fraud. Frank Surface, for example, indicated that in most cases inaccurate cost accounting caused by a misunderstanding of the rules led to excess profits and only “in minor cases they were due to deliberate intention to pad the costs.”¹⁴ Other sources, however, provide abundant evidence of widespread cheating to maximize profits.

Initially the Food Administration staffed its Milling Division with millers still active in business operations. Although these individuals undoubtedly brought much

¹² Surface, *The Grain Trade During the War*, 385.

¹³ Wilfred Eldred, “The Wheat and Flour Trade Under Food Administration Control,” *The Quarterly Journal of Economics* 33, no.1 (November 1918): 46.

¹⁴ Surface, *The Grain Trade During the War*, 112.

needed expertise to the agency, one observer noted they clearly could not be considered “unfettered public officials.”¹⁵ In an obvious response to perceived problems and irregularities, the Food Administration created an Enforcement Division in November, 1917, which assumed responsibility for oversight of milling operations and cost reports. But the sheer number of monthly reports resulted in cursory statistical reviews that failed to identify the scope of the problem.

A 1918 report of the Federal Trade Commission on a food investigation of flour milling and jobbing concluded that the regulations imposed by the Food Administration did not encourage efficiency due to the assurance of profits at a fixed margin above costs. The report further indicated that the system provided a significant temptation to “unpatriotic” millers to utilize deceptive practices to enhance profits.¹⁶ According to the investigators, the determination of precise costs proved difficult due to poor record keeping and therefore deceptive practices had a high likelihood of success. Interestingly, while the report justified the actions of government regulators, it simultaneously noted that the sharp price increases experienced in 1916 were *primarily* caused by inclement weather.¹⁷ Additionally, the report concluded that following direct government intervention, profits for millers actually increased over those realized under normal conditions.¹⁸ The audit also contended that fraud and deceptive practices were highly probable and resulted in enhanced profits for unscrupulous operators. Examples of these practices included padded cost reports that listed new construction and equipment, increased salaries, long-standing bad debts, and excessive depreciation expenses.

¹⁵ Eldred, “The Wheat and Flour Trade Under Food Administration Control,” 49.

¹⁶ President, *Report of the Federal Trade Commission on Flour Milling and Jobbing*, (Washington DC, April 4, 1918), 9.

¹⁷ *Ibid.*, 16.

¹⁸ *Ibid.*, 21.

Furthermore, nearly one-third of the mills that reported costs to the Food Administration created phony jobbing departments to sell the processed flour twice within the same company; once to the phony department followed by a sale to the actual customer.¹⁹ The Food Administration reaction included detailed audits at all large mills, which proved as difficult and time consuming as predicted by the FTC auditors. As a result, agency officials revoked several licenses and made numerous adjustments in the form of refunds to the government. Such audits continued well beyond the Armistice date.²⁰

In response to these scandals, the Food Administration replaced the “voluntary” cost-plus arrangement in July 1918 with mandatory regulations that established a fixed profit margin for flour and wheat by-products above the established government price of wheat.²¹ Since the price of wheat was easily verified, this compulsory system proved easier to enforce and therefore the Food Administration decommissioned its Milling Division in favor of a milling section in a newly created Cereal Division.²² Frank Surface offered a convoluted explanation for these changes. While he noted that all men who served in the Milling Division were “unimpeachable characters who were patriotically doing their best,” he simultaneously indicated that the Milling Division plan “was never entirely satisfactory to the Administration.”²³ Surface further stated that a more bountiful harvest provided a sufficient quantity of wheat, which in turn “made it possible to make many changes in the method of administering the 1918 wheat and flour control.”²⁴ While the actual connection between the size of the harvest and method of administration is

¹⁹ Eldred, “The Wheat and Flour Trade Under Food Administration Control,” 48.

²⁰ Mullendore, *History of the Food Administration*, 338.

²¹ *Ibid.*, 152.

²² *Ibid.*, 153.

²³ Surface, *The Grain Trade During the War*, 126.

²⁴ *Ibid.*, 125.

ambiguous, it is clear that Surface carefully avoided any linkage between the new pricing system and pervasive fraud despite ample evidence to support that assertion.

It is also noteworthy that despite all of the incentives, exhortations, and guarantees offered by the Food Administration to maximize the production of wheat, the 1919 crop fell short of the record setting 1915 harvest by fifty-eight thousand bushels. Nonetheless, this large crop posed a dilemma following the Armistice since the world wheat market reopened as shipping resources became available. In response, legislation known as the Wheat Guarantee Act provided an appropriation of one billion dollars to ensure the minimum prices for producers established by the Food Administration and Lever Act.²⁵ This legislation also provided the authority to borrow additional money despite the fact that the large appropriation was thirty-five percent more than the highest pre-war annual federal budget. This stunning statistic highlights the unprecedented scope of direct government control of a huge portion of the U.S. economy in the form of the largest wheat crop in the world. In addition, the federal government offered direct financial aid to farmers for the first time in the history of the nation.²⁶ This extraordinary and precedent setting action came in several forms such as a \$200,000,000 grant to the federal Farm Loan Board to bolster the funds available to federal farm banks and an additional \$5,000,000 intended for grain farmers that required advances due to successive years of drought.²⁷ Additional financial assistance was made available through the War Finance Corporation, which provided funds to banks that made loans to farmers.

²⁵ Ibid., 154.

²⁶ Benjamin Hibbard, *Preliminary Economic Studies of the War: Effects of the Great War Upon Agricultural in the United States and Great Britain* (New York: Oxford University Press, 1919), 87.

²⁷ Ibid., 88.

Sugar represented another food commodity of strategic importance to the Allies. An internal Food Administration memorandum outlined the importance of sugar in terms of diet and morale. According to this document, sugar occupied “a position of first class importance” in that it represented an important source of energy that was not replaceable by “any other food material.”²⁸ From a morale perspective, the memo concluded that the supply of sugar must be maintained “up to at least 80 percent” of the normal household intake since “there is a great potential danger in a seriously lowered sugar ration in a warring country if extended over any considerable period of time.”²⁹ As previously noted, the war greatly impacted the worldwide sugar production and distribution system to the point that the Cuban crop represented a vital source of supply for the Allies and domestic market of the United States.

The United States and United Kingdom represented the largest markets for sugar by a large margin in terms of both per capita consumption and total domestic demand.³⁰ The internal sources of supply of sugar for the United States included cane production in Louisiana, Texas, and Hawaii and beet sugar production in the western portion of the country. In addition, cane production in Puerto Rico contributed to the overall supply, but these combined sources fell well short of the total domestic demand for the commodity. The significance of the Cuban sugar crop quickly became apparent since the United Kingdom produced only a small portion of total domestic requirements. As a

²⁸ Joshua Bernhardt, *Government Control of the Sugar Industry in the United States: An Account of the Work of the United States Food Administration and the United States Sugar Equalization Board* (New York: The MacMillan Company, 1920), 231.

²⁹ *Ibid.*, 232.

³⁰ Roy G. Blakey, “Sugar Prices and Distribution Under Food Control,” *The Quarterly Journal of Economics* 32, no.4 (August 1918): 571.

result, Great Britain initiated large procurements of Cuban sugar shortly after the commencement of hostilities.

Following passage of the Lever Food Control Act, Hoover appointed George M. Rolph, a sugar magnate who operated large production and refining operations in Hawaii and California, to head the Sugar Division of the Food Administration.³¹ Rolph closed the New York Coffee and Sugar Exchange one day after his formal appointment and simultaneously added sugar to the list of commodities subject to export control by the War Trade Board.³² The closure of the principal sugar exchange and imposition of export controls set the state stage for control of the domestic sugar market despite the lack of overt tools available for the outright takeover of the wheat market such as the Grain Corporation. As Spreckels soon learned, the licensing provisions of the Lever Act provided sufficient leverage to force compliance among the major sugar producers and refiners. In addition, the Attorney General issued a crucial opinion that inoculated agreements and contracts between corporations and the government from any violations of the Sherman Antitrust Act.³³ This legal interpretation was enormously significant since it paved the way for a government facilitated cartel to control virtually every aspect of the sugar market. The power to license businesses and control purchases, prices, and distribution resulted in an unambiguous choice for business operators between an apportioned access to the sugar supply coupled with a guaranteed profit margin and punishment in the form of export license revocation for non-compliance as experienced by Spreckels.

³¹ Ibid., 574.

³² Bernhardt, *Government Control of the Sugar Industry in the United States*, 10.

³³ Ibid., 12.

The one remaining ingredient to achieve complete control of the sugar market entailed exclusive access to the Cuban sugar crop. Ironically, the Cuban insurrection of 1917 provided the perfect opportunity for the desired end result since U.S. troops and a large naval presence provided protection to both the sugar crops and the government of President Menocal.³⁴ The military support in the form of deployed ground troops and an enhanced naval presence demonstrated an unmistakable resolve on the part of the United States to ensure access to the crops and placed President Menocal in a position of dependency to ensure the survival of his administration. Additionally, in a savvy political move, the Cuban government declared war on Germany and in doing so became a wartime ally of the United States. Furthermore, an offer of winter military training sites further strengthened this relationship.³⁵ These actions formalized the symbiotic relationship between the two nations as evidenced by a written statement issued by the U.S. Secretary of State that specifically declared that since “the Allied Powers and the United States must depend to a large extent upon the sugar production of Cuba, all disturbances which interfere with this production must be considered as hostile acts.”³⁶ This statement and the presence of U.S. troops guaranteed the survival of Menocal’s administration and effectively ended the rebellion. In return, the Cuban government placed an embargo on sugar exports to all countries except the United States and the

³⁴ In the 1916 Cuban presidential election approximately 800,000 votes were cast, well above the total number of eligible voters. The disputed election results increased tensions between the defeated liberals and the victorious conservative party and its reelected president. Both sides recognized the value of sugar in World War I and made strategic calculations accordingly once a full-fledged insurrection resulted from irreconcilable differences. The United States subsequently chose sides to protect the sugar crop and ensure control of the harvest. For additional background see Leo J. Meyer, “The United States and the Cuban Revolution of 1917,” *The Hispanic American Review* 10, no.2 (May 1930).

³⁵ Leo J. Meyer, “The United States and the Cuban Revolution of 1917,” *The Hispanic American Historical Review* 10, no. 2 (May 1930): 163.

³⁶ *Ibid.*, 162.

Allies.³⁷ With the Cuban crop secure, Rolph oversaw the creation of the International Sugar Committee, which included two members from Great Britain, one from France, and three from the United States. The committee purchased the entire Cuban crop of 1917 and 1918 and on 24 December 1917 formalized an agreement for the distribution of the Cuban harvests with a one-third allotment for Europe and two-thirds for the United States at set prices.³⁸ This agreement codified and stabilized the most important source of sugar during the war, but did not result in the end of troubles for Hoover and Rolph in terms of the overall sugar supply and relations with domestic producers.

To manage the disposition of the domestic harvest, the Food Administration created a Sugar Distributing Committee that included representatives of sugar producers and brokers to oversee the distribution of beet sugar at set prices. However, following the completion of agreements with other elements of the sugar industry, which included negotiations with Cuban and Louisiana producers, western beet sugar producers threatened to plant more lucrative crops.³⁹ Delegates for the beet sugar producers were sent to Washington to meet with Hoover and testify at Senate hearings. In response Hoover created commissions in California, Colorado, Nebraska, Idaho, and Michigan to coordinate pricing agreements in an effort to mollify the beet sugar producers. The negotiations resulted in an average price increase of thirty-five percent in 1918 compared to the 1917 pricing agreements.⁴⁰ While this agreement temporarily appeased the beet sugar producers, it did not end the troubles for Hoover and Rolph. A severe sugar shortage in the eastern portion of the United States occurred in the fall and winter of

³⁷ Bernhardt, *Government Control of the Sugar Industry in the United States*, 14.

³⁸ *Ibid.*, 139.

³⁹ Blakely, "Sugar Prices and Distribution Under Food Control," 584.

⁴⁰ Bernhardt, *Government Control of the Sugar Industry in the United States*, 27.

1917-18, which resulted in outrage from consumers and politicians. Several factors contributed to the situation, which included the natural timing of the harvest seasons, unforeseen resistance to Food Administration appeals, and the perils and unintended consequences associated with government mandated prices.

The harvest of Cuban sugar, for example, commenced in January and continued into the early summer months. Supply shortfalls in the autumn months could not therefore be solved by the Cuban harvest until sometime after the first of the year. The harvest for the beet sugar crop occurred in October and the Louisiana cane crop followed in November and December. Under normal conditions the domestically grown crops, along with other pre-war sources of sugar such as the island of Java, filled gaps until the larger Cuban crop came to market. But in 1917-18 price controls altered this dynamic and the Java crop was unavailable due to a shortage of shipping resources. In his 1920 account of government control of the sugar market, Joshua Bernhardt, a former statistician in the Food Administration, blamed transportation shortages and severe weather for the failure to send adequate quantities of beet sugar east to address the supply deficiencies.⁴¹ However, during an explosive January 1918, Senate hearing on the topic, Senator Reed and his associates vigorously questioned Hoover until they backed him into a corner and forced an admission of the actual source of the problem. In September and October 1917 the Food Administration made no effort to ship beet sugar east because of the bifurcated price structure that resulted from separate and distinct purchase agreements for western beet sugar, Louisiana cane, and the Cuban harvest. As a result of this regional pricing arrangement, the Food Administration did not want to introduce lower

⁴¹ Ibid., 15.

priced beet sugar into the eastern portion of the country and undercut sugar dealers that possessed the higher-priced Cuban product.⁴² In short, the federally controlled system established by Hoover and Rolph resulted in a pricing scheme that effectively partitioned the country into two sections based on the source of the sugar supply. This situation was further complicated by the decision of Louisiana cane producers to turn their crop into brown sugar to achieve a more profitable outcome.⁴³ The resulting shortages and public outrage represented a field day for Senator Reed and other vocal critics of Food Administration policies who mercilessly pummeled Hoover for his decision to “go against a natural law” and fix prices without due consideration of market forces and human nature.⁴⁴

These criticisms forced changes in the sugar market management scheme that included the previously mentioned western beet sugar price commissions. In addition, in June 1918, Hoover petitioned President Wilson for an appropriation of \$5,000,000 to capitalize a new government corporation, the Sugar Equalization Board, to manage the purchase and distribution of sugar crops in order to create an average price for all refiners regardless of the original source.⁴⁵ Hoover served as chairman of this new entity, while Rolph assumed the role of president. The directors included F.W. Taussig of the U.S. Tariff Commission, Clarence Wooley of the War Trade Board, Chief Counsel William A. Glasgow Jr., and Theodore Whitmarsh and George Zabriskie of the Food Administration.⁴⁶ The composition of the board included well-respected individuals that

⁴² Nash, *The Life of Herbert Hoover: Master of Emergencies*, 275.

⁴³ *Ibid.*, 276.

⁴⁴ *Ibid.*

⁴⁵ Bernhardt, *Government Control of the Sugar Industry in the United States*, 43.

⁴⁶ Blakely, “Sugar Prices and Distribution Under Food Control,” 596.

represented known quantities from Hoover's perspective. This maneuver highlights a classic Hoover tactic in that it is clear that he stacked the senior management team with insiders who shared the same goals and philosophies. In the same memo to the President, Hoover announced the need for a formal rationing system for sugar based on a requirement for certificates prior to the purchase of sugar at the manufacturing, wholesale, and retail level. The goal of this system included a twenty-percent reduction of the use of sugar by manufacturers and refiners compared to the 1917 consumption rate. In addition, the Food Administration created five classes of sugar consumption that ranged from non-essential uses to direct use by consumers, who were allocated three pounds per month.⁴⁷ The mandatory certificate system clearly demonstrates the failure of the voluntary conservation campaign. Surprisingly, Hoover acknowledged this failure in his memo to the President where he stated in his typically blunt manner that: "I suppose the great sugar eaters are those of the least moral resistance in the community."⁴⁸

The Sugar Equalization Board did not achieve its long-term goals and instead entered into binding agreements that outlasted the war and subsequently caused another sugar crisis in the latter half of 1919. An unintended side effect of firm and fixed prices entailed the interruption of the normal market processes whereby *healthy* market speculation included stockpiles of sugar set aside to normalize the supply of sugar despite the ebbs and flows of harvest seasons. The Food Administration eliminated this practice and as a result even Joshua Bernhardt admitted that the lack of such an "invisible" supply left no reserves to draw upon when the post-war boom in demand overwhelmed the

⁴⁷ Bernhardt, *Government Control of the Sugar Industry in the United States*, 64.

⁴⁸ *Ibid.*, 44.

available inventory.⁴⁹ As a result, the Sugar Equalization Board reinstated a rationing system in September 1919 and stayed in operation until 1 March 1920.⁵⁰

Along with wheat and sugar, hog production was of paramount interest to the Food Administration as a primary source of meat, as well as fat, for the Allied nations since increased production could be achieved in the space of months, instead of the years required to significantly ramp up beef production.⁵¹ According to Department of Agriculture statistics, the total population of hogs in the United States rose from 58,933,000 in 1914 to 64,618,000 in 1915 due to an anticipated increase in wartime demand.⁵² Despite this dramatic increase, Hoover and other future Food Administration officials expressed concerns that hog prices were not keeping pace with rising corn prices and as a result farmers were selling breeding stocks. By August 1917 the newly created Food Administration indicated that hog stocks had fallen below 60,000,000.⁵³ It is important to note that *Wallaces' Farmer* disputed the Department of Agriculture statistics and cast doubt on their accuracy.⁵⁴ Nonetheless, the Food Administration aggressively pressed forward to establish fixed prices to encourage production.

As in the case of sugar, the Food Administration did not possess the direct authority to intervene in the hog market, nor was capital provided for direct purchases through a subsidiary corporation. Instead agency officials relied on the powers associated with their licensing authority and negotiated pricing and distribution

⁴⁹ Ibid., 92.

⁵⁰ Ibid., 105.

⁵¹ Mullendore, *History of the Food Administration*, 260.

⁵² Hibbard, *Preliminary Economic Studies of the War*, 63.

⁵³ Frank M. Surface, *American Pork Production in the World War* (Chicago: A.W. Shaw Company, 1926), 32.

⁵⁴ Hibbard, *Preliminary Economic Studies of the War*, 63.

agreements with representatives of the meat packing industry that served on a Food Administration sanctioned Packers' Committee.⁵⁵ Although this agreement included all of the nations' packers, the largest five companies dominated the market and therefore represented the center of gravity of the industry. For example, the Meat Division of the Food Administration allocated export quotas to approximately fifty meat packers, but the "Big Five" received approximately fifty percent of the total export business.⁵⁶ For this reason, the largest companies were vital elements of any federal plan to increase production and control the overall market.

In the case of hog producers, the Food Administration negotiated a pricing scheme based on the notorious 13-to-1 ratio that caused much angst and controversy over the disagreement on the cost basis of corn, which determined the ultimate sale price. Nevertheless, despite the outrage on the part of the Wallace family and hog farmers, production rose rapidly to the point where an autumn 1917 hog shortage morphed into a troublesome glut by March 1918.⁵⁷ The excess supply problems persisted to the point that the Food Administration dropped the 13-to-1 ratio altogether in October 1918. This rapid transformation epitomized the challenges associated with the central control of price and production, in that supply excesses persisted through the war and eventually impacted peace negotiations, since millions of pounds of pork needed to be sold at the guaranteed wartime price levels.

The cessation of hostilities in November 1918 had several immediate impacts on the world food market since shipping rapidly became available for peacetime commerce.

⁵⁵ Surface, *American Pork Production in the World War*, 41.

⁵⁶ *Ibid.*, 45.

⁵⁷ *Ibid.*, 66.

As normal market forces returned and Allied nations, as well as neutral nations, could access much cheaper pork and beef, the wartime price levels were suddenly non-competitive. Although Hoover appealed to the former allies and reminded them of the prominent role that food from the United States played in the victory, it soon became clear that cheaper food prices proved irresistible. Hoover was therefore in possession of a huge excess inventory of hogs and proved able and willing to use multiple aspects of national power to force a solution.

The naval blockade remained in force following the armistice to pressure Germany to accept severe terms of surrender, including large reparations. German gold became a focus of interest for the cash-strapped Allies. While Great Britain and France wanted German gold reserves directed to reparation payments, Hoover wanted a large portion dedicated to the purchase of hogs. Germany, faced with a starving population, was willing to purchase hogs with gold, but British negotiators insisted that the United States could sell food on credit. Negotiations dragged on for months and John Maynard Keynes, who served as a key economic negotiator as well as a vocal advocate for the immediate delivery of food to Germany, noted that Hoover was the primary driver of the U.S. delegation. Keynes summed up the situation as follows:

The underlying motive of the whole thing is Mr. Hoover's abundant stocks of low-grade pig products at high prices which must at all costs be unloaded on someone, enemies failing Allies. When Mr. Hoover sleeps at night visions of pigs float across his bedclothes and he frankly admits that at all hazards the nightmare must be dispatched.⁵⁸

Hoover's relentlessness prevailed and all parties reached an agreement on 7 March 1918 to sell excess pork to Germany in exchange for gold. Moreover, Hoover

⁵⁸ Donald Moggridge, ed., *The Collected Writings of John Maynard Keynes: Essays in Biography* (New York: St. Martin's Press, 1972), 10:398.

assumed the leadership role of the newly created American Relief Organization, which served as a humanitarian platform for the distribution of food products to starving populations. This organization quickly became the key customer for excess quantities of pork and other food products from the United States.⁵⁹

Other aspects of Food Administration control of the hog market also outlasted the war. The harsh feelings caused by the 13-to-1 pricing dispute, for example, persisted for nearly a decade and permanently altered the political landscape. Moreover, the extraordinary distrust of producers for the profit agreements reached between the Big Five and Food Administration led directly to a controversial 1917 FTC meat-packing investigation that greatly impacted the food industry.⁶⁰ Among other findings, the investigation highlighted the intense lobbying tactics employed by the large packers, along with the extent to which they controlled multiple aspects of the industry such as stockyards, cold storage facilities, and refrigerator cars. The FTC additionally charged that the meat packers achieved “outrageous” profits through the manipulation of accounts, padding of salaries, bribery and “other devious methods.”⁶¹ It also revealed that the five largest companies controlled approximately fifty-percent of the poultry, eggs, and cheese markets.⁶² Despite the fact that Hoover and his senior officials strongly disputed the aspects of the FTC conclusions that challenged the Food Administration’s approved pricing and profit arrangements, the subsequent post-war agreement between the Attorney General and Big Five greatly altered the configuration of the food industry

⁵⁹ Mullendore, *History of the Food Administration*, 128.

⁶⁰ G.O. Virtue, “The Meat-Packing Investigation,” *The Quarterly Journal of Economics* 34, no.4 (August 1920): 626.

⁶¹ Arthur S. Link, ed., *The Papers of Woodrow Wilson* (Princeton: Princeton University Press, 1985), 48:487.

⁶² Virtue, “The Meat-Packing Investigation,” 636.

in the United States. For example, the large firms agreed to withdraw from all businesses not directly related to the packing industry, which included wholesale grocery concerns as well as their interests in egg, poultry, and cheese production and distribution. In addition, the packers agreed to divest their interests in all stockyards, refrigerator and stock cars, cold storage facilities, market newspapers, and retail meat businesses.⁶³ These changes were clearly of an enormously noteworthy scope and forever transformed the structure of the entire food production and distribution industry.

The results and conclusions of the investigation did not elude the Wallace family, but instead reaffirmed their conviction that producers needed to enhance their collective political clout. Also, the overall experience with the Food Administration left no doubt in the Wallaces' minds of "the extreme disadvantages under which farmers labor in bargaining with other classes of society."⁶⁴ In addition to their subsequent pursuit of prominent political positions, Henry C. Wallace indicated in a 1920 *Wallaces' Farmer* editorial that: "Mr. Hoover's deceit in dealing with the farmers was in fact the impelling motive for the organization of the Farm Bureau in its later and stronger form."⁶⁵

Although a county-based Farm Bureau movement commenced in 1911, the concept faltered until the formal creation of the American Farm Bureau in 1919. Henry C. Wallace also participated in the formation of the "farm plank" of the 1920 Republican platform and produced key elements of Harding's presidential campaign speeches that

⁶³ Ibid., 678.

⁶⁴ Russell Lord, *The Wallaces of Iowa* (Boston: Houghlin Mifflin Company, 1947), 200.

⁶⁵ Ibid.

referenced post-war agricultural challenges.⁶⁶ Moreover, he served as a key driver in the formation of the formidable bipartisan House and Senate Farm Bloc.⁶⁷

While Hoover and senior Food Administration officials planned to maintain their focus on the wheat, sugar, and pork markets since, as F.W. Taussig noted, the government required these items in great quantities during the war, producers and middlemen in the dairy industry refused to remain on the sidelines.⁶⁸ This dynamic represented a notable dilemma associated with a central government that actively intervened in key markets. Hoover summed up this phenomenon as follows: “Whenever you begin to tamper with a normal course of commerce you have to keep on tampering.”⁶⁹ In the case of the dairy industry, the rival industry factions demanded government intervention to protect their respective interests. Additionally, consumer angst stemming from rising milk prices continued to increase and noteworthy interest groups, such as the National Housewives’ League emerged as forces impossible to ignore. Regional conflicts between milk producers and dealers had been escalating since 1916 as evidenced by the creation of multiple milk cooperatives and subsequent strikes against dealers.⁷⁰ The milk cooperatives agreed to collaborate in unified self-interest in order to counter the divide and conquer strategies employed by dealers. Over a dozen such associations existed by 1917 that ranged from the Dairymen’s League of New York

⁶⁶ The 1920 Republican “Farm Plank” focused on prices, labor and credit and called for adequate farm representation in the form of qualified government officials. The platform also stressed support for cooperative associations, a national inquiry on the coordination of rail, water, and motor transportation, and the facilitation of agricultural land acquisitions through the Federal Farm Loan Act. See www.presidency.ucsb.edu for additional information.

⁶⁷ Russell Lord, *The Wallaces of Iowa*, 216.

⁶⁸ Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987), 158.

⁶⁹ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 297.

⁷⁰ James L. Guth, “Herbert Hoover, the U.S. Food Administration, and the Dairy Industry, 1917-1918,” *Business History Review* 55 (Summer 1981): 172.

with over one-hundred thousand members to organizations with several thousand members that represented milk producers in smaller urban areas.⁷¹ Rising feed prices intensified these conflicts as producers sought higher prices to compensate for increased expenses.

The creation of the Food Administration provided both sides in this conflict an opportunity to seek resolution from the federal government. For example, in August 1917 the head of the New York Dairymen's League, R.D. Cooper, led a group of dairymen from the Midwest and Northeast in a Washington D.C. protest. This show of force clearly demonstrated the potential for milk strikes and various stakeholders, including numerous mayors and the National Housewives' League, demanded relief from the Food Administration. Hoover attempted to mollify all parties by suggesting the creation of an industry led "Dairy War Council" to arbitrate disputes, along with a proposal to appoint a volunteer to serve in the Food Administration to monitor the industry.⁷² This proposal fell well short of expectations, but Hoover and his representatives defended this course of action by noting that a lack of legal authority precluded additional steps. This almost laughable claim clearly demonstrated a reluctance to enter the fray and avoid entanglement in a messy internecine dispute, since Hoover repeatedly demonstrated the willingness to leverage the Food Control Act to the fullest possible extent to exert control over other food commodities.

Tensions mounted and threatened to boil over by October 1917. Responding to threats of milk strikes as well as fears of renewed food riots, local and state authorities conducted raids on corporate offices in Chicago in search of evidence of price fixing

⁷¹ Ibid.

⁷² Ibid., 174.

schemes.⁷³ The U.S. Department of Justice followed these actions by preparing anti-trust suits against the large dairy associations, which included the National Milk Producers Federation (NMPF). This activity drew the attention of Congress and led to hearings and reviews of the authorities provided by the Food Control Act. The testimony before Congress included compelling tales of intimidation, midnight raids, arrests and indictments of members of dairy cooperatives in the summer and fall of 1917 by state and federal authorities.⁷⁴ In his characteristically blunt style, Hoover added fuel to this considerable fire when in October 1917 he indicated that he did not possess the authority to dictate anything in such matters and instead suggested that the producers should sacrifice in order to provide a vital nutritional product to consumers.⁷⁵

Hoover's remarks led to the revival of the National Milk Producers Federation (NMPF), which added to the array of forces that insisted on federal action. Moreover, the Milk Producers' Association in Chicago orchestrated a milk strike that blocked dairy supplies to that heavily populated urban area.⁷⁶ As a result, Hoover and the Food Administration eventually relented and waded into the minefield of local and state dairy politics, a completely unintentional and unavoidable consequence of intervention in the grain, sugar, and pork markets. The Food Administration appointed dairy industry "problem solvers" and Hoover persuaded Justice Department officials to suspend the anti-trust investigations in deference to administrative solutions. Subsequently, agency officials created multiple commissions to review and arbitrate disputes and price levels, but the disagreements were never truly settled as Food Administration representatives

⁷³ Ibid., 176.

⁷⁴ House Committee on Agriculture, *Control and Distribution of Food Products and Fuel*, 66th Cong., 1st sess., 1919, H. Rep. 247, 5-7.

⁷⁵ Guth, "Herbert Hoover, the U.S. Food Administration, and the Dairy Industry," 177.

⁷⁶ C.S. Duncan, "The Chicago Milk Inquiry," *Journal of Political Economy* 26, no. 4 (April 1918): 325.

shifted efforts from one fire to the next. In the words of William Mullendore, the dairy industry challenge represented “one of the most troublesome and intricate of all that the Food Administrator was called upon to consider.”⁷⁷ Additional unintended consequences included significant producer strikes and tensions that continued into 1919, well beyond the existence of the Food Administration.⁷⁸ Moreover, the NMPF emerged as one of the most noteworthy farm advocacy groups in the nation.

The Food Administration’s food conservation program also provided Prohibition forces with a golden opportunity to push their agenda. While the Lever Act banned the production of distilled liquor for the duration of the war, the production of beer continued unabated. Moreover, the new law did not forbid sales of whiskey and other strong alcoholic beverages and Hoover and his team estimated the existence of a two to three year supply sufficient for domestic demand. The Food Control Act also provided the authority to regulate the use of foodstuffs in the preparation of wines and beers up to and including complete elimination of wartime beer production.⁷⁹ This political compromise infuriated many Prohibition advocates who considered these steps completely inadequate, since they allowed the continued sale of hard liquor and the use of grains for beer production despite Hoover’s ambitious and ostensibly urgent conservation program.

The pressure exerted by Prohibition forces reached the presidential level and forced Hoover to concoct another compromise. On 8 December 1917, President Wilson issued a Proclamation that reduced the alcohol content in beer to 2.75 percent and limited the use of grains and other foodstuffs by brewers to 70 percent of their overall

⁷⁷ Mullendore, *History of the Food Administration*, 237.

⁷⁸ Editorial, *The Creamery and Milk Plant Monthly*, vol. VIII, January 1919.

⁷⁹ Maxey Robson Dickson, *The Food Front During World War I* (Washington D.C: American Council on Public Affairs, 1944), 20.

consumption in 1917.⁸⁰ According to Hoover, these half measures made sense, because the national supply of beer would be consumed within two months and inevitably force a shift in consumption toward whiskey, brandy, and gin.⁸¹ Furthermore, the numbers of people employed by the brewing industry was not inconsequential, which provided further justification for the near beer compromise position. Nonetheless, substantial Prohibition forces remained dissatisfied and ratcheted up their lobbying activities, especially once they learned the Allies made no effort to reduce barley procurements for the production of beer.⁸² As a result, despite the fact that no overall barley or grain shortage existed, on 16 September 1918, Wilson issued another Proclamation that forbid the use of any food or feed in the production of malt liquors and near beer after 1 October 1918.⁸³ This momentous decision resulted in a total ban of the production of alcoholic beverages in the United States with the exception of wine. This outcome represents another significant unintended consequence that resulted from the actions of an activist government that could not control all of the forces that pursued their respective agendas and insisted on federal intervention. Although the November 1918 Armistice provided a reprieve from this debate, the Lever Act represented the first official national ban on the distillation of alcoholic beverages and the follow-on Food Administration embargo on malt liquor and beer production undoubtedly provided a strong precedent for the post-war national Prohibition.

⁸⁰ Mullendore, *History of the Food Administration*, 109.

⁸¹ Ibid.

⁸² Nash, *The Life of Herbert Hoover: Master of Emergencies*, 416.

⁸³ Mullendore, *History of the Food Administration*, 110.

Chapter 4:

THE STAMP OF SHAME

The official histories of the Food Administration prepared by Frank M. Surface and William Mullendore incorporated claims and conclusions that emphasized facts, actions, and policies that supported a sanitized version of events designed to portray a relatively benign organization that carefully constrained its actions to minimize the impact to normal market forces for a concise period of time. In doing so both authors downplayed or omitted events that contradicted their carefully crafted depictions. Their claims in regard to speculators and volunteerism serve to emphasize this point in that both authors ignored key factors that challenged the preferred conclusions. This pattern persisted in other aspects of their studies, which included descriptions of the Food Administration organizational structure, Hoover's management and leadership style, agency enforcement policies, and the level of resistance to policies and decrees.

In his memoirs, Hoover provided an explanation for the lack of a formal organizational chart for the Food Administration that indicated his disapproval and impatience with agency officials that spent time with “the making of ‘organizational charts’ with circles, squares, and converging lines showing precisely where everything belonged.”¹ According to Hoover, the Food Administration was an “emergency organization” that needed flexibility to address daily problems and therefore required capable men and women to spend their time on actionable problems as opposed to the endless revision of pointless organizational charts. In short, he described a malleable

¹ Herbert Hoover, *The Memoirs of Herbert Hoover: Years of Adventure, 1874-1920* (New York: The MacMillan Company, 1951), 242.

organization that lacked a formal chain of command or staffing standards and instead delegated authority to high quality autonomous employees empowered to shift focus and resources from crisis to crisis. The historian Robert D. Cuff concluded that Hoover rejected structures modeled after military services or the modern industrial corporation in favor of one that reflected a preference for a professional organization where members enjoy equal standing.²

William Mullendore's rendition of the Food Administration supported this interpretation by noting an overarching objective to centralize ideas and decentralize execution.³ According to Mullendore, Hoover successfully operationalized this vision as demonstrated by the lack of a formal organizational chart and permanent divisions in favor of the identification of problems that resulted in the selection of a team leader or "problem solver" by the Food Administrator to address a specific issue. The leader of the problem solving group subsequently recruited a team or staff to support the effort. In this system new divisions "were continually changing" since it was impossible to forecast "the nature of the obstacles that would arise from time to time."⁴ Mullendore indicated that these divisions experienced frequent changes since Hoover placed no limits on their activities. He additionally noted that while the Food Administrator determined national policies, he delegated execution to state level agency representatives. As a result, a portrayal of a decentralized organization emerged and persisted despite ample evidence otherwise. But Mullendore's muddled and at times contradictory attempt to explain the

² Robert D. Cuff, "Herbert Hoover, The Ideology of Volunteerism and War Organization During the Great War," In *Herbert Hoover: The Great War and Its Aftermath, 1914-23*, edited by Lawrence E. Galfand (Iowa City: University of Iowa Press, 1979), 24.

³ William Clinton Mullendore, *History of the United States Food Administration, 1917-1919* (Stanford: Stanford University Press, 1941), 70.

⁴ *Ibid.*, 67.

bifurcation of duties between national level problem solvers and state level personnel was simply not quite right.

The Food Administration clearly employed strong central leadership in the form of Hoover, Julius Barnes of the Grain Corporation, George Rolph of the Sugar Division and Sugar Equalization Board, and Joseph Cotton of the Meat Division. These individuals established firm and unambiguous control of the markets for major food commodities and dealt with opposition to their respective policies in a stern and severe fashion. The achievements associated with the multiple “voluntary” agreements that resulted from the leverage and power that accompanied control over nearly 300,000 business licenses highlight this point. The list of entities that required business licenses was extensive and ranged from cold storage facilities to near-beer manufacturers, bakers, and salt-water fishermen.⁵ Even shops that performed farm machinery repairs operated under federal scrutiny in the form of license requirements that translated to regulated prices.⁶ The experience of Claus Spreckels, a major sugar refiner who experienced the revocation of his export license following testimony before a Senate committee, emphasized the absolute power attendant with this centralized and activist authority. Moreover, the dispute between Hoover and the Wallaces further demonstrated the concentration of power within the Food Administration in the form of a powerful inner circle that determined major policies and resolved troublesome disputes. Furthermore, the titles held by these individuals suggest that an organizational structure and chain of command existed despite the lack of a formal organizational chart. At a minimum, it is

⁵ Ibid., 201.

⁶ Benjamin Hibbard, *Preliminary Economic Studies of the War: Effects of the Great War Upon Agriculture in the United States and Great Britain* (New York: Oxford University Press, 1919), 115.

clear that all parties, whether in business or government service, understood that Hoover and his key associates called the shots.

While Mullendore's study stressed the decentralized and shape-shifting nature of the Food Administration, it also contained contradictory statements that muddied the waters. For example, following claims that the Food Administration lacked a formal structure, he proceeded to describe just such a structure when he provided a summary of the three main Food Administration sections. These sections included Commercial or Commodity Control, Conservation, and General Services. He also subsequently identified the specific general service divisions, which included Legal, Statistical, Administrative, Public Information, States Administration, Accounting, Filing, Mails, and Office Management. He went on to describe the various divisions of the Commodity Control Section, which consisted of the Cereals, Meats and Fats, Canned Goods, Sugar, Perishables, Bakery Products, and Non-Perishable Divisions.⁷ While this structure certainly evolved over time, it apparently was sufficiently stable for each state to establish a "miniature of the organization existing in the national office with respect to many of the activities" under the auspices of federally appointed State Administrators.⁸

The appointment of Roland W. Boyden to head the Enforcement Division in October 1917, serves as a great example of how central control was skillfully packaged as decentralized authority. Food Administration officials such as Mullendore and Surface took great pride in their descriptions of reasonable and nonthreatening agency enforcement policies through claims that the emphasis was "almost entirely with quasi-

⁷ Ibid., 68.

⁸ Ibid, 71.

judicial actions rather than with legal proceedings which were possible under the law.”⁹ Both noted that the total federal level enforcement caseload totaled only 8,769, and that the resolution for nearly half of the infractions entailed refunds or contributions to the Red Cross or other charitable agencies.¹⁰ Hoover claimed that the vast majority of these cases resulted from ignorance or simple mistakes and the remaining instances represented only mild offenses that justified an informal resolution.¹¹ While both Mullendore and Surface acknowledged that State Administrators handled the majority of cases, they downplayed these infractions as being minor in nature and therefore of little interest to the central authorities in the Food Administration.¹² Collectively these claims represented a coordinated effort to downplay the overall volume of enforcement activity and therefore the level of resistance to Food Administration policies. They also served as the key foundation to bolster claims regarding the decentralized nature of the Food Administration since state level personnel possessed delegated responsibility to resolve the majority of enforcement cases. Moreover, State Administrators disposed of the vast majority of cases without any reports to central authorities, which served to obscure the coercive nature of the Food Administration in favor of a more benign depiction of a decentralized agency that encountered scant resistance and preferred non-punitive resolutions to the relatively few infractions encountered during its short existence.¹³ Unfortunately, such a portrayal was simply not quite right.

⁹ Frank M. Surface, *The Grain Trade During the World War: Being a History of the Food Administration Grain Corporation and the United States Grain Corporation* (New York: MacMillan and Company, 1928), 373.

¹⁰ *Ibid.*, 374.

¹¹ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 248.

¹² Surface, *The Grain Trade During the World War*, 374.

¹³ Mullendore, *History of the Food Administration*, 333.

Food Administration officials developed procedures that placed a “stamp of shame” on non-cooperative individuals and businesses through newspaper articles and editorials that conveyed their respective transgressions to the public. While this tactic helped force compliance through the court of public opinion, it simultaneously created a conundrum for the agency in regard to the carefully crafted message that cases of resistance and non-obedience were relatively infrequent since it established a record of otherwise unaccounted for cases.¹⁴ For example, even a perfunctory review of newspaper accounts and trade publications reveals the existence of numerous enforcement actions and therefore instances of resistance. Examples include a February 1918 decision by the Food Administration to close B. Baff and Sons, a New York based poultry and egg dealer for the violation of price regulations in an effort to maximize profits.¹⁵ This action represents a case utilized by the Food Administration as an example and deterrent.

Other cases abound and included actions to suspend Swift & Co., one of the largest packing and produce companies at the time, from distributing eggs for a period of thirty days. In addition, the firm paid a fine in the form of a donation to the Red Cross, which represented a common resolution.¹⁶ The fine imposed on the Hughes Brothers, who operated a New York City retail store, is interesting for several reasons. As previously mentioned, Mrs. Dreyfus, the sister of a soldier in the 7th infantry, initiated a report of overcharges for items that her brother purchased.¹⁷ Since the Food Administration did not possess the legal authority to set prices for the Hughes Brothers or other retailers it instead created and published price lists that reflected “appropriate

¹⁴ Craig Lloyd, *Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management, 1912-1932* (Columbus, Ohio: Ohio State University Press, 1972), 47.

¹⁵ “Hoover Shuts up Baff Egg Business,” *New York Times*, February 13, 1918.

¹⁶ “Heavy Penalty for Swift Company,” *New York Times*, April 4, 1918.

¹⁷ “Convict Retailers on Woman’s Charge,” *New York Times*, June 21, 1918.

charges” for food items. Dreyfus undoubtedly referred to such a list when issuing the complaint on behalf of her brother. In this instance, the Hughes Brothers agreed to make a twenty-five dollar contribution to the Red Cross. Their alternative course entailed the full wrath and force of the Food Administration, which would “encourage” licensed suppliers to cease deliveries to the miscreant retailer; hardly a benevolent response to a minor infraction.

In August 1918 Francis H. Leggett and Co. contributed \$1400.33 to the Red Cross for excess profit on lots of barley and rice flour. In a related case, Harry Eckstein, another flour dealer, faced a choice between a \$3,619.08 fine payable to the Red Cross or revocation of his license. Eckstein instead negotiated a third option and agreed to sell flour at a loss up to the amount of the fine.¹⁸ The firms of Stohmeyer and Arpe, Cella Brothers, and Achilles Starace and Co. provided donations to the Red Cross in lieu of fines for overcharges on raisins, beans, evaporated apples, peas, tomatoes, rice, and cheese. On the same day hearings were conducted for 234 butchers charged with selling lamb above “fair” prices.¹⁹ These cases represent a cross-section of a huge number of violations documented in major newspapers in an effort to compel compliance through public embarrassment and threats of boycotts or isolation from suppliers.

It is important to note that each state and the territories of Alaska, Hawaii, and Puerto Rico, as well as some major cities, contained a Federal Food Administrator appointed by the President following an extensive screening process. For example, in a 22 October 1917 letter to the President, Hoover forwarded the names of four nominees for the District of Columbia, Hawaii, New York State, and New York City. He stressed

¹⁸ “Fined By Food Board,” *New York Times*, August 27, 1918

¹⁹ “Food Board Fines Three,” *New York Times*, October 18, 1918.

in the correspondence that the nominee for the New York City post had no connection “whatever with the present Mayoralty Campaign in New York” and in doing so revealed several key goals associated with the selection process.²⁰ First and foremost, Wilson wanted to avoid politically controversial nominees. In this instance, the Tammany congressional delegation offered support to Wilson’s wartime programs under the stipulation that he maintained a neutral position in the campaign for mayor.²¹ Of equal importance, Hoover wanted to appoint capable and loyal individuals to carry out Food Administration policies who were well respected in their home states. According to William Mullendore, “the selection of these men was made with the greatest care possible.”²²

These Federal Food Administrators, also known as State Administrators, fell under the auspices of the States Administration Division located at the Food Administration headquarters in Washington D.C. The national office thus oversaw the State Administrators and provided written and verbal guidance and instructions regarding Food Administration policies and regulations. In addition, the national office conducted frequent conferences with the State Administrators. Eight such multi-day meetings occurred in Washington D.C. between July 1917 and November 1918.²³ The State Administrators therefore served as the direct representative of the Food Administrator and created state level organizations that mirrored the national office. As a result, each state level Food Administration employee had a counterpart in the national office to ensure consistency in approach and outcome. Mullendore indicated that the State

²⁰ Francis William O’Brien, ed., *The Hoover-Wilson Wartime Correspondence, September 24, 1915, to November 11, 1918* (Ames, Iowa: Iowa State University Press, 1974), 92.

²¹ *Ibid.*, 91.

²² Mullendore, *History of the Food Administration*, 70.

²³ *Ibid.*, 75.

Administrators handled almost all “matters of enforcement,” which supports the assertion that the number of willful violations and overall resistance to policies were grossly understated in the official statistics of the Food Administration since the agency did not institute formal reporting requirements of infractions or enforcement activity.²⁴ It is apparent, however, that a clear linkage existed between the State Administrators and the Food Administration headquarters to ensure compliance with centrally developed policies, procedures, and regulations. Moreover, the national office developed the concept and execution of “fair price” lists to leverage compliance throughout the nation. Furthermore, the formidable Food Administration public affairs apparatus ensured media compliance with the “stamp of shame” strategy. In short, the overall campaign was clearly centrally conceived and managed.

Resistance to policies and regulations was not confined to overcharging for food items at the wholesale and retail levels. R.D. Cooper of the Dairyman’s Association participated in a nasty and very public feud with Hoover and the Food Administration. Cooper stood accused of mounting a public relations campaign against Hoover through allegations of Food Administration preference toward distributors during price arbitrations. The allegations included calls for a congressional investigation of the Food Administration. Never one to shy away from a fight, Hoover responded with a telegram to Cooper that he shared with the media. The telegram denounced Cooper personally and made clear that Hoover refused to be intimidated by such tactics.²⁵ Interestingly, following this public exchange of invectives, charges of impropriety emerged against Cooper in the form of an alleged inappropriate transfer of five thousand dollars to “defray

²⁴ Ibid., 71.

²⁵ “Rebukes Head Milkman,” *New York Times*, October 28, 1918.

the expenses” of an individual selected as a dairy industry advisor to the Food Administration.²⁶ It should be noted that all such appointees served as unpaid volunteers as did the state coordinators and all senior members of the Food Administration staff.

The charges against Cooper fit into a troubling pattern of behavior in regard to the treatment of those that challenged the authority and righteousness of Food Administration goals and initiatives. Julian Heath of the National Housewives’ League was one such individual who became entangled in such intrigue. Early in his tenure as Food Administrator, Hoover recognized the influence of Heath’s organization and actively sought to shift the League’s focus from participation in the food protests to support for Food Administration policies. This effort initially succeeded, but steadily soured as Heath became convinced that the Food Administration overstated the food problem and called for unnecessary sacrifices via the food conservation program. As a result, she initiated a campaign against “false economy in the manner of food conservation” and in a statement announcing the initiative indicated, “the country in providing for its military forces should not be handicapped with an improperly nourished people at home.”²⁷ Following this announcement, Frank C. McKinney, a Special Assistant Attorney General, publicly announced that charges were pending against Mrs. Heath due to allegations that she received payments of fifty dollars per month from companies that purchased advertisements in the *National Housewives’ League Magazine*.²⁸ McKinney asserted that the payments were in violation of corporate law and represented kickbacks for personal endorsements of the advertised products. He further noted that the charges would be

²⁶ “Dairymen Selected Advisor for Hoover,” *New York Times*, October 15, 1917.

²⁷ “Would Safeguard Farmers,” *New York Times*, May 22, 1917.

²⁸ “Will Mrs, Heath Resign?” *New York Times*, July 3, 1918.

dropped if Heath agreed to resign. In response Heath issued a thirty-one page rebuttal that indicated, “anti-public interests have secured the cooperation of your office.”²⁹ In a related sidebar that suggests the potential impacts associated with such charges, the 3 October 1918 business records section of the *New York Times* included a bankruptcy petition by the *National Housewives’ League Magazine*.³⁰

There are numerous troublesome aspects to the threats made against Cooper and Heath. The Food Administration initiated the aggressive conservation programs directed at consumers and restaurants *after* necessary supply levels were available to meet export requirements. Since adequate supplies existed for the domestic market, logic dictates that the vast conservation program included other motivations such as the suppression of price increases through lowered demand, along with the maintenance of public support for the war through appeals to patriotism and sacrifice. According to William Mullendore, the primary purpose of the effort was in fact to offset the steady rise of food consumption that resulted from higher wartime wages.³¹ Heath’s shift from support for a “Save to Win” campaign, to one against false economy appears therefore to have been on the mark. Furthermore, the available evidence strongly implies that federal and state authorities utilized threats of legal investigations and prosecution against key players such as Cooper and Heath as retribution and intimidation in response to their lack of support and resistance. The evidence also suggests that the charges were eventually dropped or never formally materialized, which supports such an interpretation.

²⁹ “Mrs. Heath Refuses To Quit The League,” *New York Times*, 1918.

³⁰ “Business Records,” *New York Times*, October 3, 1918.

³¹ Mullendore, *History of the Food Administration*, 80.

This disturbing pattern persisted on a larger scale. As part of an ongoing investigation of the food industry, the Federal Trade Commission hired Francis J. Heney, a prosecuting attorney from California, to assist in the investigation. Heney rapidly emerged as a thorn in Hoover's side through his public assertion that the large meat packers had successfully infiltrated the Food Administration with "volunteers" who remained loyal to their employers as they pursued inside information for their firms. He further charged that Swift & Company successfully placed three prominent executives in key Food Administration positions while they remained on the company payroll.³² A prominent trade publication owned by a New York businessman, H.L. Preston, published an article that repeated these allegations, but subsequently retracted the assertion that a clear conflict of interest existed with W.F. Priebe, a Swift employee, since he continued to receive a generous company salary while ostensibly serving as a government volunteer. Heney staunchly believed the sudden about-face resulted from threats from the Food Administration since Preston admitted in an interview that the Food Administration possessed the wherewithal "to entirely ruin my business."³³

An even more disconcerting example of this pattern of behavior entailed a brazen attempt to smear and intimidate Senator Reed. As previously noted, Reed emerged as a powerful, vocal, and persistent protagonist who stood in resolute opposition to Hoover and the Food Administration. Moreover, what began as a policy dispute quickly deteriorated into obvious personal animus between the two principals. As a result of the steady verbal barrages, Hoover maintained a grudge for years and in his memoirs stated that: "I learned that even in such an august institution there was the same minority of

³² George H. Nash, *The Life of Herbert Hoover: Master of Emergencies, 1917-1918* (New York: W.W. Norton & Company, 1996), 317.

³³ *Ibid.*, 321.

malicious and dumb that there was in the rest of the world, and their opportunity was even greater.”³⁴ He further stated that Reed in particular was an expert in the practice of malice. In an astonishing attempt to vanquish this foe, Julius Barnes of the Grain Corporation hired a private investigator to conduct a probe into Senator Reed’s private and business dealings in an effort to dig up dirt to use as leverage.³⁵ Years later Barnes experienced financial difficulties and sought reimbursement from Hoover for the \$3,000 spent on the private investigator. Hoover adamantly denied any involvement in the scheme, but the historian George H. Nash located a copy of the investigator’s report in Hoover’s personal papers.³⁶

This bizarre incident supplements the numerous indicators that provide credence to the assertion that this disconcerting pattern of behavior emanated from the top of the organization. The many examples indicate that when the Food Administration encountered noteworthy opposition, whether from Cooper, Heath, Spreckels, a grocery retailer, or a powerful Senator, the agency responded with determination and decisiveness and sent an unmistakable message; comply and cooperate or suffer significant consequences. To assert otherwise contradicts a treasure-trove of evidence that establishes a consistent pattern of behavior. Furthermore, the claims contained in the official histories of the Food Administration and repeated in multiple historical studies that state and local authorities handled the majority of such instances in an administrative and non-threatening manner simply cannot withstand close scrutiny. It is evident that strong-arm tactics proved necessary throughout this period to ensure compliance and

³⁴ Hoover, *The Memoirs of Herbert Hoover: Years of Adventure*, 248.

³⁵ Nash, *Herbert Hoover: Master of Emergencies*, 283.

³⁶ *Ibid.*

ample evidence bolsters the assertion that the specific methods utilized to correct behavior and punish opponents originated from the top of a centrally managed agency. Additionally, a powerful and activist government agency triggered reactions that included strategic maneuvering and positioning once it became apparent the Food Administration could and would determine winners and losers.

The efforts of the Big Five meatpackers epitomized the tactics employed to successfully coexist and perhaps prosper under Food Administration control. In addition, this business-government partnership served as an excellent example of the different treatment conferred to allies of the agency compared to that bestowed on its perceived opposition. By virtually any measure, the findings of the 1918 FTC investigation of the meatpacking industry represented a catastrophe for Hoover and his subordinates. Live stock producers served as catalysts for the audit and the recommendations and conclusions undeniably validated their claims of preferentialism and cronyism that favored the large companies.³⁷ The final FTC report unequivocally indicated that the large packers enjoyed an unfair advantage through the “monopolistic control of the market place and means of transportation and distribution.”³⁸ The FTC also charged that the Big Five had “preyed upon the people unconscionably.”³⁹ The report called for a complete federal government takeover of large portions of the assets of the Big Five in order to end monopolistic control over stockyards, refrigeration cars, cold-storage plants and other related activities.⁴⁰

³⁷ G.O. Virtue, “The Meat-Packing Investigation,” *The Quarterly Journal of Economics* 34, no. 4 (August 1920): 626.

³⁸ Nash, *The Life of Herbert Hoover: Master of Emergencies*, 331.

³⁹ *Ibid.*, 330.

⁴⁰ O’Brien, *The Hoover-Wilson Wartime Correspondence*, 249.

The FTC investigation included the period of time that the packers operated under Food Administration jurisdiction and therefore profit control. In fact, the agency devised a complex system that assigned a maximum rate of return on capital expenditures and a limitation on the profit percentage allocated to annual sales. For this and other reasons, the agency criticized the findings of the investigation and defended the actions and interests of the large packing companies. The Food Administration approved operating formula for the Big Five translated to a 2.5 percent allowable profit on total sales, 9 percent on capital expenditures, and 15 percent on non-meat specialty product lines.⁴¹ According to the Food Administration, the 9 percent capital expenditure limitation translated to a profit of less than one cent per pound on all meat products.⁴² The agency further claimed that the FTC investigation concluded that the total profit for the Big Five packers on Class I products, which included livestock slaughtering and meats, was \$40,594,935 from November 1917 to November 1918, which equated to a rate of profit on capital investments of 5.6 percent, well below the allowable 9 percent margin. Such a calculation, however, assumed that the industry supplied capital expenditure figures were accurate and legitimate. The Food Administration also maintained that net profits were only 1.6 percent of gross sales, well under the allowable 2.5 percent profit margin.⁴³

It is apparent from the defense of the industry profits that Hoover and his senior associates embraced the practices and accounting methods of the large packing companies in stark contrast to the treatment of entities deemed uncooperative. F.W. Taussig, the Chairman of the Tariff Commission and an influential member of the Price

⁴¹ Frank M. Surface, *American Pork Production in the World War* (Chicago: A.W. Shaw Company, 1926),

⁴² *Ibid.*

⁴³ *Ibid.*, 50.

Fixing Committee of the War Industries Board, provided an insider's insights for such a dichotomy in that the Food Administration required meat, and in particular pork, in great quantities and that "government purchases were on a great scale and threatened to disturb market prices."⁴⁴ For this reason, a symbiotic relationship emerged between the Food Administration and the Big Five. Bernard Baruch, a wealthy investor who headed the War Industries Board, further proffered that when the government required great quantities of certain items, the empowered wartime agencies, boards, and commissions decided what would be produced and in what quantity.⁴⁵ In the case of meat production and processing, although over fifty packing companies existed nationwide, the Big Five accounted for a huge portion of the total production capacity. For this reason, the profit agreement between the Food Administration and large packers represented a crucial link toward the increased production goals.

Collectively, the Big Five recognized the reality of the government involvement in the market and as a result sought to actively shape the outcome to obtain the best arrangement possible under Food Administration control. This conclusion largely explains their relative contentment with the operating agreement as opposed to the outspoken discontent demonstrated by the Wallaces' over the 13-to-one pricing scheme. As a result, an interdependent arrangement emerged whereby the packers enjoyed guaranteed profits *and* sales, along with some accounting wiggle room in the form of capital expenditures that could be manipulated to enhance overall profit margins. In

⁴⁴ F.W. Taussig, "Price-Fixing as Seen by a Price-Fixer," *The Quarterly Journal of Economics* 33, no. 2 (February 1919): 210.

⁴⁵ Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987), 158.

return the Food Administration enjoyed “willing” partners who dramatically ramped up pork production without the typical concerns associated with excess production.

Hoover and the Food Administration defended these actions and agreements despite the fierce criticism included in the FTC investigation. Moreover, William Mullendore and Frank Surface continued this defense in their post-war histories of the agency. This approach signifies the extent to which Hoover’s key associates defended those that cooperated with their plans and policies, along with their determination to protect the personal, professional, and political reputation of the Chief. But as wartime criticism steadily escalated, Hoover eventually relented to the irresistible pressure and, in March 1918, sent a letter to the President that requested approval for a presidential commission to study the challenges associated with “the whole meat problem.”⁴⁶ A follow-up letter included specific recommendations for a five-member commission that included the Secretary of Agriculture, Chairman of the Federal Trade Commission, Chairman of the Federal Tariff Board, Secretary of Labor, and a senior Food Administration representative.⁴⁷

This turn of events highlights a classic Hoover tactic: when cornered by criticism that cannot be deflected or ignored, he responded in a seemingly cooperative and proactive manner in the form of a study commission stacked in his favor to the extent possible. But in this case Hoover’s maneuvers were only partially successful since the FTC, as well as the Wallaces, had public sentiment on their side and would simply not relent in their criticism of the industry. Eventually Hoover conceded on some of the FTC recommendations, which led directly to one of the most impactful legacies of the Food

⁴⁶ Francis William O’Brien, *The Hoover-Wilson Wartime Correspondence*, 171.

⁴⁷ *Ibid.*, 175.

Administration – the remaking of the national food industry through the forced divestiture of significant portions of the Big Five business interests.

The Food Administration clearly treated friends and foes, or perhaps more accurately cohorts and resisters, much differently. Despite official claims otherwise, foes and resisters existed in significant numbers and faced unremitting pressure from a powerful and independent government agency to change their behavior or simply recede into the background. The tools and tactics employed by the Food Administration to achieve these ends ranged from revocation or suspension of mandatory licenses to legal threats and public embarrassment. The evidence suggests that acquiescence and submission to agency demands did in fact reduce the overbearing pressure brought to bear in the form of relatively small administrative fines and donations, the reinstatement of supply chains, and dropped charges. Conversely, persistent defiance resulted in the loss of federal business licenses, isolation from sources of supply, and ongoing threats to professional and personal reputations in the form of public charges of impropriety and by extension disloyalty. Moreover, the Food Administration employed these tactics nationwide at multiple levels, which undermines claims that autonomous state and local representatives handled a relatively small number of disputes off the official books in a low key fashion to avoid the public embarrassment of well meaning individuals that made simple mistakes or violated policies out of ignorance. The evidence instead strongly suggests that Food Administration representatives employed centrally approved hardnosed methods to intimidate and overwhelm opposition and resistance.

On the other hand, allies, friends, and partners received much different treatment following the formalization of operating arrangements with the Food Administration. To

achieve such status required two characteristics; a commodity or service required in great quantity coupled with acceptance of the existence and power of the Food Administration. The case of the Big Five meatpackers highlights this point. Per the informed inputs of F.W. Taussig and Bernard Baruch, the Food Administration required pork in huge quantities and therefore desired the large packers as partners and not adversaries. The Big Five recognized the inevitability of government control of their industry and collectively decided to actively participate in the process to shape the outcome. The result typified the desired agency goal; an agreement that included a government approved production and profit scheme that both parties could accept. Perceptions of favoritism or cronyism were secondary concerns to the overall objective of increased production at prices acceptable to both parties. Senior agency officials, including Hoover, vigorously defended these arrangements and by extension their industry partners. This dynamic proved unshakable up to the point that the strong Food Administration public affairs apparatus failed to sway public opinion and instead sensed that the tide had irretrievably turned against them. Only then would Hoover relent and seek a resolution that included a combination of symbolic and tangible compromises in the form of study commissions followed by carefully crafted alterations to the operating formula.

Epilogue

A TANGIBLE LEGACY

Ronald Reagan once remarked that: “No government voluntarily reduces itself in size....a government bureau is the nearest thing to eternal life we’ll ever see on this earth.”¹ The Food Administration officially existed for less than twenty-four months and therefore seems to have defied such a maxim. On 16 November 1918 Hoover departed for Europe to lead the American Relief Association and by December a large number of the special regulations of the Food Administration no longer existed.² The withdrawal of license requirements was complete by February 1919.³ Oversight of certain commodities most affected by the post-war food glut, such as pork, continued until June 1919. The appropriation of funds for the Food Administration expired on 30 June 1919 and Hoover tendered his official resignation on 1 July.⁴ However, the immense impact of this fascinating and powerful agency continued long after the closure of offices and expiration of wartime regulations. In this sense Reagan was correct since the Food Administration continued to live and thrive in spirit long after its formal decommissioning.

The official histories of the Food Administration crafted by William Mullendore and Frank Surface described an agency that inserted itself into the national economy only to the minimum extent necessary in deference to a population resistant to any attempt to “Prussianize” the customary system of governance. Mullendore and Surface further

¹ Ronald Reagan, “A Time for Choosing,” (October 27, 1964), <http://www.reagan.utexas.edu/archives/reference/timechoosing.html>.

² William Clinton Mullendore, *History of the Food Administration, 1917-1919* (Stanford: Stanford University Press, 1941), 351.

³ *Ibid.*, 352.

⁴ *Ibid.*, 354.

asserted that the agency achieved its primary goals and objectives through voluntary partnerships and compliance realized through appeals to patriotism and a sense of national urgency during wartime. They attributed any deviations from this model to isolated instances triggered by ignorance of the regulations or simple misunderstandings and mistakes. Hoover was portrayed as a competent, compassionate, and energetic administrator who appealed to the virtuousness and patriotism of the American population for voluntarily cooperation with Food Administration policies and regulations in lieu of a mandatory Prussian-like rationing and distribution system. Many historians accepted this paradigm, which emerged as a standard template included in larger studies of Hoover's enigmatic political ascent that set him on a collision course with the Great Depression. A failed presidency transformed the popular image of a brilliant engineer, organizational genius, and great humanitarian into a hapless technocrat unable to cope with the scale and scope of a massive financial and economic crisis. In the prodigious academic examinations and discourses that followed, the Food Administration appeared for the most part as a sidebar to the larger debate on the Hoover presidency and the response to the Great Depression. In short, Hoover became inextricably intertwined with the events surrounding the Great Depression. His outspoken, frantic, and at times pathetic opposition to the New Deal simply eclipsed the tenure as Food Administrator.

Frank Surface abetted Hoover's presidential ambitions through his sanitized accounts of the Food Administration and William Mullendore attempted to reconstruct the reputation of his former boss through the 1941 publication of the *History of the Food Administration*. In doing so they created the foundation for historical accounts of the Food Administration and its impact on the nation. In these accounts, Surface and

Mullendore defended Hoover's actions and policies against criticism from protagonists such as Senator Reed and the Wallaces and downplayed the long-term impact of the agency. Wedged between Hoover's highly touted stint as head of the Commission for the Relief of Belgium and the failures associated with the Great Depression, the Food Administration years represented a Hoover success story that demonstrated his competence, altruism, fair-mindedness, and trust in the American people.

But there was much more to the Food Administration than the summaries and conclusions contained in the Mullendore and Surface accounts. For example, the short-lived agency had a massive impact on the world stage. Numerous historians argued that food indeed won the war, or perhaps more appropriately a shortage of food in Germany resulted in capitulation. While others disagreed or downplayed this conclusion, food unquestionably represented a key component of the overarching grand strategy of the Allies in the form of a massive naval blockade. But other aspects of the strategic significance of food are lesser known. The Food Administration unequivocally determined that the Cuban sugar supply was vital for the war effort. In doing so the agency insisted on access and control of the Cuban crop to the point that the United States injected substantial military forces to shape the outcome of the Cuban political struggle that evolved into a full-scale insurrection. These actions demonstrated an unmistakable resolve on the part of the United States to protect the sugar crop at all costs. The presence of a substantial number of American troops and naval forces effectively ended the rebellion and therefore ensured the survival of President Menocal's government without the need for meaningful negotiations, concessions, compromises, or

reforms. These circumstances set Cuba on the trajectory that ultimately led to a successful revolution many years later.

The post-war pork glut factored profoundly into the protracted post-armistice peace negotiations and decision to extend the naval blockade to force a hungry Germany into complete submission. Despite his altruistic and humanitarian reputation, Hoover refused to relent on demands for a resolution that solved the problem associated with a massive inventory of overpriced pork. As a result, millions suffered until all parties agreed on a compromise that included guaranteed sales at acceptable prices accompanied by payment in hotly contested German gold. Moreover, the negotiations led to a massive humanitarian effort in the form of the American Relief Administration to prevent widespread post-war starvation through the purchase and distribution of excess U.S. food supplies.

On the domestic front, the impact of the Food Administration was undeniably profound and enduring. In the early twentieth century over forty percent of the workforce in the United States derived their respective livings from agricultural production.⁵ The Lever Act provided the President, and by extension Herbert Hoover, with an unprecedented level of direct control over a substantial portion of the economy.⁶ In addition, prior to the war and the passage of this legislation, the economic system in the United States was primarily market based.⁷ In many respects, modern-era Libertarians view the pre-war era wistfully as they reflect on the nation that existed prior

⁵ United States Department of Agriculture. 2005. *The 20th Century Transformation of U.S. Agriculture and Farm Policy*, by Carolyn Demitri, Anne Effland, and Neilson Conklin. Electronic Report from the Electronic Research Service.

⁶ Robert Higgs, *Crisis and Leviathan: Critical Episodes of Growth of American Government* (New York: Oxford University Press, 1987), 136.

⁷ *Ibid.*, 123.

to wartime federal government intrusions into the shipping industry, railroads, telegraph and telephone system, shipbuilding, and of course food production and distribution.

These interventions produced significant precedents and a substantial legacy. The total federal budget, for example, never exceeded \$742 million prior to the war and was never lower than \$2.8 billion in the decade that followed. Furthermore, the total national debt was approximately \$1 billion prior to the war, but stood at \$17 billion in 1929.⁸ These increases signify a quantum leap in the size, scope, and role of the federal government.

The Lever Act included authorization for a government owned enterprise in the form of the Grain Corporation and a substantial appropriation of funds for the express purpose of direct control over the world's largest grain supply. The total appropriation allocated for this purpose equated to an astounding twenty-percent of the highest pre-war appropriated budget for the entire federal government. In addition, the legislation provided the authority to borrow additional funds, which translated to a total capitalization for the Grain Corporation equal to seventy-two percent of the highest pre-war annual federal budget. The Food Administration utilized these funds and authorities to nationalize the entire grain industry, which included the closure of commodity exchanges and replacement of middlemen, grain elevator operators, warehousemen, and grain dealers with government controlled enterprises. This fact alone supports the contention that Mullendore and Surface downplayed both the short and long-term impacts of this powerful and independent agency, since it is inconceivable that a complete and unprecedented federal takeover of a huge portion of the national economy would leave no lasting marks or imprints on the citizen-government relationship and

⁸ Ibid., 150.

national psyche. In brief, a return to the status quo following such massive federal government intervention was simply not possible.

The Food Administration demonstrated similar levels of power and dominance when it sought control of other food commodities such as pork and sugar. The authority to issue or deny business licenses provided more than adequate leverage against any and all resistance to the desired end results. In fact, throughout his tenure as Food Administrator, Hoover never shied away from strong-arm tactics or any necessary show of force to achieve compliance. This unprecedented concentration of federal power permanently altered the expectations and actions of virtually all of the actors in the food production and distribution system. David F. Houston, the wartime Secretary of Agriculture and post-war Secretary of the Treasury, complained of a wartime conditioning that manifested itself in the form of a “first impulse,” whereby many citizens involved in food production and distribution immediately turned to the federal government as the primary option to resolve post-war problems associated with steep declines in the prices of agricultural commodities.⁹ According to Houston, a relentless stream of interest groups, as well as Senators and Representatives, sought meetings to lobby for federal assistance as a result of their wartime experience with activist government. Countless others wrote letters beseeching relief and assistance from the Treasury Department as “their sole source of salvation.”¹⁰

This paradigm shift also reflected the severe postwar deflationary cycle associated with agricultural products. William Mullendore claimed that the Food Administration was an unequivocal success based on three primary measurements: (1) that food

⁹ David F. Houston, *Eight Years With Wilson's Cabinet, 1913-1920* (New York: Doubleday, Page & Company, 1926), 2:103.

¹⁰ *Ibid.*

production increased to an adequate level; (2) that the cost of living remained sufficiently stable to prevent losses in industrial efficiency due to strikes and industrial location; and (3) that the efficient distribution of the food supply sustained the needs and morale of American citizens and the Allies. He additionally concluded that “the whole period was one of industrial tranquility without resort to government food subsidies as in Europe.”¹¹ Mullendore’s conclusions omit several key realities, the most palpable being the fact that the nation experienced a huge number of strikes over wages, working conditions, and the concept of industrial democracy. More than three thousand strikes occurred in the first six months that followed the entrance of the United States into the war. Furthermore, a record number of work disruptions occurred in the United States in 1917, which endangered the entire war effort.¹² This fact alone makes Mullendore’s claim of industrial tranquility categorically farcical. Moreover, significant labor tension persisted throughout the war, which resulted in a massive effort by the federal government to exert power and influence over labor-management relations. In addition to this obvious and most certainly purposeful oversight, Mullendore adroitly avoided a crucial bottom line outcome caused by government intervention in the food industry; the Food Administrator left an enormous mess in his wake that impacted the nation for a protracted period of time.

The Food Administration directed increased pork and wheat production to excessive levels, which culminated in the treacherous post-war combination of a domestic supply glut matched with drastically reduced demand from Europe. For example, the total acreage dedicated to wheat production increased from 52 million acres

¹¹ Mullendore, *History of the Food Administration*, 4.

¹² Joseph A. McCartin, *Labor’s Great War: The Struggle for Industrial Democracy and the Origins of Modern American Labor Relations, 1912-1921* (Chapel Hill: University of North Carolina Press, 1997), 63.

in 1913 to 73 million in 1919, while the total hog population increased by nineteen percent in the same period.¹³ This condition led directly to an enormous post-war excess supply of wheat and pork, which in turn resulted in steep price drops in excess of fifty percent, compared to a twenty-five percent decrease in the value of non-farm products.¹⁴ Also, while non-farm prices quickly stabilized and recovered, agricultural prices remained at greatly depressed levels.¹⁵ Moreover, farmers entered the post-war period much more heavily indebted than in the pre-war era, while the value of agricultural land plummeted. This toxic mixture led directly to a major agricultural depression in the United States that commenced in the summer of 1920.¹⁶ During the next few years farm incomes shrank by up to fifty-percent from their wartime levels. According to the Department of Agriculture statistics, farm prices fell from a measurement of 228 in 1919 to 121 in 1921, with the period of 1909-1914 serving as the price baseline at a level of 100.¹⁷ As a result, thousands of farms became insolvent and subsequently abandoned or repossessed, while many banks went under since loans could not be repaid.¹⁸

These statistics are meaningful for several reasons. In the pre-war period agriculture accounted for nearly forty percent of total employment in the United States.¹⁹ Furthermore, the price increases demonstrate the inflation of agricultural products under Food Administration control, followed by a steep post-war drop in price levels. More importantly, however, the Department of Agriculture utilized the 1909-1914 period as a

¹³ Murray A. Benedict, *Can We Solve the Farm Problem?* (Baltimore: The Lord Baltimore Press, 1955), 9.

¹⁴ *Ibid.*, 7.

¹⁵ Russell Lord, *The Wallaces of Iowa* (Boston: Houghton Mifflin Company, 1947), 218.

¹⁶ Benedict, *Can We Solve the Farm Problem?*, 6.

¹⁷ *Ibid.*

¹⁸ *Ibid.*, 130.

¹⁹ U.S Department of Agriculture. 2005. *The 20th Century Transformation of U.S. Agriculture and Farm Policy* by Carolyn Dimitri, Anne Effland, and Neilson Conklin. Electronic Report from the Electronic Research Service.

“parity” baseline, which translated to a model of stability and relative prosperity for farmers. In other words, the period during which farmers vehemently complained about the excesses of speculators, grain dealers, and commodity markets ironically emerged as the standard for future government programs and interventions.

During this turbulent and painful period, farm organizations thrived via a coordinated effort to exert influence on elected officials as agricultural producers turned to the federal government as the primary source for relief and assistance. Economists of the period pondered and debated the role of government and many argued that the era of “let business alone” had been superseded by the necessity for enhanced cooperation between business and government.²⁰ Proponents of this model contended that the federal government could no longer be “hands off,” but instead needed to institute a new order in the spirit of the Food Administration and provide encouragement and oversight to the formation of trade groups and associations.²¹ The Wallace family thrived under these circumstances. Following the war, the Wallaces witnessed the reconfiguration of major portions of the food industry as a result of the 1918 FTC investigation on the meatpacking industry. Energized by this achievement, as well as the many frustrating and fruitless encounters with Hoover and the Food Administration, both father and son vowed to never again play second fiddle to business interests that enjoyed a seat at the table where participants shaped policies, programs, and outcomes.

The rise of the Wallaces represented a pivotal moment in the history of federal agricultural intervention. The tension with Hoover and the Food Administration that commenced with the disagreement over the 13-to-1 feed ratio for hogs developed into a

²⁰ W.F. Gephart, “Provisions of The Food Act and Activities Which Should Be Made Permanent,” *The American Economic Review* 9. No. 1 (March 1919): 70.

²¹ *Ibid.*

full blown vendetta that greatly impacted the debate over the role of government. From that point forward, the Wallaces did not trust Hoover and his key officials and as a result they emerged from the experience determined to boost the power and clout of agricultural producer interests. Their enhanced influence manifested itself in the presidential campaign of 1920 as illustrated in an editorial in *Wallaces' Farmer* that stated: "Herbert Hoover, of all the men suggested as a possible presidential candidate of either the Democratic or Republican party, is the most objectionable to the farmers of the country, and the most vulnerable."²² And as if that dramatic observation was not enough, Henry C. Wallace added that farmers thoroughly distrusted Hoover and considered him nothing more than an autocrat of big business.²³ In an editorial that appeared in the 5 March 1920 edition of *Wallaces' Farmer*, he further asserted that Hoover's deceitful tactics resulted in the creation of the influential American Farm Bureau Federation in February 1919, in what he described as "its later and stronger form."²⁴ Henry C. Wallace also proved instrumental in the 1920 formation of the powerful bipartisan Farm Bloc in the Senate and House of Representatives.²⁵ This notable achievement provided an immediate impact to national agricultural politics and policies and remains a major force to this day.

The Wallaces also sought and achieved positions of power and influence in the national government. Henry C. Wallace served as the Secretary of Agriculture in the Harding and Coolidge administrations until his untimely death in 1924. His son, Henry A. Wallace, served as Secretary of Agriculture for the first two terms of President Franklin D. Roosevelt and as Vice President during his third term. He subsequently

²² Russell Lord, *The Wallaces of Iowa* (Boston: Houghton Mifflin Company, 1947), 214.

²³ *Ibid.*, 215.

²⁴ *Ibid.*, 200.

²⁵ *Ibid.*, 216.

served in the Truman administration as Secretary of Commerce. This father-son combination clearly impacted national policy as they developed policies and programs based on their experiences with an empowered and activist government in the form of the United States Food Administration.

The Wallaces' favored passage of the McNary-Haugen Farm Relief Act, an ambitious piece of proposed legislation that offered relief from depressed agricultural prices through the direct purchase of wheat by a newly formed agency of the federal government. Similar to the Grain Corporation, the proposed agency would control the export market and sell grain to foreign purchasers at a loss if necessary to maintain the target domestic price at the pre-war parity baseline level designated by the Department of Agriculture. After a protracted and heated debate, Congress eventually passed the legislation, but it was vetoed twice by President Coolidge and never became law. It served, however, as the basis for programs developed by the Federal Farm Board, established in 1929, and the Agricultural Adjustment Administration, which was created by the Agricultural Adjustment Act of 1933.²⁶ The Department of Agriculture considers this latter piece of legislation the first comprehensive "farm bill" instituted by the federal government and traces its roots directly to post-war farm price and income support programs.²⁷

Food Administration policies and initiatives also left an inefaceable mark on the social fabric of the nation. Over a decade following the decommissioning of the Food Administration, an article appeared in the *Saturday Evening Post* that credited Hoover's

²⁶ Benedict, *Can We Solve the Farm Problem?*, 8.

²⁷ U.S. Department of Agriculture. 2005. *The 20th Century Transformation of U.S. Agriculture and Farm Policy*, by Carolyn Dimitri, Anne Effland, and Neilson Conklin. Electronic Report from the Economic Research Service.

conservation policies for a great public service in the form of a healthier diet through less consumption.²⁸ But an even greater social impact resulted from Hoover's unsuccessful attempts to mollify proponents of Prohibition. Despite numerous efforts to devise an elegant wartime solution that satisfied all parties, which included a ban on the wartime production of distilled liquor and a Presidential Proclamation that reduced the alcohol content in beer to 2.75 percent, relentless pressure from Prohibition forces resulted in a total ban on the production of alcoholic beverages with the exception of wine effective on 1 October 1918. Although the November 1918 Armistice saved Hoover and the Food Administration from the direct consequences of this decision, Congress passed the Wartime Prohibition Act just one week after the Armistice went into effect, which forbade the sale of beverages with an alcohol content that exceeded 2.75 percent. The Lever Act and subsequent debate on the wartime usage of grains for alcoholic beverages set unmistakable precedents for the passage of the Wartime Prohibition Act as well as the Volstead Act, or National Prohibition Act, which became law on 28 October 1919.

It is clear that Hoover and the Food Administration impacted the national perception of the appropriate role of government in a substantial manner, which led directly to the creation and evolution of powerful agricultural associations such as the American Farm Bureau Federation and National Milk Producers Federation, both of which remain in existence today. Moreover, the unprecedented powers contained in the Food Control Act resulted in absolute control of major facets of the food production and distribution system, which created substantial precedents that set the stage for the next phase of economic development in the United States in the form of active collusion

²⁸ Harvey A. Levenstein, *Revolution at the Table: The Transformation of the American Diet* (New York: Oxford University Press, 1988), 137.

between the government and private sector enterprises.²⁹ The Food Administration clearly played a major role in the development of this phenomenon, often referred to as “associationalism,” which evolved in the decade following the war. This progression represented a big step in the movement toward a mixed economy that abjures laissez-faire capitalism in favor of an activist government that endeavors to influence economic outcomes. Food Administration policies, programs and interventionism unquestionably contributed to the significant shift in the citizen-government relationship toward the activist government end of the spectrum, where elected officials and bureaucrats attempted to manage economic ebbs and flows in the form of new agencies, boards, programs, and policies.

Herbert Hoover played a central role in this transition. While he was undoubtedly a patriot that feared the potential consequences of social unrest, his tenacious insistence on complete control in the form of an independent agency empowered to regulate a large portion of the national economy left a permanent mark in numerous respects. To achieve this end, he knowingly propagated a false narrative that intensified the negative public perception toward commodity exchanges and speculators in order to achieve control of the major agricultural markets. Moreover, his willingness to employ coercive tactics shaped outcomes in the form chosen by the Food Administration and its allies. Although the available documents and records indicate that Hoover firmly believed the ends justified such means, he nonetheless fervently leveraged a formidable public affairs apparatus to transmit a demagogic and manipulative message that overwhelmed virtually

²⁹ Higgs, *Crisis and Leviathan*, 155.

all opposition to the greatly enhanced and concentrated powers provided by the Lever Act.

Hoover's subsequent service as Secretary of Commerce and as the President that governed during the Great Depression obscured his tenure as Food Administrator since this period became overshadowed by larger events. As a result, the Food Administration years faded into the background of a larger narrative of a man that almost achieved greatness, but fell short when faced with his largest test. In addition, his incessant and at times shrill criticism of New Deal programs and policies helped shape an unflattering image of a man desperate to salvage his reputation and legacy. Consequently, an enigmatic portrait of Hoover emerged as a great humanitarian and competent technocrat that failed miserably as President during a massive economic crisis due to a naïve trust in "cooperative individualism" and voluntary corporate associationalism.³⁰

But such an interpretation discounts the fact that Hoover acted as a hard-nosed and at times ruthless realist when he enjoyed absolute power as Food Administrator in pursuit of his primary objectives. Foes and opponents were routinely threatened, vilified, and punished in an effort to achieve victory and establish unmistakable deterrents. Even allies and close associates, such as the eminent Harvard economist F.W. Taussig, conceded that the Food Administrator achieved volunteerism in name only since he offered only one viable option during negotiations, accompanied by threats of retribution in the form of license revocation or other punitive measures to those that considered rejection of the deal. This tactic became a standard operating procedure for the agency and even the massive voluntary food conservation program, without doubt the most

³⁰ Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (Boston: Little, Brown and Company, 1975), 53.

fondly remembered Food Administration initiative, proved an abject failure until Hoover implemented mandatory aspects of the program.

Hoover was very much a hands-on manager with a seemingly endless amount of energy and stamina, who controlled or influenced virtually every aspect of Food Administration programs and policies. As a result, he was most certainly cognizant of these realities and clearly did not suffer from naivety, nor did he rely on a pure form of volunteerism to achieve his objectives. In addition, he was very much aware that his powerful and competent public affairs apparatus intimidated opponents and created a carefully crafted image that persisted for many years. In this sense, the Food Administration years matter not only because of the substantial political, social, and economic legacy, but also because they provide a window which offers invaluable insights into largely overlooked aspects of Hoover's governing philosophy when he enjoyed an unprecedented amount of power over a significant portion of the national economy with minimal oversight and interference. During this time he was decisive, astute, realistic, determined, and often ruthless. He was also much more than a benign manager of a decentralized organization or catalyst for change, but instead served as a powerful change agent that helped release the genie of activist government from its bottle; an act that proved irreversible as the grand national experiment left an indelible and enduring mark on the nation.

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