MINE MORE COAL

PRESIDENT WILSON

DEMANDS COAL TO WIN THE WAR

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

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

"A great task is to be performed.

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

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

WOODROW WILSON.

UNITED STATES FUEL ADMINISTRATION
The Wilsonians As War Managers: Coal and the 1917-18 Winter Crisis

JAMES P. JOHNSON

Most historians have praised Woodrow Wilson's war administration for its achievements. The War Industries Board maintained civilian control over military procurement and systematized a network of industrial committees while streamlining America's war purchases. The Food Administration, besides doubling the production of pork and increasing the output of wheat, launched a vast food conservation drive. The Fuel Administration, responsible for wartime energy policies, held down coal prices and developed a zone system that prevented cross hauling of coal. The Railroad Administration, after initial failings, succeeded in coordinating the railroads. The War Finance Corporation, by overseeing large government loans, helped raise the billions war required. The Selective Service, responsible for expanding the armed forces, proved itself, as did the United States Employment Service, which directed nearly four million people to jobs. The labor agencies developed a body of labor law and settled most industrial disputes without strife. The chief criticism of the Committee on Public Information has been that it did its job too well. Of the major agencies, only the United States Shipping Board, its component Emergency Fleet Corporation, and the Army Aircraft Production Division failed to produce their material in time for use.1

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

reputation of the war bureaucracies. Still later, when the United States entered the Second World War, new mobilizers remembered the achievements of the Wilsonians.

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

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

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

bilibize their fragmented industry, but all attempts had failed. In 1915 Wilson himself listened while a delegation of Illinois and Indiana operators pleaded for legal authority to create sales agencies and open-price associations to balance supply and demand for their coal. Wilson and the Federal Trade Commission rejected their proposals. In 1916 Congress, some members of which understood the industry's problems, petitioned the FTC to analyze and report on the unsound, unprofitable financial conditions in the coal industry. Wilson and his chief advisers, however, distrusted the operators and saw them as conspirators bent on restraining trade.

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


9 Waldo E. Fisher and Charles M. James, Minimum Price Fixing in the Bituminous Coal Industry (Princeton, 1955), chap. 1; Reed Moyer, Competition in the Midwestern Coal Industry (Cambridge, 1964), pp. 96-99; Carroll Lawrence Christenson,
Hundreds of operators had indeed tried to stabilize their industry. Some worked to expand foreign markets. Others petitioned states for uniform laws on safety and accident compensation to equalize competitive conditions. For coals with unique burning characteristics, regional selling agencies succeeded briefly but then failed in most parts of the country. Mergers proved unsuccessful, as did appeals to the Interstate Commerce Commission to equalize transportation costs. In 1909 an attempt to create a nationwide trade association collapsed. Midwestern operators had even sought to create equal competitive conditions by agreeing to bargain with the United Mine Workers of America in 1898. Although they created the Central Competitive Field (Illinois, Indiana, Ohio, and western Pennsylvania), they could not convince Southern operators to go along with them and to bargain with the mine workers.10

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

The war's consuming demand for energy dramatically altered the industry's short-term position. Output mounted by nearly one-third between 1914 and 1917; extreme demand pressures boosted the average price from $1.16 to $2.30 per ton. Operators reopened less-efficient mines; retired miners returned to work; profits increased; the industry seemed at last on the verge of taking its seat at the American economic banquet table.12

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

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

For Greatest Economy:

Keep Boilers Clean Both Inside and Out.

Systematize the Work and Reduce Time of Firing Boiler.

An accurate measurement of 100 square feet will cause a loss, under average conditions, of about one ton of coal a month. A 1-inch thickness of 55 percent magnesite covering will save 50 per cent, of this loss.

Cover Steam Piping, Uptakes and Breaching and Exposed Parts of Boiler.

Stop all Leaks—Steam, Water and Air.

With a steam pressure of 15 pounds, a leakage equivalent to 1,000 square inches on a square foot will waste 45 pounds of steam an hour, a loss, under average conditions, of about one ton of coal a month.

Leakage of water from by-pass cock, blow-off cock, etc., under 20 pounds pressure, from connections aggregating 1,000 square inches on a square foot, will cause a loss of about two tons of coal a month—plus the loss of water, this loss goes on continuously.

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

Regulate Dampers to Load Requirements.

Don't use small dampers to control draft, but use the one in uptakes or breaching. Let this damper in given draft. Too much draft will reduce loss through admitting excess air.

Cut Out Boilers Not Needed.

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

Keep Even Pressure on Boiler.

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

Feed the Boiler Continuously.

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

Utilize the Heat in Exhast Steam.

In small plants nearly 50 per cent. of the heat in live steam remains in the exhaust. This waste heat may be used for heating the boiler feed water, the wash water, for pasteurizing, and for heating the building. By using all the exhaust steam the capacity of the boiler is almost doubled, or the fuel consumed is reduced nearly one-half.

STUDY YOUR PLANT
SAVE FUEL

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

1917-18 WINTER CRISIS
Baker and by Federal Trade Commissioner William B. Colver, who told Wilson that the coal operators had "at no time . . . as a class risen above the most sordid conception of their relation to the public and the nation and to the war emergency." 16

A less influential member of the Wilson cabinet had a more sanguine view of the coal men and their role in the war economy. As the Council of National Defense liaison with the coal operators on the Committee on Coal Production formed in May 1917, Secretary of the Interior Franklin K. Lane worked closely with the operators. Coal executives dominated the fifteen-member CCP, created as part of the drive for business-government cooperation in the early months of the war, but the CCP included the first labor spokesmen in the war government and consumers spokesmen as well. 17

Summoned to help stimulate more coal production, free transportation bottlenecks, and speed the movement of coal, the CCP sparked the hope that increased production might force prices down. At the outset, Lane warned the committee: "It is a question of cooperation or compulsion; but instead of taking over the committee . . .

The CCP program increased production and, according to the director of the CND's Advisory Committee, Walter S. Gifford, brought "marked, definite results," but spot prices stubbornly failed to decline. 19 On June 19, 1917, the FTC recommended that the government pool all coal production, buy the coal from the operators, and resell it on a cost-plus basis. 20 Progressives in Congress struggled for tighter federal control over the war economy—particularly price control. Ohio's Atlee Pomerene and Iowa's Albert B. Cummins each introduced proposals empowering the government to fix coal prices itself. And Secretary Daniels pressed the members of the CCP to lower coal prices. 21

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

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

---


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


19 Senate Committee on Interstate Commerce, Price Regulation, pp. 86-89.


21 The proposals were summarized in Senate Committee on Interstate Commerce, Price Regulation, pp. 3-7. See also Cushing, "Ending the Coal Dilemma," pp. 594; Daniels to Wilson, June 18, 1917, Wilson to Daniels, June 1, 1917, Special Correspondence, Woodrow Wilson, Daniels Papers, and Coal Age 11 (June 16, 1917): 1041. As part of his struggle to get the steel industry to lower its prices, Daniels threatened to have the government build its own armament factory. Urofsky, Big Steel, p. 121.

22 Lane quoted in New York Times, June 27, 1917: Secretary Lane struck an idealistic note when he reminded the operators that they controlled "the fundamental industry" and that George Washington had been a businessman who staked his fortune in liberty's cause. The Times wrote that Fort promised the operators there would be no antitrust prosecution if they agreed to cooperate with government.
The Fuel Administration's office in downtown Manhattan.
From the records of the United States Food Administration, 1918.
operators. Despite Fort's representation to Wilson that the $3 price was necessary to insures production from marginal mines, the president sided with the attorney general. Wilson told Baker and Gregory that he "planned to repudiate publicly the price fixed." The president was also troubled that the operators' action under the Council of National Defense worked "at cross purposes" with the ongoing FTC study and possibly represented a higher price than the FTC would recommend. His mail was running against the price decided on by the operators, and he was angry. Secretary Baker tactfully protected Lane's ego by issuing a message attacking the CCP prices himself rather than allow the president to do it. Angered, Lane came close to resigning. 27

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

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

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

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

26 The Baker letter is in Garrett, Governmental Control of Prices, pp. 188-189. Wilson wrote Fort, July 2, 1917, that the operators should have confined themselves to trying to increase production (letter in Baker, Woodrow Wilson, 7: 140-141). William Willoughby, Government Organization in War
Although a price slightly below $3 might have gotten out the coal necessary for war production, Wilson, Baker, and Gregory sought a much lower one than that proposed by the operators. Indeed, how could one executive appointee endorse $3 as a valid maximum price while another argued in court that the West Virginians had conspired to raise coal to $3? But war had inflated all industrial prices. The jury that finally heard the antitrust suit found the defendants not guilty on the grounds (expressed privately) that inflation, not conspiracy, had produced the smokeless coal increases.

Baker's declaration, however, cued coal purchasers to postpone orders until the government forced prices down. April, May, June, and July were slow months for the industry. Yet under the impact of war demand and through the efforts of the CCP, the 1917 production for these months had averaged almost eight and a half million tons a month ahead of the same period in 1916, a gain of nearly 23 percent. August 1917 was less than one million tons ahead of July of that year. Coal Age reported a drastic drop in production in numerous coalfields throughout the country. Francis S. Peabody, chairman of the CCP, bitterly predicted that the government's action would precipitate much suffering that winter.

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

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

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

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

---


31 *New York Times*, July 7, 13, 1917; John Lord O'Brien, special assistant to the attorney general, to Todd, Mar. 28, 1917, Robert P. Stephenson to Thomas Gregory, July 13, 1917, Todd to O'Brien, July 16, 1917, Issac R. Oland to Todd, July 17, 1917, Central Files, Classified Subject Files, Correspondence, file no. 60-187-16, RG 60, NA.

32 See the Coal Age weekly market reports for July and August 1917; Francis S. Peabody to Walter S. Gilford, director, Council of National Defense, July 13, 1917, in Garrett, *Government Control of Prices*, p. 159; Richard Barry, George Cushing, and Ernest W. Young all blamed the later coal famine on the administration's decision to undermine the activities of the CCP; Barry, "Some Good in the Garfield Order." *New York Times Magazine*, Jan. 27, 1917, p. 3; Cushing, "Ending the Coal Dilemma," pp. 589-598; Young, *The Wilson Administration*, p. 41. See also "The Coal Crisis and Heathless Days." *Current History* 7 (Mar. 1918): 474. Most writers since have overlooked the connection between the summer dispute between the operators and the administration and the later cooperative phase under the Fuel Administration.


Son of a president, a graduate of Williams College, and with a law degree earned at Columbia University and All Soul's College, Oxford, Garfield—like Newton D. Baker—had already made his mark as a reform-minded civic leader. He had brief experience with a syndicate that had opened some coalfields in Ohio. He had also organized the Cleveland Trust Company and taught law at Western Reserve University.

He left the law and his commercial endeavors to answer Wilson's call to Princeton and then went on to become president of Williams College. A man of exemplary character, Garfield still was not what the coal operators were looking for: someone with practical experience in the coal industry. The industry's journal offered the hope that "with proper technical guidance," Garfield would prove successful.³⁵

Garfield employed Leonard A. Snead, a young coal sales manager, as chief of distribution. Though Snead worked some minor miracles in allocating coal, distribution problems mounted steadily. Other appointees, primarily trusted friends or men with legal backgrounds, did not help Garfield's relationship with industrialists. An off-the-cuff remark comparing the coal men with the robber barons of the Rhine also eroded his standing in the coal community. But Garfield mediated a labor-management dispute and got the two sides to sign the Washington Agreement of October 1917.³⁶ This forced the government to allow an across-the-board price increase of forty-five cents, an action that apparently has caused many historians to misunderstand the function of price fixing in the Fuel Administration.


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

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

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

The Great Lakes storage docks of Chicago, Duluth, and Milwaukee, among others, lacked coal, and approaching winter made lake shipment impossible.

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

202 PROLOGUE—WINTER 1977
ments a high priority. Judge Robert S. Lovett, an old railroad hand whom Wilson had appointed priority commissioner, gave bituminous coal en route to the lakes top priority in August. This solved the Midwest’s problem temporarily but created another.

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

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

Distribution to particular regions was complicated by a long-standing shortage of coal cars. Railroads had traditionally used open-top cars to win price reductions on coal and as part of trade negotiations between them and the coal operators. War shipments and troop movement destroyed all the old working relationships. As eastward movements greatly overbalanced westward, railroad traffic became congested in major gateways like Cincinnati, Chicago, and New York. Empty cars were not returned to the mines quickly enough. Lack of cars meant that production of some companies had to be cut by as much as 40 percent. The Southern Ohio Coal Exchange claimed that between October 29 and December 22, 1917, their mines had lost more than half a million tons due to lack of cars.

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

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

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

---


40 Paxon, America At War, p. 72; Notz, “World’s Coal Situation,” p. 685.


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

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

Other areas faced similar misery and panic. Schools in Stamford, Connecticut, closed for an additional three weeks at Christmas, and officials talked of ending the school year at the holiday. The Worcester, Massachusetts, fuel committee wired the president as follows: "Suffering, sickness and possible deaths imminent and inevitable unless change in system of supplying coal to our district is put into effect."

In Detroit, a civic leader used his limousine to bring coal to the needy. Doctors there reported that patients with serious illnesses lacked fuel to warm their homes in subzero weather. When coal ran out, some Detroiters panicked and abandoned their homes for other shelter. One who remained in an unheated house froze to death.\(^45\)

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

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

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

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


\(^48\) Railroad Age 64 (Jan. 18, 1918) 154-155, Coal Age 13 (Jan. 5, 1918) 10-11.

\(^49\) Railroad Age 64 (Jan. 11, 1918) 15-16, 125-126. McAdoo told newsmen that the problems of moving freight haunted him around the clock. He told of dreaming that he was single-
At this point Garfield seized the initiative. Although the problem was largely one of transportation, Garfield dispatched Pierrepont Noyes, his director of conservation, to Boston and New York to meet with Fuel Administration officials there. Noyes reported to his boss on January 16 that extreme measures were called for.\(^{50}\)

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

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

Garfield met with a group of senators that afternoon to remove their doubts but was not successful. One senator remarked, “I rather think that a million German soldiers turned loose in this country would not create the havoc that this order will create if enforced.” Gilbert Hitchcock of Nebraska, Wilson’s most outspoken foe, got Senate acceptance of a resolution delaying implementation of the order for five days by a vote of fifty-seven to nineteen. The House passed a resolution expressing its regret over Garfield’s “summary action” and asked Wilson to reconsider. Aware that the Senate was about to act, Garfield signed the formal order shortly before six o’clock. The Senate messenger bearing the resolution reached him only minutes afterward.\(^{55}\)
Some newspapers tried to look on the positive side of the order by arguing that it would not have been issued "unless it were felt to be absolutely necessary," but most of the press agreed with Congress. The New York Times called it "unnecessarily harmful and destructive." The New York World, normally sympathetic to the administration, wrote that at a dollar a year, Garfield was apparently worth it. It called the order the "greatest disaster that has befallen the United States in this war" and believed it "worthy of a Bolshevik Government." The Boston Globe wrote, "Picture the Germans charging across No Man’s Land at you with bayonets fixed and blood in their eyes, and imagine your feelings if you were behind a machine gun and were ordered not to fire a shot for five days—to save ammunition." The New York Tribune concluded that the "Fuel Administration has lost its head." In Providence, the Journal said that the act "bears every evidence of panic-stricken incompetency." The New Republic asserted that Garfield had "infirm judgment." 56

Public officials and leading citizens alike decried the edict. The National Association of Manufacturers blasted it as a "calamity." New York Governor Charles S. Whitman said that the decision was "unnecessary and unwise" and refused to close his state’s banks as Garfield requested. 57 House Speaker Champ Clark opposed it. Outspoken anti-Wilsonian Sen. George E. Chamberlain had a field day. In an address to the National Security League he charged that the "Military Establishment of America has fallen down." 58 Former Attorney General George Wickersham demanded an "entire reorganization of our affairs that will put competent men at the head of our war-work." One Southern fuel administrator sabotaged the plan.

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

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

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

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


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


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

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

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

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

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

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


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

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

65 Commercial and Financial Chronicle 106 (Feb. 16, 1918):661.

other industrialists did. But this “progressive”

victory came at the cost of a coal shortage.

Once the fuel administrator brought industrialists into the distribution division in the late winter and early spring of 1918 and used their experience to coordinate production and distribution, both halves of the fuel program improved. But Garfield never permitted the coal men to occupy any significant, policy-making role in the Fuel Administration. The Wilsonians’ handling of the nation’s coal problems during the war thus marks a definite exception to the conventional wisdom both about how businessmen dominated war agencies and about the achievements of the Wilsonians as mobilizers. They failed the nation as war managers in the summer of 1917 when they at-
tacked the very businessmen whose talents and services the government needed, thus laying the foundation for the fuel crisis of 1917-18.67

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