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Herbert Hoover, the Commerce Secretariat, and the Vision of an "Associative State," 1921-1928

ELLIS W. HAWLEY

In recent years, the traditional image of American governmental activity in the 1920s has been substantially altered. Delving beneath the older stereotypes of "normalcy" and "retrenchment," scholars have found unsuspected survivals of progressivism, a growing federal bureaucracy that tried to use as well as serve business groups, and an incipient form of "indicative planning" based on corporatist rather than classical economics. In many respects, they have concluded, the period should be viewed as the beginnings of the "modern era," not as a reversion to past patterns or as a frivolous and wasted interlude between progressivism and the New Deal.1 And for some, the 1920s has more current relevance than the decades that followed, particularly in efforts to balance technological needs with America's individualistic heritage, build an international community without policing the world, and work out bureaucratic arrangements that would nourish individual, community, and private effort rather than supplant them.2

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¹ See, for example, Arthur S. Link, "What Happened to the Progressive Movement in the 1920's?" American Historical Review, XLIV (July 1959), 833-51; Clarke A. Chambers, Seedtime of Reform: American Social Service and Social Action, 1918-1933 (Minneapolis, 1963); Donald C. Swain, Federal Conservation Policy, 1921-1933 (Berkeley, 1963); Joseph Brandes, Herbert Hoover and Economic Diplomacy: Department of Commerce Policy 1921-1928 (Pittsburgh, 1962); and Herbert Stein, The Fiscal Revolution in America (Chicago, 1969), 6-24. For discussions of the revisionist literature, see also Burl Noggle, "The Twenties: A New Historiographical Frontier," Journal of American History, LIII (Sept. 1966), 299-314; and Joan Hoff Wilson, ed., The Twenties: The Critical Issues (Boston, 1972), vii-xxv, 155-63.

² See, for example, Carl P. Parrini, Heir to Empire: United States Diplomacy, 1916-

1923 (Pittsburgh, 1969), 248-76; Joan Hoff Wilson, American Business & Foreign Policy, 1920-1933 (Lexington, Ky., 1971), 239-41; William A. Williams, The Contours of American History (Chicago, 1966), 425-50; and Bruce A. Lohoff, "Herbert Hoover, Spokesman of Humane Efficiency: The Mississippi Flood of 1927," American Quarterly,

XXII (Fall 1970), 690-700.

Thus far, however, partly because key collections were long closed, scholars have not examined in detail the most rapidly expanding sector of New Era governmental activity, that connected with Herbert Hoover's transformation and expansion of the commerce secretariat.³ Nor has there been much study of the goals and ideology involved in his activities, of how he could reconcile his burgeoning bureaucratic domain with his deep distrust of "big government," or of how he hoped, through grafting corporatist and technocratic visions on to a base of nineteenth-century individualism, to build a superior socioeconomic order. Fuller study of such matters seems crucial to an understanding of Hoover and the New Era, and it is now possible with the aid of recently opened materials in the Hoover Papers to shed some further light on them.

Hoover in 1921 saw himself as the protagonist of a new and superior synthesis between the old industrialism and the new, a way whereby America could benefit from scientific rationalization and social engineering without sacrificing the energy and creativity inherent in individual effort, "grassroots" involvement, and private enterprise. Such a synthesis, he argued, would make the "American system" superior to any other, particularly in its ability to raise living standards, humanize industrial relationships, and integrate conflicting social elements into a harmonious community of interests.4 And the key to its achievement, he had concluded on the basis of his wartime, engineering, and personal experience, lay in the development and proper use of cooperative institutions, particularly trade associations, professional societies, and similar organizations among farmers and laborers. These, Hoover and other associationists believed, would form a type of private government, one that would meet the need for national reform, greater stability, and steady expansion, yet avoid the evils long associated with "capital consolidations," politicized cartels, and governmental bureaucracies. Unlike the earlier trusts, these newer institutions would preserve and work through individual units, committing them voluntarily to service, efficiency, and ethical behavior and developing for them a new and enlightened leadership capable of seeing the larger picture. And

³ Brandes, *Herbert Hoover*, deals only with the secretary's foreign economic activities, not with his attempts at domestic reform and reconstruction.

⁴Herbert Hoover, Public Statements 45, 47, 84, 102, 128, 129, Herbert Hoover Papers (Herbert Hoover Library, West Branch, Iowa); Herbert Hoover, American Individualism (Garden City, 1922), 54-56, 63-72; and Herbert Hoover, "We Can Cooperate and Yet Compete," Nation's Business, XIV (June 5, 1926), 11-14. See also E. E. Hunt, "Reconstruction," 18-28, and E. E. Hunt, "Looking to the Future," 1-2, E. E. Hunt Papers (Hoover Institute Archives, Stanford, Cal.); and Barry D. Karl, "Presidential Planning and Social Science Research: Mr. Hoover's Experts," Perspectives in American History, III (1969), 351-53.

unlike governmental bureaus, they would be flexible, responsive, and productive, built on service and efficiency rather than coercion and politics, and staffed by men of expertise and vision, not by self-serving politicians or petty drudges.⁵

To some extent, too, Hoover believed that the components of this associational order were evolving naturally and had been for the past thirty years. Within the womb of the old industrialism there had developed not only the associational structures around which the new system was taking shape but also the moral awakening, the commitment to science and productivity, and the mutuality of interests that would convert such structures into instruments of social progress. As these developments continued, the new private government would take shape on its own and bring with it the superior synthesis that Hoover envisioned. Yet there was no assurance that it would do so, or that it would develop fast enough to meet national needs. There was, so Hoover also believed, a need to manage, speed up, and guide this evolutionary process, both to help realize its full potentialities and to prevent those impatient with persisting social and economic problems from turning to undesirable statist solutions.6 And to meet this need, he envisioned an "associative state," tied to, cooperating with, and helping to develop and guide the new associational order. Paradoxically, he saw himself both as an anti-statist and as an ardent champion of one form of positive government and national planning.

For two reasons, however, Hoover did not regard these positions as being inconsistent. In the first place, the structure and methods of the associative state would be different, thus enabling it to escape the torpor and rigidity characteristic of most governmental structures. In so far as possible, it would function through promotional conferences, expert inquiries, and cooperating committees, not through public enterprise, legal coercion, or arbitrary controls; and like the private groupings to which it

⁵ See especially Hoover, American Individualism, 41-47; Hoover, Public Statements 306, 378, 496, 579, Hoover Papers; Hoover's foreword to the commerce department manual, Trade Association Activities (Washington, 1923). For what Hoover's associates thought they were building, see E. E. Hunt, "The Cooperative Committee and Conference System," Dec. 14, 1926, Hunt File, Commerce Papers-Official Files (CP-OF), Hoover Papers; New York Times, March 21, 1926; and P. G. Agnew, "A Step Toward Industrial Self-Government," New Republic, XLVI (March 17, 1926), 92-95.

⁶ See especially Hoover, Public Statements 128, 232, 306, 486, Hoover Papers; Hoover, American Individualism, 10-17, 41-45, 53-56; and William Hard, "The New Hoover," American Review of Reviews, LXXVI (Nov. 1927), 483.

⁷ The term is the author's not Hoover's. He and his associates usually employed such labels as the "Cooperative Committee and Conference System," the "American system," or "progressive democracy."

would be tied, it would be flexible, responsive, and productive, staffed by men of talent, vision, and expertise, and committed to nourishing individualism and local initiative rather than supplanting them. In the second place, the associative state would be needed only during a transitional phase.⁸ Like the Marxist state or those posited by some European corporatists,⁹ it would theoretically serve as midwife to a new, non-statist commonwealth and, having performed this function, would either wither away or revert to the status of umpire, caretaker, and symbol of unity.

Hoover's New Era activities were in part efforts to implement his vision of an associative state. For him the vision defined the difference between constructive and undesirable activism. Although some of what he did can be attributed to his ambivalent personality, 10 his adjustment of an engineering approach to political realities, his recognition of new technological problems, or his accommodation of business groups desirous of governmental services but reluctant to give up their own autonomy, many of his activities flowed logically from his postwar plans for associative "reconstruction" and particularly from his conviction that the commerce department, if properly expanded and transformed, could become the central agency for implementing such plans. When offered more prestigious positions, he chose and stuck with the secretaryship of commerce, chiefly he implied, because no other department had the same potential for guiding the associational activities that were transforming American society.¹¹ With Harding's assurance that he could remake the department and have a voice in labor, farm, financial, and foreign policies,12 he moved into it, as Arthur

⁹ Matthew H. Elbow, French Corporative Theory, 1789-1948 (New York, 1953), 159-62, 200-01.

¹² Hoover to Harding, Feb. 23, 1921, Harding File, Pre-Commerce Correspondence, Hoover Papers; Herbert Hoover, The Memoirs of Herbert Hoover: The Cabinet and the

⁸ See Hoover, "Waste in Government," May 22, 1925, Reorganization of Government File (ROGF), and Harold Stokes, "Memorandum for the Chief," Dec. 3, 1924, Commerce-Achievements File, CF-OF, Hoover Papers. Stokes' memorandum attempts to sum up Hoover's thinking and policies concerning "bureaucracy." It should be noted, however, that this theme of cooperative associationism as a substitute for and supplanter of statist activities became stronger as the decade progressed. In the immediate postwar period, Hoover sometimes coupled it with arguments in which his approach became an experimental prelude to legislation, a step toward a permanent business-government partnership, or simply a practical way to get things done. See, for example, Hoover's foreword to Elisha M. Friedman and others, America and the New Era (New York, 1920), xxiii-xxix; and Hoover to Warren G. Harding, Feb. 23, 1921, Warren G. Harding File, Pre-Commerce Correspondence, Hoover Papers.

¹⁰ Craig Lloyd, Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management (Columbus, Ohio, 1972).

¹¹ See Hoover's statements rejecting offers of the interior and agriculture departments. Public Statements 134, 278, 436, Hoover Papers. See also Herbert Hoover, Larger Purposes of the Department of Commerce (1928), speech of March 9, 1925, Commerce-Misc. File, CP-OF, Hoover Papers; and "What Secretary Hoover Hopes to Do," Nation's Business, 9 (May 1921), 45-46.

Schlesinger, Jr., says, much "as he might have into a bankrupt mining company a decade earlier,"13 determined to convert a collection of miscellaneous technical bureaus into the governmental apparatus needed for an assured transition to an American utopia.

Hoover must have realized at the outset that such a task was not likely to be easy. He was beginning with one of the smallest and newest of the federal departments, one whose appropriations for 1920, exclusive of those for the census, had totaled only \$17,000,000.14 He could hardly be encouraged by the inability of his predecessor, William Redfield, to salvage some of the cooperative machinery established during the war.¹⁵ And his plans were bound to collide with the strong sentiment for governmental retrenchment, the popular disdain for overly ambitious bureaucrats, and the entrenched positions of established bureaucratic domains. Yet there was also ground for optimism. Hoover's vision was an attractive and timely one, admirably suited to make him the "old order's candidate for ushering in the new":16 and against the obstacles in his path, he could pit his immense prestige and formidable administrative talents, his following of dedicated personal associates, and his extensive ties to like-minded men in the worlds of business, engineering, journalism, scholarship, and social uplift.¹⁷

Before long, too, by drawing on a variety of recommendations,18

Presidency, 1920-1933 (New York, 1952), 36; Robert K. Murray, "President Harding and His Cabinet," Ohio History, 75 (Spring-Summer 1966), 113-14.

13 Arthur M. Schlesinger, Jr., Crisis of the Old Order 1919-1933 (Boston, 1957), 84.

14 Computed from data in Carroll Wooddy, The Growth of the Federal Government,

1915-1932 (New York, 1934). See also "The Department of Commerce," Fortune, XIX (June 1939), 53-59, 102-04.

¹⁵ William C. Redfield, With Congress and Cabinet (Garden City, 1924), 216-19; and Robert F. Himmelberg, "Business, Antitrust Policy, and the Industrial Board of the Department of Commerce, 1919," Business History Review, XLII (Spring 1968), 4-5.

18 Karl, "Presidential Planning," 408.

¹⁷ Hoover's assets and connections are apparent in the dozens of letters and memoranda in his Commerce File and its subdivisions (CP-OF, Hoover Papers). See also Lloyd, Aggressive Introvert, 59-96, 130-38; and Carolyn Grin, "Herbert Hoover and the Social Responsibilities of the Expert," unpublished ms. (1971) (Herbert Hoover Library, West Branch, Iowa). For the broader context and the like-mindedness of New Era leaders, see Morrell Heald, The Social Responsibilities of Business: Company and Community, 1900-1960 (Cleveland, 1970), 83-116; Edwin T. Layton, Jr., The Revolt of the Engineers: Social Responsibility and the American Engineering Profession (Cleveland, 1971), 179-224; Swain, Federal Conservation Policy, 13-20, 160-63; Grant McConnell, Private Power & American Democracy (New York, 1966), 57-68; Louis Galambos, Competition & Cooperation: The Emergence of a National Trade Association (Baltimore, 1966), 291-95; Alan R. Raucher, Public Relations and Business, 1900-1929 (Baltimore, 1968), 65-74, 96-106; Samuel Haber, Efficiency and Uplift (Chicago, 1964), 156-67; and Joseph H. Foth, Trade Associations (New York, 1930).

18 George Baldwin to Hoover, April 20, 24, 1921, Commerce-Reorganization File, CP-OF, Hoover Papers; Bureau of Efficiency, "Tentative Recommendations Relating to the Statistical Work of the Government," and E. L. Jones to Hoover, March 23, 1921, ROGF, ibid.;

Hoover was mapping out specific plans for departmental expansion. As visualized, his agency would eventually consist of three great divisions: one for industry, one for trade, and one for transportation and communication. Into the first, in addition to his own bureaus of fisheries and standards, should go the interior department's Bureau of Mines and patent office, plus a new Bureau of Federal Statistics, formed by joining the Census Bureau with the statistical programs of several other departments. Into the trade division, as adjuncts to his Bureau of Foreign and Domestic Commerce, should go the Bureau of Markets from the agriculture department, the foreign trade service and economic consulates from the state department, the Latin-American activities of the treasury department, and the research work of the Federal Trade Commission. And into the transportation and communication division, along with the lighthouse, steamboat, and mapping services, should go a part of the Coast Guard, the navy's Observatory, Hydrographic Office, and Steamboat Movement Service, the army's Lake Survey and Harbor Supervisors, the Panama Canal, the inland waterways, the shipping subsidies, and a new Bureau of Aeronautics. In essence, the commerce department was to become a department of economic development and management; other agencies would still be responsible for special sectors of the economy, but commerce would serve as a general policy coordinator.19 In effect, as S. Parker Gilbert once put it, Hoover would be "Under-Secretary of all other departments."20

Reaching out from this expanded governmental base would be an extensive net of promotional activities, cooperating committees, and other ad hoc structures, all tied to private groupings and associations and all designed to energize private or local collectivities and guide them toward constructive solutions to national problems. From Hoover's standpoint, governmental reorganization was intended not only to reduce wasteful overlap and unwise expenditures, but also to provide the necessary base on which an associative state could be built. Hand in hand with his drive

²⁰ Quoted in Oswald Garrison Villard, Prophets True and False (New York, 1928), 24.

E. G. Montgomery to Hoover, Sept. 7, 1921, Guy Emerson to Hoover, March 15, 1921, E. E. Pratt to A. C. Bedford, March 14, 1921, and "Brock-Kennedy Memorandum," March 1921, Commerce-Foreign and Domestic Commerce File (C-FDCF), *ibid.*; and F. T. Miller to Hoover, May 23, 1921, Federal Trade Commission File, *ibid.*

to Hoover, May 23, 1921, Federal Trade Commission File, *ibid*.

¹⁹ The model fluctuated somehow, but the following make it fairly clear: Hoover to Walter Brown, Dec. 8, 1921, Commerce-Misc. File, CP-OF, Hoover Papers; Hoover's handwritten memorandum on reorganization, Commerce-Reorganization File, *ibid*.; Hoover, "Problem of the Reorganization of the Federal Government," May 23, 1921, ROGF, *ibid*.; Hoover to Albert Fall, Aug. 2, 1921, Interior Department File, *ibid*.; Christian Herter to J. MacMurray, April 15, 1921, State Department File, *ibid*. See also Hoover to Harding, Feb. 23, 1921, Harding File, Pre-Commerce Correspondence, *ibid*.

for new jurisdictional boundaries went a series of conferences, negotiations, and "missionary activities," designed to forge cooperative links with the "community at large" and develop the associational apparatus that could speed up and manage socioeconomic progress. Assuming top priority in 1921 were the problems of housing, unemployment, industrial waste, stagnating foreign trade, and inadequate business planning; and in each of these problem areas, Hoover and his deputies were soon moving to resurrect and expand the voluntaristic-cooperationist side of the war government.21

Initially, Hoover hoped to secure the necessary jurisdictional base through the general executive reorganization that Wilson had advocated and Harding continued to push. Such action seemed thoroughly consistent with the demands for economy and efficiency, and since Hoover was serving as advisor to Walter F. Brown, chairman of the reorganization committee, he was optimistic about getting the agencies he needed.²² Once involved, however, he quickly learned that proposals of this sort could generate resistance of the most intense kind. Agricultural leaders were already bitter about Hoover's wartime policies and quickly expressed their determined opposition to his acquiring either the Bureau of Markets or recognized jurisdiction over the marketing of farm goods.23 State department officials, long irritated about the pretensions of commerce, were determined to expand their jurisdiction over economic activities abroad, not see it whittled away by inexperienced rivals.24 Labor leaders regarded Harding's proposed department of welfare as a scheme to dismantle the

²¹ Operating much as he had during World War I, Hoover commissioned selected deputies to organize the necessary machinery in each problem area. Miller, for example, handled housing, Hunt industrial waste and unemployment, Julius Klein the reshaping of trade promotion, and Frederick Feiker the new standardization and statistical programs. Feiker to Hoover, July 8, 1921, Commerce-Assistants File, CP-OF, Hoover Papers; Miller to Hoover, June 6, 1921, Building and Housing File, ibid., William Rossiter to Hoover, Sept. 8, 1921, Unemployment File, ibid.; Feiker to Klein, Sept. 18, 1921, File No. 160.2, Records of the Bureau of Foreign and Domestic Commerce, RG 151 (National Archives); Hunt to Hoover, June 20, 1921, File No. 81037, Feiker to George Babcock, July 26, 1921, File No. 81368, General Records of the Department of Commerce, RG 40 (National Archives).

²² National Municipal Review, X (Aug. 1921), 436; New York Times, Aug. 28, 1921; Hoover to Brown, Dec. 8, 1921, Commerce-Misc. File, CP-OF, Hoover Papers.

²³ See Edward L. and Frederick H. Schapsmeier, "Disharmony in the Harding Cabinet,"

Ohio History, LXXV (Spring-Summer 1966), 127-28, 135; James H. Shideler, Farm Crisis, 1919-1923 (Berkeley, 1957), 143-46; and Hoover's unsent letter to Milton Shreve, May 22, 1924, ROGF, CP-OF, Hoover Papers. For the earlier conflict, see Donald Winters, "The Hoover-Wallace Controversy during World War I," Annals of Iowa, XXXIX (Spring 1969), 586-97.

²⁴ Brandes, Hoover and Economic Diplomacy, 41-42; Herter to F. M. Dearing, May 3, 1921, C-FDCF, CP-OF, Hoover Papers. Hoover was forced to threaten resignation in order to block a measure giving the state department jurisdiction over all activities abroad.

Department of Labor and charged that Hoover's designs on the Bureau of Labor Statistics were part of this broader plot.²⁵ Governmental statisticians, at least in Hoover's view, reacted emotionally, turning their bureaus into virtual "hornets' nests." Naval leaders, to his surprise and resentment, lobbied against turning anything over to the "politicians."27 And conservationists, especially those attached to the Forest Service, protested strongly about the proposed transfers to Albert Fall's Department of the Interior.28 Against the forces of scientific rationality, Hoover came to feel, had gathered an alliance of "vested officials," "paid propagandists," and selfish interest groups, and these enemies of progress had created a "confusing fog of opposition."29

Whether right or not, Hoover was unable to get a reorganization measure through, either by going along with interdepartmental bargaining and lowering his own sights or by urging that scientific experts hand a plan "down from on high." In the face of conflicting pressures, Congress simply refused to act.³⁰ And its failure to do so meant that jurisdictional expansion by the commerce secretariat would come not through some master coup, but through the slower processes of pushing established bureaus into "power vacuums," adding new structures through special laws or administrative innovations, making deals with or raids on other agencies, and carving out "spheres of influence" inhabited by cooperative satellites. By the time he had given up on general reorganization, Hoover was moving along all these lines, and as his operations gained momentum he was expanding slowly both his departmental boundaries and the network of associational activities to which the commerce department was tied.

Under his tutelage, for example, the Bureau of Foreign and Domestic Commerce was reorganized along commodity lines, staffed with men from the export industries themselves, and made the center of an associational

²⁷ See "Some Statements by Captain Bassett and the Answers," and Hoover to the Scientific American, Jan. 28, 1924, ibid.

²⁹ Hoover, "Waste in Government," May 22, 1925, ROGF, CP-OF, Hoover Papers.
³⁰ Hoover to Daniel Rogers, Feb. 3, 1922, Hoover to Brown, Jan. 24, April 7, 1924, Hoover to Calvin Coolidge, Dec. 27, 1924, Hoover, Statement before Joint Committee on Reorganization, Jan. 21, 1924, *ibid.*; Washington Star, Jan. 22, 1924, April 21, 1925; New York Times, Jan. 6, 31, Feb. 3, Aug. 30, 1925; Congressional Digest, IV (March 1925), 195.

²⁵ American Federationist, XXVIII (June, Oct., Nov., Dec. 1921), 503-04, 872, 967-68, 1038; Christian Science Monitor, May 20, 1921; Hoover to George Huddleston, May 24, 1921, Hoover to James Davis, May 26, 1921, Labor Dept. File, CP-OF, Hoover Papers. ²⁰ Hoover to Roger Babson, April 19, 1922, Babson to Hoover, April 15, 1922, ROGF, CP-OF, Hoover Papers.

²⁸ Clarence Stetson to Edgar Rickard, Jan. 5, 1922, ibid.; New York Times, Feb. 26, 1922; Donald L. Winters, Henry Cantwell Wallace as Secretary of Agriculture, 1921-1924 (Urbana, Ill., 1970), 161-89.

system for gathering and disseminating commercial intelligence, dealing with foreign governments and cartels, and organizing trade and investment activities into a rational and integrated set of operations. Tied to and working in conjunction with each commodity division was a cooperating industrial committee, chosen typically by the trade and export associations in the field; and ideally it was these cooperating private groups that would build and develop the steadily expanding market needed for permanent prosperity. The state would act only as a clearing house, inspirational force, and protector of international rights, not as a trader, investor, or detailed regulator. And it was for the former functions that Hoover won larger and larger appropriations, set up one appendage after another, and kept expanding his network of trade commissioners, researchers, and public relations men. By 1925 the bureau's appropriations had risen 140 percent; services rendered, so it claimed, were up 600 percent; and in six months, according to its energetic director, Julius Klein, it had issued "more than enough" press releases "to put 18 columns of type up and down the Washington Monument."31

In attempting to expand its jurisdictional boundaries, the Bureau of Foreign and Domestic Commerce was less successful. In the areas of economic diplomacy and international finance, its role remained a limited one, thus hampering Hoover's efforts to guide overseas investment into proper channels. Nor did it ever succeed in taking over the foreign economic services of the Department of State and the Department of Agriculture. Yet its domain did expand. Its new financial division offered advice on foreign loans and investments; its research and public relations arms assumed responsibility for a new program of domestic market analysis, a massive publicity campaign against foreign "monopolies," and a world-wide search for independent sources of raw materials; and its foreign service, to the accompaniment of much friction with the state department, kept expanding and strengthening its intelligence apparatus. In 1922, in return for giving suitable credit to consular officials, it secured the right to request information from them through the diplomatic head of mission. In 1924, it secured an executive order directing all representatives abroad to meet and exchange information at least every two weeks. In 1927, it was given permanent legislative status. And repeatedly, when state department critics struck back

²¹ Brandes, *Hoover and Economic Diplomacy*, 4-17; Hoover to Harding, June 15, 1923, ROGF, CP-OF, Hoover Fapers; "BFDC Appropriations, 1925-26," Commerce-Appropriations File, *ibid.*; Klein to Hoover, Oct. 15, 1925, Commerce-Publicity File, *ibid.*; "Development of the BFDC," Box 6, Robert Lamont Papers, General Records of the Department of Commerce.

by charging it with wasteful duplication and diplomatic bungling, the bureau was able to defend successfully its claim to special expertise.32

At the same time, the Bureau of Standards was also doubling its personnel, expanding its jurisdiction, and transforming itself from a "research laboratory for governmental departments" into a sponsor of associational reform, particularly in the areas of research, housing, and industrial efficiency. By the mid-1920s, it was cooperating with some forty private associations to develop new and better products.33 Its Building and Housing Division, launched in 1921, had become the nucleus of a network of cooperating committees and study groups, each tied to the major trade and professional associations in the housing field and each trying, through organized cooperation and educational campaigns, to overcome the "bottlenecks" that held back "modernization" and "rationalization."34 The bureau's Division of Simplified Practice, inspired by the war experience and the Waste in Industry study of the Federated American Engineering Societies, was directing a similar effort to reduce industrial waste, one that functioned through standardization conferences and implemented its "simplified practice recommendations" through associational cooperation. 35 And attached to the bureau, as further agencies of what its publicists were calling the "new conservation," were such quasipublic organs as the national committees on wood and metals utilization, the one to conserve lumber and find new uses for lumber by-products, the other to reduce wastage of metals.36 Taken together, so the Hooverites claimed, the new activities had the potentiality for raising living standards 20 to 30 percent.³⁷

Similar growth and transformation also occurred in the Census Bureau,

33 Wooddy, Federal Government, 479-88; "National Bureau of Standards under Hoover." Commerce-Standards File, CP-OF, Hoover Papers.

34 Hoover to Harding, Feb. 9, 1922, "Better Homes and Decreased Costs," Jan. 11, 1928, Building and Housing File, CP-OF, Hoover Papers.

37 Hunt, "Elimination of Waste Program," March 18, 1925, Elimination of Waste File,

³² Brandes, Hoover and Economic Diplomacy, 43-46, 51-57, 106-28, 153-63, 171, 183, 201, 215-19; Parrini, Heir to Empire, 185-201; Wilson, Business & Foreign Policy, 107-19; Frank Surface to Hoover, July 11, 1927, Klein to Hoover, July 22, Aug. 3, 1922, Herter to Klein, Oct. 23, 1923, Exec. Order 3987, April 4, 1924, Hoover to Charles Evans Hughes, Feb. 28, 1925, Hoover to Frank Kellogg, Jan. 18, April 13, 1926, J. Marrinan to Klein, Dec. 21, 1925, C-FDCF, CP-OF, Hoover Papers.

³⁵ "Work of the DSP, 1921-28," Commerce-Achievements File, *ibid.*; E. E. Hunt, "Elimination of Waste Program," March 18, 1925, Elimination of Waste File, *ibid.*; W. Durgin to Hoover, Nov. 1, 1922, File No. 82341, General Records of the Department of Commerce.

³⁰ W. C. Wetherill, "Work of the National Committee on Metals Utilization," Jan. 14, 1928, Committees-Metal Utilization File, CP-OF, Hoover Papers; E. E. Hunt, "National Committee on Wood Utilization," April 28, 1926, Conference-Wood Utilization

which, in spite of Hoover's inability to carry out his original plans, added new services to facilitate business planning and tied these to private associational activities. In July 1921, acting in consultation with business leaders and statistical experts, the bureau launched the Survey of Current Business, designed to publish data on current production, prices, and inventories, most of it supplied by cooperating trade associations. In 1922, when antitrust action threatened private statistical exchanges, it sprouted a special appendage, which, for a time, mailed out data submitted by private groups. Simultaneously, it added more and more data-gathering programs for particular industries, and after 1925, when new court rulings again sanctioned private exchanges, it remained the focal point for promoting them. From a bureau expected to lapse into inactivity during intercensal periods, it had transformed itself into a dynamic sponsor of the "new competition," which, by encouraging cooperative data gathering and educating business decision makers to respond properly, was supposed to stabilize the economy without sacrificing competitive incentives and safeguards.38

Building on existing bureaus, Hoover was moving to implement his original designs, both of an expanded departmental jurisdiction and of an associational bureaucratic structure. And while a few critics charged that he was fostering either "big government" or "monopoly," he and his publicists were highly successful in bucking the sentiment for "economy in government" and selling their programs to the President, the budget bureau, the appropriations committees, the business community, and the general public. Their bureaucracy, they kept saying, was "different." Unlike the typical variety, with its tax eating propensities, red tape, and rigid controls, this new species paid returns on the money "invested" by generating new expansion and new revenue, delivered efficient and business-like service, and functioned under "responsive" and competent men, who understood national needs and "cooperated" instead of "meddling." Besides, its whole purpose differed. By building industrial self-government

³⁸ Wooddy, Federal Government, 488-92; Survey of Current Business, July 1921; Hoover to Harding, June 9, 1921, Presidential File, CP-OF, Hoover Papers; Census Advisory Committee to Hoover, May 7, 1921, "Census Bureau Activities, 1922," Commerce-Census File, ibid.; David Wing, "Cooperation with Trade Associations," Commerce-Trade Association Statistics File, ibid.; William M. Steuart to W. Snyder, March 21, 1925, File No. 81288, General Record of the Department of Commerce.

⁸³ Hoover's most outspoken critics were Senators William King of Utah, Kenneth McKellar of Tennessee, and James A. Reed of Missouri. In addition, he sometimes had heated exchanges with farm leaders, rural progressives, antitrusters, and the targets of his "imperialism" in other departments. See Brandes, Hoover and Economic Diplomacy, 150-51; Samuel Untermyer, Honest and Dishonest Trade Associations (1922); and Congressional Record, 68 Cong., 1 Sess., LXV, 7624-7625, 69 Cong., 1 Sess., LXVII, 11850

and thus reducing the need for governmental controls, it was actually checking the whole movement toward big government; and by fostering and nourishing the grassroots activities of private groups and local communities, it was promoting democratic decentralization rather than bureaucratic centralism.⁴⁰

The same rationale also helped Hoover to become the administrative beneficiary of new laws. In 1924, for example, when he finally secured a measure to regulate the Alaskan salmon industry, few questioned his assumption that the Bureau of Fisheries should administer it or that cooperative arrangements with the canners' association should remain a central feature of regulatory practice.41 In 1926, when his long campaign for aviation aids and controls led to the Air Commerce Act, he was able to add an Aeronautics Branch with its own outcropping of cooperative committees and associations.⁴² And in 1927, after the courts had upset his informal controls in the radio industry, a new law was passed, creating a commission to allocate frequencies but entrusting all administration to his Radio Division and permitting private associations to implement large areas of "selfregulation."43 In these special areas, special because of the public nature of the industries involved and the unquestioned federal jurisdiction, Hoover was ready to establish some measure of legal coercion, at least temporarily. But still, he argued, these governmental ground rules should

⁴⁰ For examples, see Hoover to Harding, June 24, 1922, J. Marrinan, "Publicity Policy," March 29, 1926, C-FDCF, CP-OF, Hoover Papers; Hoover to Charles G. Dawes, Sept. 6, 1921, Hoover to Coolidge, Nov. 5, 1923, Treasury File, *ibid.*; Klein to Hoover, Nov. 15, 1922, Commerce-Appropriations File, *ibid.*; UP Dispatch, Sept. 24, 1924, Commerce-Misc. File, *ibid.* See also Alfred Dennis' article in Saturday Evening Post, CXCVII (June 6, 1925), 8-9, 181-82, 184-86; and testimony in House Appropriations Committee, Department of Commerce Bill, 1925 (Washington, 1924), 1-8, 37-49; Appropriations, Department of Commerce, 1926 (Washington, 1925), 14-17, 214; and Appropriations, Department of Commerce, 1927 (Washington, 1926), 2-6, 220-26.

"Richard A. Cooley, Politics of Conservation: The Decline of the Alaskan Salmon (New York, 1963), 106-27; New York Journal of Commerce, May 29, 1924; Hoover to Scott Bone, Feb. 14, 1923, Hoover to William Greene, Feb. 17, 1924, Hoover to Henry O'Malley, Feb. 28, 1924, Alaska File, CP-OF, Hoover Papers. Even such strong critics as Senator King and "Fighting Dan" Sutherland of Alaska, both of whom claimed that Hoover's previous reservation system had fostered a "fish trust," tried only to limit the discretionary powers to be exercised by the secretary of commerce.

⁴² Fourteenth Annual Report of the Secretary of Commerce (Washington, 1926), 53-54; Donald Whitnah, Safer Skyways: Federal Control of Aviation, 1926-1966 (Ames, 1966), 10-25; E. S. Gregg, "Development of Civil Aviation," Sept. 19, 1925, Commerce-Aeronautics File, CP-OF, Hoover Papers. Only a few persons seemed to agree with George Huddleston when he declared that since Hoover had "already been made dictator of the radio," he should not be made "lord of the air" as well. Congressional Record, 69 Cong., 1 Sess., LXVII, 7317-7319.

⁴⁸ Erik Barnuow, *A Tower in Babel* (New York, 1966), 189-201; Glenn Johnson, "Secretary of Commerce Herbert C. Hoover: The First Regulator of American Broadcasting" (doctoral dissertation, University of Iowa, 1970), 207-31.

provide the base for a developing associationalism, not a substitute for it. And this was the approach adopted by his new and rapidly expanding regulatory arms.⁴⁴

In addition, through a process of bargaining with and pressuring other departments, Hoover was able to capture some of the agencies that he had tried but failed to capture through a general governmental reorganization. Negotiations with the treasury department brought him the Bureau of Customs Statistics, transferred in 1923, plus effective control of the Inter-American High Commission, designed to promote trade in Latin-America. Negotiations with the agriculture department garnered the seismology section of the Weather Bureau, plus the statistical programs for the wool, naval stores, meat packing, and farm machinery industries. And in his greatest coup, negotiations with the interior department produced executive orders in 1925 giving him the Patent Office, the Geological Survey's work in mineral statistics, and the Bureau of Mines.

Most of these new accessions were tied to Hoover's associational reform efforts. Those from the treasury department became part of the Bureau of Foreign and Domestic Commerce's program of trade expansion through associational activities. The statistical programs from the agriculture department became part of the broader effort to stabilize the economy through decentralized business planning. And the mineral agencies from the interior department finally provided a departmental base for Hoover's efforts to stabilize the coal and oil industries, areas in which he had early staked a claim of special competence and received special grants of authority from Harding and Coolidge. By 1925 he and his lieutenants had been largely

⁴⁴ Fourteenth Annual Report of the Secretary of Commerce, 53-54, 197-98; Fifteenth Annual Report of the Secretary of Commerce (Washington, 1927), 44-46; Hoover to G. Lockwood, May 8, 1926, Hoover, Statement on Radio Legislation, May 1926, Radio Legislation File, CP-OF, Hoover Papers; Hoover, Statement on Commercial Aviation, Sept. 24, 1925, Commerce-Aeronautics File, ibid.

⁴⁵ Advisory Statistical Committee to Hoover, April 8, 1921, Hoover to Andrew Mellon, April 11, 1921, Hoover to Harding, May 17, 1922, ROGF, CP-OF, Hoover Papers; Herter to Herring, April 11, 1921, Mellon to Harding, Nov. 30, 1921, Press Release, Dec. 19, 1921, Inter-American High Commission File, *ibid.*; Wooddy, Federal Government, 175.

⁴⁰ Steuart to Hoover, April 6, 1922, Hoover to Wallace, April 3, 1924, Commerce-Census File; CP-OF, Hoover Papers; Hoover to Wallace, Aug. 16, 17, 1922, Wallace to Hoover, Sept. 1, 1922, Commerce-Coast and Geodetic Survey File, *ibid.*; Wooddy, *Federal Government*, 218, 490.

⁴⁷ Hoover to Hubert Work, June 3, 1925, Interior Dept. File, CP-OF, Hoover Papers; Hoover to J. Spurr, June 10, 1925, Exec. Order 4239, June 4, 1925, Commerce-Mines File, *ibid.*; Wooddy, *Federal Government*, 180, 472, 475. In return, the interior department was to acquire the Geodetic Survey; but this required legislation, which, despite Hoover's endorsement, never seemed to get through. See Work to Hoover, July 9, 1927, Hoover to Work, July 12, Oct. 26, 1927, Rickard to Hoover, Jan. 29, 1928, ROGF, CP-OF, Hoover Papers.

responsible for an associational program intended to reduce intermittent production in the coal industry, for setting up and administering an emergency distribution program during the coal strike of 1922, for directing the subsequent studies of the United States Coal Commission, and for guiding the work of the Federal Oil Conservation Board.⁴⁸ Through extradepartmental and ad hoc bodies, they had largely taken over the whole field of mineral conservation and management, relegating the established interior agencies to a secondary role; the annexations of 1925 were in part merely a recognition of this *fait accompli*.

At the same time, in further efforts to implement his original plans, Hoover was trying either to convert other departments into cooperative satellites, preempt their domains through the sponsorship of new associational bureaucracies, or fill "power vacuums" into which they had been slow to move. In his relations with the interior department, he pursued all three approaches; and once Albert Fall had been replaced by the cooperative and colorless Hubert Work, the efforts of the secretary of commerce to set up associational machinery in such areas as power and waterway development, transportation improvement, and construction planning met with little resistance.⁴⁹ In each of these areas, Hoover soon established networks of cooperating committees and allied associations, and in each of them the commerce secretariat assumed new responsibilities for making policy, stimulating "grass-roots" activity, and fostering "industrial self-government."

In the power field, Hoover tried to devise a "middle way" by seizing on the idea of "superpower," the notion of regionally coordinated and technically advanced power networks developed by a cooperative alliance of state agencies, private groups, and public-minded engineers.⁵⁰ First set

servation Board File, CP-OF, Hoover Papers.

40 Henry Pringle, "Hubert Work, M.D.," Outlook, 150 (Sept. 5, 1928), 723-26, 754; Eugene P. Trani, "Hubert Work and the Department of the Interior, 1923-28," Pacific Northwest Quarterly, 61 (Jan. 1970), 37, 40.

⁵⁰ Initially, Hoover seemed to favor federally chartered regional corporations, owned and managed by private interests but operating under Interstate Commerce Commission supervision and in accordance with publicly sponsored engineering surveys. He later shifted his emphasis to "coordinated state regulation," and since he was reluctant to provide targets for the "Norrises and LaFollettes," the resulting studies always seemed to

⁴⁸ Ellis W. Hawley, "Secretary Hoover and the Bituminous Coal Problem, 1921-1928," Business History Review, XLII (Autumn 1968), 254-64; Coal Memorandum, April 16, 1923, Hunt to Hoover, April 1, 1926, Hoover to U.S. Coal Commission, Nov. 1, 1922, Coal File, CP-OF, Hoover Papers; F. R. Wadleigh, "Herbert Hoover and the Coal Industry," Coal Age, 33 (April 1928), 213-14; Hoover to Work, Aug. 5, 1926, with accompanying draft of Federal Oil Conservation Board report, Oil-Federal Oil Conservation Board File, CP-OF, Hoover Papers.

forth in "superpower surveys" sponsored by the interior and war departments, this vision received wide publicity in the early 1920s. Beginning as a member of the interior department's Superpower Advisory Committee, Hoover quickly assumed leadership, worked with the surveyors, especially with engineer William S. Murray, to promote the idea, and began organizing the necessary cooperative alliance. The practical results of his efforts were minimal, partly because of the increasingly acrimonious polarization of power politics. But by 1924 he had set up a Northeastern Super Power Committee with himself as chairman and assistant Paul Clapp as secretary, surrounded this with an apparatus of study groups and publicity campaigns, and tied the governmental activities to interlocking private committees representing the power producers and consumers, the Chamber of Commerce, and the utility engineers.⁵¹

Pushing the same type of cooperative machinery, the commerce department also took the initiative in promoting waterway development and transportation reform. Around such Hoover-chaired commissions as those for the Colorado and St. Lawrence rivers, there developed an "educational campaign" to promote a national waterway plan, plus extensive ties to a web of waterway associations and reclamation groups.⁵² In conjunction with Hoover-dominated presidential committees or special presidential assignments, there developed a largely unimplemented vision of how industry and government could cooperate to modernize and rationalize the railroad and shipping industries.58 And tied to the Transportation Division

confine themselves to physical rather than structural problems. See Hoover to William S. Murray, May 31, June 9, 1921, Murray to Hoover, June 7, 29, 1921, Interior Department File, CP-OF, Hoover Papers; Advisory Board Minutes, Superpower Survey, June 23, 1921, Hoover, Statement to Superpower Conference, Oct. 13, 1923, Hoover to H. L. Stimson, Jan. 17, 1925, Superpower File, *ibid.*; Harold Stokes, "Public Relations of Superpower," July 16, 1924, Conferences-Superpower File, ibid.

⁵¹ Northeastern Super Power Committee, Super Power Studies (1924); W. P. Lay, Southern Super Power Zone (1922); William Murray, Superpower (New York, 1925), 37-45, 68-72, 147-55; San Francisco Chronicle, Sept. 15, 1921; Boston Globe, April 8, 23, 1922; Washington Star, July 21, 1924; Hoover to Murray, Aug. 22, 1923, Hoover to Ezra Whitman, Oct. 20, 1923, Murray to Hoover, Sept. 30, Dec. 18, 1923, Hoover, Addresses, May 19, 1922, Oct. 13, 1923, Super Power File, CP-OF, Hoover Papers; Harold Stokes, "Public

Relations of Superpower," July 16, 1924, Conferences-Superpower File, ibid.

Superpower, File, 1924, Conferences-Superpower File, ibid.

Superpower, File, 1926; Conservation Policy, 99-102; Los Angeles Examiner, Sept. 14, 1926; "History of the Colorado River Commission," Publicity File, Colorado River Materials, Hoover Papers; Hoover, "Organization of the Columbia Basin Irrigation Project," Sept. 4, 1926, Hoover, Statement before House Rivers and Harbors Committee, Jan. 30, 1926, Hoover to J. P. Goodrich, May 8, 1925, W. W. Morse to Hoover, May 10, 1926, Paul Clapp to E. S. Gregg, Oct. 16, 1926, St. Lawrence Commission, "Report and Recommendations," Jan. 3, 1927, Hoover, "St. Lawrence Shipway," March 12, 1927, Waterways File, CP-OF, *ibid.*; Hoover, Addresses, July 20, Aug. 21, Nov. 22, 1926, Public Statements 611, 624, 673, *ibid.*; Hunt, "Looking to the Future," 20-32, Box 19, Hunt Papers.

"Report of Sub-Committee on Coordination of Rail and Steamship Activities" (1924),

of the Bureau of Foreign and Domestic Commerce was the cooperative machinery generated by a series of conferences with interested associations. From those in 1923, for instance, had come the establishment of regional shipping boards, designed to work with the railroads for purposes of eliminating periodic car shortages;⁵⁴ and from the National Conference on Street and Highway Safety, held in 1924, had come agencies for safety education and the promotion of uniform traffic control laws.⁵⁵

Still another line of activity in which the commerce department took the initiative was that of construction planning. To Hoover and a number of his associates,⁵⁶ the development of a "balance wheel" through the proper timing of public works and new construction had long seemed highly desirable; once in office, he took the lead in organizing and directing the Unemployment Conference of September 1921, using the conference machinery to push construction activities during the recession, calling for a cutback during the subsequent boom, and urging, through such conference offshoots as the Business Cycle Committee and the Committee on Seasonal Operations, that private groups adopt regularization programs and governments set up public works reserves.⁵⁷ In this field, as in those previously noted, a commerce-dominated "adhocracy" took shape, most of it directed by Edward Eyre Hunt, the Hoover aide who served as secretary to the Unemployment Conference and its offshoots. Working in conjunction with

"Report of Committee on Matters affecting the Merchant Marine," Dec. 29, 1924, Committee File, CP-OF, Hoover Papers; Hoover to L. C. Palmer, Jan. 24, 28, 1924, Hoover, Statement before the Joint Committee on Reorganization, Jan. 24, 1924, "Memo for HH," Sept. 29, 1925, Shipping Board File, *ibid.*; Hoover, Statement before ICC, Feb. 3, 1922, Hoover to N. Gould, Feb. 24, 1922, Hoover to Ernest Lewis, June 16, 1922, Railroads File, *ibid.*; Hoover, "Railroad Reorganization," April 1923, Railroads Consolidation File, CP-Personal, *ibid.*

⁵⁴ Hoover to R. H. Aishton, April 6, 1923, Hoover to Alfred Pope, Dec. 11, 1923, M. J. Gormley to Hoover, June 11, 1923, D. Conn to Hoover, March 3, 1926, Hoover, Statement to Transportation Conference, Jan. 9, 1924, Railroads File, CP-OF, *ibid*.

55 "Report of the National Conference on Street and Highway Safety," March 25, 1926, Press Releases, April 19, 1924, Dec. 16, 17, 1924, Oct. 15, 1926, Conference-Traffic Safety File. ibid.

⁵⁰ Particularly prominent in the movement were Otto T. Mallery of the Pennsylvania Industrial Board, John B. Andrews of the American Association for Labor Legislation, Joseph Defrees of the Chamber of Commerce, Samuel M. Lindsay of Columbia University, Sam Lewisohn, investment banker and spokesman for business progressivism, and Edward Evre Hunt. Hoover's aide and trouble-shooter.

Sam Lewisohn, investment banker and spokesman for business progressivism, and Edward Eyre Hunt, Hoover's aide and trouble-shooter.

57 Hunt, "Washington Conference on Unemployment," Jan. 3, 1922, Press Releases, Dec. 17, 1921, Feb. 5, March 8, 1922, July 21, 1924, "Business Cycles and Unemployment" (1923), Hoover to Owen Young, May 17, 1923, Unemployment File, CP-OF, Hoover Fapers; Hoover to Ernest Trigg, May 28, 1923, Seasonal Industries File, ibid.; Hoover to Harding, March 2, 17, 1923, Hoover to John Leary, May 8, 1923, Construction File, ibid.; Hunt, "Business Cycles and Unemployment," Oct. 1, 1927, Box 21, Hunt Papers; Carolyn Grin, "The Unemployment Conference of 1921: An Experiment in Rational Cooperative Planning," Mid-America, LV (April 1973), 83-107.

Hunt and his associates was the American Construction Council, a private stabilizing agency that Hoover helped to set up in 1922. And trying to mold public opinion into a force capable of securing the desired public and private actions were such attached "missionaries" as Otto T. Mallery of Pennsylvania and John B. Andrews of the American Association for Labor Legislation.⁵⁸

In many respects, too, Hoover functioned as the real secretary of labor and proceeded to organize associational reform efforts in that field. It was Hoover, not "Puddler Jim" Davis, who sponsored the Unemployment Conference and tried to meet the unemployment crisis through expanded construction activities. Even more indicative of his role, it was Hoover rather than Davis who took the lead in pressuring the steel industry into giving up its twelve-hour day, urging business and labor groups to develop programs of unemployment insurance, and trying to substitute cooperation for conflict in the railroad and coal industries. Davis thought it more important to be at a meeting of the Loyal Order of Moose than at the Unemployment Conference. And while he sometimes complained about Hoover's expanding machinery and activities, he was usually content to echo Hoover's policies and allow what remained of the labor department to atrophy. O

Although the labor department retained its welfare agencies and efforts to create a new department in the welfare field had been blocked, a new welfare "adhocracy" was taking shape, attached, appropriately enough in an era of welfare capitalism, to the Department of Commerce. To deal with problems of housing, child welfare, and emergency relief, Hoover

⁸⁸ Hunt, "Business Cycles and Unemployment," Oct. 1, 1927, Box 21, Hunt Papers; John Gries to Hoover, March 9, 1922, Hoover to R. Marshall, March 10, 1922, W. S. Hays to Hoover, April 30, 1922, Hoover, Addresses, April 4, June 19, 1922, Franklin D. Roosevelt to Hoover, Jan. 13, 1928, Mallery to Hoover, Aug. 24, 1923, Jan. 7, 18, 1926, Construction File, CP-OF, Hoover Papers; Mallery to Hoover, Feb. 7, 1928, Unemployment File, *ibid.*; Hoover to Roosevelt, May 24, 1923, Building and Housing File, *ibid.*; New York *Times*, May 15, June 4, 1922, May 17, June 1, 1923; *Municipal and County Engineering*, LXIX (Dec. 1925), 295-96.

Robert H. Zieger, The Republicans and Labor, 1919-1929 (Lexington, Ky., 1969), 87-106, 123, 131-43, 199-211; Mark Hatfield, "Herbert Hoover and Labor" (master's thesis, Stanford University, 1948), 40-47, 57; Hoover to Samuel Sibley, Feb. 2, 1922, Hoover to Hale Holden, Jan. 30, 1924, Hoover to Everett Sanders, Dec. 12, 1925, Railroads File, CP-OF, Hoover Papers; Hoover to C. J. Goodyear, Jan. 26, 1924, Hoover to Julius Barnes, Jan. 28, 1924, Hoover to Coolidge, Feb. 20, 1924, Coal File, ibid.; Hoover to Harding, April 8, May 4, Nov. 1, 1922, June 13, 1923, Twelve-Hour Day File, ibid.; Hoover, Address, Jan. 27, 1923, Hoover to Samuel Gompers, Feb. 19, 1923, Unemployment Insurance File, ibid.

⁶⁰ Davis to Hoover, Sept. 19, Oct. 5, 1921, Unemployment File, CP-OF, Hoover Papers; Davis to Hoover, April 5, 1924, Twelve-Hour Day File, *ibid.*; Zieger, *Republicans and Labor*, 59-60.

put together associational structures similar to those used to tackle economic problems.⁶¹ At the centers of these structures, stimulating and guiding them toward "constructive action," were men who were also serving as officials or associates of the commerce secretariat.

In the housing field, for instance, Hoover was concerned not only with stabilizing the construction industries and breaking the "blockade" against mass production but also with relieving a national housing shortage, fostering urban zoning and planning, and securing the social stability and "spiritual values" inherent in widespread home ownership.62 John Gries, who headed the Building and Housing Division, came to think of his organization not only as a "division of construction" but also as a housing expediter, "bureau of municipalities," and social stabilizer. And to fulfill these added responsibilities, new campaigns of associational reform were constantly launched. The division was soon working with the Chamber of Commerce to devise community housing plans, with the American Institute of Architects to set up small house service bureaus, with a network of expert committees and cooperating interest groups to develop model building codes and model zoning and planning laws, and with realtors, loan associations, and interested philanthropists to educate prospective home owners and develop better methods of mortgage and construction financing.63

In addition, Hoover utilized an organization known as Better Homes in America to carry on a massive educational campaign, one that reached out through some 3,600 local committees and a host of affiliated groups to provide exhibits of model homes, foster better "household management," promote research in the housing field, and generate a "greater, steadier, and more discriminating demand for improved dwellings," especially for families with "small incomes." Originally founded by Marie Meloney of the *Delineator*, Better Homes had first operated independently. But in late 1923, seeing the potentialities in the organization and taking advantage

⁶¹ See Hoover's statement for the *Christian Science Monitor*, March 25, 1925, Building and Housing File, CP-OF, Hoover Papers.

⁶² Social and spiritual values of home ownership were especially common themes with Hoover. For examples, see his statement for *Liberty Magazine*, May 11, 1926, Building and Housing File, CP-OF, Hoover Fapers; and his foreword to Better Homes in America, *Guidebook for Better Homes Campaign* (1924), 5-6.

⁶³ Gries to Hoover, Aug. 24, 1921, Feb. 16, 1922, Nov. 28, 1924, Gries to Stokes, Feb. 11, 1926, F. T. Miller to Hoover, April 1, 1921, Hoover to Defrees, April 19, 1921, Hoover to Harding, Feb. 9, 1922, Hoover to Irving Hiett, May 1, 1922, Hoover to Edwin Brown, April 9, 1924, Hoover to Willoughby Walling, March 5, 14, 21, 1925, "Better Homes and Decreased Costs," Jan. 11, 1928, "Federal Activity in Promotion of Better Housing Conditions and Home Ownership" (1923), Walling to Julius Rosenwald, Jan. 6, 1927, Building and Housing File, CP-OF, Hoover Papers.

of Meloney's desire to reduce her own role and to keep what she had started from being "commercialized," Hoover reorganized it as a public service corporation with himself as president, thus converting it, in his words, into a "collateral arm" of the commerce department. He then secured operating funds from private foundations, persuaded James Ford, a professor of social ethics at Harvard, to serve as executive director, and tied the whole apparatus to his Housing Division by having the directors of that agency serve as officers in the new corporation. Again, by building another dependent "adhocracy" that could stimulate and work through private groups, he was able to reconcile his conflicting roles as a bureaucratic expansionist who was also a declared foe of "big government."

Similar, too, were the secretary's operations along a second welfare front, that of improving child health and well being. Here the major vehicle, analogous to Better Homes, was the American Child Health Association, formed in 1922 when Hoover arranged a merger between the American Child Hygiene Association and the Child Health Organization of America, installed himself as president of the new body, and brought in his lieutenants from the American Relief Administration to direct it. After a fund raising campaign failed, financing was also arranged through the A.R.A. Children's Fund. And since Hoover and his lieutenants, at the expense of some internal friction and several reorganizations, managed to impose their program and priorities on the association, to became a "collateral arm" of the commerce secretariat, filling another "vacuum" and

Association (ACHA) File, American Child Health Association Papers (ACHAP) (Herbert Hoover Library, West Branch, Iowa). Hoover to Philip Van Ingen, Dec. 18, 1922, George Baker, "ACHA and ARA," Nov. 28, 1922, ACHA-American Relief Association (ARA) File, ibid.; Minutes of ACHA Board of Directors, Dec. 29, 1922, Reports File, ibid.

⁶⁴ "Better Homes and Decreased Costs," Jan. 11, 1928, Better Homes in America (BHA), Executive Director's Report, March 5, 1928, Hoover to Coolidge, Jan. 9, 1924, Hoover to Local BHA chairmen, Jan. 28, 1924, Hoover to George Wilder, June 14, Oct. 6, Dec. 22, 1923, Hoover to A. L. Lowell, Dec. 28, 1923, Hoover to Beardsley Ruml, Dec. 15, 1923, Hoover to BHA directors, Jan. 16, 1924, Hoover to Arthur Woods, Nov. 21, 1923, Hoover to E. Goodwin, March 28, 1923, Hoover to Hiett, Sept. 13, 1922, Hoover to George Christian, July 12, 1922, Hoover to Marie Meloney, Jan. 26, 1926, Meloney to Hoover, March 5, 1923, Jan. 17, 1924, Wilder to Hoover, July 20, Nov. 1, 1923, Rickard to Hoover, May 16, 1923, *ibid.*; Hoover to Meloney, March 15, 1923, *Delineator* File, CP-Personal, *ibid.* In the early years, Hoover was constantly troubled by efforts of realtors, builders, and furniture dealers to turn the movement into an "advertising game." By 1926, however, he believed that he had this problem under control.

⁶⁰ Frank Page to Hoover, March 19, 1923, Child Health Appeals File, *ibid.*; E. M. Flesh to Hoover, Dec. 3, 1924, Feb. 8, 1926, Jan. 30, 1928, ARA Children's Fund File, *ibid.*⁶⁷ Page to Herter, Jan. 17, 1923, Amalgamation File, *ibid.*; Page to William Mullendore, June 8, 1923, Financial Assistance File, *ibid.*; Page to Rickard, Nov. 19, 1923, Page Memoranda re ACHA, Dec. 13, 26, 1923, Memoranda File, *ibid.*; Memorandum for Hoover, Oct. 5, 1926, Policy File, *ibid.*

in the process colliding at times with the Children's Bureau of the labor department and the treasury department's Public Health Service. 68 By 1927 the American Child Health Association was working to survey, rate, and upgrade municipal health services, to assist and coordinate local health programs, to promote health education, both in the schools and through demonstration and publication projects, and to secure comprehensive birth registration, cleaner milk, improved prenatal care, and better control of communicable diseases.69

Given Hoover's previous experience, it seemed logical for him and his department to handle federal relief activities and thus to broaden still further their responsibilities in the welfare field. The Unemployment Conference was largely a Hoover production, and its subsequent Committee on Civic and Emergency Measures, which tried to provide unemployment relief during the winter of 1921 and 1922, functioned essentially as a departmental appendage and model of how an associative state should function. Its approach was not to provide jobs or funds but to organize, coordinate, and inform a "cooperative" effort, thus enabling a grassroots network of mayors' emergency committees, public-minded business groups, concerned social organizations, and ad hoc employment bureaus to meet the needs of the jobless. 70 And similarly in 1927, during the decade's greatest natural disaster, it was the secretary of commerce who took charge of a special Mississippi Flood Committee and drew on both personal and departmental resources to construct another special bureaucratic apparatus, one that worked with and through a network of local citizens' committees, Red Cross chapters, and cooperating private organizations and public agencies to provide systematic coordination, make available the needed refugee centers and rehabilitation credits, and consider future flood prevention and social "reconstruction."71

ACHA" (1927), Report-Five Years of ACHA File, ibid.

⁶⁸ In the early 1920s, for example, plans for a child conservation conference collided with activities being pushed by the Children's Bureau and were eventually dropped, and in 1923, when the Public Health Service refused to follow Hoover's lead in surveying municipal health activities, friction also developed with that agency. See Sophie Loeb to Hoover, July 12, 1921, Hoover to Loeb, Nov. 4, 1921, March 7, 1922, Herter to Grace Abbott, March 1, 1922, Abbott to Herter, March 4, 1922, Conference File, ibid.; Hoover to Hugh Cumming, Dec. 11, 1923, Hoover to Mellon, Dec. 20, 1923, Cumming to Hoover, Dec. 14, 1923, Public Health Service File, ibid.

69 "Report to the ARA Children's Fund" (1927), Reports File, ibid.; "Five Years of the

To Press Releases, Dec. 17, 31, 1921, Jan. 21, March 10, 17, 20, 1922, Minutes of Colonel Woods' Conferences, Dec. 1, 2, 12, 21, 23, 1921, Jan. 3, 16, 1922, Unemployment File, CP-OF, Hoover Papers; McKenzie, "Organizing Communities through Mayors' Emergency Committees, 'Unemployment Reports File, *ibid.*; Grin, "Unemployment Conference of 1921"; Lloyd, Aggressive Introvert, 134-40.

The Lohoff, "Herbert Hoover," 691-97; Bruce A. Lohoff, "Hoover and the Mississippi

While constructing new bureaucracies in areas that might more logically have been left to the secretaries of labor or interior, Hoover was also trying, with somewhat greater difficulty, to convert other departments into cooperative satellites or friendly allies. In the antitrust realm, for example, where "outmoded" interpretations of the law threatened to wreck Hoover's cooperative machinery and undermine his vision of an associational order, the commerce department appeared at first to be losing the battle but by the mid-1920s had emerged victorious. Initially, efforts to secure a new interpretation of antitrust regulations through proposed amendments, expanded governmental cooperation, clarifying letters, and "friendly criticism" from sympathetic Federal Trade Commissioners all seemed ineffective. 72 But after Harry Daugherty's resignation in 1924, the picture changed rapidly. The new attorneys general, first Harlan Stone and later John Sargent, were more sympathetic. The Supreme Court in June 1925 sanctioned the associational activities of the maple flooring and cement industries. And following the reorganization of the Federal Trade Commission and the appointment of William Donovan to head the Antitrust Division, these agencies became friendly allies. The former, through its trade practice conferences, was soon promoting numerous codes of ethical behavior, devices that Hoover regarded as highly "constructive," and Donovan was ready to give friendly advice to business cooperators on how to stay within the law.73

By the mid-1920s, too, another Hoover protégé, William Jardine, had succeeded Henry C. Wallace as secretary of agriculture and was trying, although only with limited success, to win support for Hoover's associational approach to the farm problem. Initially, attempts to expand in this direction met with stiff resistance, resulting in bitter jurisdictional conflicts

Valley Flood of 1927" (doctoral dissertation, Syracuse University, 1968), 255-74; Hoover's memoranda of May 12, 16, 19, 1927, Hoover, "Credit Arrangements," Mississippi Valley Flood-Relief Work-Reports File, CP-OF, Hoover Papers.

The Cabinet and the Presidency, 168-70; Robert Himmelberg, "Rebatation of the Federal Anti-Trust Policy as a Goal of the Business Community, 1918-1933" (doctoral dissertation, Pennsylvania State University, 1963), 104-23.

¹⁸ Himmelberg, "Relaxation of Federal Anti-Trust Policy," 126-33; Department of Commerce, *Trade Association Activities* (Washington, 1927), 344; William Shepherd, "Today's Trust Buster's," *Collier's*, LXXXIII (Feb. 23, 1929), 8-9, 44; Hoover to Coolidge, Sept. 22, 1926, FTC File, CP-OF, Hoover Papers; G. Cullom Davis, "Transformation of the Federal Trade Commission, 1914-1929," *Mississippi Valley Historical Review*, XLIX (Dec. 1962),

446-55.

over export promotion, lumber standards, and farm processing statistics, and in heated policy debates, with each side impugning the motives of the other. 4 As Hoover saw it, he was fighting socialists and petty bureaucrats, men who could see nothing but the pernicious McNary-Haugen bill and the preservation of their own domains and men who were ready to use "smear tactics" to achieve their ends. To Wallace, the struggle was a defensive battle against business aggression, particularly against a cooperative marketing plan intended to cripple genuine cooperatives, divert attention from real relief measures, and shift marketing activities to a farm board dominated by the commerce department.⁷⁶ For a time, Hoover's offensive scored few gains, but with the death of Wallace in 1924 he was able to select the new secretary, shape the recommendations of Coolidge's Agricultural Conference, secure a "purge" of the "petty bureaucrats," and bring the Department of Agriculture into alignment with his vision of agricultural self-government through cooperative marketing associations.77 Given the new relationship, he was even ready to establish sharp boundaries between forestry activities and his own wood utilization program, conceding while doing so that his Lumber Standards Committee had "embarrassed" him by trying to move into areas which did not "rightfully belong in the Department of Commerce."78

Hoover had less success in his efforts to influence the state department, the treasury department, and the Federal Reserve Board, partly because in these areas he came into conflict with powerful men. He was forced to

¹⁴ See, for example, Steuart to Hoover, April 6, 1922, Commerce-Census File, CP-OF, Hoover Papers; Hoover to C. B. Slemp, Feb. 25, 1924, C-FDCF, *ibid.*; Hoover to Dawes, Nov. 26, 1921, Treasury File, *ibid.*; Hoover to Wallace, Feb. 8, March 7, 1922, Agriculture Department File, *ibid.*; Hoover to C. C. Teague, Dec. 1, 1924, Agriculture-Cooperative Marketing File, *ibid.* See also James H. Shideler, "Herbert Hoover and the Federal Farm Board Project, 1921-1925," Mississippi Valley Historical Review, XLII (March 1956), 711-16, 720-29; Russell Lord, The Wallaces of Iowa (Boston, 1947), 259-62; Winters, Wallace, 217-42.

The Hoover was particularly perturbed when Louis Michael of the Bureau of Agricultural Economics prepared a detailed memorandum tracing the alleged "encroachment" of the commerce department on the agriculture department and turned it over to the American Council of Agriculture for publication. See Hoover to George Peek, Dec. 19, 1924, Hoover to Howard Gore, Nov. 24, 1924, Max Pam to Hoover, May 21, 1925, Agriculture File, CP-OF, Hoover Papers; Winters, Wallace, 241-42.

¹⁶ Winters, Wallace, 226, 245, 275-77; Wallace to Coolidge, April 18, 1924, Agriculture File, CP-OF, Hoover Papers; Annual Report of the Secretary of Agriculture (Washington, 1924), 44.

Winters, Wallace, 243-44; Hoover to William Jardine, April 1, 1926, Jardine to Hoover, Feb. 16, 1925, Agriculture Department File, CP-OF, Hoover Papers; Hoover to Jardine, April 24, 1925, Hoover to H. C. Smither, May 23, 1925, Jardine to Hoover, April 29, 1925, Committees-Agriculture and Commerce File, ibid.; Hoover to Ralph Merritt, April 4, 1925, Agriculture File, ibid.

⁷⁸ Hoover to Gore, Nov. 24, 1924, Hoover to Coolidge, Nov. 28, 1924, Coolidge to J. Blodgett, Dec. 1, 1924, Conferences-Wood Utilization File, CP-OF, Hoover Papers.

accept a continued division of foreign economic activities, and in the face of strong opposition from the treasury department, state department, and banking leaders, he was unable to establish the qualitative standards and purposeful controls that he hoped to use in guiding American investments abroad.79 He was also reluctant to challenge Andrew Mellon's dismantling of the progressive tax system.80 He was unable to do much about the "pro-British," "easy money" policy of the Federal Reserve Board, 81 And although his role in the making of foreign policy was far from insignificant, he was frequently unable to move the diplomatic establishment in directions he felt desirable.82

In later years, Hoover would attribute some of the difficulties after 1929 to the resistance that he had encountered from financial and foreign policy makers.83 But at the time he did not seem to regard his failures in these fields as constituting major threats to the continued development of a superior socioeconomic order. Although some of his initial plans had miscarried, he had succeeded in raising the commerce department to the "first rank" and transforming a collection of technical bureaus into a unified, purposeful, and rapidly expanding organization, with a strong sense of esprit de corps and with a far-flung apparatus that was attempting to guide socioeconomic development as well as serve business groups. Essentially, he believed, he had created the type of governmental tool that he had envisioned in 1921, one that functioned as an economic "general staff," business "correspondence school," and national coordinator, all rolled into one, yet preserved the essentials of American individualism by avoiding bureaucratic dictation and legal coercion, implementing its plans through nearly 400 cooperating committees and scores of private associations, and relying upon appeals to science, community, and morality to bridge the gap between the public interest and private ones.84 It was a tool, moreover,

80 Hoover to Lindsay, April 4, 1924, Lindsay File, CP-OF, Hoover Papers.

83 Herbert Hoover, The Memoirs of Herbert Hoover: The Great Depression, 1929-1941 (New York, 1952), 5, 13.

¹⁹ Brandes, Hoover and Economic Diplomacy, 153-55, 201; Parrini, Heir to Empire,

⁸¹ Brandes, Hoover and Economic Diplomacy, 156-57; Lester Chandler, Benjamin Strong, Central Banker (Washington, 1958), 254-55; William Starr Myers and Walter H. Newton, The Hoover Administration: A Documentary Narrative (New York, 1936), 9-10.

⁸² For his inability to secure fully the type of economic diplomacy that he had in mind for Latin America, see Brandes, Hoover and Economic Diplomacy, 192-203.

^{84 &}quot;Hoover as Secretary of Commerce," Commerce-Achievements File, CP-OF, Hoover Papers; New York Times, Feb. 19, 1928; Hard, "The New Hoover," 483-84; Herbert Hoover, The New Day: Campaign Speeches of Herbert Hoover 1928 (Stanford, Cal., 1928), 22-23; "Department of Commerce," Fortune, XIX (June 1939), 102; Harris Gaylord Warren, Herbert Hoover and the Great Depression (New York, 1967), 26-29. Between 1921 and 1928 the commerce department had increased its personnel by more than 50 per-

whose use was hastening the day when "functional self-government" through a "cooperative system" of self-regulating "organisms" would meet the needs of industrial democracy without statist interference.⁸⁵ Like the war to end all wars, it was the bureaucratic empire to end future bureaucratic empires; and in theory at least it was supposed to wither away once the new order was built.

As Hoover surveyed the state of associational development in the late 1920s, he was also optimistic about the progress that had been made toward his ultimate goal. The number of national associations had multiplied from approximately 700 in 1919 to over 2,000 by 1929. Inspired and coordinated by the right kind of governmental structures—those fostering "associational activities" imbued with "high public purposes"—these associations had in Hoover's eyes become "legitimate" and "constructive" instruments for advancing the "public interest" and ushering in a "fundamentally new" phase in the nation's economic evolution.⁸⁶ The dream of an associational order, it seemed, was on the way to realization; and as if to symbolize the role of the commerce secretariat in making such a superior system possible, a new "temple of commerce" was under construction, which, except for the Capitol, would be the largest building in Washington.⁸⁷

The next few years, of course, would demonstrate that Hoover's utopia was not to be. Viewed from the altered perspective that took shape after 1929, his emerging private government seemed increasingly undemocratic, oppressive, and unresponsive. Associationalism, once widely accepted as a new and superior formulation of the "American way," became for many a mere facade behind which "selfish monopolists" had abused their power and plunged the nation into depression. And the leaders of his new order, revealed now to be far less altruistic and far less prescient than Hoover had hoped they would be, seemed unable either to sustain expansion, solve festering social problems, or check the greatest economic contraction in the nation's history. As conflict mounted, moreover, demands for more effective "coordination" were soon transforming Hoover's efforts at associational direction and reform into programs and agencies he had never

cent and nearly doubled its appropriations. The notion of its three-fold function as adviser, educator, and coordinator had been publicized in John Burnham, "What Hoover is Doing," *Nation's Business*, 10 (Feb. 1922), 16-17.

Nation's Business, 10 (Feb. 1922), 16-17.

So The phrases are from Hunt, "Cooperative Committee and Conference System," Dec. 14, 1926, Hunt File, CP-OF, Hoover Papers.

⁸⁶ Hoover, New Day, 196-98; Department of Commerce, Trade Association Activities (1927), viii; Commerce Department Press Release, June 24, 1929, Official File 3, Presidential Papers, Hoover Papers.

⁸⁷ The new building had been authorized in 1926. Washington Star, June 30, 1926.

intended. Ironically, by demonstrating that they could not achieve the sustained expansion, rising living standards, and decentralized, non-coercive planning that they were supposed to achieve, he helped open the way for "big government" and state-enforced market controls in the 1930s.⁸⁸

Viewed in terms of its utopian goals and assumptions, Hoover's approach can only be adjudged a tragic failure. Yet this should not obscure the fact that he and his New Era associates, far from being mere tools of rapacious business interests or unimaginative proponents of laissez-faire, drift, and governmental inaction, were groping their way toward a form of American corporatism and indicative planning, were engaged in imaginative processes of state building and bureaucratic expansion, and were wrestling actively with the still unsolved problem of reconciling technocorporate organization with America's liberal-democratic heritage. If historians are to understand either the men involved or the era in which they operated, it seems imperative that their associational structures and activities be explored in greater depth. And viewed from the perspective of the 1970s, from a time of disenchantment with the solutions flowing from the 1930s and of a search by "neo-federalists," "new radicals," and "postliberals" for new organizational arrangements that will liberate and humanize rather than mechanize and oppress, such explorations may be more relevant and more instructive than most historians have previously assumed.

⁸⁸ See Albert Romasco, *Poverty of Abundance: Hoover, the Nation, the Depression* (New York, 1965), 65, 233-34; Roy Lubove, *Struggle for Social Security 1900-1935* (Cambridge, Mass., 1968), 8-9, 116; Zieger, *Republicans and Labor*, 107-08.