



## US on the Home Front during World War I

*More money for the war was acquired by Americans buying bonds, than by all other methods (taxation and printing currency) combined*

### **Government Control of Industry**

War Industries Board (WIB)

U.S. Food Administration

Price minimums

Freedom from action under antitrust laws

strikes discouraged (unresolved labor disputes taken to arbitration)

### **Increased Taxes**

Implemented in 1913 with the passage of the 16<sup>th</sup> Amendment, income taxes rates rose from 1-7% (low-high rates) to 6-77%.

### **Loss of Civil Rights**

Espionage and Sedition Acts

Eugene Debs was sentenced to 10 years in prison for an antiwar speech which violated the Espionage Act. He was pardoned by President Warren Harding on Christmas Day, 1921, with the statement: "I couldn't do anything else... Those fellows didn't mean any harm. It was cruel punishment." Robert Goldstein, producer and writer of the 1917 film *Spirit of '76*, was sentenced to ten years (Wilson commuted the sentence to three years) for making an anti-British film, for violating the Espionage Act as well.

### **Big Business approved of this "regulation" wholeheartedly, and wanted it to continue after the war!**

Profits were not only maximized during WWI, but competition and antitrust interference was reduced, minimum prices established, and labor agitation was at a minimum. Of course, corporate leaders wanted to continue these government "controls" after WWI ended, but Wilson dissolved the WIB on 1 January 1919, since the armistice had been signed on 11 November 1918.

***US government action during World War I provided the model for the New Deal in the 1930s; some of the same personnel (including Hoover and FDR) were used both during WWI and the New Deal.***