



1918: During deadly flu pandemic, Fed drove vital funding for World War I

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The deadly outbreak that eventually killed tens of millions worldwide had a Kansas connection, and it struck as the Federal Reserve drove funding for World War I.

A mysterious and lethal virus rapidly spreads across the globe. Hospitals and caregivers scramble to confront a sickness that leaves the public fearful and medical professionals perplexed. Authorities order business and social restrictions to stem the surge.

The year? ... “2020” might be an obvious answer as the COVID-19 outbreak continues. However, that scenario actually describes the “Spanish flu” outbreak of 1918. There are stark similarities between that Great Pandemic and the current one—face masks, social-distancing recommendations and overwhelmed health professionals, for example. However, there are many important differences.

Chief among them, the flu’s staggering death toll – estimated at more than 50 million people worldwide – and America’s involvement in World War I. Historians agree that the country’s frenzied war buildup was a major factor in spreading the virus, as thousands of sailors and soldiers were rushed via crowded ships to join the Allies in Europe. Still, today’s coronavirus pandemic has many people looking back 102 years for parallels.

The Fed responds

From the standpoint of economic stewardship, one constant in the 1918/2020 comparisons is the vital and highly visible role played by the Federal Reserve. This year, the Board of Governors has taken several actions aimed at protecting consumers, helping businesses stay afloat, and revitalizing a national economy battered by COVID-19 shutdowns and historic unemployment. ([Learn more](#) about Federal Reserve programs and other COVID-19 resources.)

In 1918, just five years after the central bank was established, the regional Reserve Banks and the Treasury were guiding the Liberty Loan program to help finance the war effort. Aided by a massive promotional campaign involving celebrities, local volunteers and even school children across the country, \$20 billion was raised through four Liberty Loan drives and a “Victory Loan” drive that was conducted after the WWI armistice was signed Nov. 11, 1918. Although the flu was still raging, a Federal Reserve System publication the next month captured a sense of optimism about the Kansas City Fed’s region.

Flu's Kansas connection

A century after the flu pandemic ended, its true origin remains a topic of debate among scientists and historians. Then as now, some pointed to China as a possible source of the virus. However it generally is accepted that one of the earliest documented cases occurred in March 1918 at Camp Funston, part of the Fort Riley military complex near Junction City, Kansas.

Army cook Albert Gitchell was handling food for men being trained for WWI duty. Historical accounts note that within a week of Gitchell falling ill, roughly 500 other soldiers at the camp were sick. As cases and deaths mounted in the United States and overseas, doctors learned that the flu had the peculiarity of being most lethal with previously healthy adults from 20 to 40 years old. Moreover:

- It could kill a person within 24 hours of the first symptoms.
- An estimated 675,000 Americans died from the flu—10 times the number of U.S. deaths in the war.
- Roughly one-third of the world’s population contracted the flu.
- The virus lowered Americans’ collective life expectancy by 12 years.
- In one year the flu killed more people than the 14th century’s Black Death killed in four.

Some experts believe that the flu became known as “Spanish” because, as the outbreak was taking hold, newspapers in Spain were reporting on the virus much more freely than their more constrained counterparts from the countries at war. The name stuck, and to this day “Spanish flu” is commonly used to refer to the 1918 pandemic.

Flu survivors included Assistant Navy Secretary Franklin D. Roosevelt, a future wartime president, and Missouri native Walt Disney, then with the Red Cross Ambulance Corps.

Whether or not Gitchell was “patient zero,” the virus spread rapidly worldwide, with the first wave extending through the summer of 1918. A deadlier second wave struck in the fall, claiming 195,000 Americans in October alone. A third wave occurred in the spring of 1919.

Notably, the virus that killed tens of millions across the globe did not claim Gitchell. He recovered, survived the war and later became involved in food-related businesses in South Dakota. He died in that state in 1968, at age 78.

Cynthia Edwards of the Kansas City Fed Research Library contributed to this article.

Further resources

- [Library of Congress flu pandemic research guide](#)
 - [Kansas Historical Society: 1918 flu pandemic photos and information](#)
 - [St. Louis Fed: Economic effects of the 1918 influenza pandemic](#)
 - [Cleveland Fed: 1918 and COVID-19—Different patients, different economy](#)
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